

# Corporate Governance Report

## Overview of Corporate Governance

As an A+H company, the Company has strictly complied with the requirements set forth in the laws, regulations and normative documents of the PRC and the overseas jurisdiction where the Shares of the Company are listed, and has made efforts to maintain and enhance the good image of the Company in the market. The Company continues to improve its corporate governance structure according to the requirements of the Company Law, the Securities Law and relevant rules and regulations of the CSRC. The corporate governance of the Company complies with the requirements of the relevant laws and regulations by having established a corporate governance structure characterized by checks and balances among the general meeting, the Board and the Operation Management, with each of them being separated from the others and performing its own functions and responsibilities corresponding to its position within the specified terms of reference, thereby ensuring that all the operational activities of the Company are carried out according to the rules and regulations.

During the Reporting Period, the Company strictly complied with the Corporate Governance Code as set out in Appendix C1 of the Hong Kong Listing Rules (the “**Code**”), fully complied with all the code provisions in the Code and satisfied the requirements of most recommended best practices in the Code.

## Securities Transactions by Directors and Related Employees

In accordance with domestic regulatory requirements, on 13 March 2008, the Board of the Company approved and formulated the Measures for the Administration of Shareholding of the Company by Directors, Supervisors and Senior Management and Changes in Shares of the Company, and the latest amendment was made on 30 December 2025 (now renamed as the Measures for the Administration of Shareholding of the Company by Directors and Senior Management and Changes in Shares of the Company, the “**Administrative Measures**”) to regulate the holding and trading of shares of the Company by Directors and Senior Management of the Company. This Measures is more stringent than the mandatory requirements set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Hong Kong Listing Rules. Upon inquiry, all Directors and Senior Management of the Company have confirmed that they have strictly complied with the relevant requirements of the Administrative Measures and the Model Code during the Reporting Period. Please refer to this report “Changes in the Shares held by and information on remuneration of incumbent Directors and Senior Management or outgoing during the Reporting Period” of this report for details of the shares held by the Directors and Senior Management of the Company.

## Shareholders and the General Meetings

The general meeting is the highest authority of the Company, and Shareholders can exercise their rights through the general meeting. The Company convenes and holds the general meeting in strict compliance with the relevant regulations, so as to ensure all Shareholders, especially the minority Shareholders, are being treated equally and can fully exercise their rights. Following the guidance of the Articles of Association of the Company, the Company operates in an orderly manner and maintains healthy and stable development, thus effectively protecting the interests of the Company and its Shareholders.

Pursuant to Article 77 of the Articles of Association of the Company, Shareholders that hold, individually or collectively, 10% or more of the Shares in the Company may request in writing the Board of Directors to hold an extraordinary General Meeting of Shareholders. The Board of Directors shall, in accordance with relevant laws, administrative regulations and the Articles of Association of the Company, give a written response on whether or not it agrees to call such an extraordinary General Meeting of Shareholders within 10 days after receipt of the proposal from the abovementioned shareholders to call such meeting. If the Board of Directors agrees to hold an extraordinary General Meeting of Shareholders, it will issue a notice calling such meeting within 5 days after it has so resolved. The consent of the relevant shareholders shall be secured if any change is to be made in the notice to the original proposal. If the Board of Directors disagrees to hold an extraordinary General Meeting of Shareholders or fails to give a response within 10 days after the receipt of the proposal, such shareholders that hold, individually or collectively, 10% or more of the shares in the Company may propose to the Audit Committee in writing to hold an extraordinary General Meeting of Shareholders. If the Audit Committee agrees to hold an extraordinary General Meeting of Shareholders, it will issue a notice calling such meeting within 5 days after receipt of the request. The consent of the relevant shareholders shall be secured if any change is to be made in the notice to the original proposal. If the Audit Committee fails to issue the notice calling such meeting within the period specified hereinabove, it shall be deemed to have failed to convene and preside over such meeting. The shareholders that hold, individually or collectively, 10% or more of the Shares in the Company for 90 days or more consecutively may convene and preside such meeting on their own.

In addition, pursuant to Article 82 of the Articles of Association of the Company, the Board of Directors, the Audit Committee and Shareholders that hold, individually or collectively, 1% or more of the shares in the Company shall have the right to propose motions to the Company at the General Meeting of Shareholders. Shareholders that hold, individually or collectively, 1% or more of the shares in the Company may submit extempore motions in writing to the convener 10 days prior to the date of such meeting. The extempore motions shall have a clear agenda and specific resolution items. The convener shall, within two days after receipt of the motion, issue a supplementary notice of the General Meeting of Shareholders and make a public announcement of the contents of such extempore motion and such extempore motion shall be submitted to the General Meeting of Shareholders for consideration, unless such extempore motion is in violation of any law, administrative regulation or the Articles of Association of the Company or fails to fall within the terms of reference for the General Meeting of Shareholders. Unless in the circumstance as provided in the preceding paragraph, the convener shall not, after publishing the notice of the General Meeting of Shareholders, make any change to the motions set forth in such notice or add any new motions. Any proposal that is not stated on the notice of the General Meeting of Shareholders or that is incompliant with the Articles of Association of the Company will not be considered or approved by the General Meeting of Shareholders.

The Company attaches great importance to the management of investor relations, and pursuant to the Management System for Information Disclosure and the Management System for Investor Relations of the Company, the Board Secretary is designated to handle information disclosure matters, and to receive visits and enquiries from the Shareholders, thereby having established a relatively well-managed and effective channel for communication with the Shareholders. In addition to the information disclosure channels prescribed in the laws and regulations, the Company mainly communicates with its investors through telephone, email, online platform, receiving visits, and attending investor meetings, to ensure that all Shareholders, especially the minority Shareholders, can fully exercise their rights. During the Reporting Period, the Company has reviewed above communicating policies between the Company and its Shareholders. The Board is of the view that the views of the Shareholders have been properly received and addressed and that the policies have been effectively implemented.

The Company fully respects and protects the lawful interests of the Shareholders and other creditors, employees, clients and other stakeholders, and involves them in a joint effort to promote the sustained and healthy development of the Company.

During the Reporting Period, the Company convened its 2024 Annual General Meeting, the 2025 First Extraordinary General Meeting, the 2025 First A Shareholders' Class Meeting, and the 2025 First H Shareholders' Class Meeting. The 2024 Annual General Meeting of the Company considered and approved nine ordinary resolutions, the 2025 First Extraordinary General Meeting of the Company considered and approved four ordinary resolutions and two special resolutions, and the two Class Meetings considered and approved one special solution. The above-mentioned meetings were held at Beijing Ruicheng Four Seasons Hotel, and taken by poll through a combination of on-site voting and online voting, were chaired by Mr. ZHANG Youjun, Chairman of the Company, and Mr. WANG Junfeng, Directors and Board Secretary of the Company, attended the meetings, other senior management members also attended the meetings.

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

During the Reporting Period, the attendances of Directors at the general meetings of Shareholders/class meetings are as follows:

Name of Director	Positions	Required attendance at general meetings or class meetings	Actual attendance	Attendance by proxy	Absence
ZHANG Youjun	Executive Director, Chairman	4	4	-	-
ZOU Yingguang	Executive Director, President and Executive Member	4	4	-	-
ZHANG Changyi	Executive Director	1	1	-	-
LI Yi	Non-executive Director	1	1	-	-
LIANG Dan	Non-executive Director	1	1	-	-
ZHANG Xuejun	Non-executive Director	1	1	-	-
FU Linfang	Non-executive Director	4	4	-	-
ZHAO Xianxin	Non-executive Director	4	4	-	-
WU Yonggao	Non-executive Director	Not applicable	Not applicable	Not applicable	Not applicable
LI Qing	Independent Non-executive Director	4	4	-	-
SHI Qingchun	Independent Non-executive Director	4	4	-	-
ZHANG Jianhua	Independent Non-executive Director	4	4	-	-
LIU Qiao	Independent Non-executive Director	1	1	-	-
LI Lanbing	Independent Non-executive Director	1	1	-	-
SHI Liang	Employee Director	-	-	-	-
ZHANG Lin (resigned with effect from 19 December 2025)	Former Non-executive Director	4	4	-	-
WANG Shuhui (resigned with effect from 12 January 2026)	Former Non-executive Director	4	4	-	-

Note 1: Among the attendance times of the General Meeting listed in the above table, Mr. ZHANG Changyi, Ms. LI Yi, Mr. LIANG Dan, Mr. ZHANG Xuejun, Mr. LIU Qiao and Ms. LI Lanbing attended one General Meeting during the Reporting Period as candidates for Directors, and the other attendance times listed in the above table are the attendance times of the Directors during their tenure of office during the Reporting Period

Note 2: Mr. WU Yonggao became a Non-executive Director of the Company and commenced to perform his duties after the Reporting Period. Participation in meetings during the Reporting Period is not applicable

## The Board and the Operation Management

### Composition of the Board

The Company strictly complies with the requirements of the Articles of Association of the Company for elections and changes of the Directors. The number and composition of the Board have complied with the requirements of the relevant laws and regulations. Besides, the Board also kept improving the Rules of Procedure of the Board. The convening, holding, as well as the voting procedures of all the Board meetings were legitimate and valid. The Independent Non-executive Directors of the Company are able to protect the interests of minority Shareholders independently and objectively, and give full play to the role of participating in decision-making, supervising checks and balances and providing professional advice in the performance of their duties.

The Company follows the Board Diversity Policy and continuously improves the diversity level of the Board, providing diversified perspectives and perspectives for the decision-making of the Board. The selection of candidates for directorship of the Company is based on a number of diversity indicators, including but not limited to gender, age, culture, educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge, length of service and other relevant factors. During the Reporting Period, the Company completed the addition of members of the Board, and the number of female Directors increased to three, accounting for 20% of the total number of Directors of the Company, fully reflecting the gender diversity pattern; The addition of one Employee Director, who, as an Employee Representative, fully speaks out in the process of participating in the decision-making of corporate governance, which can effectively protect the rights and interests of employees. The number of Independent Non-executive Directors increased to five, accounting for 33% of the total number of Directors of the Company, and the additional two Independent Non-executive Directors have a strong professional background in regional economics and corporate finance, which can provide diversified professional opinions for corporate governance decisions, further improving the performance efficiency of Independent Non-executive Directors. To date, the Eighth Session of the Board of the Company comprises 15 members, including three Executive Directors (Mr. ZHANG Youjun, Mr. ZOU Yingguang and Mr. ZHANG Changyi), six Non-executive Directors (Ms. LI Yi, Mr. LIANG Dan, Mr. ZHANG Xuejun, Ms. FU Linfang, Mr. ZHAO Xianxin and Mr. WU Yonggao), five Independent Non-executive Directors (Mr. LI Qing, Mr. SHI Qingchun, Mr. ZHANG Jianhua, Mr. LIU Qiao and Ms. LI Lanbing) and one Employee Director (Mr. SHI Liang). Mr. ZHANG Youjun is the Chairman of the Company. The composition of the Board complies with the gender diversity requirements of the Hong Kong Listing Rules and the diversity policy established by the Company, and the Board has achieved the goal of gender diversity. The Company will continue to strive to achieve an appropriate balance of gender diversity at the Board level with reference to the expectations of the Shareholders and industry practices. The Company attaches great importance to the importance and benefits of gender diversity among the Board members, and the requirements for gender diversity meetings are clearly defined in the Company's institutional aspects (including the rules of procedure of

the Nomination Committee, diversity policies, etc.). At the same time, gender diversity is also one of the priority factors when considering candidates for Directors. The Company can ensure that there will be alternate potential successors to the Board from multiple dimensions to continue the existing gender diversity of the Board.

Non-employee Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors) are elected by the general meeting, and Employee Directors are elected by the Employees' Representative Meeting. Each term of BOD Office is three years, and they formally take office from the date of election of the new Board members at the general meeting. Directors are eligible for re-election at the expiry of their term of office, and Independent Non-executive Directors shall hold office for the same term as other Directors, but shall not be re-elected for more than six years. Pursuant to the relevant provisions of the Administrative Measures for Independent Directors of Listed Companies issued by the CSRC and Rule 3.13 of the Hong Kong Listing Rules, the Company has received a self-examination report and an annual written confirmation of independence from each Independent Non-executive Director, and based on such self-examination and confirmation and relevant information available to the Board, the Company continues to confirm his/her independence.

Pursuant to the authorisation of the 2011 Fifth Extraordinary General Meeting, the Company has purchased liability insurance for the Directors and Senior Management annually, so as to protect them against the compensation liabilities that may arise from performing their duties and to encourage them to earnestly fulfil their duties and responsibilities.

### **Duties and responsibilities of the Board**

The Board is the decision-making body of the Company and is responsible to the general meeting. The Board is principally responsible for making the overall and long-term decisions of the Group, as well as making decisions on corporate governance, development strategy, risk management, financial operation and other aspects. The Board is also responsible for reviewing and approving of the major financial and investment decisions, business strategies and other plans of the Company.

The Board shall exercise the following major functions and powers in accordance with the Articles of Association of the Company: to convene the General Meeting of Shareholders and report its work to the General Meeting of Shareholders; to implement resolutions of the General Meeting of Shareholders; to decide on the business plans and investment plans of the Company; to formulate the annual budget and the final account of the Company; to formulate the profit distribution plan and plans for making up losses of the Company; to formulate plans to increase or decrease the registered capital, issue and list bonds or other securities of the Company; to draft plans for any major acquisition of the Company, any purchase of the stock of the Company, or any merger, division, dissolution or changes in the corporate form of the Company; to decide on such matters as the Company's investments in third parties, purchase and sale of assets, asset mortgages, the provision of security for third parties, entrustment of financial services, related party/connected transactions, external donations, etc., pursuant to the provisions of the laws and regulations or the listing rules of the stock exchanges of the listed places, or to the extent authorized by the General Meeting of Shareholders; to decide on the establishment of the Company's internal management organization; to determine to appoint or dismiss the President, the Secretary to the Board of Directors and other senior management members, and determine their remunerations and awards or punishments; to determine to appoint or dismiss senior management members including executive members and the Chief Financial Officer of the Company in accordance with the nominations by the President, and to determine their remunerations, rewards or punishments; to formulate the fundamental management system of the Company; to formulate plans to amend the Articles of Association; to manage any disclosure of information by the Company; to propose to the General Meeting of Shareholders to employ or dismiss any accounting firm that audits the Company; to listen to the work report and check the work of the President; to establish a risk management concept that is compatible with the Company, and comprehensively advance the development of the Company's risk culture; to consider and approve risk management strategy, as well as the basic systems of compliance management, overall risk management and consolidated management of the Company; to consider and approve the risk preference, risk tolerance and significant risk limits of the Company; to consider the periodic risk assessment reports and consolidated management status of the Company; to listen to the work reports of the Chief Compliance Officer and the Chief Risk Officer; to consider and approve the annual compliance report; to assess the effectiveness of compliance management and urge to solve the problems in compliance management; to consider the information technology management objectives and assume responsibility for the effectiveness of information technology management; to consider the remuneration system of the Company; to perform other duties and powers granted by relevant laws, administrative regulations and departmental rules, industry self-regulatory rules, the Articles of Association of the Company or the General Meeting of Shareholders. The Company's Board of Directors bears ultimate responsibility for the effectiveness of compliance management, comprehensive risk management, consolidated management, and the internal control system.

## **Responsibilities of the Operation Management**

The Operation Management of the Company is responsible for implementing the development strategies and policies approved by the Board, as well as the daily operation and management of the Group. The Company sets up the Operation Management Committee, the highest operation management authority of the Company, which shall exercise the following functions and powers in accordance with the Articles of Association of the Company: to carry through and implement the operation guidelines of the Company set by the Board, and decide on material matters in respect of the operation and management of the Company; to formulate and implement the financial budget plan of the Company; to formulate financial final account plan, profit distribution plan and loss recovering plan of the Company; to formulate proposals for altering the registered capital of the Company and bonds issuance; to formulate proposals for merging, splitting, transforming the form of and dissolution of the Company; to formulate operational plans and proposals for investment, financing and disposal of assets of the Company, and submit the proposals to the Board for approval according to its terms of reference; to draft risk management strategy, formulate risk management system, consolidated management system and to make adjustment as appropriate; to formulate the risk appetite, risk tolerance and major risk limits, regularly assess the overall risk and the status of various key risk management positions of the Company, address issues in risk management and report to the Board; to establish a complete IT system and data quality control mechanism; to implement the IT management objectives set by the Board and take responsibility for IT management; to formulate proposals on the establishment of the management structure of the Company; to build up and improve the comprehensive risk management structure of the Company; to build up a performance appraisal system for all employees reflecting the effectiveness of the risk management, to formulate and approve the proposal of remuneration, rewards and punishments of employees; to build up and improve an organizational structure for compliance management, to comply with the order of the compliance management, equip sufficient and appropriate compliance management personnel, and provide adequate human, material, financial and technical support and guarantee for them to perform their duties; to promptly report and rectify any illegal or irregular acts identified found and implement accountability; to perform other functions and powers delegated by the Board. The Company periodically reviews the arrangement and division of responsibilities between the Board and the Operation Management to ensure that they remain appropriate to the Company's needs.

During the Reporting Period, the Company's management faithfully fulfilled its duties and steadily advanced its operational and management activities. The main achievements included: diligently executing the "five major articles" of finance to provide robust and effective services to the real economy; consolidating operational quality and efficiency to enhance the core competitiveness of each business; accelerating international development to strengthen global financial service capabilities; adhering to a customer-centric philosophy to improve comprehensive customer service capabilities; enhancing talent development and optimising the talent structure; and advancing the digital strategy to solidify the foundational infrastructure of digital finance.

## Performance of duties by Directors

### Board meeting and attendance of Directors

During the Reporting Period, the attendances of Directors at the Board meetings are as follows:

Name of Director	Whether an Independent Director or not	Required attendance at Board meetings held during the year	Attendance in Board meetings				Failure to attend two consecutive meetings in person or not
			Attendance in person	Attendance by tele-communication	Attendance by proxy	Absence	
ZHANG Youjun	No	12	12	7	-	-	No
ZOU Yingguang	No	12	12	7	-	-	No
ZHANG Changyi	No	2	2	2	-	-	No
LI Yi	No	2	2	2	-	-	No
LIANG Dan	No	2	2	2	-	-	No
ZHANG Xuejun	No	2	2	2	-	-	No
FU Linfang	No	12	12	7	-	-	No
ZHAO Xianxin	No	12	12	7	-	-	No
WU Yonggao	No	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
LI Qing	Yes	12	12	7	-	-	No
SHI Qingchun	Yes	12	12	7	-	-	No
ZHANG Jianhua	Yes	12	12	7	-	-	No
LIU Qiao	Yes	2	2	2	-	-	No
LI Lanbing	Yes	2	2	2	-	-	No
SHI Liang	No	2	2	2	-	-	No
ZHANG Lin (resigned with effect from 19 December 2025)	No	10	10	5	-	-	No
WANG Shuhui (resigned with effect from 12 January 2026)	No	12	12	7	-	-	No

### **Implementation of resolutions approved at the General Meetings by the Board**

On 28 June 2024, the Resolution on the Re-authorisation of Issuances of Onshore and Offshore Corporate Debt Financing Instruments by the Company was considered and approved at the 2023 Annual General Meeting of the Company. As at the end of the Reporting Period, the resolution was in effect and the aggregate existing size of debt financing instruments issued under the resolution was approximately RMB145.137 billion.

On 27 June 2025, the 2024 Profit Distribution Plan was considered and approved at the 2024 Annual General Meeting of the Company. The Company adopted the cash dividend payment method for its 2024 profit distribution, and all cash dividends had been fully paid on 25 August 2025.

On 19 December 2025, the 2025 Interim Profit Distribution Plan was considered and approved at the 2025 First Extraordinary General Meeting of the Company. The Company adopted the cash dividend payment method for its 2025 interim profit distribution, and all cash dividends had been fully paid on 9 February 2026.

### **The main measures taken by the Board in corporate governance during the Reporting Period**

Corporate governance of the Company and related suggestions: Facing the complex economic and market environment in 2025, the Board and specialized committees of the Board of the Company continued to pay attention to the conditions of the Company and of the market and regulatory requirements, and helped the Company to further sort out the internal management process, strengthen the internal control mechanism and establish a sound risk management system.

Development of Directors and Senior Management: The Company provided professional training for Directors and Senior Management to perform their duties, and provided them with relevant information on the securities industry and the Company's development trends in a timely manner to facilitate their performance of duties.

Compliance management of laws and regulations: The Board revised a number of systems including the Articles of Association of the Company, the terms of reference of the special committees of the Board, the information disclosure systems of the Company, the relevant systems for Directors and Senior Management of the Company, the requirements for integrity practices and the administrative measures on related party transactions in accordance with the provisions and requirements of various laws and regulations and normative documents as amended by regulatory authorities and taking into consideration the Company's business operation and development needs.

Sustainability management: The Board of the Company comprehensively oversaw the implementation of the Company's sustainable policies and plans, supervised and managed the Company's sustainable matters with the assistance of its subordinate Strategic Planning and ESG Committee, considered the sustainable development management policies, strategies and goals, listened and advised to the sustainable development working and assessed, ranked and managed the sustainable development issues. Pursuant to the Self-Regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 - Sustainability Report (Trial), Environmental, Social and Governance Code and Standards for Corporate Sustainability Disclosure — Basic Standards (Trial Implementation) successively issued by the SSE, Hong Kong Stock Exchange and the Ministry of Finance, the Company prepared CITIC Securities 2025 Sustainability Report.

Corporate Culture Development: Guided by the principles of a financial culture with Chinese characteristics, the Company deeply cultivates CITIC's corporate philosophy, puts into practice the culture of the securities industry, extensively builds consensus among employees, and persistently advances corporate culture development. The Company has established and improved the management mechanism for corporate culture development, convening regular meetings of the corporate culture development working group to ensure the implementation of cultural initiatives. The Company formulates a scientific and systematic annual work plan for corporate culture development. In 2025, the Company organized distinctive activities such as the "Red Gene City Tour" special initiative, a speech contest themed "Practicing a Financial Culture with Chinese Characteristics, Showcasing Youthful Vigour through Dedication", and visits by young employees to entities in the real economy and partner organizations receiving support. These activities encourage employees to internalize the Company's excellent culture and manifest it in their actions.

### Training of Directors

Training of Directors is a continuous program. The Company will arrange induction training for all newly appointed Directors according to their experiences and backgrounds. The Company will also provide relevant various kinds of reading materials to newly appointed Directors to enhance their knowledge and understanding about the corporate culture and operation of the Group. The content of the training and reading materials generally include brief introduction about the structure, business and corporate governance of the Group, as well as an introduction on the macroeconomic policies, development of securities industry in China and investment banking business.

In addition, every Director will receive a guideline on code of conduct and other documents when joining the Board. During the Reporting Period, the Directors were periodically or occasionally provided with reporting information about the business operations of the Group, as well as the introduction on the changes and latest development of the relevant legislative and regulatory environment. Besides, the Company also encouraged all Directors to participate in relevant training courses at the cost of the Company. All Directors have provided regular training records to the Company.

During the Reporting Period, the Directors of the Company attached great importance to updating their professional knowledge and skills to cater for the needs of the Company's development, each of the Directors attended professional training related to job performance for more than 12 hours, the methods and the details of which are as follows:

Name	Positions	Methods and details of the training
ZHANG Youjun	Executive Director, Chairman	<p>In February 2025, he participated in the online training on Compliance Performance for Directors, Supervisors and Senior Executives of Listed Companies for 2025 organized by the SSE</p> <p>In November 2025, he attended the online training on Typical Cases Analysis of Violations of Laws and Regulations of Listed Companies for 2025 organized by the China Association for Public Companies</p>
ZOU Yingguang	Executive Director	<p>In February 2025, he participated in the online training on Compliance Performance for Directors, Supervisors and Senior Executives of Listed Companies for 2025 organized by the SSE</p> <p>In November 2025, he attended the online training on Typical Cases Analysis of Violations of Laws and Regulations of Listed Companies for 2025 organized by the China Association for Public Companies</p>
ZHANG Changyi	Executive Director	<p>In February 2025, he participated in the online training on Compliance Performance for Directors, Supervisors and Senior Executives of Listed Companies for 2025 organized by the SSE</p> <p>In July 2025, he participated in the joint study training of the first volume of XI Jinping's Selected Economic Works</p> <p>In July 2025, he participated in the Rotation Training Course for Party Affairs Cadres of Financial Institutions under Central Administration</p> <p>In December 2025, he participated in the online study session on Directors' Responsibilities and Related Document Guidelines organized by Jia Yuan Law Office</p>

<b>Name</b>	<b>Positions</b>	<b>Methods and details of the training</b>
LI Yi	Non-executive Director	<p>In November 2025, she participated in the Training Course for Directors Appointed by the Ministry of Finance and Senior Executives of Funds</p> <p>In December 2025, she participated in the online study session on Directors' Responsibilities and Related Document Guidelines organized by Jia Yuan Law Office</p>
LIANG Dan	Non-executive Director	<p>In January 2025, he participated in the training of the 56th Session of the Second Category Training Course for Young and Middle-Aged Cadres at the Central Party School (National Academy of Governance)</p> <p>In December 2025, he participated in the online study session on Directors' Responsibilities and Related Document Guidelines organized by Jia Yuan Law Office</p>
ZHANG Xuejun	Non-executive Director	<p>In December 2025, he participated in the online study session on Directors' Responsibilities and Related Document Guidelines organized by Jia Yuan Law Office</p>
FU Linfang	Non-executive Director	<p>In February 2025, she participated in the online training on Compliance Performance for Directors, Supervisors and Senior Executives of Listed Companies for 2025 organized by the SSE</p> <p>In April 2025, she participated in the training of the Seminar on Deepening Financial System Reform for Departmental and Bureau-Level Cadres at China Executive Leadership Academy Pudong</p>
ZHAO Xianxin	Non-executive Director	<p>In February 2025, he participated in the online training on Compliance Performance for Directors, Supervisors and Senior Executives of Listed Companies for 2025 organized by the SSE</p> <p>In June 2025, he participated in the 2025 Training Course for Directors and Senior Executives of Listed Companies in the Shenzhen Region organized by the Shenzhen Listed Companies Association</p>

<b>Name</b>	<b>Positions</b>	<b>Methods and details of the training</b>
WU Yonggao	Non-executive Director	In January 2026, he participated in the online study session on Directors' Responsibilities and Related Document Guidelines organized by Jia Yuan Law Office
LI Qing	Independent Non-executive Director	<p>In February 2025, he participated in the online training on Compliance Performance for Directors, Supervisors and Senior Executives of Listed Companies for 2025 organized by the SSE</p> <p>In May 2025, he participated in the 2025 Phase 2 Online Continuing Education Training for Independent Directors of Listed Companies organized by the SSE</p> <p>In December 2025, he participated in the online special training on H-share regulatory rules and requirements organized by Jia Yuan Law Office</p> <p>In December 2025, he participated in the online special training on Directors' and Officers' Liability Insurance organised by AON-COFCO Insurance Brokerage Co., Ltd. and Ping An Insurance (Group) Company of China, Ltd.</p>
SHI Qingchun	Independent Non-executive Director	<p>In February 2025, he participated in the online training on Compliance Performance for Directors, Supervisors and Senior Executives of Listed Companies for 2025 organized by the SSE</p> <p>In May 2025, he participated in the 2025 Phase 2 Online Continuing Education Training for Independent Directors of Listed Companies organized by the SSE</p> <p>In December 2025, he participated in the online special training on H-share regulatory rules and requirements organized by Jia Yuan Law Office</p> <p>In December 2025, he participated in the online special training on Directors' and Officers' Liability Insurance organised by AON-COFCO Insurance Brokerage Co., Ltd. and Ping An Insurance (Group) Company of China, Ltd.</p>

Name	Positions	Methods and details of the training
ZHANG Jianhua	Independent Non-executive Director	<p>In February 2025, he participated in the online training on Compliance Performance for Directors, Supervisors and Senior Executives of Listed Companies for 2025 organized by the SSE</p> <p>In May 2025, he participated in the 2025 Phase 2 Online Continuing Education Training for Independent Directors of Listed Companies organized by the SSE</p> <p>In December 2025, he participated in the online special training on H-share regulatory rules and requirements organized by Jia Yuan Law Office</p> <p>In December 2025, he participated in the online special training on Directors' and Officers' Liability Insurance organised by AON-COFCO Insurance Brokerage Co., Ltd. and Ping An Insurance (Group) Company of China, Ltd.</p>
LIU Qiao	Independent Non-executive Director	<p>In December 2025, he participated in the training on the online learning platform for the Performance of Duties by Independent Directors organized by the SSE</p> <p>In December 2025, he participated in the online study session on Directors' Responsibilities and Related Document Guidelines organized by Jia Yuan Law Office</p>
LI Lanbing	Independent Non-executive Director	<p>In December 2025, she participated in the training on the online learning platform for the Performance of Duties by Independent Directors organized by the SSE</p> <p>In December 2025, she participated in the online study session on Directors' Responsibilities and Related Document Guidelines organized by Jia Yuan Law Office</p>

Name	Positions	Methods and details of the training
SHI Liang	Employee Director	In December 2025, he participated in the online study session on Directors' Responsibilities and Related Document Guidelines organized by Jia Yuan Law Office
ZHANG Lin (resigned with effect from 19 December 2025)	Former Non-executive Director	<p>In February 2025, he participated in the online training on Compliance Performance for Directors, Supervisors and Senior Executives of Listed Companies for 2025 organized by the SSE</p> <p>In June 2025, he participated in the 2025 Training Course for Directors and Senior Executives of Listed Companies in the Shenzhen Region organized by the Shenzhen Listed Companies Association</p> <p>In September 2025, he participated in the special training course on XI Jinping's Economic Thought of CIC</p> <p>In November 2025, he participated in the 2025 Training Course for Appointed Directors and Senior Executives organized by the Ministry of Finance</p>
WANG Shuhui (resigned with effect from 12 January 2026)	Former Non-executive Director	<p>In January 2025, he participated in the training on Compliance Performance for Directors, Supervisors and Senior Executives of Listed Companies for 2025 organized by the SSE</p> <p>In May 2025, he participated in the training and exchange session on Mergers and Acquisitions for Listed Companies in the Guangdong Region organized by the Guangdong Association of Listed Companies</p>

## Board Performance Assessment

The Company will conduct a formal Board performance assessment at least once in the next two years and plans to conduct it on a regular basis every two years.

## Chairman

The Chairman is the Company's legal representative, whose responsibilities are to take charge of the operation of the Board and to ensure that the Board acts in the best interest of the Company, that the Board operates effectively, fulfills its duties and discusses all important and appropriate issues, and that the Directors can receive data in an accurate, timely and clear manner.

## President

The President is responsible for presiding over the Company's daily work, which mainly includes, organizing to carry out the Board's resolutions, organizing the implementation of the Company's annual business plan and investment plan, formulating the Company's basic management system, formulating the specific rules and regulations of the Company, drafting plans for the establishment of the Company's internal management structure, proposing the appointment or dismissal of other Senior Management other than the President, the Chief Compliance Officer and the Board Secretary, deciding on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board, implementing the risk control system of the Company, ensuring that the Company meets the requirements of the risk control indicators set by the CSRC, and exercising other powers granted by the Articles of Association of the Company and the Board of the Company. The President shall be accountable to the Board and report his work to the Board.

## Specialized Committees under the Board of the Company

The Eighth Session of the Board of the Company has established the Strategic Planning and ESG Committee, the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee, the Risk Management Committee and the Related Party Transactions Control Committee, which are responsible for assisting the Board to perform its duties from various aspects.

Where necessary, the specialized committees of the Board can invite external experts to attend their meetings or seek independent professional advice, at the Company's expense, to perform their responsibilities. Such mechanisms are at the Company's expense to ensure that the Directors are given independent views and opinions. The Board has reviewed these mechanisms to ensure their effective implementation.

The Board convened a meeting on 27 June 2025 to consider and approve the addition of Ms. FU Linfang, a Non-executive Director, as a member of the Nomination Committee.

On 19 December 2025, the members of the specialized committees of the Board were reviewed and adjusted at the 41st Meeting of the Eighth Session of the Board, and the Chairman of the Committee was elected at the Fifth Meeting of the Related Party Transactions Control Committee in 2025. Please refer to the list of Directors of the Company and the announcement on their roles and functions disclosed on the same day of this announcement for the specific composition of the specialized committees of the Board. These adjustments became effective from 19 December 2025, and the term of office of the new members of the Special Committees and the Chairman of the committees of the Board commenced from 19 December 2025 until the expiry date of the Eighth Session of the Board.

At the 43rd Meeting of the Eighth Session of the Board held on 2 February 2026, the Board resolved to appoint Mr. WU Yonggao as a member of the Strategic Planning and ESG Committee of the Board and a member of the Risk Management Committee of the Board with effect from 13 March 2026.

Up to now, the composition of the specialized committees of the Board of the Company is as follows:

<b>Name of specialized committees</b>	<b>Name of member</b>
Strategic Planning and ESG Committee	ZHANG Youjun (Chairman), ZOU Yingguang, LIANG Dan, WU Yonggao, LI Lanbing
Audit Committee	SHI Qingchun (Chairman), ZHANG Xuejun, LI Qing, ZHANG Jianhua, SHI Liang
Remuneration and Appraisal Committee	ZHANG Jianhua (Chairman), LI Yi, SHI Qingchun, LIU Qiao, LI Lanbing
Nomination Committee	LI Qing (Chairman), ZHANG Youjun, FU Linfang, ZHANG Jianhua, LIU Qiao
Risk Management Committee	ZOU Yingguang (Chairman), ZHANG Changyi, ZHAO Xianxin, WU Yonggao
Related Party Transactions Control Committee	LIU Qiao (Chairman), LI Qing, SHI Qingchun, LI Lanbing

During the Reporting Period, the specialized committees of the Board of the Company cordially performed their duties, actively discussed the changes in internal and external environment, participated in the collective decision-making of material matters of the Company, and provided a number of constructive and professional opinions and recommendations on the rapid and healthy development of the Company. In response to the financial situation of global economy, the national macroeconomic policies and the regulatory requirements on the securities industry, the specialized committees of the Board of the Company affirmed the Company's strategic goals and made recommendations to the Board in respect of deeply advancing the internationalization process, improving internal control, preventing business risks, exploring more efficient management structures, establishing incentive policies matching the industry positioning of the Company and other aspects. During the Reporting Period, none of the committee members raised objection to the matters being considered.

## Strategic Planning and ESG Committee

The primary responsibilities of the Strategic Planning and ESG Committee of the Board of the Company are: to understand and master the operations of the Company; to understand, analyze and master the current conditions of the international and domestic industries; to understand and master relevant policies of China; to research on the short-term, mid-term and long-term development strategies of the Company and its related issues; to advise on the long-term development strategies, major investments, reforms and other major decisions of the Company; to research and provide the advice for decision-making on ESG governance of the Company, including the prospects, objectives, policies, ESG risks and major issues, etc.; to supervise the Company's ESG governance matters, assess climate-related risks and opportunities by formulating indicators and monitoring compliance, and make recommendations on the incorporation of relevant performance indicators into the Company's remuneration policy; to check and evaluate the implementation of the above matters, and put forward adjustment suggestions in due course; laws and regulations, relevant regulations of the securities regulatory authorities and stock exchanges of the places where the Company is listed and other duties assigned by the Board.

During the Reporting Period, the Strategic Planning and ESG Committee held four meetings and all members attended the meetings, details of which are as follows:

<b>Date of meeting</b>	<b>Proposals passed</b>
2025.03.25	Considered and approved: 2024 Sustainable Development Report
2025.04.28	Considered and approved: Proposal on the Change of the Name of the Equity Sales & Trading Department
2025.09.10	Considered and approved: Proposal on the improvement of the Company's ESG-related policies
2025.12.29	Considered and approved: Proposal on the Amendment to the Rules of Procedure of the Strategic Planning and ESG Committee of the Board of the Company

## Audit Committee

The primary responsibilities of the Audit Committee of the Board of the Company are: to make recommendations to the Board on the appointment, re-appointment, removal, resignation and change of the external audit institution; to approve the remuneration and terms of engagement of the external audit institution, and to deal with any questions relating to the resignation or dismissal of the audit institution; to review and monitor the independence and objectivity of the external audit institution and the effectiveness of the auditing procedures in accordance with applicable standards; to discuss with the audit institution the nature and scope of the audit and related reporting obligations before the audit commences; to develop and implement policies on engaging an external audit institution to supply non-audit services; and to review financial information and its disclosure of the Company.

During the Reporting Period, the Audit Committee held 9 meetings in total. The Audit Committee convened its meetings, considered relevant matters and made decisions in accordance with the Rules of Procedure of the Audit Committee of the Board of the Company, to enhance the efficiency of its work and the soundness of its decision-making. The Audit Committee diligently performed its duties, actively participated in the preparation, audit and disclosure of annual financial reports according to the rules and regulations of the Company, ensured the independence of audit, enhanced the audit quality, and protected the overall interests of the Company and its Shareholders.

The Audit Committee and its members have fully played their roles of audit and supervision according to the relevant laws and regulations, diligently performed their duties and made great contributions to improving corporate governance structure and enhancing the audit quality.

The Audit Committee prudently reviewed the financial status of the Company and examined the financial statements prepared by the Company, and considered that the Company's financial system is under stable operation and the financial status is good. Besides, the Board, through the Audit Committee, also reviewed and was satisfied with the adequacy of resources, staff qualifications and experience, training programmes for employees and relevant budget in relation to the Company's accounting and financial reporting functions.

Major accomplishments of the Audit Committee in 2025 included:

- reviewing periodic financial reports
- reviewing the summary of the internal audits and approving the annual internal audit plan
- reviewing the major findings on the audits of the internal audit departments and external auditors, and responses of the management to the recommendations on such audits
- reviewing the effectiveness of the internal control system and adequacy of accounting and financial reporting functions
- reviewing the statutory scope of review of the external auditors
- considering the audit fee and appointment of the external auditors
- reviewing and monitoring the independence of the external auditors and the non-audit services provided by them
- conducting preliminary review on profit distribution plan

During the Reporting Period and up to the date of disclosure of the report, the Audit Committee held eleven meetings and all members attended the meetings, details of which are as follows:

<b>Date of meeting</b>	<b>Proposals passed</b>	<b>Important comments and suggestions</b>	<b>Other duties performed</b>
2025.03.11	Considered and approved: 1. 2024 Audit Work Report of the Company 2. 2025 Audit Work Plan of the Company 3. Report on Preliminary Audit Results for 2024 Annual Report of the Company from KPMG	-	Independent Non-executive Directors inspected the Company's operation, gained an understanding of the overall implementation of the Company's audit work, and listened to the report on the financial position and the business performance of the Company in 2024.
2025.03.25	Considered and approved: 1. 2024 Annual Report 2. 2024 Annual Profit Distribution Plan 3. 2024 Report on the Write-off of Non-performing Assets 4. 2024 Performance Assessment Report of the External Audit Institution and the Performance Report of the Audit Committee on Supervising the External Audit Institution 5. Audit Report on the Internal Control 6. 2024 Assessment Report on the Internal Control 7. 2024 Special Report on the Deposit and Actual Use of Proceeds 8. A Summary of Audit Work of KPMG on the Company for 2024 9. Duty Performance Report of the Audit Committee of the Board for 2024	-	-

<b>Date of meeting</b>	<b>Proposals passed</b>	<b>Important comments and suggestions</b>	<b>Other duties performed</b>
2025.04.28	Considered and approved: 1. 2025 First Quarterly Report of the Company 2. Proposal on 2024 Special Inspection Report of the Company	-	-
2025.05.08	Considered and approved: Proposal on Re-appointment of Auditors	-	-
2025.08.11	Considered and approved: 1. Proposal on Considering 2025 Interim Review Work of the Company 2. Proposal on Changes in the Company's Accounting Policies	It is suggested to focus on the Company's application of AI technology.	Independent Non-executive Directors inspected the Company's operation, listened to the report on the financial position and the business performance of the Company in the first half of 2025, and gained an understanding of the policy basis and subsequent impact of changes in accounting policies; Independent Non-executive Directors attended meetings with the accounting firms and listened to the report of the 2025 Interim Review Work; Independent Non-executive Directors and KPMG held a special exchange activity on "New Regulations on Consolidated Supervision of Securities Companies".
2025.08.27	Considered and approved: 1. 2025 Interim Report 2. 2025 Interim Profit Distribution Plan 3. 2025 Interim Special Report on the Deposit and Actual Use of Proceeds	-	-
2025.10.23	Considered and approved: 1. 2025 Third Quarterly Report 2. 2025 Interim Special Inspection Report	-	-

<b>Date of meeting</b>	<b>Proposals passed</b>	<b>Important comments and suggestions</b>	<b>Other duties performed</b>
2025.12.25	Considered and approved: 2025 Audit Plan of the Company	It is suggested increasing cross-audits of branches during the audit process; it is also suggested paying attention to matters relating to the inclusion of data assets in the balance sheet.	-
2025.12.29	Considered and approved: Proposal on the Amendment to the Rules of Procedure of the Audit Committee of the Board of the Company	-	-
2026.03.12	Considered and approved: 1. 2025 Audit Work Report of the Company 2. 2026 Audit Work Plan of the Company 3. Report on Preliminary Audit Results for 2025 Annual Report of the Company from KPMG	-	The Audit Committee and Independent Non-executive Directors listened to the report on the financial position and the business performance of the Company in 2025, and held a special exchange session with KPMG entitled "Key Trends in the Digital and Intelligent Development of Securities Firms and an Overview of AI Development". Independent Non-executive Directors also attended a meeting with the accounting firm and listened to the report on the preliminary audit results for 2025 annual report of the Company from KPMG.

Date of meeting	Proposals passed	Important comments and suggestions	Other duties performed
2026.03.25	Considered and approved: <ol style="list-style-type: none"> <li>1. 2025 Annual Report</li> <li>2. 2025 Annual Profit Distribution Plan</li> <li>3. Proposal on Changes in the Accounting Policies</li> <li>4. 2025 Report on the Write-off of Non-performing Assets</li> <li>5. 2025 Performance Assessment Report of the External Audit Institution and the Performance Report of the Audit Committee on Supervising the External Audit Institution</li> <li>6. Audit Report on the Internal Control</li> <li>7. 2025 Assessment Report on the Internal Control</li> <li>8. 2025 Compliance Report</li> <li>9. 2025 Integrity Practices Management Report</li> <li>10. 2025 Comprehensive Risk Management Report</li> <li>11. 2025 Special Report on the Deposit, Management and Actual Use of Proceeds</li> <li>12. 2025 Audit Work Report</li> <li>13. Special Audit Report on the Implementation of the Relevant Requirements of Notice No. 128 of Shenzhen Securities Regulatory Bureau</li> <li>14. 2025 Sustainable Development Report</li> <li>15. A Summary of Audit Work of KPMG on the Company for 2025</li> <li>16. Proposal on the Evaluation Results of the Person in Charge of Internal Audit of the Company</li> <li>17. Duty Performance Report of the Audit Committee for 2025</li> </ol>	-	-

All members of the Audit Committee carefully reviewed the meeting documents before the meeting, making full preparation for performing their duties. During the process of considering the relevant proposals at the meetings, all the members put forward pertinent suggestions leveraging on their own professional background and experience, and actively guided the Company for relevant improvements.

## Overview of audit work of the Company:

KPMG carried out the 2025 audit work on the Company mainly by two stages, the preliminary audit and year-end audit. KPMG adopted the "Integrated Audit" method to complete the audit work in combination of the audit on financial statements and the audit on internal control. At the preliminary audit stage, KPMG conducted the audit on internal control and carried out internal control testing at the enterprise level and the business process level under the Chinese Certified Public Accountants Auditing Standards, the Guidelines for Audit on Enterprise Internal Control and the Opinions on the Implementation of the Guidelines for Audit on Enterprise Internal Control issued by the Chinese Institute of Certified Public Accountants. Meanwhile, the IT auditors of KPMG also asked for information about and conducted testing on major computer systems used by the Company. At the year-end audit stage, KPMG focused on the implementation of principal accounting policies and the application of critical accounting judgements and accounting estimations adopted by the Company. KPMG conducted detailed testing such as external confirmations, review and re-calculation and substantive analysis to conduct audit on financial statements items.

In order to successfully complete the audit on the 2025 annual financial statements of the Company and procure auditors to issue relevant reports within the agreed period, the Audit Committee of the Board of the Company authorized the Planning and Financial Department of the Company to conduct multiple follow-ups with KPMG in relation to the planning of audit work, impairments of goodwill, valuation of financial instruments, impairments of financing business, judgement on scope of consolidation, audit progress, timing of initial draft and final draft of the audit report, etc. during the auditing period. The Audit Committee convened the 2025 8th meeting of the Audit Committee of the Eighth Session of the Board of the Company on 25 December 2025 on site, at which the Audit Committee considered and unanimously approved the 2025 Audit Plan of the Company. On 26 March 2026, KPMG issued the unqualified audit reports for the Company within the scheduled time.

In addition, the Audit Committee conducted an annual appraisal on KPMG. In the appraisal, major considerations of the Audit Committee include requirements of the laws and regulations of the Chinese Mainland and Hong Kong and relevant professional provisions in relation to the external auditors, and the external auditors' compliance with such laws, regulations and provisions and their overall performance during the Reporting Period. The Audit Committee is also responsible for reviewing the independence of KPMG to ensure that the reports issued by KPMG can provide truly and objective opinions. The Audit Committee has received a written confirmation from KPMG on their independence and objectivity prior to the audit of the Company's 2025 financial statements. KPMG shall not offer any other non-assurance service unless otherwise specially approved, to ensure that their judgment and independence in the audit are not undermined. The Audit Committee of the Board of the Company was of the opinion that KPMG conducted its independent audit on the 2025 financial statements of the Company in a diligent, fair and objective manner, and successfully completed the annual audit work.

On 25 March 2026, the Audit Committee considered and approved the 2025 Assessment Report on the Internal Control and the Audit Report on Internal Control of the Company, and was of the view that the internal control system of the Company was effective and well-performed, and the sound development of the Company is effectively secured.

### **Remuneration and Appraisal Committee**

The primary responsibilities of the Remuneration and Appraisal Committee of the Board of the Company are: to develop appraisal criteria and appraise the performance of the Directors and Senior Management, set up and examine the remuneration policies and plans for the Directors and Senior Management, and make recommendations to the Board of Directors on remuneration of Directors and Senior Management and other matters stipulated by laws, administrative regulations, the CSRC and the Articles of Association of the Company; to establish and implement the performance appraisal system, the remuneration policy and the reward and punishment and incentive measures, and to make recommendations to the Board on the remuneration and its structure of all the Directors and Senior Management of the Company and on the establishment of a formal and transparent procedure for developing such remuneration policy; to determine with delegated responsibility by the Board of Directors, the remuneration packages of all executive Directors and Senior Management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment), and to make recommendations to the Board of Directors on the remuneration of Non-executive Directors. The Remuneration and Appraisal Committee shall consider factors such as characteristics of the financial and securities industries, salaries paid by comparable companies, time commitment and responsibilities of the Directors, individual performance, employment conditions elsewhere in the Company, and applicability of performance-based remuneration. In the remuneration structure of an Executive Director, a major part of his or her remuneration shall depend on his or her personal performance and the performance of the Company.

Major accomplishments of the Remuneration and Appraisal Committee in 2025 included:

- reviewing the performance of the Directors and Senior Management of the Company, and carrying out annual performance appraisals over them
- reviewing the remuneration level of the Directors and Senior Management and making recommendations to the Board in this regard
- supervising the implementation of the remuneration system of the Company

During the Reporting Period, the Remuneration and Appraisal Committee held two meetings, and all members of the committee attended the following meetings, details of which are as follows:

Date of meeting	Proposals passed
2025.03.26	Considered and approved: <ol style="list-style-type: none"> <li>1. Proposal on the Remuneration of the Directors of the Company for 2024</li> <li>2. Proposal on the Remuneration of Senior Management of the Company for 2024</li> <li>3. Proposal on Annual Assessment on the Chief Compliance Officer of the Company</li> <li>4. Proposal on Considering the Report of the Duty Performance of the Remuneration and Appraisal Committee of the Board of the Company in 2024</li> </ol>
2025.12.29	Considered and approved: Proposal on Amendments to the Terms of Reference of the Remuneration and Appraisal Committee of the Board of the Company

During the Reporting Period, the Remuneration and Appraisal Committee supervised the implementation of the remuneration system of the Company, and was of the opinion that the Company strictly implemented the remuneration system established by the Board of the Company, and that the information about the remuneration of the Directors and Senior Management disclosed in the 2025 annual report of the Company was true, accurate and complete, and in compliance with the relevant requirements of the CSRC and the Hong Kong Stock Exchange.

### Nomination Committee

The primary responsibilities of the Nomination Committee of the Board of the Company are: to develop criteria and procedures for selection of Directors and senior management members, select and review the candidates for Directors and senior management members and their qualifications, and make recommendations to the Board of Directors on the nomination or appointment and removal of Directors, appointment or dismissal of senior management members and other matters stipulated by laws, regulations, the CSRC and the Articles of Association of the Company; to review the structure, size and composition (including its members' skills, knowledge, experience and diversity) of the Board of Directors at least annually, assist the Board of Directors in preparing the board skills matrix, and make recommendations on any proposed changes to the Board of Directors to complement the corporate strategy when necessary; and to assess the qualifications of Directors and, upon discovering any failure to meet the required qualifications, make recommendations to the Board of Directors for removal in a timely manner.

In order to achieve Board diversity, the Terms of Reference of the Nomination Committee of the Board of the Company clearly states that the Nomination Committee should select the Director candidates based on objective standards, and relevant standards include but are not limited to:

- considering a combination of factors, such as gender, age, cultural and educational background, as well as professional experience of the Director candidates
- considering the Company's business features and future development needs, etc.

The Nomination Committee selects Director candidates and periodically reviews the measurable objectives of selecting Director candidates, including but not limited to, gender, age, culture background, education background, professional experience, years of service, etc., based on the abovementioned diversity principles. After taking into comprehensive consideration the Company's business and development needs, the Nomination Committee believes that the current session of the Board fully reflects a diversified composition in terms of skills, experience, knowledge and independence. As at the date of this report, the Company consists of 15 Directors, the composition of the Board from the view of diversity is summarized as follows: (1) education background: seven of them hold up to Doctor's degree and seven hold up to Master's degree; (2) age: three of them are at or beyond the age of 60, nine of them are at the age of 50 (inclusive) to 60 (exclusive) and the other three are below the age of 50; (3) gender: three of them are female, and the other twelve are male; (4) role: three of them are Executive Directors, six of them are Non-executive Directors, five of them are Independent Non-executive Directors and the other one is Employee Director.

The Company provides the Nomination Committee with sufficient resources to perform its duties. The Nomination Committee may, if necessary, seek independent professional advice when performing its duties at the Company's expense.

Major accomplishments of the Nomination Committee in 2025 included:

- reviewing the qualifications for the Company's Director candidates and proposed senior management

During the Reporting Period, the Nomination Committee held four meetings, and all members of the committee attended the following meetings, details of which are as follows:

<b>Date of meeting</b>	<b>Proposals passed</b>
2025.02.18	Considered and approved: Proposal on the Change of the Chief Information Officer of the Company
2025.05.08	Considered and approved: Proposal on Addition of the Executive Members of the Business Management Committee of the Company
2025.11.24	Considered and approved: Proposal on Addition of the Director(s) of the Eighth Session of the Board of the Company
2025.12.29	Considered and approved: <ol style="list-style-type: none"> <li>1. Proposal on Addition of the Executive Members of the Business Management Committee of the Company</li> <li>2. Proposal on Amendments to Terms of Reference of the Nomination Committee of the Board of the Company</li> </ol>

Pursuant to the Articles of Association of the Company, Director candidates shall be nominated by the Board or the Shareholders who individually or jointly hold more than 1% of the total voting shares in the Company. The methods and procedures for nomination of Independent Non-executive Directors shall be implemented in accordance with laws, regulations, regulatory requirements and the relevant Independent Non-executive Director system. The list of the Director candidates shall be submitted to the general meeting for approval by way of resolution.

Before the list of the Director candidates is presented to the Board, the Nomination Committee must conduct a review and make recommendations to the Board and the Shareholders. The Nomination Committee will review the biography of each of the candidates, conduct due diligence and evaluate the candidates' skills, knowledge, experience and diversification, etc.

During the Reporting Period, the Nomination Committee shall choose Director candidates on a merit basis following objective standards, to build a diversified Board, including but not limited to: considering a combination of factors such as gender, age, cultural and educational background, and professional experience of Director candidates; considering business characteristics and future development needs of the Company.

The Nomination Committee extensively searched for qualified senior management candidates, conducted review over the candidates and provided opinions to the Board for decision. The Nomination Committee selects and recommends senior management candidates based on the following criteria:

Familiar with domestic and overseas securities business, with many years of experience in securities and finance; have a deep understanding and unique insight into each of the Company's main businesses, and have achieved excellent results in a certain main business; have strong strategic analysis ability, leadership, executive force and business coordination ability; have an international vision; comply with the relevant provisions of the CSRC's Measures for the Supervision and Administration of Directors, Supervisors, Senior Management Members and Practitioners of Securities Fund Operating Institutions; have the time and energy necessary for performing duties; comply with other conditions stipulated by laws, administrative regulations and the Articles of Association of the Company.

### **Risk Management Committee**

The primary responsibilities of the Risk Management Committee of the Board of the Company are: to review and advise on the risk management strategies subject to the consideration and approval by the Board of Directors; to review and advise on the basic system such as comprehensive risk management and consolidated management subject to the consideration and approval by the Board of Directors; to review and advise on risk preference, risk tolerance and significant risk limits of the Company subject to consideration and approval by the Board of Directors, etc.

Major accomplishments of the Risk Management Committee in 2025 included:

- reviewing various reports in relation to risk control, compliance management and internal control and governance

During the Reporting Period, the Risk Management Committee held four meetings, and all members of the committee attended the following meetings, details of which are as follows:

Date of meeting	Proposals passed
2025.02.18	Considered and approved: Proposal on the Amendments to the Anti-Money Laundering Management Regulations of the Company
2025.03.25	Considered and approved: <ol style="list-style-type: none"> <li>1. Audit Report on the Internal Control</li> <li>2. 2024 Assessment Report on the Internal Control</li> <li>3. 2024 Compliance Report</li> <li>4. 2024 Evaluation Report on the Compliance Management Effectiveness</li> <li>5. 2024 Anti-money Laundering Work Report</li> <li>6. 2024 Integrity Practices Management Report</li> <li>7. Proposal on the Amendments to Rules regarding the Integrity and Ethical Practices of the Company</li> <li>8. 2024 Comprehensive Risk Management Report</li> <li>9. 2024 Risk Appetite Management Report</li> <li>10. 2025 Risk Preference Statement</li> <li>11. Proposal on Considering the Periodic Report on Information Technology of the Company for 2024</li> </ol>
2025.08.27	Considered and approved: <ol style="list-style-type: none"> <li>1. 2025 Interim Compliance Report</li> <li>2. 2025 Interim Comprehensive Risk Management Report</li> <li>3. 2025 Interim Risk Appetite Management Report</li> <li>4. Proposal on Amendments to the Comprehensive Risk Management Policy of the Company</li> <li>5. Proposal on Amendments to the Risk Preference Management Measures of the Company</li> </ol>
2025.12.29	Considered and approved: <ol style="list-style-type: none"> <li>1. Proposal on Amendments to the Terms of Reference of the Risk Management Committee of the Board of the Company</li> <li>2. Proposal on Amendments to the Requirements for Integrity Practices of the Company</li> </ol>

## Related Party Transactions Control Committee

The primary responsibilities of the Related Party Transactions Control Committee of the Board of the Company are: to establish and amend the related party transactions management system of the Company and monitor its implementation; to identify the list of related parties of the Company and report it timely to the Board and the Audit Committee; to define the types of the related party/connected transactions and determine their approval procedures, standards and other matters; to review contemplated major related party transactions of the Company with any related parties, form a written opinion to the Board for review and report the same to the Audit Committee; to review the information disclosure of any related party transaction; and other responsibilities conferred by the laws and regulations, relevant provisions of the securities regulatory authorities and stock exchanges of the places where the Company is listed and the Board.

During the Reporting Period, the Related Party Transactions Control Committee held six meetings, and all members of the committee attended the following meetings, details of which are as follows:

<b>Date of meeting</b>	<b>Proposals passed</b>
2025.03.14	Considered and approved: Estimation of Related Party/Continuing Connected Transactions of the Company for 2025
2025.04.28	Considered and approved: Special Audit Report on Major Related Party Transactions of the Company in 2024
2025.08.27	Considered and approved: Proposal on Considering the Implementation of Related Party/Continuing Connected Transactions in the Ordinary Course of Business of the Company in the First Half of 2025
2025.11.18	Considered and approved: Proposal on Renewal of Framework Agreement in Relation to Related Party/Continuing Connected Transactions in the Ordinary Course of Business with CITIC Group Corporation
2025.12.19	Considered and approved: Proposal on Election of the Chairman of the Related Party Transactions Control Committee of the Board of the Company
2025.12.29	Considered and approved: <ol style="list-style-type: none"><li>1. Proposal on Amendments to the Terms of Reference of the Related Party Transactions Control Committee of the Board</li><li>2. Proposal on Amendments to the Administrative Measures on Related Party Transactions of the Company</li></ol>

## **Performance of Duties by Independent Non-executive Directors**

### **Work in relation to periodic reports**

As members of the Audit Committee, the Independent Non-executive Directors of the Company pre-reviewed the periodic reports of the Company on 25 March, 28 April, 27 August and 23 October 2025, respectively, and held meetings between the Independent Non-executive Directors/Audit Committee and the accounting firm on 11 March, 11 August and 25 December 2025, respectively, to listen and consider the report on the Annual Preliminary Audit Results for 2024, the Interim Review Work for 2025 and the Annual Audit Plan for 2025.

### **Review of related party/connected transactions**

At the special meetings of the Independent Non-executive Directors of the Company held on 14 March, 28 April, 27 August and 18 November 2025, the Estimation of Annual Related Party/Continuing Connected Transactions in the Ordinary Course of Business for 2025, the Special Audit Report on Annual Major Related Party Transactions for 2024, the Implementation of Interim Related Party/Continuing Connected Transactions in the Ordinary Course of Business for 2025, and the Renewal of the Framework Agreement in relation to Related Party/Continuing Connected Transactions in the Ordinary Course of Business with CITIC Group were considered and approved. The Independent Non-executive Directors, in their capacity as members of the Related Party Transactions Control Committee, concurrently conducted the review of the aforementioned matters.

### **Other performance of duties**

The Independent Non-executive Directors of the Company regularly listen to dedicated briefings on the Company's annual, interim and quarterly financial and operational performance. They engage in thorough communication with the management on core issues such as business strategy, financial control and risk prevention, and participate fully in the Company's results announcements and investor briefings for each period, conducting extensive dialogues with small and medium investors on matters including ESG practices, green finance development, and the construction of the Company's risk management system. They also hold dedicated exchange sessions with the accounting firm on key topics such as the accounting for spread on financing-type transactions, recognition of changes in fair value, measurement of investment income, information technology auditing, internal control auditing, artificial intelligence applications and information security management. They participated in a dedicated seminar on the "New Regulations on Consolidated Supervision of Securities Companies" organized by the accounting firm. Through field research, meetings and interviews, they gained a comprehensive understanding of the management and operations of branch offices. They also completed their Independent Directors' Duty Reports at the 2024 Annual General Meeting, contributing through concrete actions to the Company's sound corporate governance and high-quality development.

## **Establishment and improvement of working system in relation to the Independent Non-executive Directors and performance of Independent Non-executive Directors**

In order to improve the corporate governance structure, promote the regulated operations, safeguard the overall interests of the Company and protect the lawful rights and interests of all Shareholders, particularly the minority Shareholders, the Working System for Independent Directors of the Company was considered and formulated in July 2008 by the 28th Meeting of the Third Session of the Board and considered and amended in December 2022, 2023 and 2025 by the 48th Meeting of the Seventh Session of the Board, the 14th Meeting of the Eighth Session of Board and the 42nd Meeting of the Eighth Session of Board of the Company, respectively. The contents of the system include: qualifications of Independent Directors; nomination, election and replacement of Independent Directors; performance of Independent Directors; independent opinions of Independent Directors; necessary conditions being provided for Independent Directors; and working system regarding the annual report.

During their term of office, all Independent Non-executive Directors complied with relevant requirements of the laws, regulations and the Articles of Association of the Company, and had devoted sufficient time and energy to performing their duties. When making an independent judgment, the Independent Non-executive Directors were not affected by the substantial Shareholders of the Company or any other entity or individual having an interest in the Company; and they endeavored to protect the interests of the Company and minority Shareholders.

The Independent Non-executive Directors actively participated in all the meetings of the Board and meetings of relevant specialized committees. Among the members of the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Related Party Transactions Control Committee of the Board, the Company has appointed the requisite number of Independent Non-executive Directors as required by their respective rules. Each of the Chairman of the Committees is assumed by an Independent Non-executive Director. All the Chairmen of the Committees convened the meetings according to the relevant rules of procedure.

## **Appointment of Auditors**

For information in relation to the appointment of auditors and the audit fee, please refer to “Appointment or Termination of Service of Accounting Firms” of this report.

The Directors are responsible for the preparation of the accounts and the auditors are responsible for the issuance of audit opinions on the financial statements based on their audit work.

## Non-audit Work

During the Reporting Period, the Company's subsidiaries engaged KPMG to provide non-audit services, including tax assurance, ESG report assurance and consultancy services with a total non-audit service fee of RMB1,432,200.

## Responsibilities of Directors for the Financial Statements

The following responsibility statement of Directors regarding the financial statements shall be read in conjunction with the responsibility statement of the certified public accountants included in this report. Each responsibility statement shall be understood separately.

All Directors of the Company confirm that they have the responsibilities to compile the financial statements which can truly reflect the operating results of the Company in each financial year. To the best knowledge of all Directors, there are no events or situations which may cause a material adverse impact on the ongoing operations of the Company.

## Company Secretaries

In order to better perform duties and in accordance with the Hong Kong Listing Rules and other relevant requirements, Mr. WANG Junfeng had received over 40 hours of professional training, including: participated in the "83rd Session of the Enhanced Continuous Professional Development Seminar for Governance Professionals and the Basic Course on Information Disclosure, Corporate Governance and Capital Operation Practices for Hong Kong Listed Companies" organized by the Hong Kong Institute of Chartered Secretaries; and participated in the follow-up training for Company Secretaries of Listed Companies organized by the SSE, the 2025 Training on Compliance Performance for Directors, Supervisors and Senior Executives of Listed Companies, and a specialized training on market value management. The aforementioned training covered topics such as inside information disclosure, key matters in financial reporting and disclosure priorities, key aspects of related party transaction management, and relevant regulatory policies. Ms. Yu Hiu Kwan, Hilda has received 15 hours of professional training, including the following seminars organized by The Hong Kong Chartered Governance Institute: the latest Corporate Governance Code and Listing Rule updates for the HKEX and market practitioners; changes to the new Corporate Governance Code; interpreting annual general meetings for Hong Kong private companies and guarantee companies; automatic exchange of financial account information and its impact on license holders of trust or company service providers; leadership for company secretaries; and annual corporate and regulatory updates.

## Efforts on Investor Relations

As the first securities company in China with an A+H share listing, the Company places great emphasis on protecting the interests of its Shareholders and investors. It is committed to building an open, transparent and interactive investor relations management system to ensure full, timely and effective communication with global investors, analysts and the media. The Company has established communication channels including a Shareholder hotline, email and the SSE's E-interaction platform. It listens to investors' opinions and suggestions comprehensively through means such as general meetings, investor briefings, roadshows, site visits and open days. In 2025, the Company formulated the Market Value Management System of CITIC Securities Company Limited, further improving its investor relations and market value management framework.

To continuously enhance the quality and effectiveness of its investor relations work, the Company consistently enriches the content of its investor relations activities and expands the scope of its communication coverage. Throughout 2025, the Company organized and participated in over 70 investor relations activities of various types, engaging in exchanges with more than 300 domestic and international institutional investors. It also held its Investor Open Day event for the third consecutive year. The Company's 2025 Investor Open Day focused on the core achievements realized during the 14th Five-Year Plan period in implementing national strategies and achieving high-quality development. It highlighted the progress in the development of its wealth management business and outlined the Company's strategic direction for the 15th Five-Year Plan period. This event further deepened the market's understanding of the Company's wealth management business and its future development plans, achieving a synergistic resonance between the Company's investment value and brand communication.

The Company regards results briefings as a vital platform for value communication and market engagement, continuously optimizing the format and content of these sessions. On 27 March 2025, the Company held its annual results briefing in Hong Kong, adopting the format of "on-site presentation + bilingual online webcast + conference call". The Company's Chairman, General Manager, Company Secretary and other Members of Senior Management attended the briefing, providing a systematic introduction to the market of the Company's operating results for 2024. They shared details of the Company's market value management and shareholder returns, and engaged in in-depth discussions with investors on topics such as building a first-class investment bank and investment institution, and the international development strategy. Recognized for its outstanding performance in results briefings, the Company has been selected for the Best Practice for Results Briefings of Listed Companies by the China Association for Public Companies for four consecutive years.

In 2026, the Company will further deepen its communication and engagement with investors, continuously expand its communication channels with global investors, enrich the content of its value communication, and enhance the efficiency of its interactive responses. It will strive to foster a comprehensive understanding and recognition of the Company's value within global capital markets, and effectively safeguard the legitimate rights and interests of investors. The Company looks forward to joining hands with its broad base of investors to jointly promote the Company's long-term, stable development and share the results of its high-quality growth.

## **Amendment to the Company's Articles of Association**

In view of the repeal of the Special Provisions of the State Council Concerning the Offering and Listing Abroad of Shares by Companies Limited by Shares and the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas in March 2023, and in accordance with the Company Law effective from July 2024, the Guidelines for the Articles of Association of Listed Companies revised by the CSRC in March 2025, as well as relevant regulatory requirements, and for the purpose of further improving corporate governance, the Company has revised certain provisions of its Articles of Association and the appendices thereto and dissolved the Supervisory Committee based on its actual circumstances. The amendments were considered and approved by the Company's 2025 First Extraordinary General Meeting, the 2025 First A Shareholder's Class Meeting, and the 2025 First H Shareholders' Class Meeting, and became effective on 19 December 2025.

## **Risk Management and Internal Control**

### **Statement of the Board regarding the responsibility of internal control**

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

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

The Audit Committee of the Board assists the Board in independently reviewing the Company's financial condition and the implementation and effects of the internal control system, and reviewing and supervising the results of the Company's internal audit work. There were no significant internal control issues found during the relevant review. The Board was of the view that the existing risk management and internal control systems of the Company were effective and sufficient in 2025 and as at the date of this report.

### **Risk management system and procedures for identifying, assessing, and managing significant risks**

For details on the Company's risk management system and the procedures used to identify, evaluate and manage significant risks, please refer to the "Risk Management" section of this report.

### **Procedures for resolving severe defects in internal control**

The Company conducts an evaluation of the risk management systems during its annual internal control assessment. If any defect is found, the Company will formulate a rectification plan to diminish the defect. Risk events and potential defects that arise in the day-to-day risk management work are effectively managed according to the procedures of risk management systems. Under its comprehensive risk management system, the Company regularly updates and revises risk management systems and processes so as to adapt to the changing risk exposures and management requirements. The Audit Department of the Company inspects the internal controls of each business and issues audit reports, offers advice for rectification and provides management proposals on issues found during the audit. The Compliance Department of the Company formulates defect rectification plans in accordance with laws and regulations as well as the regulatory requirements, and is also responsible for the specific implementation of defect rectification work.

### **Basis of establishment of internal control over financial reporting**

According to the criteria for determining major defects, important defects and general defects as defined by the corporate internal control standard system and in light of the factors including the Company's scale, industry-specific features, risk appetite and risk tolerance, the Board of the Company distinguished internal control over financial reporting and internal control over non-financial reporting and studied and defined the criteria suitable for the specific determination of internal control defects of the Company and kept it consistent with the criteria of the previous years.

An internal control defect should be recognized as a major defect if it is reasonably possible that such defect, alone or in combination with other defects, may lead to the failure to prevent or detect and correct the material misstatement in the financial report in time. An internal control defect is recognized as an important defect if it is reasonably possible that such defect, alone or in combination with other defects, may lead to the failure to prevent or detect and correct the misstatement in the financial report that has not reached the level of major defects but has come to the attention of the Board and the management. Internal control defects that do not constitute major defects or important defects are recognized as general defects.

According to the determination of major defects in the Company's internal control over financial reporting, there were no major defects and important defects in the Company's internal control over financial reporting as at the benchmark date of the internal control evaluation report. The Company has maintained effective internal control over financial reporting in all material aspects in accordance with the requirements of the corporate internal control standard system and relevant regulations.

### **Overall view on establishment of the internal control system**

The Company has attached great importance to the development of its internal rules and regulations and its management systems since the Company was established. The Company has continued to improve its internal control according to the latest regulatory requirements and made consistent efforts to improve internal control in every aspect of its business development.

With the authorization of the Board of the Company, the Compliance Department of the Company has led the establishment of the internal control evaluation working group of the Company to independently conduct the internal control evaluation working. After years of accumulating experience, the Company has established a relatively stable system of personnel allocation and responsibilities and cultivated its internal control evaluation working procedures and mechanism which are in line with the actual situations of the Company, thereby enabling the assessment results to reflect a real and accurate picture of the Company's internal control.

As at the end of the Reporting Period, the Company has established an internal control system in line with its business nature, scale and degree of complexity, as well as achieved remarkable results in ensuring the compliance of the Company's operations and management, safety of the assets, truthfulness and integrity of the financial reports and relevant information, and the improvement of business efficiency and effectiveness.

The Company has established, improved and implemented a set of systems, including the information segregation wall, the registration system of persons informed of undisclosed information, and the registration system for persons informed of insider information, according to the regulatory requirements. It effectively prevented the improper use and dissemination of sensitive information. Meanwhile, the Company disclosed the relevant information in a true, accurate, complete and timely manner strictly in compliance with the laws, regulations and the Articles of Association of the Company, and ensured that all investors have equal opportunities of promptly accessing the Company's information.

## **Management and control over subsidiaries during the Reporting Period**

During the Reporting Period, the Company amended the Measures for the Management over Subsidiaries of CITIC Securities Company Limited, and formulated the Regulations on the Management of Non-controlling Invested Companies of CITIC Securities Company Limited (Trial) (《中信證券股份有限公司參股公司管理規定(試行)》), the Interim Measures for the Management of the Election and Appointment of Directors Designated by Headquarters and Their Performance Evaluation of CITIC Securities Company Limited (《中信證券股份有限公司總部派出董事選聘和考核評價管理辦法(暫行)》) and the Interim Measures for the Management of Designated Directors of CITIC Securities Company Limited, to strengthen the management over subsidiaries and standardize their operation and management, effectively control risks and safeguard the interests of the Company. The Company fully performed the duties as shareholders and designated directors and supervisors to get involved in the significant business decisions of subsidiaries via participating in the corporate governance of subsidiaries according to laws, thereby implementing unified management requirements of the Company for corporate governance. Subject to compliance with regulatory requirements, the Company managed its controlled subsidiaries through management in terms of human resources, finance, assets and liabilities, legal affairs, risks, compliance, auditing and other aspects.

## **Related information on the internal control auditing report**

KPMG Huazhen engaged by the Company has given an audit opinion on the effectiveness of the internal control over the financial reporting of the Company and issued the Internal Control Auditing Report of CITIC Securities Company Limited (《中信證券股份有限公司內部控制審計報告》), which is of the opinion that the Company has maintained effective internal control over financial reporting in all material aspects as at 31 December 2025 in accordance with the Fundamental Norms on Enterprise Internal Control and relevant regulations. The Company disclosed the Internal Control Evaluation Report for the Year 2025 (《2025年度內部控制評價報告》) and the Internal Control Auditing Report (《內部控制審計報告》) of the Company when disclosing this report, and there was no disagreement.

Whether to disclose the Internal Control Auditing Report: Yes

Type of opinion on the Internal Control Auditing Report: Standard unqualified opinion

## **Implementation of the Company's accountability system for material errors in information disclosure in the annual report**

In order to further improve the Company's internal control system and reinforce the financial accountability system, the Board of the Company developed the Accountability System for Material Errors in Information Disclosure in the Annual Report, and this system became effective on 29 March 2010.

During the Reporting Period, the system had been implemented satisfactorily, and there had been no material accounting error, material omission of information which needed to be supplemented, or correction on the preliminary announcement on the Company's results.

## **Other matters of report**

### **Establishment of the compliance management system**

The Company regards compliance as a prerequisite and important safeguard for business development, and is committed to comprehensively enhancing its compliance management capabilities, providing timely and effective compliance support for the Company's business development. It continuously improves the compliance management system, strengthens its ability to prevent and handle compliance risks, and promotes the development of a compliance culture.

The Company continuously establishes and improves a comprehensive, multi-level organizational system for compliance management. The compliance management mechanism covers subsidiaries at all levels, all departments, business lines and branches, as well as all employees, and permeates every link including decision-making, execution, supervision and feedback. The leadership body for the Company's compliance management is the Board, with the Audit Committee of the Board exercising the powers of the former Supervisory Committee. The Company has established the position of Chief Compliance Officer, who is fully responsible for compliance management. The Compliance Department serves as the day-to-day management department for the Company's compliance work, performing specific compliance management duties under the leadership of the Chief Compliance Officer. All departments, business lines and branches of the Company ensure that their operational and management activities comply with relevant laws, regulations and standards. They formulate compliance systems and procedures in a timely manner to meet business needs, and promptly monitor, evaluate and inspect the compliance risk control measures in their operations and management. Heads of departments and branches, as well as compliance officers, each perform their compliance management duties within their respective areas of responsibility.

### **Internal audit**

During the Reporting Period, the Audit Department of the Company completed routine audits, departure audits, special audits and mandatory leave audits of Branch Heads covering a total of 139 projects across departments/business lines at the headquarters, branch offices/securities outlets and domestic and overseas subsidiaries of the Company. Details of which are as follows:

The 24 audit projects for the headquarter of the Company include: routine audits of the Institutional Equity Department and the Prime Service Business Line; special audits of credit business, major related party transactions, transactions between the Company and overseas subsidiaries, mutual fund sales business, information technology governance compliance and risk management, information technology emergency management, and the write-off of non-performing accounts; as well as departure audits and departure reviews of former Senior Management, former Department Heads and former Investment Managers of the Company.

The 92 audit projects for the branches include: 51 mandatory leave audit projects for Branch Heads and 41 departure audit projects for Branch Heads.

The 23 audit projects for subsidiaries include: routine audits of CITIC Securities Investment, CITIC Goldstone Fund, and others, as well as a departure review of a former Investment Manager of CITIC Goldstone.

In the aforementioned audits, the Audit Department of the Company conducted independent and objective evaluations of the soundness and effectiveness of the internal controls of the audited units. It identified the principal risks present and proposed targeted recommendations for rectification. This effectively promoted risk prevention awareness, improved internal control mechanisms and standardized business management within each audited unit, thereby leading to the continuous enhancement of management capabilities and standards in the relevant areas.

### **The status of the establishment of monitoring and replenishment mechanism of the risk control indicators of the Company**

The Company continues to attach great importance to the supervision indicators. It has established a dynamic monitoring system of risk control indicators in accordance with the requirements under the Measures for the Administration of the Risk Control Indicators of Securities Companies, achieving T+1 dynamic monitoring and automatic early warning of risk control indicators, and setting up the trans-departmental communication & coordination mechanism to ensure the risk control indicators kept staying within the supervision limit consistently. Meanwhile, by continuously calculating and analyzing risk control indicators for a period of time in the future, the Company is able to identify risks and make warning in advance, so as to reasonably arrange the financing activities and usage of funds.

In 2025, the Company's main risk control indicators remained good, keeping within the supervision limit.

The Company has established the net capital replenishment mechanism to ensure continued compliance of risk control indicators, such as the net capital, in accordance with the requirements of the securities regulatory authorities. As at the end of the Reporting Period, the net capital of the Company was RMB157.146 billion and all types of risk control indicators were in compliance with the relevant regulatory requirements.

### Account regulation of the Company

In 2025, the Company continued to strengthen its day-to-day regulation over accounts, implement the real-name system management requirement in CSDC accounts, and continue to follow the supplemental record of information for the integrated securities account, and report on the interest holders' data and products' net value, inspect the CSDC securities accounts, regulate categories of occupations, etc. The Company provided special trainings for each branch of the Company, and also improved the process control of accounts opening through technical means, in order to eliminate the occurrence of opening non-compliance accounts.

As at 31 December 2025, the Company's wealth management business had 30,653,863 securities accounts, of which 29,185,426 were normal securities accounts, representing 95.21% of the total; 1,417,706 were dormancy securities accounts, representing 4.62% of the total; 48,953 securities accounts were frozen, representing 0.16% of the total; 1,778 were unqualified securities accounts, representing 0.01% of the total and there was no risk disposal securities account.

As at 31 December 2025, the Company's wealth management business had 17,965,246 capital accounts, of which 14,383,390 were normal capital accounts, representing 80.06% of the total; 3,566,781 were internal dormancy capital accounts, representing 19.85% of the total; 10,451 were unqualified capital accounts, representing 0.06% of the total; 4,624 securities accounts were frozen, representing 0.03% of the total and there was no risk disposal capital account.

### Establishment and implementation of the information disclosure system and the registration and administration system for persons informed of inside information

Upon consideration and approval by the Board, the Company has formulated and revised the Management Measures on Information Disclosure, the Information Disclosure Suspension and Exemption Management System and the Accountability System for Material Errors in Information Disclosure in the Annual Report from time to time, and regulated the implementation and supervision of the system, basic principles and responsibilities of information disclosure, scope and content of information disclosure, information disclosure process, approval and registration of information disclosure suspension and exemption, information disclosure errors and accountability, etc., to ensure the effective operation of the information disclosure management mechanism. During the Reporting Period, the Company fulfilled its information disclosure obligations in strict accordance with the requirements of the system. The Board believes that the Management Measures on Information Disclosure of the Company is effectively implemented to ensure the timeliness and fairness of the Company's information disclosure and the truthfulness, accuracy and completeness of the information disclosure contents.

Upon consideration and approval by the Board, the Company has formulated and revised the Registration System for Persons Informed of Inside Information from time to time, which stipulates the contents of inside information, the scope of insiders, the registration and filing process of insiders and the management of confidentiality of inside information. During the Reporting Period, the Company was able to properly manage inside information and register insiders in accordance with the requirements of the system, and was able to truthfully and completely record the list of all insiders of inside information in all aspects such as reporting, transmission, preparation, review and disclosure of inside information before publication, as well as relevant files such as the content and time of insiders' knowledge of inside information, for the Company's self-examination and inquiry by relevant regulatory authorities, and the Company did not violate the system.

In 2025, the aforementioned systems were effectively implemented. The Company further regulated information disclosure and improved the management and quality of information disclosure of the Company.

In addition, the Company has also formulated and revised the Registration System for Insiders of Undisclosed Information from time to time, established the information submission mechanism and workflow for insiders of undisclosed information in various departments/business lines of the Company, and clarified the main responsibilities of the Compliance Department, the undisclosed information managers of each department/business line, the administrative heads of each department/business line, and insiders of undisclosed information. During the Reporting Period, the Company strictly implemented the system, carried out the registration of insiders of undisclosed information of the Company on a quarterly basis, and managed and registered insiders of undisclosed information within the scope of responsibilities of various departments/business lines of the Company and in business activities.

**There are no overdue debts for the Company**