

Report of the Board

Review of Business

Business review

The Group is principally engaged in investment banking, wealth management, asset management, financial markets and other related financial services (please refer to “Management Discussion and Analysis” of this report for the Group’s principal businesses, business models and key performance drivers during the Reporting Period).

In 2025, activity across China’s capital markets gathered steady momentum, with major equity indices delivering solid performances. During the Reporting Period, the aggregate market capitalization of A-share listed companies surpassed RMB100 trillion, while average daily trading volume and turnover increased significantly year-on-year. The Shanghai Composite Index rose by 18.4% for the year, and the Shenzhen Component Index and the ChiNext Index gained 29.9% and 49.6%, respectively. The Hong Kong equity market also trended higher, with the Hang Seng Index annually rising 27.8% and the Hang Seng TECH Index rising 23.5%; both the number of Hong Kong IPOs and the scale of proceeds raised expanded significantly year-on-year. As one of the core participants in the capital markets, the securities industry leveraged market tailwinds to achieve earnings growth, and the competitive landscape in which leading securities firms set the pace while mid-sized and smaller firms pursued differentiated strategies to establish their respective niches became increasingly well-defined. Chinese-funded securities firms accelerated their strategic build-out in Hong Kong and advanced the implementation of their internationalization strategies.

The key financial indicators of the Company are set out in “Key Financial Data” of this report.

Principal risks and uncertainties

Principal risks to which the Company is exposed include market risk, credit risk, liquidity risk and operational risk. For the objectives and policies of risk management of the Company, please refer to “Risk Management” of this report. For major risks and uncertainties to which the Company was exposed in 2025, please refer to “Possible risks of exposure” of this report.

Relevant laws and regulations with significant impact

Adhering to the philosophy of operating in compliance with laws and regulations for a long time, the Company complies with the national laws, administrative regulations and various rules and normative documents promulgated by regulatory authorities. In 2025, in accordance with regulatory provisions and business management requirements of the Company, the Company formulated and amended a series of internal management rules to enhance its internal control and management level and improve compliance management systems; formulated and improved business management rules and processes to timely implement all the requirements of regulatory authorities and self-regulatory organizations in all of its business lines; continuously strengthened the publicity and training of laws and compliance culture to enhance the awareness of active prevention against compliance risks in the course of business operations for all the business lines. The Company achieved overall compliance in its operation and management activities. The compliance and risk management mechanism of the Company ran well and no material systematic compliance risks were detected.

Environmental policies and performance

ESG Management Framework

The Company continuously improves its sustainability management framework and has integrated the sustainability concept into all aspects of its day-to-day operations and management. The Company continues to promote the integration of the sustainable development concept with business growth to ensure that related work is effectively implemented. The Company's sustainable development management strategy is determined by the Board and implemented under the coordination of the management. Departments and subsidiaries work with each other to jointly carry out and promote sustainable development.

The Company has defined its overall objectives for sustainable development, and formulated a three-phase implementation path (short-term, medium-term and long-term) centered on these objectives, covering disclosure preparation, management enhancement and value realization. The Company conducts dual materiality assessments to deepen the integration of sustainable development principles into management mechanisms. It continuously enhances the management quality and effectiveness of environmental issues such as green finance, social issues including rural revitalization, technological innovation, employee development, and customer rights protection, as well as governance issues like integrity in business practices.

The Company has established a three-tier sustainable development governance structure comprising "the Board, Operational Management Team and Execution Team", and continuously enhanced its sustainable development management capacity. The Board places high priority on sustainability initiatives, fully leveraging its strategic planning and decision-making leadership to advance sustainability development from the top-down across governance, strategy, and management levels. It continuously refines sustainability governance mechanisms and management systems while strengthening oversight functions for sustainable risks and opportunities. The Operational Management Team coordinates the implementation of the sustainability strategy, focusing on key issues and ensuring accountability across all relevant parties. The Executive Team effectively supports sustainability decision-making and drives the implementation of specific sustainability tasks across all Company units.

The Company upholds the development philosophy of serving the nation and the people through finance, and steadily advances the building of a world-class investment bank and investment institution. We continue to strengthen our three core roles: the primary service "provider" of direct financing, the important "gatekeeper" of the capital market, and the professional "manager" of social wealth. We have defined six key areas for the Company's sustainable development: Economic Integration, Green Development, Excellent Service, Social Value Enhancement, Talent Care, and Integrity & Prudence. We carry out sustainable development practices in a comprehensive manner, actively respond to the expectations of stakeholders, and strive to create greater value for economic, environmental and social progress.

Environment Governance

The Company is committed to advancing green finance initiatives by coordinating efforts to support industrial restructuring, pollution control, ecological conservation, and climate action. Through capital allocation, we guide the transition of the industrial and energy structures toward green and low-carbon development. We strive to contribute to the strategic goals of “carbon peaking and carbon neutrality”, effectively support the development of a beautiful China, and jointly advance toward harmonious coexistence between humanity and nature.

Expanding Comprehensive Green Finance Services

The Company continues to deepen the layout of green finance services, build a multi-level green financial service system. In 2025, the Company will continue to provide enterprises with green financing solutions including green equity, green bonds, and asset-backed securities (“**ABS**”). It will actively explore innovations in carbon finance, enhance green risk management services in futures business, and guide investment allocation toward green-themed securities through equity derivatives. These efforts will comprehensively empower the low-carbon transformation of the real economy.

In 2025, the Company assisted multiple enterprises in the new energy and environmental protection sectors, including Grandblue Environment and EVE Energy, in completing equity financing and merger and acquisition restructuring. In June 2025, Grandblue Environmental successfully completed the asset transfer for the privatization of Hong Kong Stock Exchange-listed Canvest Environmental Protection through a scheme of arrangement. The transaction size was approximately HK\$11.1 billion. The Company served as the exclusive independent financial adviser for the A-share transaction and the exclusive financial advisor to the Hong Kong share offeror in this transaction. In April 2025, the Company served as the sole sponsor and lead underwriter, assisting EVE Energy in its public issuance of RMB5 billion in convertible bonds.

The Company actively underwrites ESG-related bonds, directing capital flows toward sustainable development projects. In 2025, the Company underwrote a total of green bonds (including carbon neutrality bonds) RMB77.6 billion, ranking first among peers. The Company assisted ICBC in successfully issuing the market’s first floating-rate green finance bond by a commercial bank, with proceeds primarily directed toward green infrastructure upgrades, clean energy, and other green industry projects; Assisted Hungarian Savings Bank in successfully issuing the world’s first publicly offered MREL offshore Renminbi green bond, pioneering floating-rate terms benchmarked to SHIBOR for foreign issuers; Assisted State Grid International in successfully issuing its inaugural offshore RMB green bond worth RMB6 billion, setting the largest single-year offshore Renminbi bond issuance scale for a central state-owned enterprise.

As the first securities firm in China to engage in carbon trading operations, the Company fully supports the development of the carbon market, providing comprehensive carbon trading and carbon finance services to emission-controlled and emission-reduction enterprises nationwide. In March 2025, the first batch of newly registered Certified Emission Reductions (“**CCER**”) from the national voluntary greenhouse gas emissions trading market commenced trading. The Company executed its first two-way transactions involving both purchases and sales of these new CCER, with the traded assets covering multiple voluntary greenhouse gas emissions reduction projects. In September 2025, the Company and Beijing Jiacheng Thermal Power Co., Ltd. (北京嘉誠熱力有限公司) completed the first on-exchange repurchase transaction in Beijing’s carbon market, helping enterprises unlock carbon assets and address financing bottlenecks for low-carbon technology innovation projects. In December 2025, the Company collaborated with the National Carbon Emission Rights Registration Authority to jointly develop the China Carbon-CITIC Securities National Carbon Market Price Spread Index (CEA-CCER), enabling timely and precise quantification of the price relationship between the two core asset classes in the national carbon market.

The Company actively introduces ESG-related products, considering the sustainability and social responsibility performance of constituent companies. It integrates ESG investment principles into its investment strategies to enhance portfolio quality and sustainability, such as the A500 ETF, State-owned Enterprise Innovation ETF, A100 ETF, and Yangtze River Protection ETF. As at the end of 2025, the Company had launched 351 ESG-themed products in its wealth management business, with a combined AUM of RMB10.92 billion.

The Company focuses on green-related industries such as industrial manufacturing, semiconductors, new energy, and environmental protection with registered offices in the PRC. It meticulously selects high-quality listed targets based on multiple dimensions including industry outlook, fundamental performance, and market capitalization liquidity to guide capital flows toward green and technology sectors. As at the end of December 2025, the Company has assisted investors in allocating capital to domestic and international listed companies and stock indices registered in the PRC that align with technology and green themes, with the total outstanding nominal principal exceeding RMB38 billion. The Company actively develops strategy indices centered on technology or green themes, including the Shenzhen Strategic Emerging Industries Index, Digital Economy Stock Index, Central State-Owned Enterprises Hard Technology Index, and Global ESG Asset Rotation Index, to guide investor demand. As at the end of 2025, the Company had developed over 30 strategy indices of the aforementioned types, cumulatively guiding investors to allocate more than RMB15 billion in funds through over-the-counter derivatives.

The Company continues to optimize the development of its green finance and sustainable development research system. In 2025, the Company has published a total of 33 reports on ESG and green low-carbon initiatives, further expanding in-depth thematic research covering ESG rating systems, investment strategies, corporate services, and regular tracking. It has hosted four ESG-themed forums, inviting numerous ESG leaders from asset management institutions and senior executives from listed companies to share and exchange insights on green finance and corporate ESG governance practices. In October 2025, the Company hosted an ESG investment-themed research event, inviting multiple asset management institutions to conduct on-site visits to listed companies. Participants engaged in in-depth discussions on the Company's current ESG governance practices and future plans, exploring opportunities for green finance collaboration. Analysts at CSI published nearly 200 ESG research reports on individual stocks and industries in 2025.

CITIC Futures is addressing operational pressures faced by enterprises in the new energy industry chain through green futures products, continuously exploring new product tools, and deepening the development of green finance. CITIC Futures places high importance on the significant role green futures products play in advancing the new energy industry. The Company actively participates in strategic planning and has completed the industry's first industrial silicon futures-to-cash transaction. As at the end of 2025, it maintained industry-leading positions in trading volume and open interest for lithium carbonate, polysilicon, and industrial silicon futures.

ESG Risk Management

The Company incorporates ESG factors into the comprehensive risk management system, continuously strengthening the identification, monitoring, and control of ESG risks in its business activities. In 2025, the Company issued its Environmental, Social, and Governance ("**ESG**") Risk Management Statement, integrating ESG factors into due diligence, risk approval, and subsequent management processes. It will continue advancing the development of its ESG risk management system for investment and financing, enhance ESG risk management capabilities, and proactively address ESG-related risks and opportunities. Currently, CITIC Securities' ESG risk management has been implemented across multiple business segments, including investment and financing operations as well as wealth management services, and continues to undergo optimization and refinement.

ESG Risk Management Framework

The Company pays great attention to the ESG risk governance. The Board oversees the Company's overall risk management and bears ultimate responsibility for ESG risk management. It is responsible for reviewing and approving relevant requirements concerning ESG risk management within risk management strategies, preferences, policies, and procedures, and for supervising and evaluating the implementation of the Company's ESG risk management. The Senior Management Team bears primary responsibility for the effectiveness of the Company's ESG risk management. Under the comprehensive risk management framework, it establishes ESG risk management mechanisms and processes, assesses the Company's ESG risk management status, and resolves issues identified in ESG risk management. The Company's business units/lines and subsidiaries bear primary responsibility for ESG risk management. They are responsible for implementing the Company's ESG risk management policies and related systems, establishing sound ESG-related business risk management processes based on actual business needs, and identifying, assessing, monitoring, and reporting ESG-related business risks.

ESG Risk Due Diligence

The Company integrates ESG factors into various business risk management processes, incorporating ESG-related factors into the due diligence, decision-making approval, and follow-up management of financing, equity investment, and investment banking activities across relevant departments and subsidiaries. In daily project reviews and risk monitoring, the Company enhances the focus on risk assessments for enterprises in industries with higher ESG risk exposure, prioritizing industries encouraged by national policies. The Company continues to advance its ESG culture development, strengthen the promotion of ESG risk awareness, and enhance employees' ability to identify and assess ESG risks.

In 2025, the Company will prioritize integrating ESG principles into the project decision-making, execution, and management processes of its investment projects during due diligence. When selecting investment targets, we generally conduct a prudent assessment of industries or enterprises that have experienced major pollution incidents, significant personnel accidents, or other severe negative events, or that have had a major negative impact on society, before making investment decisions.

Key Measures for ESG Risk Management

ESG risk management covers multiple areas, including investment and financing businesses and wealth management. ESG factors are incorporated into due diligence, risk approval and post-investment management, with continuous optimization and improvement.

- **Credit risk management:** The Company strengthens credit risk assessments for enterprises in energy-intensive industries, prioritizing sectors encouraged by national policies and green industries. For investment and financing activities, the Company strictly implements requirements on fund allocation in accordance with regulatory rules. ESG principles are integrated with established credit rating methodologies or value investing theories. Issuers' ESG performance is incorporated into credit rating models as an important basis for assessment.
- **Private equity investment risk management:** The Company conducts ESG due diligence on investment targets with reference to the Equator Principles framework, focusing on compliance with environmental protection regulations, assessing the environmental impact of their business activities, and reviewing their labor rights practices. The Company prioritizes investment themes and strategies aligned with dual-carbon goals, environmental protection, and new energy industries, while evaluating the growth potential and attractiveness of the target's sector, particularly whether it falls within state policy-supported domains. Additionally, the Company reviews whether the investment target has a sound corporate governance structures and whether major litigation or arbitration risks exist.
- **Investment banking risk management:** In line with green finance policies for the securities industry, green bond requirements and market demand, the Company strongly supports green bond issuances and equity financing for the securities industry. For IPO, refinancing and merger and acquisition projects, the Company rigorously verifies the use of raised funds. If proceeds are directed toward energy-intensive or high-emission projects, the Company strictly verifies whether the projects comply with relevant local policies. It also reviews environmental compliance, fulfillment of social responsibility, and the effectiveness of corporate governance.
- **Financial product risk management:** ESG performance shall serve as a key criterion for the admission review of managers. The Company strengthens the review of managers' internal governance, integrity, and compliance matters, conducting rigorous due diligence, and exercises caution in cooperating with managers who have a history of violations and poor integrity records. The Company conducts dynamic monitoring of existing managers or products, promptly identifies ESG risk issues, and assesses relevant impact. From the perspective of protecting investors, the Company actively communicates with customers and risk disclosures, strictly fulfills its duties as a distributor, thereby providing higher-quality products and services.

Climate Change Risk Management

The Company incorporates climate change into its comprehensive risk management system to further understand and more effectively manage environmental risks in business development and operations, and seize the opportunities brought by environmental risks. With reference to the disclosure framework of the Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Report (Trial) issued by the SSE and the International Financial Reporting Sustainability Disclosure Standard No. 2 – Climate-related Disclosure (IFRS S2) issued by the International Sustainability Standards Board (“**ISSB**”), the Company actively identifies, assesses and manages the impact of climate change-related physical risks, transition risks and opportunities on its operations and businesses at the corporate level. It assesses the potential financial impact of the identified key climate-related risks and opportunities, and develops risk management and strategic planning to actively respond to climate change. Based on key conclusions from climate scenario analysis, the Company has fully integrated the management of climate impacts, risks and opportunities into its medium-to-long-term strategic planning, ensuring that its strategy remains resilient and competitive amid the impacts of climate change.

The Company proactively studies regulatory requirements and industry standards concerning climate risk stress testing at home and abroad, evaluates and analyzes the applicability of external climate risk management experience to securities companies, explores the risk transmission path of the potential impacts of climate change on securities companies, designs climate risk stress scenarios, and carries out specialized stress tests for climate risks. The stress test results show that climate risks have a limited impact on the Company's existing businesses and overall revenue, but they require ongoing strategic attention and response. The Company shall seize the strategic opportunities brought by green finance and properly address the combined impacts arising from the interplay of physical risks and transition risks.

Green and Low-Carbon Operations

In 2025, the Company continued to implement multiple energy-saving, emission-reduction, and environmental protection initiatives in its daily operations, reducing consumption of natural resources and minimizing environmental impact. In November 2025, the Company purchased 12,000,000 kilowatt-hours of green electricity through the Green Electricity Certificate (“**GEC**”). This initiative offset approximately 7,321 tons of carbon dioxide equivalent emissions generated by the Company's routine operations in 2025, fulfilling its commitment to sustainable development. In 2025, the Company did not have any major violations related to environmental protection or any environmental-related litigation.

Social responsibility

External donations and public welfare projects	Quantity/ content
Total input (RMB0'000)	3,408
Of which: Funds (RMB0'000)	3,408
Funds converted from materials (RMB0'000)	-
Number of people benefited (people)	110,840

As an indispensable part of society, the Company should fully participate in the construction of social welfare undertakings and industries and work with stakeholders to create a better social environment while striving to achieve economic, environmental and social values. The Company adheres to its core values of “integrity, innovation, excellence and sharing”, fully assuming its social responsibility as a state-owned financial enterprise, and striving to promote rural revitalization using financial support. It consistently carries out practical activities for paired assistance and public welfare innovation, deepens mutually beneficial cooperation with industry peers and partners and actively contributes to building a harmonious, stable and better society.

The Company continues to strengthen its public welfare culture, steadfastly supporting educational development, caring for vulnerable groups, and innovatively advancing volunteer services. It conveys the warmth of public welfare to society, giving back to the community to realize corporate value. Through the “CITIC Securities Public Welfare Fund”, the Company contributed RMB0.355 million to support civil engineering repairs at Yuzhong No. 9 Middle School, Xinying Middle School, and Xiaokangying School in Yuzhong County, Gansu Province, which suffered flood damage. This initiative ensures the orderly resumption of school operations and the return of students to campus.

In November 2025, a major fire broke out at Wang Fuk Court in Tai Po District, Hong Kong, resulting in significant casualties. In accordance with CITIC Group’s unified deployment, the Company promptly activated its emergency assistance mechanism alongside relevant subsidiaries, organized charitable donations, and mobilized employees both domestically and internationally to participate in compassionate initiatives. CSI encourages employees to participate in charitable donation activities, actively mobilizing staff to organize volunteer teams to deliver care and assistance to affected residents and support post-disaster relief efforts. Employees of ChinaAMC and China Asset Management (Hong Kong) Limited jointly donated RMB2 million to support emergency living needs for affected residents and post-disaster community reconstruction.

For further details, please refer to the CITIC Securities Sustainability Report 2025 of the Company dated 26 March 2026.

Significant subsequent events

Since the end of the Reporting Period to the date of publication of this report, save as those disclosed above, in “Other Matters” and Note 60 “Events After the Reporting Period” to the financial statements as set out in this report, there were no other subsequent events which had a material impact on the Group.

Future development/prospects

Please refer to “Development strategy of the Company” and “Business plan” of this report on the Company's future development prospects.

Profit Distribution and Proposed Dividend Formulation, implementation or adjustment of the cash dividend policy

The Company attaches much importance to providing reasonable returns to investors and formulates a stable and sustaining profit distribution policy. The Company's cash dividend policy objective is that provided the Company has no major investment plans or significant cash expenditures and meets its normal operating capital requirements, the Company shall do its best to ensure that the annual profit distribution scale is not less than 20% of the net profit attributable to owners of the parent for that year.

The specific profit distribution policy of the Company is as follows: (1) The profit shall be distributed in the form of cash, stock shares, or a combination of both. Priority will be given to cash dividend payment when the conditions for cash dividend are fulfilled. The percentages of distribution shall be drafted by the Board of Directors according to the situation of the Company and the stipulations of the CSRC, and shall be approved by the General Meeting of Shareholders; (2) The Company shall, in principle, make one profit distribution each year when the conditions for dividend payment are fulfilled, but the Company may distribute dividends in an interim period according to its profitability and capital requirements; when an annual General Meeting of Shareholders of the Company is held to review the annual profit distribution plan, it may consider and approve the conditions, proportion cap and amount cap of cash dividends for the interim period of the next year. The dividend cap for the interim period of the next year considered at the annual General Meeting of Shareholders shall not exceed the net profit attributable to shareholders of the listed company for the corresponding period. When formulating a specific interim dividend plan, the Company needs to follow the necessary corporate governance procedures; (3) Where the Board of Directors fails to prepare a plan for the annual cash profit distribution when the Company has earned a profit, the Company shall, if so requested by the relevant regulatory authority, disclose the reasons for the failure in its regular report; and (4) Where any shareholder misappropriates any fund of the Company in violation of laws or regulations, the Company shall, before distributing the profit, deduct the amount so misappropriated by such shareholder from the cash amount to be distributed to such shareholder. The Company shall disclose the formulation and implementation of the cash dividend policy. It shall fully disclose the reason where the Company chooses not to pay cash dividends when conditions are fulfilled.

When determining the profit distribution plan, particularly the cash dividend plan of the Company, the Board shall carefully research and discuss on, among others, the timing, conditions as well as the minimum ratio, conditions on adjustments and the decision-making procedures of the cash dividend. The independent directors shall clearly express their opinions on these matters. The independent directors are entitled to express independent opinions if they consider that the cash dividend distribution plan may impair the interests of the listed company or minority shareholders. If the opinions of the independent directors are not adopted or not fully adopted by the Board, the opinions of independent directors and the specific reasons for non-adoption shall be recorded and disclosed in the resolutions of the Board. The General Meeting of Shareholders, before considering the profit distribution plan, especially the cash dividend distribution plan submitted by the Board, shall take initiatives to communicate with shareholders (especially minority shareholders) through public channels and sufficiently listen to the comments and requests from minority shareholders.

When the profit and accumulated undistributed profit for the year is positive, the cash flows are sufficient to fund the Company's normal operation and long-term development and the implementation of the cash dividend plan will not affect the Company's on-going operation, the Company may make profit distribution in the form of cash. The Company shall, taking into consideration factors such as characteristics of the industry where it operates, the development stage, its own business operation model, profitability level, debt repayment capacity and whether there are significant capital expenditure arrangements and investor returns, develop differentiated cash dividend policies to be applicable in the following different situations: (1) Where the Company is at a sophisticated stage of development and has no significant capital expenditure arrangements, the cash dividend payout ratio in the profit distribution shall reach a minimum of 80%; (2) Where the Company is at a sophisticated stage of development and has any significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 40%; and (3) Where the Company is at a growth stage of development and has any significant capital expenditure arrangement, the cash dividend payout ratio in the profit distribution shall reach a minimum of 20%; Where the Company's development stage is difficult to be defined but the Company has any significant capital expenditure arrangement, item (3) of the preceding paragraph may still be followed. The cash dividend payout ratio in the profit distribution shall be calculated by dividing cash dividends by the sum of cash dividends and share dividends.

Where the Company is in a sound operating condition, and the Board considers that the earnings per share and stock price of the Company does not reflect its scale of share capital and distributing dividends in shares will be in the interests of the shareholders of the Company as a whole, the Company may make profit distribution in the form of stock shares after considering the growth of the Company, dilution of net asset value per share and other factors. The distribution of dividends in the form of shares shall be subject to the approval of the General Meeting, and to the approval of the CSRC or other regulatory authorities.

The formulation and revision of the Company's profit distribution policy are transparent and compliant, adhering to relevant laws and regulations, normative documents, exchange rules, and the provisions of the Company's Articles of Association. The dividend distribution standards and proportions are clearly defined, and the decision-making procedures and mechanisms are well-established.

On 27 June 2025, the 2024 Annual General Meeting of the Company considered and approved the profit distribution plan for 2024, namely: cash dividend of RMB2.80 (tax inclusive) for every 10 Shares, which was implemented on 25 August 2025. Considering that the Company has distributed an interim cash dividends of RMB2.40 (tax inclusive) for every 10 shares for 2024, together with this cash dividend distribution, the total cash dividend for the full year of 2024 amount was RMB5.20 per 10 Shares (tax inclusive). The total cash dividend for the year 2024 (including the interim cash dividend already distributed) amount was RMB7,706,684,351.08 (including tax). The net profit attributable to ordinary Shareholders of the listed company in the consolidated statement of the Company in 2024 is RMB20,898,120,428.65. The total annual cash dividends of the listed Company in 2024 represents 36.88% of the net profit attributable to Shareholders of ordinary Shares of the Company as shown in the 2024 consolidated financial statements.

On 19 December 2025, the 2025 First Extraordinary General Meeting of the Company considered and approved the interim profit distribution plan for 2025, namely cash dividend of RMB2.90 (tax inclusive) for every 10 Shares, which was implemented on 9 February 2026. The above-mentioned dividend was in compliance with the relevant provisions of the Regulatory Guidelines for Listed Companies No. 3 - Cash Dividend of Listed Companies (《上市公司監管指引第3號 - 上市公司現金分紅》) issued by the CSRC, the Self-regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operation (《上海證券交易所上市公司自律監管指引第1號 - 規範運作》) and the Articles of Association of the Company.

During the Reporting Period, all decisions in respect of dividend were made in compliance with the dividend policy of the Company, and there was no deviation from the dividend policy.

Profit distribution plans in 2025

The Company proposes the profit distribution plan of 2025 as follows:

1. The Company proposes to adopt cash dividend payment method for its 2025 profit distribution (i.e. 100% cash dividend) and distribute a dividend of RMB4.10 (tax inclusive) per 10 Shares to the A Shareholders and H Shareholders whose names appear on the register of members of the Company on the record date for the distribution of the 2025 cash dividend. Based on the total number of issued Shares of the Company as at the end of 2025, i.e. 14,820,546,829 Shares, the cash dividend proposed to be distributed totals RMB6,076,424,199.89 (tax inclusive). Considering that the Company has distributed cash dividends of RMB4,297,958,580.41 (tax inclusive) in the interim period of 2025, the total annual cash dividends of the Company in 2025 are RMB10,374,382,780.30 (tax inclusive) (including cash dividends distributed in the interim period), representing RMB7.00 (tax inclusive) per 10 Shares. The net profit attributable to ordinary Shareholders of the listed company in the consolidated statement of the Company in 2025 is RMB29,036,764,239.18. The total annual cash dividends of the listed company in 2025 represents 35.73% of the net profit attributable to ordinary shareholders of the Company as shown in the 2025 consolidated financial statements. In the event of change in total share capital of the Company after the date of the Board meeting but before the record date for payment of the cash dividend, the total distribution amount shall remain unchanged while the distribution amount per Share will be adjusted accordingly. The outstanding balance of the retained profit available for distribution for 2025 will be carried forward to the next year.
2. Cash dividend is denominated and declared in Renminbi and payable in Renminbi or in Hong Kong dollars equivalent to the Shareholders. The actual amounts to be paid in HKD will be calculated based on the average benchmark exchange rate for Renminbi to Hong Kong dollars as announced by the People's Bank of China for the five business days before the date of the general meeting.

The Company shall, in accordance with the provisions of the Articles of Association of the Company, complete the distribution of the 2025 cash dividend within two months after the 2025 profit distribution plan has been considered and approved by the general meeting. The Company will publish separate announcement on the record date and the book closure period for the payment of the dividends in relation to H Shares, as well as the record date and the date for the payment of the dividends in relation to A Shares.

Tax Deduction and Exemption

A Shareholders

Pursuant to Notice on Issues Concerning the Implementation of Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (Cai Shui [2012] No. 85) and Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (Cai Shui [2015] No. 101) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC, for dividends obtained from listed companies by individual investors, if the holding period between the date of obtaining the company's shares by the individual investor and the record date is more than one year, individual income tax shall be exempted; if the holding period between the date of obtaining the company's shares by the individual investor and the record date is less than one year (inclusive), listed companies temporarily are not required, in respect of their individual income tax, to pay withholding tax, subject to corresponding adjustment to be made in accordance with the aforementioned Notices at the time when the individual investors transferred their respective shares.

For Shareholders who are resident enterprises, the income tax on their cash dividends shall be payable by themselves.

For QFII, listed companies are required to withhold and pay enterprise income tax at a rate of 10% pursuant to the requirements of the Notice Concerning the Relevant Questions on the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII of the State Administration of Taxation (Guo Shui Han [2009] No. 47). Shareholders who are QFII, and who wish to enjoy the treatment of tax treaties (arrangements) shall apply to the competent taxation authority for tax rebates according to the relevant rules and regulations after they receive the dividends.

Pursuant to the requirements of the Notice of the Ministry of Finance, the State Administration of Taxation, and the CSRC on Taxation Policies Concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81), for dividends derived by investors (including enterprise and individual investors) in the Hong Kong market from investing in A shares listed on SSE, and prior to Hong Kong Securities Clearing Company Limited is able to furnish the identity, holding period and other detailed data of investors in the Hong Kong market to CSDC, the differentiated tax policy based on the holding period of shares will temporarily not be implemented. Listed companies shall withhold income tax at a tax rate of 10% and make withholding and payment filings with their competent tax authorities. For those investors in Hong Kong who are tax residents of other countries and the income tax rate applicable to dividends is lower than 10% under the tax treaties between China and their residence countries, enterprises or individuals may by themselves or ask the withholding and payment agent to act on their behalf to apply to the competent tax authorities of the listed companies for the application of preferential treatment under the tax treaties. With the approval of the competent tax authorities, the difference between the tax paid and the payable tax calculated at the rate as prescribed under the corresponding tax treaty shall be refunded.

H Shareholders

Pursuant to the requirements of the Notice of the State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348), the dividends received by overseas resident individual shareholders from the shares issued by domestic non foreign-invested enterprises in Hong Kong are subject to the payment of individual income tax according to the items of “interests, dividend and bonus income”, which shall be withheld and paid by the withholding and payment agents according to the relevant laws. The overseas resident individual shareholders who hold the shares issued by domestic non foreign-invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries where they are residents and China or the tax arrangements between Chinese Mainland and Hong Kong (Macau). The relevant dividend tax rate under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax collection and administration, domestic non foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividend, generally withhold and pay individual income tax at the rate of 10%, and are not obligated to file an application.

Pursuant to the requirements of the Notice on the Issues Concerning Withholding and Paying the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Shareholders Which Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) of the State Administration of Taxation, a PRC resident enterprise, when distributing dividends for the year 2008 and the years thereafter to H shareholders which are overseas non-resident enterprises, shall be subject to enterprise income tax withheld and paid at a uniform rate of 10%.

Pursuant to the requirements of the Notice of Ministry of Finance, the State Administration of Taxation, and the CSRC on Taxation Policies Concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) and Notice on Taxation Policy Concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127), for dividends derived by Mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, H-share companies shall withhold individual income tax at a tax rate of 20% for the investors. For dividends derived by Mainland securities investment funds from investing in shares listed on Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen Hong Kong Stock Connect, the above rules also apply and individual income tax shall be levied on dividends derived therefrom. For dividends derived by Mainland enterprise investors from investing in shares listed on Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the company of such H shares will not withhold the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves. For dividends derived by Mainland resident enterprises where the relevant H shares have been continuously held for more than 12 months, the enterprise income tax thereon will be exempt according to the laws and regulations.

Shareholders of the Company are taxed and/or enjoy tax relief in accordance with the aforementioned regulations.

Use of Proceeds

Public issuance of Shares by way of the rights issue

The Company shall deposit, use and manage the proceeds in accordance with the Administrative Measures on the Use of Proceeds by CITIC Securities Company Limited (《中信証券股份有限公司募集資金使用管理辦法》), Tripartite Regulatory Agreement on the Deposit of Proceeds into Special Accounts (《募集資金專戶存儲三方監管協議》) and relevant laws and regulations. As at the end of the Reporting Period, the proceeds from A+H Share rights issuance of the Company in 2022 included the net proceeds of approximately RMB22.318 billion from the rights issue of the Company to existing A Shareholders, and the net proceeds of approximately HK\$5.976 billion from the rights issue to H Shareholders, equivalent to approximately RMB4.839 billion, among which approximately RMB18.155 billion equivalent was used for the development of flow-based business; RMB5.0 billion equivalent was used for the increase in investments to the subsidiaries; RMB3.0 billion equivalent was used for the strengthening of the construction of the information system; RMB1.0 billion equivalent was used for the replenishment of other working capital, which was fully utilised and were used in line with commitments in the prospectus and the Company's announcements.

In RMB

Source of proceeds	The time of receiving the proceeds	Total proceeds	Of which: the amount of the over subscription proceeds (1)	Net proceeds (2)	Total promised investment amounts out of proceeds in the prospectus	Accumulated investment amounts out of proceeds as at the end of the Reporting Period (3)	Of which: the total accumulated investment amounts of the over subscription proceeds as at the end of the Reporting Period (4)	Process of accumulated investment as at the end of the Reporting Period (%) (5)=(3)/(2)	Process of the accumulated investment of the over subscription proceeds as at the end of the Reporting Period (%) (6)=(4)/(1)	Investment amount for the year (7)	Proportion of the investment amount for the year (%) (8)=(7)/(2)
Public issuance of securities by way of the rights issue (A Share)	2022.01.27	22,395,672,337.35	-	22,318,195,731.58	22,318,195,731.58	22,318,195,731.58	-	100.00	-	-	-
Public issuance of securities by way of the rights issue (H Share)	2022.03.04	4,889,179,196.04	230,311,167.43	4,838,776,311.28	4,838,776,311.28	4,837,273,729.96	230,311,167.43	99.97	100.00	-	-
Total	/	27,284,851,533.39	230,311,167.43	27,156,972,042.86	27,156,972,042.86	27,155,469,461.54	230,311,167.43	/	/	-	/

Note: All the proceeds from H Share issuance have been fully utilized. The difference between the actual investment amount and the promised investment amount is caused by the fluctuation of Hong Kong dollar exchange rate between the date of actual use and the verification date of proceeds

In RMB

Name of project	Nature of project	Whether it's a promised investment project in the prospectus	Whether the change is involved	Source of proceeds	Total planned investment amounts(1)	Investment amount for the year	Accumulated investment amount as at the end of the Report Period(2)	Process of accumulated investment as at the end of the Reporting Period(3)=(2)/(1)	Closed or not	Whether process of investment is in line with plan process	Balance
A+H Share Rights Issue	Development of flow-based business	Yes	No	Proceeds from the A+H Share Rights Issue	18,156,972,042.86	-	18,155,469,461.54	99.99	Yes	Yes	-
A Share Rights Issue	Increase in investment to the subsidiaries	Yes	No	Proceeds from the A-Share Rights Issue	5,000,000,000.00	-	5,000,000,000.00	100.00	Yes	Yes	-
A Share Rights Issue	Strengthening construction of the information system	Yes	No	Proceeds from the A-Share Rights Issue	3,000,000,000.00	-	3,000,000,000.00	100.00	Yes	Yes	-
A Share Rights Issue	Replenishment of other working capital	Yes	No	Proceeds from the A-Share Rights Issue	1,000,000,000.00	-	1,000,000,000.00	100.00	Yes	Yes	-
Total	/	/	/	/	27,156,972,042.86	-	27,155,469,461.54	/	/	/	-

Note: All the proceeds for the development of flow-based business have been fully utilized. The difference between the actual investment amount and the promised investment amount is caused by the fluctuation of Hong Kong dollar exchange rate between the date of actual use and the verification date of proceeds from H Share issuance

Bond issuance

During the Reporting Period, the Company publicly issued 26 tranches of bonds with an aggregate issuance amount of RMB110.7 billion, including ten tranches of corporate bonds with an issuance amount of RMB56 billion; nine tranches of short-term corporate bonds with an issuance amount of RMB37.5 billion; four tranches of perpetual subordinated bonds with an issuance amount of RMB7.5 billion; and three tranches of sci-tech innovation bonds with an issuance amount of RMB9.7 billion. Proceeds from issuance of bonds above were used to replenish working/liquid capital of the Company, repay corporate bonds or support for sci-tech innovation business. The Company issued 3,501 tranches of beneficiary certificates with an aggregate issuance amount of RMB251.983 billion to replenish working capital of the Company.

In accordance with the relevant requirements of the Administrative Measures for the Issuance and Transactions of Corporate Bonds, the Company established special accounts for the proceeds from issuance of each tranche of corporate bonds, subordinated bonds and perpetual subordinated bonds for the collection, storage and transfer of proceeds, and the collection and management of the payment of interest and redemption of principal.

As at the end of the Reporting Period, proceeds of each tranche of bonds were used up and were used in line with the purpose, usage plan and other agreements in the offering circulars. Please refer to “Issuance and Listing of Securities” of this report for details about the securities issued by the Company during the Reporting Period.

Purchase, Sale or Redemption of the Company’s Securities

Save for relevant bond issuance during the Reporting Period and existing bonds, during the Reporting Period, neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

The Directors and Senior Management

Please refer to “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 the list of the Company’s Directors during the Reporting Period and from the end of the Reporting Period to the date of publication of this report.

Please refer to “Changes of Directors and Senior Management of the Company” of this report for the details of the resignation of the Directors during the Reporting Period.

Biographical details of the Directors and Senior Management are set out in “Major working experience of the Directors and Senior Management” of this report.

Directors’ Interests in Contracts and Service Contracts

The Directors’ Service Contracts were entered into by the Company with each of the Directors of the Board. The Directors’ Service Contracts set out provisions regarding the Directors’ appointments, terms of office, duties, remuneration and expenses, non-competition, confidentiality obligations, termination of appointments, breach of contract and arbitration, etc. The term of office of the Directors commenced from the date of election at a general meeting of the Company until the expiry date of the term of BOD Office. Where the regulatory authority of the place where the Company’s Shares are listed has other provisions on the term of office of the independent non-executive Directors, such provisions shall prevail.

In addition, none of the Directors entered into a service agreement with the Company or its subsidiaries which could not be terminated within one year without paying compensation (other than statutory compensation).

Permitted Indemnity Provisions

In 2025 and when the Report of the Board of this report is approved, no permitted indemnity provision (whether made by the Company or otherwise) was made or in force for the benefit of the Directors or former Directors of the Company or any directors or former directors of the associated companies of the Company (if made by the Company).

The Company has purchased insurance for the Directors against legal liabilities arising from performance of their duties. The governing law of relevant insurance policies was PRC law. The Company reviews the coverage of the Director's liability insurance each year. In 2025, there were no claims for compensation against the Directors and Senior Management.

Management Contracts

During the Reporting Period, no management or administrative contracts were entered into or subsisting in respect of the whole or a substantial part of any business of the Company.

Remuneration Policies

The details of remuneration policies and share incentive scheme in respect of the Directors and Senior Management are set out in "Remuneration of Directors and Senior Management for the year" and "Share incentives regarding Directors and Senior Management" of this report.

Details of the Company's employee remuneration policies and employee compensations are set out in "Remuneration policy" and Note 10 to the Consolidated Financial Statements of this report.

Directors' Interests in Material Contracts

The Company or its subsidiaries did not enter into any transaction, arrangement or contract of significance in which the Directors had a material interest during the Reporting Period, whether directly or indirectly.

Directors' Interests in Businesses Competing with the Company

None of the Directors has interests in any business which competes with businesses of the Company.

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

As at 31 December 2025, the following person had interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance), which were required, pursuant to Section 352 of the Securities and Futures Ordinance, to be entered into the register referred to therein, or required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange as follows.

Name	Position	Nature of interest	Class of Shares	Number of Shares held (shares)	Percentage of total number of issued Shares of the Company
ZHANG Youjun	Chairman and Executive Director	Beneficial owner	A Shares	430	0.000003%

Pursuant to the Securities and Futures Ordinance, the chief executive who was required to disclose his interests to the Hong Kong Stock Exchange was the President and did not include other Senior Management personnel. For details of the shareholdings of other Senior Management, please refer to "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. In addition, as at 31 December 2025, no other Directors and Senior Management or their respective spouses or children under 18 years of age had been granted equity securities or warrants of the Company.

Pre-emptive Rights

The Company was incorporated in accordance with the PRC laws with no arrangement regarding pre-emptive rights.

Reserves and Reserves for Distributable Profits

Please refer to the "Consolidated Statement of Changes in Equity" and Note 50 to the Consolidated Financial Statements of this report for details of changes in the reserves and the reserves for distributable profits of the Company.

Fixed Assets

Please refer to Note 18 to the Consolidated Financial Statements of this report for details of the Group's fixed assets as at 31 December 2025.

Major Clients and Suppliers

The Company serves institutional and individual clients in various sectors. The Company's clients range from multinational corporations and SMEs to high-net-worth clients and retail customers. The clients are primarily located in China. The Company expects to serve more overseas clients as the Company taps into overseas market in the future. In 2025, the revenue from rendering services attributable to the Group's five largest clients accounted for less than 30% of the total revenue of the Group.

Save as disclosed above, none of the Directors and their respective close associates and Shareholders holding more than 5% of the issued share capital of the Company has any interests in any of the five largest clients of the Company in 2025. The Company has no major supplier due to the nature of its business.

Relationship with Employees, Clients and Suppliers

Employees' remuneration of the Company consists of base annual salary, performance-based annual salary, special rewards and insurance benefits. The Company continues to promote and implement staff training programs with comprehensive planning, implementation by levels and clear purposes. For details about the remuneration and training plans for employees of the Company, please refer to "Number and composition of staff", "Remuneration policy" and "Training program" of this report. CSI's subsidiaries had 66 brokers. For information on relationship between the Group and its securities brokers, please refer to "Information on brokers" of this report. For information on relationship between the Group and its major clients and suppliers, please refer to "Major Clients and Suppliers" of this report.

Sufficient Public Float

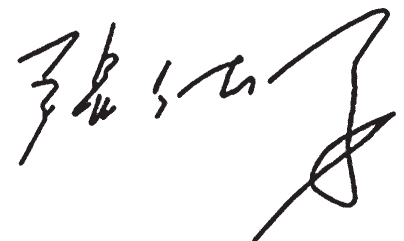
At the time of listing of the H Shares, the Hong Kong Stock Exchange granted a waiver to the Company, accepting the minimum public float of the Company for the H Shares to be the higher of: (i) 10% of the total issued Shares; or (ii) the percentage of H Shares held by the public immediately after the completion of the global offering (including the H Shares issued pursuant to the exercise of the over-allotment option and the transfer and conversion of the relevant State-owned shares into H Shares pursuant to the PRC regulations on reduction of State-owned shares). Upon the completion of the global offering and based on the minimum public float granted by the Hong Kong Stock Exchange, the minimum public float of the Company for the H Shares is 10.70%. As at the date of this report, based on the information available to the public and the knowledge of the Directors, the public float of the Company is in compliance with Rule 19A.28B of the Hong Kong Listing Rules and the requirements for minimum public float as set out in the waiver granted by the Hong Kong Stock Exchange at the time of listing.

Donations

During the Reporting Period, the Group's charitable and other donations amounted to approximately RMB34.08 million in total.

Other sections, chapters or notes of this report as mentioned in this section (Report of the Board) shall constitute part of the Report of the Board.

By Order of the Board
ZHANG Youjun
Chairman



Beijing, 26 March 2026