HTSC

2021 ANNUAL REPORT

GDR Symbol: HTSC

HUATAI SECURITIES

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1 ABOUT US

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HUATAI SECURITIES

IMPORTANT NOTICE

I. The Board of Directors, the Supervisory Committee, Directors, Supervisors and senior management of the Company undertake that the information in this annual report is true, accurate and complete and contains no false record, misleading statement or material omission, and assume individual and joint legal liabilities to the information in this report.

II. This report was considered and approved at the twenty-first meeting of the fifth session of the Board of the Company.

III. Director(s) absent from the meeting

Position of absent Director	Name of absent Director	Reasons for absence	Name of proxy
Director	Chen Yongbing	Business engagement	Ding Feng
Director	Hu Xiao	Business engagement	Zhang Wei
Director	Wang Tao	Business engagement	Zhang Wei

IV. None of the Directors and Supervisors had objections towards this report.

V. The annual financial report prepared in accordance with the CASBE and the IFRS was audited by KPMG Huazhen LLP and KPMG, respectively, which issued a standard unqualified audit report to the Company.

VI. Zhang Wei, the person in charge of the Company, Jiao Xiaoning, the person in charge of accounting, and Fei Lei, the officer in charge of the accounting office of the Company (head of accounting department), hereby warrant and guarantee that the financial report contained in the annual report is true, accurate and complete.

VII. The profit distribution proposal or the reserve capitalization proposal for the Reporting Period have been considered and approved by the Board.

According to the 2021 annual financial statements of the Company, the net profit of the Parent Company for 2021 reached RMB8,588,552,010.70. According to relevant provisions of the Company Law, Securities Law, Financial Rules for Financial Enterprises (《金融企業財務規則》) and the Articles of Association, the Company had appropriated 10% statutory surplus reserve, 10% general risk reserve and 10% trading risk reserve of RMB2,576,565,603.21 in total, after which the profit available for distribution for the year was RMB6,011,986,407.49. Taking into account the balance of undistributed profit in previous years, the accumulated profit available for distribution to investors as at the end of 2021 was RMB20,003,532,244.85.

According to relevant requirements of the CSRC, gains arising from the fair value changes in distributable profit of securities companies shall not be used for cash distribution to shareholders. As at the end of December 2021, the accumulated fair value changes in distributable profit of the Parent Company were RMB1,911,124,925.20, after deduction of which as required, the profit of the Parent Company available for distribution to investors in cash amounted to RMB18,092,407,319.65.

After comprehensive consideration of factors such as the interests of shareholders and the development of the Company, the 2021 profit distribution proposal of the Company is as follows:

1. The Company will distribute cash dividend of RMB4.50 (tax inclusive) per 10 shares based on the Company's existing total share capital of 9,076,650,000 shares after deducting 45,278,495 shares deposited in the special account for securities repurchase and 1,060,973 A Shares to be repurchased and cancelled (i.e. on the basis of 9,030,310,532 shares), with the total cash dividend of RMB4,063,639,739.40 (tax inclusive), representing 30.45% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2021.

According to relevant provisions of the Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 7 – Repurchase of Shares (《上海證券交易所上市公司自律監管指引第 7 號－回購股份》), the amount of share repurchases effected by a company in a year shall be deemed as cash dividends and be counted in the calculation of the cash dividend payout ratio for the year. Accordingly, based on the amount of share repurchases effected by the Company for 2021 of RMB48,959,144.00 (excluding transaction costs), the total cash dividend amounted to RMB4,112,598,883.40, representing 30.81% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2021.

If the total share capital of the Company changes as a result of repurchase and cancellation of shares granted in the equity incentive during the period from the disclosure date of this proposal to the record date of the implementation of

the dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution accordingly. The remaining profits available for distribution to investors will be carried forward to the next year.

2. Cash dividend is denominated and declared in RMB and paid to holders of A Shares (including the depositary of GDRs) and the investors of Southbound Trading in RMB and to holders of H Shares (excluding the investors of Southbound Trading) in HKD. The actual distribution amount in HKD shall be calculated at the rate of average basic exchange rate of RMB against HKD issued by the PBOC five business days prior to the date of the 2021 Annual General Meeting of the Company.

VIII. Forward-looking statements including future plans and development strategies involved in this annual report do not constitute the Company's substantive commitments to investors. The investors are advised to pay attention to investment risks.

IX. There is no non-operating misappropriation of funds of the Company by any controlling shareholders and their related parties during the Reporting Period.

X. The Company has not provided any external guarantees in violation of the stipulated decision-making procedures during the Reporting Period.

XI. During the Reporting Period, there exists no such circumstance that more than half of the Directors could not guarantee the authenticity, accuracy and integrity of the annual report disclosed by the Company.

XII. The report is prepared by the Company in both Chinese and English. In the event of any inconsistency, the Chinese version shall prevail.

XIII. Warning on Major Risks

General economic and political conditions such as macroeconomy and monetary policies, laws and regulations influencing financial and securities industries, rising and falling trends in commercial and financial industries, inflation, exchange rate fluctuations, availability of long and short-term market capital sources, funds raising costs and interest rate levels and fluctuations may have an impact on the Company's business. Besides, like other companies in the securities industry, inherent risks in the securities market, such as market volatility and trading volume, may also affect the Company's business. The Company cannot guarantee the sustainability of favorable politics, economy and market conditions.

Main risks in business operation faced by the Company include: policy risks from national macro-control measures, changes in laws, regulations, relevant regulatory policies and transaction rules in securities industry, which will adversely influence the business of securities companies; compliance risks from business management or professional activities violating laws, regulations or codes, which cause the Company being punished by laws, being taken regulatory measures, suffering from property loss or reputation loss; legal risks from failure to abide by provisions and requirements in laws and regulations, which make the Company face litigations, compensation, and fines and suffer from loss; market risks from fluctuations in market prices (interest rates, exchange rates, stock prices, commodity prices, etc.), which make the Company suffer from loss in assets; credit risks from default of products or debt issuers or counterparties (customers), which make the Company suffer from loss; liquidity risks from inability to obtain sufficient funds at reasonable cost to pay matured debts, fulfil other payment obligations and satisfy the capital needs for normal business; information and technology risks such as various technical failure or data leakage of the Company's information system from internal and external reasons, which consequently cause loss as the information system is impossible to guarantee the stability, high-efficiency and safety of transactions and business management in business realization, response speed, processing capacity, data encryption and so on; operational risks from incomplete or problematic internal procedures, personnel or systems or external incidents, which cause loss; reputation risks from business operation, management and other behaviors or external incidents which lead to negative judgement on the Company from relevant media; money laundering risk from the utilization of the Company's products or services by criminals to engage in money laundering activities which lead to negative effects on the Company's legal, reputation, compliance, operation and other aspects. Besides, with the advancement of the Company's internationalization strategy, the Company's business will enter the United States, the United Kingdom, Hong Kong and other countries and regions, and the Company will face more complex market environment and regulatory requirements.

DEFINITIONS

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

DEFINITIONS OF CAPITALIZED TERMS AND EXPRESSIONS	
A Share(s)	domestic share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
AoP	Assets on Platform
APP	application
Articles of Association	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
AssetMark	AssetMark Financial Holdings, Inc.
Bank of Jiangsu	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)
Board or Board of Directors	the board of Directors of the Company
Beijing Stock Exchange	the Beijing Stock Exchange (北京證券交易所)
CASBE	the China Accounting Standards for Business Enterprises (中國企業會計準則)
China or the PRC	the People's Republic of China
China Southern Asset Management	China Southern Asset Management Co., Ltd. (南方基金管理股份有限 公司)
Communications Holding	Jiangsu Communications Holding Co., Ltd. (江蘇交通控股有限公司)
Company Law	Company Law of the People's Republic of China (《中華人民共和國公司法》), as amended from time to time
CSI 300 Index	an index consisting of 300 index sample stocks which are most representative selected by the Shanghai Stock Exchange and the Shenzhen Stock Exchange jointly with the scale and liquidity as the basic standards
CSRC	the China Securities Regulatory Commission (中國證券監督管理委員會)
Director(s)	director(s) of the Company
FICC	fixed income, currency and commodity
Fintech	financial technology
Future IB Business	a business activity in which securities firms, as commissioned by futures companies, introduce clients to participate in futures transactions of futures companies and provide other related services
GDR	global depository receipt
Govtor Capital	Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司)
Group, Our Group, we or us	the Company and its subsidiaries, and their respective predecessors
Guoxin Group	Jiangsu Guoxin Investment Group Limited (江蘇省國信集團有限公司 , formerly known as Jiangsu Guoxin Asset Management Group Limited (江蘇省國信資產管理集團有限公司))
H Share(s)	foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK dollars
HKEX	Hong Kong Exchanges and Clearing Limited (香港交易及結算所有限公司)
HK$, HKD or HK dollars	the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)
HTSC, Huatai Securities, our Company, Company or Parent Company	a joint stock company incorporated in the PRC with limited liability under the corporate name 华泰证券股份有限公司 (Huatai Securities Co., Ltd.), converted from our predecessor 华泰证券有限责任公司 (Huatai Securities Limited Liability Company) on December 7, 2007, carrying on business in Hong Kong as "HTSC", and was registered as a registered non-Hong Kong company under Part 16 of the Companies Ordinance under the Chinese approved name of " 華泰六八八六股份有限公司 " and English name of "Huatai Securities Co., Ltd."; the H Shares of which have been listed on the main board of Hong Kong Stock Exchange since June 1, 2015 (Stock Code: 6886); the A Shares of which have been listed on the SSE since February 26, 2010 (Stock Code: 601688); and the global depository receipts of which have been listed on the London Stock Exchange plc since June 2019 (Symbol: HTSC), unless the context otherwise requires, including its predecessor
Huatai Asset Management	Huatai Securities (Shanghai) Asset Management Co., Ltd. (華泰證券 (上海) 資產管理有限公司), a wholly-owned subsidiary of the Company
Huatai Financial Holdings (Hong Kong)	Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股 (香港) 有限公司), a wholly-owned subsidiary of Huatai International
Huatai Futures	Huatai Futures Co., Ltd. (華泰期貨有限公司), a holding subsidiary of the Company

Huatai Innovative Investment	Huatai Innovative Investment Co., Ltd. (華泰創新投資有限公司), a wholly-owned subsidiary of the Company
Huatai International	Huatai International Financial Holdings Company Limited (華泰國際金融控股有限公司), a wholly-owned subsidiary of the Company
Huatai-PineBridge	Huatai-PineBridge Fund Management Co., Ltd. (華泰柏瑞基金管理有限公司)
Huatai Purple Gold Investment	Huatai Purple Gold Investment Co., Ltd. (華泰紫金投資有限責任公司), a wholly-owned subsidiary of the Company
Huatai Securities (USA)	Huatai Securities (USA), Inc. (華泰證券（美國）有限公司), a wholly-owned subsidiary of Huatai International
Huatai United Securities	Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司), a holding subsidiary of the Company
IFRS	the International Financial Reporting Standards
IPO	the initial public offering
IT	information technology
Jiangsu Equity Exchange	Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司), a holding subsidiary of the Company
Jiangsu SASAC	State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government (江蘇省政府國有資產監督管理委員會)
Jiangsu Securities Regulatory Bureau	Jiangsu Securities Regulatory Bureau of the CSRC (中國證監會江蘇監管局)
Listing Rules or Hong Kong Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
London Stock Exchange plc or LSE	the London Stock Exchange plc (倫敦證券交易所)
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
MSCI	Morgan Stanley Capital International Index
NEEQ	the National Equities Exchange and Quotations for medium and small-sized enterprises
NMAU	the number of monthly active users
OTC	over-the-counter
PBOC	the People's Bank of China
QDII	qualified domestic institutional investor
QFII	qualified foreign institutional investor
Reporting Period	the year ended December 31, 2021
Securities and Futures Ordinance or SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
SFC	the Securities and Futures Commission of Hong Kong (香港證券及期貨事務監察委員會)
Shanghai Brilliance	Shanghai Brilliance Credit Rating & Investors Services Co., Ltd.(上海新世紀資信評估投資服務有限公司)
Shanghai Clearing House	the Interbank Market Clearing House Co., Ltd. (銀行間市場清算所股份有限公司)
Shanghai Stock Exchange or SSE	the Shanghai Stock Exchange (上海證券交易所)
Shenzhen Stock Exchange	the Shenzhen Stock Exchange (深圳證券交易所)
SSE 50 Index	an index consisting of 50 index sample stocks with large scale and good liquidity, which are most representative in the securities market of Shanghai selected by the Shanghai Stock Exchange
SSF	the National Council for Social Security Fund of the PRC (全國社會保障基金理事會)
STAR Market	science and technology innovation board of the SSE
Supervisor(s)	supervisor(s) of the Company
Supervisory Committee	the supervisory committee of the Company
TAMP	Turn-key Asset Management Platform, a technological platform providing services such as investment products and strategies, assets portfolio management, customer relationship management and asset custody, as well as corporate operation
USD, US$ or US dollar	the lawful currency of the United States of America
VAR	value at risk
Wind Information	Wind Information Co., Ltd. (萬得資訊技術股份有限公司), a service provider of financial data, information and software in Mainland China
%	per cent.

In the 2021 Annual Report, any discrepancies between the total shown and the sum of the amounts listed are due to rounding; and any discrepancies in the change percentages of an item are due to the difference of currency unit of the item.

CEO'S LETTER

Dear Shareholders:

Times are like fire and test gold. The COVID-19 epidemic still raged globally in the past year and the external environment became increasingly complicated and severe. Meanwhile, the new round of technology and industrial revolution never stopped advancing forward and the capital market under the registration-based IPO system sped up in transformation towards a mature market. In the era with challenges and uncertainties, all staff of Huatai maintained our resilience and forged ahead with courage. We devoted to current development and explored opportunities. We also braved in transcending the moment to embrace the new future at a new height.

During our responses to the wave of digitalization, we always remain true to our original aspirations to create value for customers and achieve common growth with customers. We vigorously developed "ZhangLe Fortune Path" (漲樂財富通) when the mobile Internet was in full swing nine years ago and led the historical reform of the retail business in the industry. We firstly initiated the full digital transformation three years ago and unswervingly transformed business and management models. We promote technology empowerment from partial breakthroughs to overall coverage and speed up in unleashing the energy of the platform-based operation. As more and more customers consider Huatai as the prioritized institute for continuous services, the ideal on empowering customers through platforms is gradually coming true. Our overall business performance set a historical high in the previous year and our comprehensive domestic and overseas strength soundly ranked in the forefront of the industry. As of the end of 2021, total assets of the Group amounted to RMB806,651 million and total equity attributable to shareholders of the Company amounted to RMB148,423 million. In 2021, the Group recorded revenue and other income of RMB51,926 million and a profit for the year attributable to shareholders of the Company of RMB13,346 million.

The figures in financial reports only represent the past achievements. In the times with uncertainties, the biggest certainty we can seize is to maintain the focus on common growth with customers, keep the vitality on synergizing with the market and continuously evolve in self-iterations. We deeply believe that there are no shortcuts in building a world-class investment bank and the pursuit for creating differentiated value is an endless process. In the environment full of changes, advantages will be replaced by trends. Today's fences will become barriers tomorrow if we "lie flat". As a participant in the securities industry, Huatai constantly reshapes itself under the wave of digitalism. It directly faces the pain points in its development and breaks through path reliance to explore more new paths and new opportunities in the development of the industry in the future. The technology-empowered "two-pronged" development strategy of wealth management and institutional services provides strong driving forces for us to make breakthroughs in the industry. Standing at a higher starting point, Huatai will more resolutely advance towards self-iteration and lead the reform in the future again with an open concept and the new model of platform-based and ecological operation.

Achieving value creation by facilitating customers' success

In the times with various uncertainties and fluctuations in market sentiment, we profoundly sensed the strong demands of customers for professional financial service capabilities. Despites market changes, Huatai remained true to its original aspirations and missions to create long-term value for customers and achieve common growth with customers by gathering platform resources and focusing on the origin of serving customers to tide over difficulties with our customers.

Facing the huge and diversified individual customer groups with 20 million people, we have been considering how to make "personalized" professional financial services possible. As a result, we have established the dual-platform service ecosystem with "ZhangLe Fortune Path" (漲樂財富通) and "AORTA" (聊 TA) to empower customers on one end and empower investment consultants on the other, and build lifecycle services changing with time. The newly-released "ZhangLe Fortune Path 8.0" (漲樂財富通 8.0) achieved breakthroughs and attempted to perceive and respond to customer demands more acutely and agilely through personalized posting of diversified contents and refined operation, so that "warm" and "prompt" services can be delivered directly. "AORTA" rapidly improved the "capabilities" of investment consultants through series of utility tools and matched appropriate and outstanding investment consultants for more high-quality customers. With our unremitting efforts in creating new value for customers, we have won long-term trust from more high-quality customer groups.

The demands of institutional customer groups showed an increasingly comprehensive, customized and cross-border trend. Internally, we broke through barriers on organizational and service capabilities and integrated resources in the whole

business chain covering investment banking, research, trading and securities lending. Externally, we continued to establish the "Xing Zhi" (行知) platform for institutional investors, the global unified trading platform and the business platform for various institutional services to provide customers with integrated financial solutions and constantly expand and deepen the ecosystem of financial institutions and corporate customers. After over two years of iteration, the "Xing Zhi" platform has established a new efficient and interactive bridge among investors, listed companies and experts in industries and formed a leading institutional service brand in the industry. As the first securities lending and trading platform in the market, the "Securities Lending Path" (融券通) was upgraded again last year, which not only efficiently linked more upstream and downstream securities borrowing and lending institutions but also provided more customers with more efficient and transparent services through the open and sharing platform resources and information. The market share of our securities lending business has increased by over 20% by the end of the previous year. To meet customers' comprehensive demands for global asset allocation and hedging transactions, our institutional business has gradually expanded from the Mainland to Hong Kong and the US and mastered the changes in customer demands in Southbound and Northbound Tradings through leveraging on the cross-border and integrated linkage. Our derivatives business and cross-border business maintained the leading position in the industry. As an important link for serving corporate customers, the investment banking business deeply explored in key industries representing the orientation of China's economic development and continuously served leading enterprises in industries to achieve common growth with new leading enterprises in the future. It ranked the top place in the industry in terms of the scale of the stocks and bonds underwriting business.

Achieving breakthroughs in development boundaries with data and platforms

The financial industry is a ship sailing on the ocean of data. How to understand the law of big data and build the internal logic of big data is crucial in determining the course of the ship. Data coordination and reshaping and vitalizing data with technology are pain points and difficulties in the digital transformation of the industry. On the basis of promoting data governance, Huatai advanced the enhancement of data capabilities through platform-based and ecological models and enabled us to better serve our customers and the market with data as the engine.

We have comprehensively upgraded the data middle office into the intelligent middle office, conducted the organic integration of big data capability and artificial intelligence technology and built the product matrix covering intelligent recommendation, intelligent public opinions and intelligent trading through gathering massive data on market conditions, industries and enterprises, allowing personalized recommendation services and investment consulting services to fully cover individual clients and professional data services and intelligent services to fully extend to institutional clients. Meanwhile, the capability of the intelligent platform has been continuously enhanced by businesses in the high-frequent interactions. It has constantly accumulated business data, improved the knowledge graph and become a guide for us to accompany our customers in depth.

In the times of artificial intelligence, data accumulate on platforms while platforms continuously expand and upgrade their capabilities and achieve spiral growth through self-iterations on the basis of data. Our credit analysis and management platform has completed the full coverage of intelligent grading and reports on 29 industries and upgraded the credit study and quantitative rating, asset pricing, quantitative trading strategies and other modules, which comprehensively improved the credit management capability of the Group. The intelligent research platform firstly achieved the online production of the whole process from research frameworks, valuation models to reports in China, which will become the base for the Group's investment research capability in the future. Leveraging on the platform-based operation, we will also conduct the organic integration of various capabilities on research, pricing, trading and product creation and accurately output them to individual and institutional customer service systems.

Platforms full of vitality are characterized by capabilities on breaking business barriers and connecting data islands horizontally, achieving empowerment, reducing burdens and promoting coordinated and synergistic development vertically and improving the operation efficiency. "Openness" is the due meaning in the development of platforms. No matter for our customer platforms or the "Securities Lending Path", the big trading platform for the FICC business and other business platforms, the credit analysis and management and other capability middle offices and even our digital employees and other guarantee platforms, we adhere to the concept of openness and security to cooperate with more customers and strategic partners in the operation of new scenarios, the improvement of new technologies and the iteration of new capabilities. Huatai wishes to build high-level ecosystems with business and data interactions together with its customers and strategic partners to drive data with businesses and empower businesses with data.

Developing more extensive influence through sustainable development

Huatai Securities, in its 30s and bearing the expectations of various parties, has never profoundly felt that the sustainable development is closely connected to the growth of each of our organizations and individuals like this. Our sustainable development depends on the fully unleashing of innovation vitality by over 14,000 employees. Nearly 1/3 of Huatai's employees were born in the 1990s and a group of young people have stood out after endeavors in the market. Meanwhile, the extensive application of digital employees will free more employees from simple and repeated work and allow them to focus on innovative work for the better display of their gifts. Under an open and inclusive cultural atmosphere, each of Huatai employees with creativity, resilience and sense of responsibility is "shining" in different industries.

The ESG (environmental, social and governance) has become a new benchmark on fully improving the healthy development of Huatai. We established the sustainable development strategy on "finance + technology + green", guided capital and sci-tech input in charity and allowed such values to penetrate into the routine work of each staff. We have developed a more complete ESG governance system, incorporated ESG into the risk control mechanism, aligned consensus across business lines and practiced the principle of responsible investment to support the development of green industries through direct financing and equity investment. We sponsored a foundation on charity with donations in the end of the previous year, through which we wished to gather various capitals and professional advantages and focus on rural revitalization, green development and other key industries to contribute new solutions to sustainable development. With our outstanding performance in relevant industries, our MSCI ESG rating was raised to level A in the previous year, the highest level among domestic securities companies.

The global pattern has been speeding up in reshaping in an unprecedented manner since this year. For Huatai, it is extremely important to keep respectful with responsibilities in mind, maintain the continuous "creativity" from 0 to 1 and the continuous "motivation" from 1 to 10 and create value for customers through platform empowerment. Facing the upcoming wave of reform and the orientation of the surging tide becoming clearer, we are more confident that each step we made will become a new step for the industries.

CEO: Zhou Yi
March 30, 2022

COMPANY PROFILE

I. COMPANY INFORMATION

Chinese name of the Company
华泰证券股份有限公司

Abbreviation of Chinese name of the Company
華泰證券

English name of the Company
HUATAI SECURITIES CO., LTD.

Abbreviation of English name of the Company
HTSC

Legal representative of the Company
Zhang Wei

Chief Executive Officer and chairman of the Executive Committee of the Company
Zhou Yi

Authorized representatives of the Company
Zhou Yi, Zhang Hui

Registered capital and net capital of the Company

Unit: Yuan Currency: RMB

	As at the end of the Reporting Period	As at the end of the previous year
Registered capital	9,076,650,000.00	9,076,650,000.00
Net capital	82,314,070,326.70	67,909,921,047.21

Qualifications of each of the business lines of the Company

According to the business license issued by Jiangsu Provincial Market Regulation Administration, the business scope of the Company includes: securities brokerage, proprietary trading of securities, securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy financial bonds) only), securities investment consulting, intermediary introduction business for futures companies, margin financing and securities lending business, agency sale of financial products, agency sale of securities investment funds, custodian for securities investment funds, agency services for gold and other precious metals spot contracts and proprietary business for spot gold contracts, stock options market making business, other business activities approved by the CSRC. (Projects that need to be approved by law shall be carried out upon approval by relevant authorities)

Please refer to "Appendix I: Main Business Qualifications" in this report for the main business qualifications of the Company.

II. CONTACT

	Secretary of the Board
Name	Zhang Hui
Address	11/F, Building 1, No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC
Tel.	025-83387272, 83387780, 83389157
Fax	025-83387784
Email	zhanghui@htsc.com

	Joint company secretary	Joint company secretary
Name	Zhang Hui	Kwong Yin Ping Yvonne
Address	11/F, Building 1, No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong, the PRC

III. BASIC INFORMATION

Registered address of the Company	No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC
Historical changes in registered address of the Company	In July 2015, the Company has completed the change in business registration, and its registered address was changed from "No. 90 East Zhongshan Road, Nanjing, Jiangsu Province, the PRC" to "No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC"
Office address of the Company	No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC
Postal code of office address of the Company	210019
Principal place of business in Hong Kong	Room 4201, 42/F, The Center, 99 Queen's Road Central, Hong Kong, the PRC
Company website	http://www.htsc.com.cn
Email	boardoffice@htsc.com
Main exchange	025-83389999
Customer service hotline	95597 or 4008895597
Company fax	025-83387784
Business License Unified Social Credit Code	91320000704041011J
Brief of Index inclusion	SSE 50 Index, CSI 300 Index, MSCI China Share Index
Index of changes during the Reporting Period	No changes during the Reporting Period

IV. INFORMATION DISCLOSURE AND LOCATION FOR INSPECTION OF DOCUMENTS

Names and websites of newspapers for disclosure of annual report of the Company	China Securities Journal (https://www.cs.com.cn), Shanghai Securities News (https://www.cnstock.com), Securities Times (http://www.stcn.com), Securities Daily (http://www.zqrb.cn)
Websites of the stock exchanges for disclosure of annual report of the Company	Shanghai Stock Exchange (http://www.sse.com.cn), Hong Kong Stock Exchange (http://www.hkexnews.hk), London Stock Exchange (https://www.londonstockexchange.com)
Location for inspection of annual report of the Company (A Share)	No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC; Shanghai Stock Exchange
Location for inspection of annual report of the Company (H Share)	No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC; Room 4201, 42/F, The Center, 99 Queen's Road Central, Hong Kong, the PRC
Index of changes during the Reporting Period	No changes during the Reporting Period

V. SHARES/DEPOSITORY RECEIPTS OF THE COMPANY

Type of shares/ depository receipts	Stock exchange for listing	Stock name	Stock code
A Share	Shanghai Stock Exchange	華泰證券	601688
H Share	Hong Kong Stock Exchange	HTSC	6886
GDR	London Stock Exchange	Huatai Securities Co., Ltd.	HTSC

The Company did not change the stock name.

VI. OTHER INFORMATION OF THE COMPANY

(I) Historical development of the Company, mainly including the reorganization and capital increases in the previous years

The predecessor of the Company was Jiangsu Securities Company (江蘇省證券公司), which was established in December 1990 as approved by the headquarters of the PBOC, obtained the business license on April 9, 1991, and officially opened for business on May 26, 1991. In 1994, the Economic Reform Commission of Jiangsu Province approved the conversion of the Company to be a directional stock raising company. In June 1997, the Company changed its name to "江蘇證券有限責任公司" (Jiangsu Securities Co., Ltd.). In March 1999, the Company changed its name to "华泰证券有限责任公司" (Huatai Securities Limited Liability Company), and approved by the CSRC, the Company was converted into "华泰证券股份有限公司" (Huatai Securities Co., Ltd.) in its entirety on November 29, 2007. On December 7, 2007, the Company completed the business registration for such changes. In July 2009, the Company acquired Xintai Securities Co., Ltd. (信泰證券有限責任公司). In February 2010, the Company was successfully listed on the Shanghai Stock Exchange. In June 2015, the Company was listed on the Main Board of the Hong Kong Stock Exchange. In June 2019, the GDR issued by the Company was listed and traded on the Main Market of the London Stock Exchange.

Major capital increases of the Company:

When it was established on April 9, 1991, the registered capital of the Company was RMB10,000,000.

The registered capital of the Company increased to RMB202,000,000 in June 1994.

The registered capital of the Company increased to RMB404,000,000 in June 1997.

The registered capital of the Company increased to RMB828,000,000 in May 1998.

The registered capital of the Company increased to RMB850,320,000 in December 1999.

The registered capital of the Company increased to RMB2,200,000,000 in April 2001.

The registered capital of the Company increased to RMB4,500,000,000 in November 2007.

The registered capital of the Company increased to RMB4,815,438,725 on July 30, 2009.

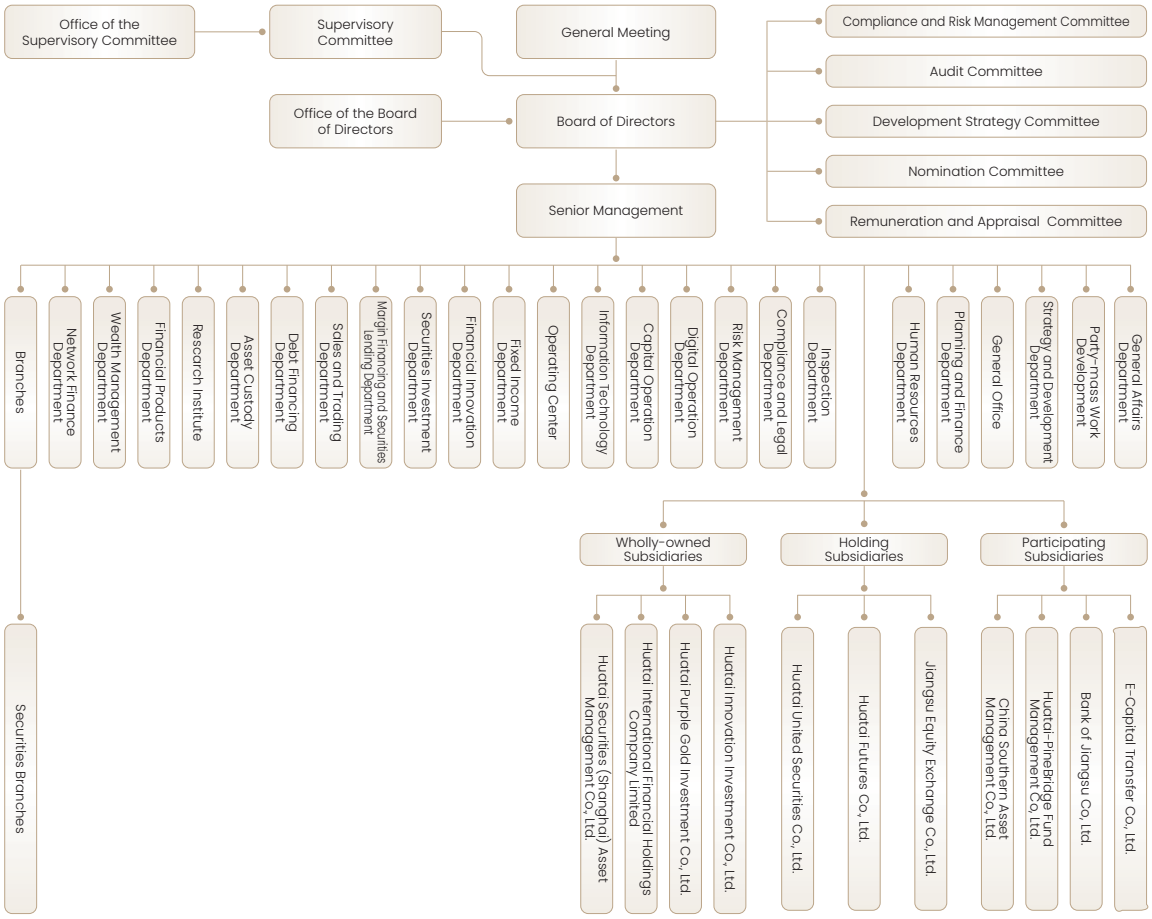
In February 2010, the Company completed its initial public offering of 784,561,275 RMB-denominated ordinary shares (A Shares) on the Shanghai Stock Exchange, after which the Company's registered capital was RMB5,600,000,000.

In June 2015, the Company completed its listing on the Main Board of the Hong Kong Stock Exchange and commenced trading. After the exercise of the over-allotment option, the Company issued 1,562,768,800 H Shares in total, and the total share capital of the Company changed to 7,162,768,800 shares. Due to the issuance and listing of H Shares, the relevant state-owned shareholders transferred 156,276,880 state-owned shares (A Shares) of the Company held by them to SSF in the form of H Shares, on the basis of 10% of the number of H Shares issued this time. The changes in share capital structure of the Company were as follows: 5,443,723,120 A Shares, which accounted for 76% of the total number of shares; and 1,719,045,680 H Shares, which accounted for 24% of the total number of shares.

In August 2018, the Company completed the non-public issuance of 1,088,731,200 RMB-denominated ordinary shares (A Shares) by way of "Non-Public Issuance to Specific Investors", after which the Company's registered capital was RMB8,251,500,000. The changes in share capital structure of the Company were as follows: 6,532,454,320 A Shares, which accounted for 79% of the total number of shares; and 1,719,045,680 H Shares, which accounted for 21% of the total number of shares.

In June 2019, the GDR issued by the Company was listed and traded on the Main Market of the London Stock Exchange. After the exercise of the over-allotment option, the Company issued 82,515,000 GDR in total, representing the underlying securities of 825,150,000 A Shares, after which the Company's registered capital was RMB9,076,650,000. The changes in share capital structure of the Company were as follows: 7,357,604,320 A Shares, which accounted for 81% of the total number of shares; and 1,719,045,680 H Shares, which accounted for 19% of the total number of shares.

(II) Organization Structure of the Company



(III) The First-level Onshore and Offshore Subsidiaries of the Company

Unit: Ten Thousand Yuan Currency: RMB

Name of the subsidiary	Address	Date of establishment	Registered capital	Responsible person	Telephone No.
Huatai Securities (Shanghai) Asset Management Co., Ltd.	Room 1222, 6 Jilong Road, China (Shanghai) Pilot Free Trade Zone	October 16, 2014	260,000.00	Cui Chun	021-28972188
Huatai International Financial Holdings Company Limited	62/F, The Center, 99 Queen's Road Central, Hong Kong, the PRC	April 5, 2017	HK$ 10,200,000,002.00	Wang Lei	852-36586000
Huatai Purple Gold Investment Co., Ltd.	No. 180 Hanzhong Road, Nanjing, Jiangsu Province, the PRC	August 12, 2008	600,000.00	Cao Qun	025-83389999
Huatai Innovative Investment Co., Ltd.	Room 701-8 to 701-11, 7/F, Block 28, Fengsheng Hutong, Xicheng District, Beijing, the PRC	November 21, 2013	350,000.00	Sun Ying	010-58034345
Huatai United Securities Co., Ltd.	401, Building B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan Fifth Road, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, the PRC	September 5, 1997	99,748.00	Jiang Yu	010-56839300
Huatai Futures Co., Ltd.	20/F, Li Feng Building, 761 Dongfeng Eastern Road, Yuexiu District, Guangzhou, the PRC	July 10, 1995	160,900.00	Hu Zhi	020-83901155
Jiangsu Equity Exchange Co., Ltd.	3/F, Building 10, Financial City, No. 377 Middle Jiangdong Road, Jianye District, Nanjing, Jiangsu Province, the PRC	July 4, 2013	20,000.00	Sun Hanlin	025-89620288

(IV) Number and Distribution of Securities Branches and Other Branches of the Company

As of the end of the Reporting Period, the Company has 28 branch offices and 245 securities branches. For details of the number and distribution of branch offices and securities branches of the Company, please refer to "Appendix II: List of Branch Offices and Securities Branches" in this report.

Provinces, Municipalities and Regions	Number of Securities Branches	Provinces, Municipalities and Regions	Number of Securities Branches	Provinces, Municipalities and Regions	Number of Securities Branches
Anhui Province	5	Beijing	6	Inner Mongolia Autonomous Region	3
Hebei Province	1	Fujian Province	4	Guangdong Province	23
Guangxi Zhuang Autonomous Region	2	Hainan Province	2	Shanxi Province	1
Henan Province	3	Heilongjiang Province	5	Jilin Province	3
Hubei Province	29	Hunan Province	3	Jiangxi Province	3
Jiangsu Province	95	Liaoning Province	7	Shandong Province	7
Shanghai	16	Sichuan Province	7	Guizhou Province	1
Chongqing	1	Tianjin	4	Gansu Province	1
Shaanxi Province	2	Qinghai Province	1	Xinjiang Uygur Autonomous Region	1
Ningxia Hui Autonomous Region	1	Zhejiang Province	8	-	-

VII. OTHER INFORMATION

(I) Accounting Firms

Accounting firm engaged by the Company (domestic)	Name	KPMG Huazhen LLP
	Office address	8/F, KPMG Tower, Oriental Plaza, 1 East Chang'an Avenue, Dongcheng District, Beijing, the PRC
	Name of the signatory accountant	Cheng Hailiang, Qian Ruwen
Accounting firm engaged by the Company (Hong Kong)	Name	KPMG Registered PIE Auditor under the Hong Kong Financial Reporting Council Ordinance
	Office address	8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong, the PRC
	Name of the signatory accountant	Lee Lok Man
Accounting firm engaged by the Company (United Kingdom)	Name	KPMG Huazhen LLP
	Office address	8/F, KPMG Tower, Oriental Plaza, 1 East Chang'an Avenue, Dongcheng District, Beijing, the PRC
	Name of the signatory accountant	Cheng Hailiang

(II) Legal Advisors

Legal advisor engaged by the Company (domestic)	Name	King & Wood Mallesons
	Office address	18th Floor, East Tower, World Financial Center, No. 1, Middle East 3rd Ring Road, Chaoyang District, Beijing, the PRC
Legal advisor engaged by the Company (overseas)	Name	Clifford Chance
	Office address	27/F, Jardine House 1 Connaught Place, Central, Hong Kong, the PRC

(III) Share registrars

Share registrar for A Share	Name	China Securities Depository and Clearing Corporation Limited, Shanghai Branch
	Office address	No. 188 Yanggao South Road, Pudong New Area, Shanghai, the PRC
Share registrar for H Share	Name	Computershare Hong Kong Investor Services Limited
	Office address	Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, the PRC

SUMMARY OF THE RESULTS

I. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

(I) Key Accounting Data and Financial Indicators for the Past Three Years

Unit: Thousand Yuan Currency: RMB

Item	2021	2020	Increase/ decrease (%)	2019
Total revenue and other gains	**51,926,404**	40,534,436	28.10	32,436,781
Profit before income tax	**16,272,562**	13,504,376	20.50	11,585,965
Profit of this year-attributable to shareholders of the Company	**13,346,106**	10,822,497	23.32	9,001,644
Net cash used in operating activities	**(65,337,094)**	(13,868,924)	N/A	(3,594,637)
Total amount of other comprehensive income after tax this year	**(626,084)**	(539,317)	N/A	634,281

Unit: Thousand Yuan Currency: RMB

Item	At the end of 2021	At the end of 2020	Increase/ decrease (%)	At the end of 2019
Total assets	**806,650,833**	716,751,235	12.54	562,180,638
Total liabilities	**654,615,049**	584,439,200	12.01	436,525,930
Total equity attributable to shareholders of the Company	**148,422,810**	129,071,500	14.99	122,537,479
Total equities	**152,035,784**	132,312,035	14.91	125,654,708
Total share capital (shares)	**9,076,650,000**	9,076,650,000	–	9,076,650,000

(II) Key financial indicators

Key financial indicators	2021	2020	Increase/decrease (%)	2019
Basic earnings per share (RMB/share)	1.47	1.20	22.50	1.04
Diluted earnings per share (RMB/share)	1.46	1.19	22.69	1.03
ROE (%)	9.84	8.61	Increase of 1.23 percentage points	7.94
Debt-to-assets ratio (%)	76.93	77.20	Decrease of 0.27 percentage point	73.40
Net assets attributable to the Company's ordinary shareholders per share (RMB/share)	15.25	14.22	7.24	13.50

Note: Debt-to-assets ratio = (total liabilities-accounts payable to brokerage clients)/(total assets-accounts payable to brokerage clients)

(III) Net Capital of the Parent Company and Risk Control Indexes

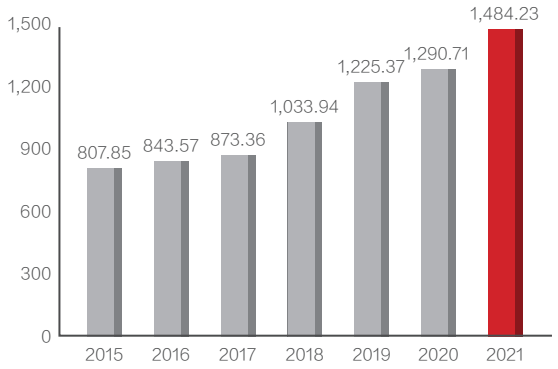
Unit: Yuan Currency: RMB

Item	As of the end of the Reporting Period	As of the end of the previous year
Net capital	82,314,070,326.70	67,909,921,047.21
Net assets	126,702,081,824.87	111,971,511,426.66
Risk coverage ratio (%)	246.45	236.68
Net capital/net assets (%)	64.97	60.65
Net capital/liabilities (%)	21.42	21.86
Net assets/liabilities (%)	32.97	36.04
Value of proprietary equity securities and derivatives/net capital (%)	49.80	49.91
Value of proprietary non-equity securities and derivatives/net capital (%)	291.29	296.70
Core net capital	58,314,070,326.70	62,909,921,047.21
Supplementary net capital	24,000,000,000.00	5,000,000,000.00
Total risk capital provision	33,399,876,683.34	28,693,100,276.16
Total on-balance and off-balance assets	422,846,924,915.98	333,759,265,959.88
Capital leverage ratio (%)	15.99	21.08
Liquidity coverage ratio (%)	169.68	230.31
Net stable funding ratio (%)	126.98	130.22

(IV) Key Performance Indicators

Total Equity attributable to shareholders of the Company

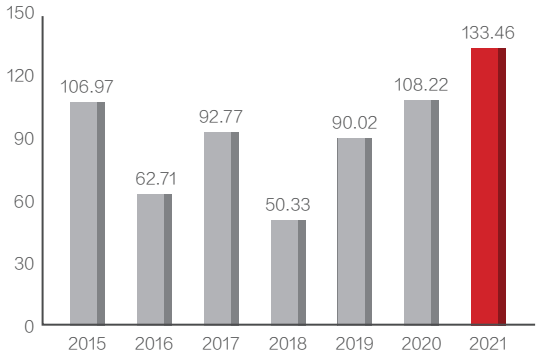
Unit: 100 Million Yuan Currency: RMB



Source: Regular reports of the Company

Profit for the period–attributable to shareholders of the Company

Unit: 100 Million Yuan Currency: RMB



Source: Regular reports of the Company

WEALTH MANAGEMENT BUSINESS

Equity and fund trading volume
RMB
42.29 trillion
Market ranking: 1

The number of monthly active users of ZhangLe Fortune Path
11.0181 million
Market ranking: 1

Balance of margin financing and securities lending business
RMB
137.699 billion
Market ranking: 2

Holding scale of non-money market funds
RMB
93.2 billion
Market ranking: 2

INSTITUTIONAL SERVICES BUSINESS

Equity underwriting amount
RMB
176.247 billion
Market ranking: 4

Bond underwriting amount
RMB
931.103 billion
Market ranking: 3

Number of merger, acquisition and reorganization
(approved and registered by CSRC)
9
Market ranking: 3

Amount of merger, acquisition and reorganization
(approved and registered by CSRC)
RMB
64.893 billion
Market ranking: 3

INVESTMENT MANAGEMENT BUSINESS

Total asset management scale
RMB
518.573 billion

Average monthly scale of private asset under active management
RMB
41.982 billion
Market ranking: 3

The number of enterprise asset securitization issuance
137
Market ranking: 3

Scale of enterprise asset securitization issuance
RMB
167.112 billion
Market ranking: 3

INTERANTIONAL BUSINESS

AssetMark AoP
USD
93.488 billion

The market share of AssetMark
11.1%
Market ranking: 3

Explanations: The data of equity and fund trading volume is quoted from the statistics of members of the Shanghai Stock Exchange and the Shenzhen Stock Exchange, and the business ranking of equity and fund trading is quoted from Company's internal statistics; the number of monthly active users of ZhangLe Fortune Path and its ranking are quoted from the statistics of Analysys in December 2021; the balance of margin financing and securities lending is quoted from the regulatory statements of the Company and the business ranking of margin financing and securities lending is quoted from Company's internal statistics; the holding scale and ranking of non-money market funds are quoted from the statistics from Asset Management Association of China as of the fourth quarter of 2021; the amount and ranking of equity underwriting and bond underwriting are quoted from Wind; the number and amount of merger, acquisition and reorganization and its ranking are quoted from the statistics of merger, acquisition and reorganization transactions approved and registered by the CSRC based on the information available to the public; the total asset management scale is quoted from the regulatory statements of Huatai Asset Management; average monthly scale of private equity funds of private equity subsidiaries and its ranking are quoted from the statistics from Asset Management Association of China as of the fourth quarter of 2021; the issuing number and total amount of enterprise asset securitization and its ranking are quoted from Wind; AssetMark AoP are quoted from the internal statistics of the Company as of the end of the fourth quarter of 2021; the market share of AssetMark and its ranking are quoted from Cerulli Associates and the TAMP industrial analysis on relevant public information as of the end of the third quarter of 2021; for the terms without special illustration, the information is from the statistics by the end of the Reporting Period and the statistics for the Reporting Period.

(V) Key Accounting Data and Financial Indicators for the Past Five Years

The financial conditions for the past five years are as follows:

1. Profitability

Unit: Thousand Yuan Currency: RMB

Item	2021	2020	2019	2018	2017
Total revenue and other gains	**51,926,404**	40,534,436	32,436,781	24,506,734	31,323,372
Total expenses	**38,283,823**	31,233,707	23,577,265	19,017,372	20,278,706
Share of profits of associates and joint ventures	**2,629,981**	4,203,647	2,726,449	959,309	539,978
Profit before income tax	**16,272,562**	13,504,376	11,585,965	6,448,671	11,584,644
Profit of this year-attributable to shareholders of the Company	**13,346,106**	10,822,497	9,001,644	5,032,738	9,276,520

2. Assets

Unit: Thousand Yuan Currency: RMB

Item	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Total assets	**806,650,833**	716,751,235	562,180,638	368,665,874	381,482,540
Total liabilities	**654,615,049**	584,439,200	436,525,930	263,916,270	292,892,628
Accounts payable to brokerage clients	**147,501,833**	136,387,634	89,817,920	59,492,176	67,335,545
Total equity attributable to shareholders of the Company	**148,422,810**	129,071,500	122,537,479	103,393,577	87,335,938
Total equity	**152,035,784**	132,312,035	125,654,708	104,749,604	88,589,912
Total share capital (shares)	**9,076,650,000**	9,076,650,000	9,076,650,000	8,251,500,000	7,162,768,800

3. Key Financial Indicators

Item	2021	2020	2019	2018	2017
Dividend per share (RMB)	**0.45**	0.40	0.30	0.60 [Note 1]	–
Basic earnings per share (RMB/share)	**1.47**	1.20	1.04	0.66	1.30
Dilutive earnings per share (RMB/share)	**1.46**	1.19	1.03	0.66	1.30
ROE (%)	**9.84**	8.61	7.94	5.32	10.56
Debt-to-assets ratio (%) [Note 2]	**76.93**	77.20	73.40	66.12	71.80
Net assets attributable to ordinary shareholders of the Company per share (RMB/share)	**15.25**	14.22	13.50	12.53	12.19

Note 1: According to the resolution passed at the 2018 first extraordinary general meeting of the Company, the Company has implemented the 2018 interim profit distribution plan by distributing a cash dividend of RMB3.00 (tax included) per 10 shares based on the total share capital of 8,251,500,000 shares, with a total cash dividend of RMB2,475,450,000.00. Meanwhile, according to the resolution passed at the 2018 Annual General Meeting of the Company, the Company has implemented the 2018 annual profit distribution plan by distributing a cash dividend of RMB3.00 (tax included) per 10 shares based on the total share capital of 9,076,650,000 shares, with a total cash dividend of RMB2,722,995,000.00.
Note 2: Debt-to-assets ratio = (total liabilities-accounts payable to brokerage clients)/(total assets-accounts payable to brokerage clients)

II. DIFFERENCES IN FINANCIAL DATA PREPARED IN ACCORDANCE WITH DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

There is no difference between the net profit attributable to shareholders of the Company for 2021 and 2020 and the net assets attributable to shareholders of the Company as of December 31, 2021 and December 31, 2020 set out in the consolidated financial statements prepared in accordance with the CASBE and in the consolidated financial statements prepared in accordance with the IFRSs.

III. ITEMS MEASURED UNDER FAIR VALUE

Unit: Thousand Yuan Currency: RMB

Name of items	Balance at the end of last year	Balance at the end of the year	Change in the current period	Effect on the profit of the current period in amount
Financial assets at fair value through other comprehensive income	15,946,372	9,477,837	(6,468,535)	787,799
Financial assets at fair value through profit or loss	291,807,112	355,259,172	63,452,060	19,593,532
Derivative financial instruments	(6,103,473)	4,604,583	10,708,056	(8,550,140)
Financial liabilities at fair value through profit or loss	15,381,530	31,122,918	15,741,388	(336,603)

MAJOR EVENTS OF THE COMPANY

Huatai Securities was established in 1991. With its steady development for 30 years, it has become a leading large-scale integrated securities group with A shares, H shares and GDRs listed.

1991

江苏省证券公司成立

Huatai Securities (referred to as Jiangsu Securities Company) was established.

1993

無錫市太極實業股份有限公司
WUXI TAIJI INDUSTRY COMPANY, LTD.

The first stock of Jiangsu Province "Taiji Industry" was issued publicly.

2006

The Company became the holding company of Huatai United Securities.

Huatai Financial Holdings (Hong Kong) Limited was established.

2008

The CRM (Customer Relationship Management) system was launched and put into operation.

2010

The A shares of the Company were listed on the Shanghai Stock Exchange.

2015

The H shares of the Company were listed on The Stock Exchange of Hong Kong Limited.

2016

The Company acquired ASSETMARK in the United States.

2018

The Company's overall pilot plan to deepen the mixed-ownership reform was approved.

The Company completed the non-public issuance of A Shares smoothly and raised funds exceeding RMB14.0 billion.

Standard & Poor's and Moody's awarded BBB and Baa2 long-term issuer rating to the Company respectively, and the rating outlook is stable.

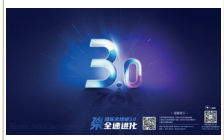
2019

"ZhangLe Fortune Path" (涨樂財富通) of Huatai Securities was upgraded to the new version 7.0.

The Company launched the "Xing Zhi" (行知) APP as a service platform for institutional customers.

2021

The number of registered users and downloads of "ZhangLe Fortune Path" (涨樂財富通) exceeded approximately 65 million.



The Company launched its global wealth management platform "Zhangle Global 3.0".

2017

MATIC, an integrated financial service platform for professional investors, was launched.

The first publicly offered fund of Huatai Asset Management was launched.

2019

The Company's GDRs were listed for trading on the Main Market of London Stock Exchange.

AssetMark was listed and commenced trading on the New York Stock Exchange.

Huatai Securities (USA) obtained the qualification to conduct broker-dealer business in the US.

2020

The Company released "Securities Lending Path" (融券通) as the first open-ended online securities lending and trading platform in the entire market.

The fund investment advisory service of the Company was officially introduced

The Company was approved to formally implement the pilot project of consolidated supervision.

2021

New release of the "Securities Lending Path 3.0" (融券通3.0) platform of the Company

New upgrade of the fund investment advisory business brand "ZhangLe Shengxintou" (涨樂省心投) of the Company

The company completed the registration of the grant of A share restricted stocks.

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2 OPERATING ANALYSIS AND STRATEGIES

HUATAI SECURITIES

Summary of the Company's Business 030

Management Discussion and Analysis and Report of the Board 044

HUATAI SECURITIES

SUMMARY OF THE COMPANY'S BUSINESS

I. DESCRIPTIONS OF OUR INDUSTRY DURING THE REPORTING PERIOD

Our Group conducts business operations in the securities industry of which the operating income and profit levels are highly dependent on the securities market trend and characterized by strong periodicity and fluctuations. Our Group's securities related businesses are dependent on and also benefit from the economic growth and the development and performance of the capital market in the PRC, and are also influenced by various factors including economic environment, regulatory environment, investor sentiment and international market. The Group has maintained strong overall competitiveness with capital scale, profitability, business strength and risk management capabilities ranking the top in the industry. Details of industry position of the Group's principal businesses during the Reporting Period, please refer to "Management Discussion and Analysis and Report of the Board" in the section headed "Management Discussion and Analysis" of this report.

In recent years, under the wave of digital transformation, the accelerated reform and opening up of capital market in China has imposed underlying impacts on the development ecology of capital market and the competitive landscape of the securities industry in all aspects. With the promulgation and implementation of the new Securities Law, the merger of the Main Board and the SME (small and medium enterprises) Board of the Shenzhen Stock Exchange, together with the newly launched Beijing Stock Exchange, the implementation of the new delisting rules, the full implementation of the registration system reform in the future and the steady advance of institutional two-way opening of the financial market system, it will facilitate the capital market infrastructure system to be more mature and established, while the capital market will embrace increasing attractiveness and international competitiveness. The securities industry will be presented with multiple strategic development opportunities such as increased trading activity in issuance, business expansion and upgrading, and growing demand for wealth management and institutional services, which implies that securities companies equipped with truly core capabilities of modern investment banks will win the initiative in future development and transformation. At the same time, against increasingly complex internal and external market environment, and the accelerated deepening in the reform and opening up of the capital market led by the full implementation of registration system, securities companies are exposed to higher requirements in core professional capabilities and risk control.

II. DESCRIPTIONS OF OUR BUSINESS DURING THE REPORTING PERIOD

The Group is a leading technology-driven securities group in China, with a highly collaborative business model, a cutting-edge digital platform and an extensive and engaging customer base. Our principal businesses comprise wealth management business, institutional services business, investment management business and international business. The Group constructs a client-based organizational

structure and mechanism, provides comprehensive securities and financial services for individual and institutional clients through an organic online-offline synergy, and aims to become a leading investment bank with strong domestic advantages and global influence.

Strategic Vision | Striving to Become a First-Class Investment Bank With Both Domestic Advantages and Global Influence

Wealth management

Maintaining leadership in services and platforms

Institutional services

Providing customers with first-class comprehensive integrated financial services

International business

Helping customers grasp the opportunities of international asset allocation

Investment management

Developing outstanding asset management brand

Fintech Empowerment

Wealth management business

We provide customers with diversified wealth management services, including securities, futures and options brokerage, financial products sales, fund investment advisory business, and capital-based intermediary business through mobile APP, professional PC platform, subsidiaries and securities futures branch offices, Huatai International and its affiliated overseas subsidiaries, in the mode of online and offline, domestic and overseas linkage. For securities, futures and options brokerage, we mainly execute trades on behalf of our clients in stocks, funds, bonds, futures and options, etc. to provide trading services. For financial products sales business, we mainly provide customers with a variety of financial products sales services and asset allocation services, and the related financial products are managed by the Group and other financial institutions. Our fund investment advisory business mainly involves upon acceptance of clients' engagement, selecting specific category, amount and timing of trading of investment funds on behalf of our clients within the scope of clients' authorization in accordance with terms of agreement and submitting trading applications including, among others, subscription, redemption and conversion. In respect of capital-based intermediary business, we provide diversified financing services including margin financing and securities lending as well as stock pledged lending. Key performance drivers to wealth management business include fee and commission income, interest income, etc.

Institutional services business

With institutional sales serving as a link, we integrate investment banking, institutional investor services and investment trading business resources to provide various types of corporate and institutional clients with all-round comprehensive financial services, which mainly include investment banking business, prime brokerage business, research and institutional sales business and investment and trading business.

(1) Investment banking business primarily consists of equity underwriting, debt underwriting, financial advisory, OTC business, etc. For equity underwriting business, we provide IPO and equity refinancing services for our clients. For debt underwriting business, we provide various types of bond financing services for our clients. For financial advisory business, we provide clients with mergers-oriented financial advisory services based on industrial layout with a strategic point of view. For OTC business, we provide clients with NEEQ listing and follow-on financing services, and relevant OTC businesses engaged in by Jiangsu Equity Exchange. Key performance drivers to investment banking business include underwriting and sponsorship fees, advisory fees, etc.

(2) Prime brokerage business mainly includes the provision of asset custody and fund services for various types of asset management institutions, such as private and public funds, including settlement, liquidation, reporting and valuation. In addition, it also provides margin trading, sales of financial products and other value-added services for clients of prime brokerage. Key performance drivers to prime brokerage business include fees for fund custody and service business.

(3) Research and institutional sales business mainly consists of research business and institutional sales business. For research business, we provide various professional research and advisory services for clients. For institutional sales business, we promote and sell securities products and services to clients. Key performance drivers to research and institutional sales business include incomes from services concerning various research and financial products.

(4) Investment and trading business mainly includes equity trading, FICC trading and OTC derivative transaction. The Group conducts equity, FICC and other financial instruments transactions with its own funds, and reduces investment risks and increases returns through various trading strategies and techniques. At the same time, in order to meet customers' needs for investment and financing as well as risk management, we also engage in market making business and OTC derivatives business. In terms of equity trading, we invest and trade stocks, ETFs and derivatives, and engage in market making services for financial products. In terms of FICC trading, we invest and trade all kinds of FICC and derivatives in the interbank and exchange bond markets, and engage in the inter-bank bond market and bond connect market making services. In terms of OTC derivative transactions, we develop and trade OTC financial products for customers, mainly including equity return swaps, OTC options and structured notes. Key performance drivers to investment and trading business include various investment incomes from equity, FICC products and derivatives, etc.

Investment management business	We accept fund entrustments from clients, develop and provide various financial products for our clients and manage their assets through our professional investment and research platform as well as our substantial client base, effectively satisfying their investment and financing needs. Our investment management business mainly consists of securities firm asset management, private equity fund management and asset management for fund companies, etc. For securities firm asset management, we participate in the operation of securities firm asset management business through our wholly-owned subsidiary Huatai Asset Management; such business includes collective asset management business, single asset management business, specialized asset management business and public offering fund management business (which is operated on a differentiated basis from our public offering fund management business for fund companies under the Group). For private equity fund management business, we operate private equity funds business, which includes investment and management of private equity funds, through our wholly-owned subsidiary Huatai Purple Gold Investment. For asset management business for fund companies, the Group holds non-controlling interests in two public offering fund management companies, namely China Southern Asset Management and Huatai-PineBridge, through which we participate in the operation of asset management business for fund companies. Key performance drivers to asset management business include management fee, performance fee, investment income, etc.
International business	The Group operates international business covering various countries and regions including Hong Kong and the United States through its wholly-owned subsidiary Huatai International, and the wholly-owned subsidiaries of Huatai International including Huatai Financial Holdings (Hong Kong), AssetMark and Huatai Securities (USA). The operations of the Group in Hong Kong are mainly conducted by Huatai Financial Holdings (Hong Kong), a wholly-owned subsidiary of Huatai International, primarily including equity business platform, fixed-income business platform, individual financial platform, fund platform and flagship investment banking business. Through the equity business platform, we conduct trading, design and sales of cross-border equity derivatives, providing capital-based intermediary services in respect of various equity capital for our clients, and provide universal integrated financial services covering both domestic and overseas markets and various industries for institutional clients around the globe. Through the fix-income business platform, we carry out investment and trading of a variety of FICC and derivative instruments and provide FICC solutions for all product categories, such as sales, trading and market making services to various institutional clients. Through the individual financial platform, we provide brokerage, margin financing and wealth management services in respect of different categories of assets around the globe for our clients, satisfying their multi-level and comprehensive financial needs. In respect of the fund platform, we provide customized solutions in fields such as leveraged buyout, strategic M&A, pre-listing financing and business expansion for our clients through the Greater Bay Area Fund under our management; the China Concept Stock Return Fund focuses on mid to late-stage investment, cross-border M&A and split and privatization investment opportunities in industries with growth potential. For flagship investment banking business, aiming to establish a full-service and cross-border investment banking platform system, we provide both Chinese and international customers with equity and debt underwriting and sponsoring services, as well as financial advisory services. In September 2019, Huatai Financial Holdings (Hong Kong) obtained its membership of the London Stock Exchange and completed the registration as a UK Cross-border Conversion Agency for Shanghai-London Stock Connect GDRs on the Shanghai Stock Exchange, thus is capable of providing clients with the whole-process services of the issuance and trade of GDRs. In December 2020, Huatai Financial Holdings (Hong Kong) became the first financial institution in Asia that obtained the qualification as market maker of the London Stock Exchange. In December 2021, Huatai Financial Holdings (Hong Kong) was formally admitted as the member of Turquoise under the London Stock Exchange Group. The Group completed the acquisition of AssetMark in 2016. AssetMark is a leading turn-key asset management platform in the United States and a third-party financial service institution that provides a series of services and an advanced and convenient technology platform for investment advisors in respect of investment strategies and asset portfolios management, customer relations management and asset custody. In July 2019, AssetMark completed its listing on the New York Stock Exchange in the United States. In July 2021, AssetMark completed the acquisition of Voyant to further optimize its technology platform and operating environment and thus maintain its leading position among the turn-key asset management platforms. In September 2018, Huatai Securities (USA) was registered in Delaware, USA as a foreign wholly-owned subsidiary of Huatai International, aiming to promote the development of international business. In June 2019, upon approval from the US Financial Industry Regulatory Authority, Huatai Securities (USA) obtained the US broker-dealer license. In 2020, it obtained the US proprietary trading license. Key performance drivers to international business include brokerage commission, underwriting sponsorship fee, advisory fee, interest income asset management fee, etc.

III. AWARDS AND HONORS

(I) Key awards and honors of the Group

The selection of "Best Practice Case of Office of Board of Directors of Public Companies 2021" (2021 年度上市公司董辦最佳實踐案例) organized by China Association for Public Companies:

- The Company was awarded "Best Practice Case of Office of Board of Directors of Public Companies 2021"

The selection of "Evergreen Awards" (長青獎) organized by Caijing Magazine:

- The Company was awarded "2021 Evergreen Awards • Green Award for Sustainable Development" (2021 年長青獎－可持續發展綠色獎)

The selection of "China ESG Golden Awards 2021" (2021 年度中國 ESG 金責獎) organized by Sina Finance:

- The Company was awarded "Best Securities Company for Responsible Investment Award" (責任投資最佳證券公司獎)

(II) Key awards and honors of the business segments of the Company

Wealth management business

Shanghai Stock Exchange:

- The Company was awarded "2020 Top 10 Options Brokers" (2020 年度十佳期權經紀商)

The selection of "2021 Financial Institutions of Excellent Competitiveness" (2021 卓越競爭力金融機構) held by China Business:

- The Company was awarded "Securities Company for Wealth Management of Excellent Competitiveness" (卓越競爭力財富管理證券公司)

Analysys A10 Digital Summit (易觀 A10 數字峰會):

- "ZhangLe Fortune Path" (漲樂財富通) was awarded "2021 Outstanding Digital Application"(2021 年度卓越數字應用)

The selection of "2020-2021 Fintech Award" (2020-2021 年度金融科技獎) organized by The Asset:

- "ZhangLe Global" (漲樂全球通) was recognized as "Best Mobile Brokerage Application (Hong Kong Area)" (香港地區最佳手機券商 APP)

The data from Analysys:

- "ZhangLe Fortune Path" (漲樂財富通) ranked top in the industry in terms of NMAU by the end of 2021

The selection of the "Sixth Session of Broker APP List" (第六屆券商 APP 風雲榜) organized by Sina Finance:

- "ZhangLe Fortune Path" (漲樂財富通) was recognized as "Top 10 APP Award of the Year" (年度十佳 APP), "Best Wealth Management Platform APP" (最佳財富管理平台 APP), "Best Intelligent Service APP" (最佳智能服務 APP) and "Users' Favorite APP" (最受用戶喜愛 APP)

The selection of "2020 Fintech Awards" (2020 年金融科技大獎) organized by ETnet, a professional financial information platform:

- "ZhangLe Global" (漲樂全球通) was awarded "Trading System-Outstanding Comprehensive Stock Trading Mobile APP" (交易系統－傑出全方位股票交易流動應用程式)

Institutional services business

Shanghai Stock Exchange:

- Huatai United Securities was awarded "2020 Outstanding Underwriter of Corporate Bonds" (2020 年度公司債券優秀承銷商), "2020 Outstanding Underwriter of Corporate Bond Innovative Products" (2020 年度公司債券創新產品優秀承銷商), "2020 Excellent Trust Manager" (2020 年度優秀受託管理人), etc.

The selection of "2021 Junding Award for Investment Banks in China's Securities Industry" (2021 年中國證券業投資銀行君鼎獎) organized by Securities Times:

- Huatai United Securities was awarded "Junding Award for All-round Investment Bank in China's Securities Industry" (中國證券業全能投行君鼎獎),"Junding Award for Independent Financial Advisor in China's Securities Industry" (中國證券業獨立財務顧問君鼎獎), "Junding Award for STAR Market Investment Bank in China's Securities Industry"(中國證券業科創板投行君鼎獎), etc.

The selection of the "Second Session of Investment Bank Most Respected by Listed Companies" (第二屆最受上市公司尊敬的投行) organized by Securities Times:

- Huatai United Securities was awarded "Top 10 Investment Banks Most Respected by Listed Companies" (最受上市公司尊敬的十佳投行), "IPO Investment Bank Most Respected by Listed Companies" (最受上市公司尊敬的IPO投行), "M&A Investment Bank Most Respected by Listed Companies" (最受上市公司尊敬的併購投行), "Bond Investment Bank Most Respected by Listed Companies" (最受上市公司尊敬的債券投行), etc.

National Business Daily:

- The Company was awarded "Most Influential Custody Broker of the Year"

Shenzhen Stock Exchange:

- Huatai United Securities was awarded "2020 Outstanding Bond Duration Management Institution" (2020 年度優秀債券存續期管理機構), etc.

The selection of the "Fourteenth Session of Best Investment Bank" (第十四屆最佳投行) organized by Xin Cai Fu(《新財富》):

- Huatai United Securities was awarded "Best Domestic Investment Bank" (本土最佳投行), "Best Investment Bank in Equity Underwriting" (最佳股權承銷投行), "Best Investment Bank in Bond Underwriting" (最佳債權承銷投行), "Best IPO Investment Bank" (最佳IPO投行), "Best Refinancing Investment Bank" (最佳再融資投行), "Best Investment Bank in Mergers and Acquisitions" (最佳併購投行), "Best Investment Bank in Serving Overseas Markets" (海外市場能力最佳投行), "Most Innovative Investment Bank" (最具創新能力投行), etc.

The selection of "Institutional Investor • Caixin All – China Research Team Awards" (機構投資者 • 財新資本市場分析師成就獎) in 2021:

- The Company was awarded "Best Analyst Team (Mainland China) No. 3" (最佳分析師團隊 (大陸) 第三名), "Best Analyst Team (Overseas) No. 7" (最佳分析師團隊 (海外) 第七名), "Best Sales Teams (Mainland China) No. 2" (最佳銷售團隊 (大陸) 第二名), "Best Sales Teams (Overseas) No. 8" (最佳銷售團隊 (海外) 第八名), etc.

Financial Times:

- The Company was awarded "Best Asset Custody Securities Company of the Year" (年度最佳資產託管證券公司)

Investment management business

Shanghai Stock Exchange:

- Huatai Asset Management was awarded "Excellent Manager for Asset Securitization Business for 2020" (2020 年度資產證券化業務優秀管理人), "Excellent Manager for Asset Securitization Innovative Business for 2020" (2020 年度資產證券化創新業務優秀管理人) and "2020 Special Award for Epidemic Prevention and Control" (2020 年度疫情防控專項獎)

Shenzhen Stock Exchange:

- Huatai Asset Management was awarded "Outstanding Innovative Agency for Fixed-Income Business for 2020" (2020 年度優秀固定收益業務創新機構)

The selection of the "2021 Golden Bull Award for China's Securities Industry" (2021 中國證券業金牛獎) held by China Securities Journal:

- Huatai Asset Management was awarded "2021 Golden Bull Broker of Collective Asset Manager" (2021 金牛券商集合資產管理人)

The selection of "2021 Yinghua Prize for Brokers on Asset Management in China" (2021 中國券商資管英華獎) organized by China Fund News:

- Huatai Asset Management was awarded "Prize for Best Chinese Fixed-Income Brokers on Asset Management" (中國最佳固收類券商資管獎), the "Prize for Best ABS Brokers on Asset Management" (中國最佳 ABS 券商資管獎) and the "Prize for Best Innovative Product of Chinese Brokers on Asset Management" (中國最佳券商資管創新產品獎)

The selection of the "List of Eastmoney for the Year of 2020" (2020 東方財富風雲榜) organized by Eastmoney.com (東方財富網):

- Huatai Futures was awarded "Best Futures Asset Management" (最佳期貨資管)

The selection of "ChinaVenture Awards for 2020" (投中 2020 年度榜) held by ChinaVenture Investment:

- Huatai Purple Gold Investment was awarded "Best Chinese Subsidiaries of Brokers for Private Funds TOP 10" (中國最佳券商私募基金子公司 TOP10), "Best Chinese Private Equity Investment Institutions Top 20" (中國最佳中資私募股權投資機構 TOP20), "Best China Private Equity Investment Institutions Top 50" (中國最佳私募股權投資機構 TOP50), "Best Institutions for Investment in Biomedical Fields TOP 20" (最佳生物醫藥領域投資機構 TOP20), etc.

Shanghai Stock Exchange:

- Huatai-PineBridge was awarded "Top Ten ETF Managers" (十佳 ETF 管理人)

China Securities Journal:

- Huatai Purple Gold Investment was awarded "Golden Bull Brokers for Equity Investment" (金牛券商股權投資優勝機構)
- China Southern Asset Management was awarded "Golden Bull Fund Company for Passive Investment of 2020"(2020 年被動投資金牛基金公司獎)
- Huatai-PineBridge was awarded "Golden Bull Fund Company for Passive Investment" (被動投資金牛基金公司)

Shanghai Securities News:

- China Southern Asset Management was awarded "Golden Fund • TOP Bond Funds Return on Fund Managers for 2020" (2020 年度金基金 • 債券投資回報基金管理公司獎)
- Huatai-PineBridge was awarded "2020 Golden Fund • Fund Management Company for Passive Investment Award" (2020 年度金基金 • 被動投資基金管理公司獎)

21st Century Business Herald:

- China Southern Asset Management was awarded "Golden Sail Award–Outstanding Fund Management Company for 2021" (金帆獎—2021 年度卓越基金管理公司)

International business

The selection of "Annual Awards" (年度獎項) organized by PDI (Private Debt Investor), an internationally renowned private debt industry magazine:

- Huatai International was awarded "Deal of the Year in Asian Pacific Area for 2020" (2020 年度亞太區最佳項目) and "Best Real Estate Private Debt Investment Fund Manager in Asian Pacific Area for 2020" (2020 年度亞太區最佳地產私募債權投資基金管理人)

The Selection of "2021 Financial Institution Awards" (2021金融機構大獎) organized by Bloomberg Businessweek/Chinese Edition:

- Huatai International was awarded "Outstanding Securities Company Award" (證券公司傑出大獎), "Risk Management Excellence Award" (風險管理傑出大獎), "Excellence Award for Digital Innovation" (數碼創新卓越大獎), "Outstanding Initial Public Offering Project Award" (首次公開招股項目卓越大獎) and "Corporate Financing Excellence Award (the Greater Bay Area of the PRC)" (企業融資卓越大獎 (中國大灣區))

The selection of "2021 China Financing Awards" (2021 年中國融資大獎) held by China Financing:

- Huatai International was awarded "Star Investment Bank in Capital Market" (資本市場明星投行)

The selection of "China Securities Golden Bauhinia Award" (中國證券金紫荊獎) organized by Hong Kong Ta Kung Wen Wei Media Group:

- Huatai International was awarded "Best Chinese Broker" (最佳中資券商)
- The paid-in capital of Huatai Financial Holdings (Hong Kong) amounted to HK$10.2 billion, and its capital scale ranked among the top in Hong Kong

The selection of "Stock Connect Awards for 2020" (2020 年度滬深港通獎項) organized by HKEX:

- Huatai Financial Holdings (Hong Kong) was awarded "Top Breakthrough Broker of the Year 2020" at HKEX Stock Connect Award (2020 滬深港通交投躍升經紀商大獎)

Cerulli Associates and other public information:

- As of the end of the third quarter of 2021, AssetMark occupied a market share of 11.1% in the TAMP industry in the United States, ranking the third

IV. ANALYSIS OF CORE COMPETITIVENESSES DURING THE REPORTING PERIOD

(I) A technology-driven pioneer in China's securities industry transformation

The Group has been maintaining a high level of resources investment in information technology for many years, and comprehensively promoting the Group's digital transformation focusing on the overall target of "client's success, business innovation, operation optimization and employee empowering", and is committed to thoroughly transforming its business and management model with digital thinking and platforms. It strove to build a leading self-developed system for information technology research and development to achieve co-creation of technology and business through all-round technology empowerment, and create business model innovation driven by digitalization and advantages of the whole business chain with platform-based support. Meanwhile, with equity investment serving as a link, the Group focused on outstanding technological innovation companies to accelerate the construction of the fintech ecosystem and actively established presence in cutting-edge sectors, such as big data, artificial intelligence, blockchain, cloud computing, RPA security and 5G. In the field of wealth management, the Group constantly developed and strengthened the mobile finance strategy with a commitment to building personalized wealth management platforms with the aim of mobilization, digitalization and intellectualization; and leveraged the "AORTA" (聊TA) platform to empower front-line employees, effectively increasing customer scale and activity. In the field of institutional services, Taking "Xing Zhi 2.0" (行知 2.0), our self-developed digital platform serving institutional customers, as the guide, Securities Lending Path (融券通), credit analysis management system (CAMS system) and INCOS cloud platform combined all links of institutional services, continuously innovating customer experience, improving service efficiency and promoting the continuous extension of customer ecology. On the basis of various advanced digital middle office systems developed in-house, the Company continuously advanced the development of platforms such as FICC trading platform and distributed fast trading platforms to expedite the establishment of cores of trading and enhance pricing capabilities. During the Reporting Period, the Company launched Securities Lending Path 3.0 (融券通 3.0) to move toward open connection from efficient empowerment, which promoted the innovative development of securities lending business and the continuous expansion of the scale of securities lending. The Company introduced an integrated trading platform covering both the domestic and overseas markets to provide customers with full business support at home and abroad, thus creating excellent transaction services. Moreover, the Company created Data Intelligence Middle Platform 3.0 (數智中台 3.0) to build an integrated data infrastructure platform. The technical competency and talent team the Group developed through independent research and development over the years have laid a solid foundation for the building of platform-based and systematic competitive advantages.

(II) The open digital wealth management platform provides efficient and professional services to mass customers

The Group has established one of the most dynamic wealth management platforms in China's securities industry with 20.00 million customers. Drawing on advanced wealth management service system and experiences at home and abroad, the Group accelerated the development of wealth management business from product, service, procedure, technology platform and other aspects. The Group's wealth management business has formed a platform-based development model driven by its headquarters. The Group launched "ZhangLe Fortune Path" (漲樂財富通), a mobile service platform, for our clients, and "AORTA" (聊TA), a cloud platform, for investment advisor. The two platforms strengthened their functions, deepened their coordination, and efficiently and accurately empowered front-line investment advisors through iterations and upgrades. As of the end of the Reporting Period, the cumulative download volume of "ZhangLe Fortune Path" (漲樂財富通) was 65.3196 million. According to the statistics of Analysys, the NMAU of "ZhangLe Fortune Path" (漲樂財富通) amounted to 11.0181 million as at the end of December 2021, ranking the first among all APPs of securities companies. During the Reporting Period, the Group as one of the first batch of securities companies which obtained the pilot qualification for fund investment advisory business, our fund investment advisory business has realized rapid development, and our product research, strategic operation and companion service systems have been continuously improving.

(III) First-class investment banking business with systematic services for clients and high-quality development

With fully seizing the opportunities in China's economic transformation and upgrading and in-depth reform of capital market centering on the full implementation of registration system, the Group continued to speed up industrial layout, actively implemented the strategy of platformization and ecologicalization with investment banking customer-centric, and gave full play of securitized assets as a traffic portal by taking advantage of the big platform covering the whole business chain. At the same time, the Group continuously enhanced the linkage and coordination between the investment banking business and other various businesses to build an ecosystem for institutional customer services with the integration of "buyers + sellers + research institutes". The Group constantly provided new and old customers with domestic and overseas integrated professional investment banking services while going deep into the industry to successfully explore and acquire a number of high-quality customers in key industries. The Group retained its leading position in serving technology innovation with 109 IPO accepted under the STAR Market and the ChiNext registration system, which ranked the third in the market. In 2021, with the launch of public REITs, a major innovative product in the market, the Group actively promoted relevant business and successfully advanced the first batch of public REITs launched to market. For the M&A and restructuring business, the Group focused on advancing benchmark large-scale and innovative projects and actively explored continuous services for customers, maintaining its leading position in the industry. Since 2012, the total transactions of M&A and restructuring of the Group, being approved by and registered with the CSRC, reached 150, ranking the first in the market. During the Reporting Period, the Group's lead-underwriting amount of full variety bonds was RMB931.103 billion, ranking the third in the industry. The full implementation of the registration-based IPO system and the increase in the proportion of direct financing will be the theme of the capital market in 2022. Relying on increasingly active equity and debt financing and industrial consolidation activities in the capital market, the Group will embrace sound development opportunities.

(IV) Comprehensive asset management platform with both scale and innovation advantages

Relying on the large customer base and advantage in the whole business chain resources, the Group has established one of the leading asset management platforms in the industry by giving full play to its abilities in exploring investment bank assets, risk pricing and product design. The total amount of assets under asset management business ranked the forefront of the industry with continuous improvement in the capability and scale of active management. As of the end of 2021, the scale of asset management was RMB518.573 billion, and the scale of active management further increased. Our management products cover major asset categories forming a product system with a considerable scale and wide coverage, which helped the Group build significant operational advantages and market influence. The Group focused on the characteristics of brokers, systematically created "basic products + specialized products", strengthened the two-way driving of the Group and established the output model of asset-end products to broaden the size of products and meet different needs of the Group, retail customers and high-net-worth customers in the market for product forms and risk return. Meanwhile, through customized services featuring multiple assets and multiple strategies, the Group provided a basket of customized comprehensive financial services for institutional customers, which met customers' needs for product forms, liquidity and returns through competitive fixed-income products as well as featured products such as FoF and MoM. The Group is a leader of ABS product designs in the industry, and has set a benchmark for the industry through constant innovation in underlying assets, transaction structure and other aspects. It has issued multiple notes in areas such as epidemic control and prevention, and green finance to support real economy projects, with the business scale continuously ranking the top in the industry.

(V) Acceleration in global layout and creation of cross-border ecology to march toward a new stage of high-quality development

The Group always adheres to the strategy of constantly expanding its international business layout along with the international development of customers, and offers global resources to its customers through continuous deepening of integrated cross-border linkage and enhancing the comprehensive cross-border financial services platform system, to better serve the overseas expansion of Chinese customers and the domestic investment of international investors. During the Reporting Period, the international rating agency Standard & Poor's raised the credit rating to "BBB+" from "BBB" for the Company and its subsidiary Huatai International, and maintained the rating of "A-2" for short-term issuer. During the Reporting Period, leveraging on the Group's domestic resources and taking cross border as the starting point, Huatai International returned to the origin of brokers and focused on the development of capital-based intermediary. It deeply cultivated the integrated platform-based and cross-border service ecosystem with customer-oriented business concept through effective domestic and overseas linkage, business synergy, strengthened risk control and platform operations, so as to promote the healthy development of various businesses. At the same time, during the Reporting Period, Huatai Financial Holdings (Hong Kong) continued to deepen its "4+1" business platform system with the equity business platform, fixed-income business platform, individual financial platform, fund platform and flagship investment banking business, which facilitated its differentiated competitive advantages. As of the end of the Reporting Period, the asset scale of Huatai International exceeded HK$200 billion with continual improvement of comprehensive strength and ranking at the forefront of Chinese securities companies in Hong Kong. During the Reporting Period, Huatai Financial Holdings (Hong Kong) was formally admitted as the member of Turquoise under the London Stock Exchange Group, emerging as the largest securities company in Asian in terms of asset scale with dual memberships of the London Stock Exchange and Turquoise, which enhanced the ability of the Company to conduct international development and participate in mainstream international capital markets. During the Reporting Period, Huatai International participated in and completed 6 IPO sponsored–projects and ranked the fifth among Chinese securities companies in Hong Kong in terms of the amount sponsored. In addition, AssetMark has always maintained independence in operation and completed the acquisition of Voyant during the Reporting Period. It kept a steady growth in the asset scale under management with its leading business model and advanced technology platform, consolidated industry leadership, and constantly increased the Group's international business revenue.

(VI) Comprehensive risk management featuring professional and platform advantages

The Group has a sound risk management culture and clear risk management objectives, and "stability" is always an important part of the core values of the Group. The Group is committed to forging an onshore and offshore integrated risk management system with adhering to the core risk management philosophy of high engagement, full coverage and deep penetration and taking collectivization, specialization and platformization as the main approach. The Group has accumulatively established an effective risk management framework, procedures and measures that adapt to the international development of the Company's businesses with focus on developing the abilities of professional forward-looking risk evaluation and risk identification capability. It promoted the penetration of risk control on key business and areas at home and abroad to dynamically monitor and early warning, and rapidly response to risks. Attaching great importance to the application of advanced IT technology in risk management, the Group solidified various risk control processes and key nodes with technology to build a risk management workflow driven by technology systems and data on an on-going basis. During the Reporting Period, the Group comprehensively upgraded the framework for building integrated risk management platform with outbound extending to achieve integrated technical support onshore and offshore, and promote the transformation of the risk management model and improve efficiency empowered by technology.

(VII) Top-ranking talent team and diversified shareholding structure

The consistent development of market-based systems and mechanisms is a key driving force for the continuous transformation and transcendence of the Group. The Group's professional manager system has been implemented for two years, and it has built a contractual, market-oriented and professional operation and management team. The new operation and management team has broad vision, rich experience and strong business capabilities, and is leading the Company to open up a new development situation. The Group is deeply rooted in the corporate culture gene of "technology empowerment, innovation and initiative", and continuously enriches and deepens the cultural connotation of "openness, inclusiveness, innovation, struggle and responsibility", accumulating lasting power and vitality for the in-depth promotion of the "two-pronged" (雙輪驅動) strategy. Focusing on optimizing talent structure and improving talent effectiveness, the Group is committed to building a platform-based talent development model towards the professional, high-caliber, younger and international talents, in bid to promote the growth of talents together with the organization and transform its talent advantage into a core competitive advantage. The Group has established and improved a mechanism for the selection and appointment of talents based on ability and contribution, established a market-oriented employment mechanism and compensation incentive mechanism. During the Reporting Period, the Company implemented the restricted share incentive scheme for senior and middle management and core staff, which fully demonstrated the concept of benefits and risks sharing with employees, and pursuit of sustainable development together, so as to further stimulate the vitality of market-oriented organizations. Since 2018, the Group has started the reformation of mixed ownership and brought in important strategic investors, established a more diversified shareholding structure. The diversified and balanced structure of shareholders and the Board has effectively enhanced the transparency of the corporate governance and presented new concepts and new strategic resources for the Group's future development.

V. BUSINESS COVERAGE

Huatai Securities has broad business coverage with 245 business branches and 28 subsidiaries in the PRC. It also conducts international businesses overseas through Huatai International and the operational entities held by Huatai International such as Huatai Financial Holdings (Hong Kong), AssetMark and Huatai Securities (USA).

245
Business branches

28
Branches

Hong Kong China

As the Company's holding platform for international business, Huatai International capitalised on its advantage of being part of the full business chain system of the Group and effectively promoted cross-border linkage, providing cross-border integrated financial services for domestic and foreign customers.

Provinces, cities and regions	Number of business branches
Jiangsu	95
Beijing	6
Shanghai	16
Guangdong	23
Hubei	29
Zhejiang	8
Liaoning	7
Shandong	7
Sichuan	7
Anhui	5
Heilongjiang	5
Fujian	4
Tianjin	4
Henan	3
Hunan	3
Jilin	3
Jiangxi	3
Inner Mongolia Autonomous Region	3
Guangxi Zhuang Autonomous Region	2
Hainan	2
Shaanxi	2
Chongqing	1
Gansu	1
Guizhou	1
Hebei	1
Ningxia Hui Autonomous Region	1
Qinghai	1
Shanxi	1
Xinjiang Uygur Autonomous Region	1

NOTE: THE MAP AND PRESENTATION IN THIS SECTION DO NOT REPRESENT STANDARD GEOGRAPHIC MAPS, BUT FOR THE PURPOSE OF PRESENTING BUSINESS COVERAGE OF THE COMPANY ONLY.

London

In June 2019, the Company successfully listed its GDRs on the London Stock Exchange, and therefore became the first Chinese company to trade on the London Stock Exchange under the business rules of Shanghai-London Stock Connect. The funds raised therefrom amounted to US$1,692 million, which set a number of financing records in the UK and even the European capital market.

New York

In 2018, Huatai Securities (USA) was incorporated in the USA by Huatai International as its wholly-owned subsidiary, with an office established in the New York City.

California

In 2016, the Company successfully completed its acquisition of AssetMark, which provided a powerful platform for the wealth management business to transform and get access to global resources. The international development layout has therefore made a key step.

In July 2019, AssetMark was successfully listed on the New York Stock Exchange, which further enhanced the Company's influence in the international market.

EFFICIENCY ◆ HONESTY ◆ PRUDENCY ◆ INNOVATION

MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE BOARD

I. OPERATION DISCUSSION AND ANALYSIS

Unit: Thousand Yuan Currency: RMB

Segment	Segment revenue and other income	Segment expenses	Segment results	Segment profit margin (%)	Year-on-year change of segment revenue and other income (%)	Year-on-year change of segment expenses (%)	Year-on-year change of segment profit margin
Wealth management business	26,159,829	(18,549,453)	7,610,376	29.09	34.31	30.51	Increase of 2.06 percentage points
Institutional services business	12,495,351	(7,574,761)	4,930,421	39.46	18.72	17.86	Increase of 0.41 percentage point
Investment management business	4,162,162	(1,290,760)	3,420,097	82.17	2.26	(26.50)	Decrease of 40.41 percentage points
International business	7,892,395	(6,463,785)	1,430,109	18.12	42.19	22.18	Increase of 13.43 percentage points
Others (including offset)	1,216,667	(4,405,064)	(1,118,441)	(91.93)	33.47	24.19	Increase of 30.81 percentage points
Segment total	51,926,404	(38,283,823)	16,272,562	31.34	28.10	22.57	Decrease of 1.98 percentage points

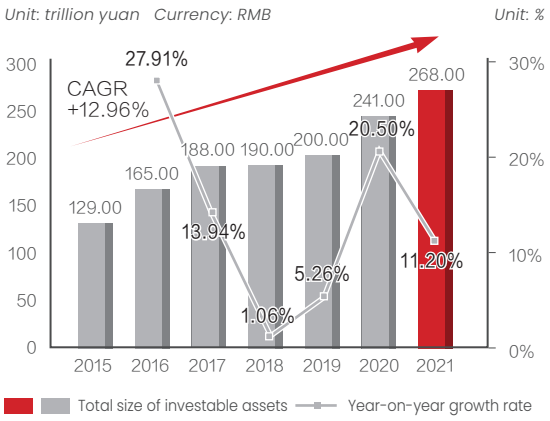
(I) Wealth management business

1. Market environment and industry trend of wealth management business

(1) The in-depth development of the wealth management market in China drove business transformation and upgrading and the space for development in the wealth management industry was broad

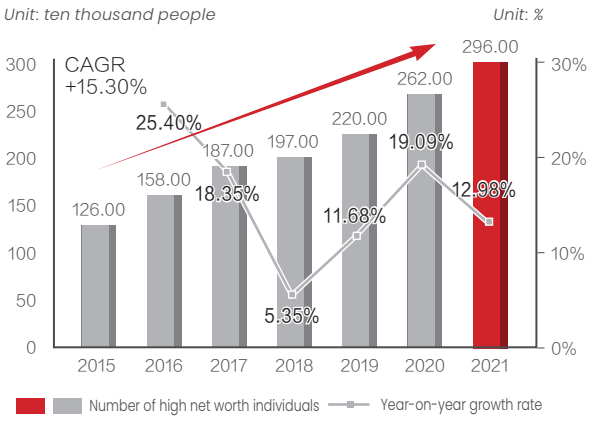
The wealth management institutions with outstanding business capabilities and mature service systems will embrace development opportunities, due to the continuous release of the potential of China's real economy, the steady advancement of financial supply-side structural reform, the development and improvement of a multi-level capital market, the increasing supply of financial investment products and the continuous growth of total social wealth, the optimization of asset allocation structures of residents as well as the increasing demand for professional investment advisory. Obtaining customers' minds based on the service model of branding, content marketing and platform operation will become the key to the success of the wealth management business of securities companies in the future. According to the statistics of China Merchants Bank's private wealth report, as of the end of 2021, the overall scale of investable assets held by individuals in China reached approximately RMB268 trillion, representing an increase of 11.20% from the end of 2020; the number of high-net-worth individuals with personal investable assets of over RMB10 million reached approximately 2.96 million, representing an increase of 12.98% from the end of 2020. Under the background of construction a new dual-cycle development pattern, market-wide registration reform, increased industry penetration rate in wealth management and increased demand for specialized business, etc., wealth management institutions that focus on building an innovation-driven wealth management business ecosystem, forge wealth management service capabilities on the whole business chain, enhance the customer-centric service concept, deeply understand diversified customer needs, and pay attention to customer's full life cycle, full category product and services are expected to continue to expand their competitive advantages and provide all-round and comprehensive financial services for customers.

Total size and year-on-year growth rate of investable assets held by individuals in China



Source: China Merchants Bank's private wealth report

Number and year-on-year growth rate of high net worth individuals with investable assets over RMB10 million



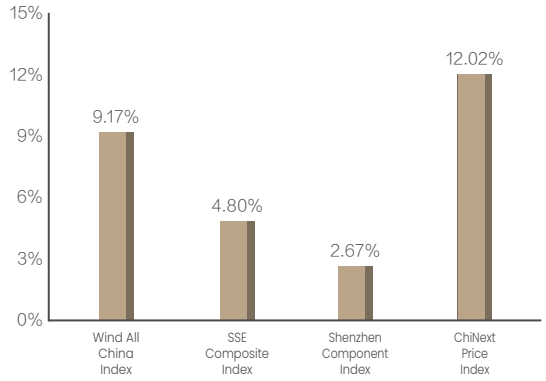
Source: China Merchants Bank's private wealth report

(2) Changes in clients' demands and market competition trends continuously promoted the enhancement of the wealth management service capability of securities companies

With the continuous advancement of the comprehensive deepening reform of the capital market, the continuous expansion of the new pattern of two-way opening of the financial market, the accelerated penetration of Fintech into the securities industry, and the increasingly fierce market competition, wealth management institutions are facing diversified wealth management demands of customers and stricter requirements on whole-process experience. Building a wealth management service model under the

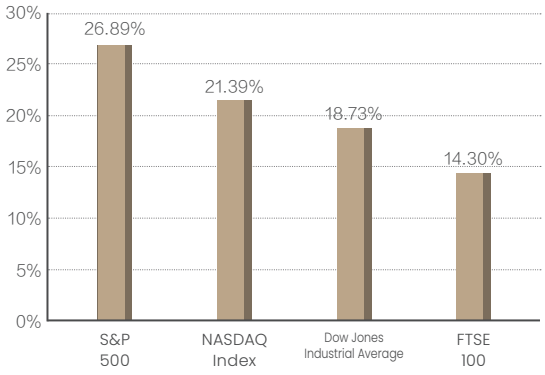
new ecosystem, continuously improving the wealth management business system and increasingly enhancing the wealth management service capability have become important directions for the strategic transformation of securities companies. During the Reporting Period, the domestic stock market index hiked with the Wind All China Index rose by 9.17%, the Shanghai Composite Index rose by 4.80%, the Shenzhen Component Index rose by 2.67%, and the ChiNext Index rose by 12.02%; in terms of major international indexes, the S&P 500 rose by 26.89%, the Nasdaq rose by 21.39%, the Dow Jones Industrial Average rose by 18.73% and the FTSE 100 rose by 14.30%. In the context of continuously strengthened linkages between domestic and foreign capital markets, gradually improved regulatory policies and market mechanisms, and constantly expanded wealth management instruments and product supply, the complexity of asset allocation services is increasing, and clients have more recognized the allocation opinions and the value of services of professional wealth management institutions with global vision and international competitiveness. The expansion of pilot institutions of fund investment advisory business and the opening of pilot optimization of account management function of securities companies will promote the accelerated upgrading of the wealth management business model. Financial institutions which firmly transform towards a comprehensive business model with coordinated development of multiple businesses, continuously improve professional asset allocation service capabilities, and creating long-term value for customers will have a better chance to gain an advantage in future competition.

Trends of major China-related indexes in 2021



Source: Wind

Trends of major international indexes in 2021



Source: Wind

(3) Fintech empowerment and digital transformation reshape the operation and management model and lead the iterative upgrade of the wealth management industry

In recent years, securities companies have proactively grasped the new trend of the continuous expansion of Fintech application scenarios and the accelerated penetration of digitalization, by empowering all links of the wealth management business value chain through Fintech application innovation, building a digital, platform-based and ecological new wealth management service model, so as to realize the synergy, integration and sharing of internal and external resources and build a business model that integrates technology and business in an all-round way. Moreover, securities companies continued to optimize customer experience, improve business process, enhance operating efficiency, create new drivers for business growth and enhance the capabilities of securities companies in providing customers with professional, intelligent, and integrated financial services. Fintech and digital transformation have become basic driving forces to evolution of the financial ecosystem and strategic commanding heights for the competitiveness of securities companies, which will profoundly change the business model, business structure and operation systems of securities companies and will be the core driving force to the development of the securities industry in the next strategic cycle. In particular, the prevention and control of the COVID-19 epidemic has further deepened the demand for online financial services and the integration of Fintech with business scenarios will be closer. The inevitable choice of a large domestic securities company to build differentiated competitive advantages and achieve continuous innovation in business models is to use Fintech empowerment, fully advance digital transformation, reshape business development with

technology, strive to build open and win-win digital new ecosystems and provide customers with all-round wealth management services.

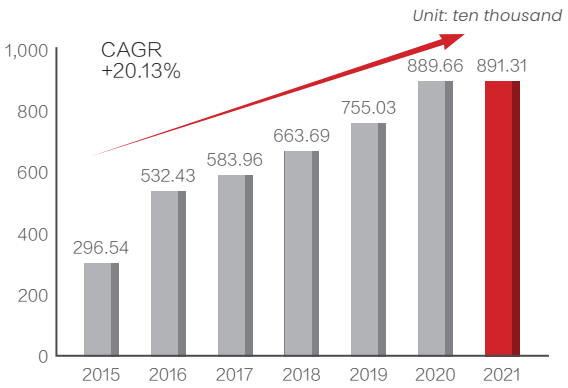
2. Operational measures and achievements of wealth management business

(1) Securities, futures and options brokerage business

During the Reporting Period, the Group deeply concentrated on the wealth management demand of customers, focused on building the new structure of wealth management business platform and operation model, constantly expanded the business coverage and continuously expanded the size of customers and customer assets, further improving the market influence of the wealth management business. It continued to build the development advantage with the linkage of dual platforms, namely the "ZhangLe Fortune Path" (漲樂財富通) platform and the "AORTA" (聊 TA) platform, and formed a closed business loop to continuously strengthen the capability of platforms in empowering customers and investment advisory and enhance the customer stickiness and the activeness of platforms. With the integrated operation of platforms as the core and the contents as key drivers, the Group paid attention to traffic operation and customer operation, improved the full-cycle customer operation chain and continuously enhanced the capability on traffic undertaking and transformation and the full-cycle service operation of customers. Based on the customer hierarchical and grading system and their differentiated needs, it also continued to build a professional investment consultant team and comprehensively enhanced the professional capabilities with asset allocation services as the core, so as to expand the width and depth of investment advisory services.

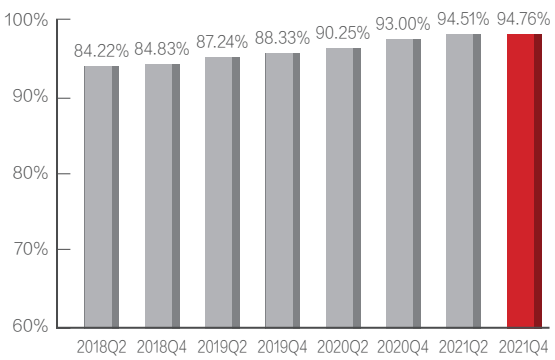
The Group continuously promoted innovation in products and services of the "ZhangLe Fortune Path" (漲樂財富通) platform and newly launched the content operation model with short videos and live broadcasts as carriers and actively built the new platform of the "personalized" ZhangLe Fortune Path towards customers, fully improving the level of customer services and constantly consolidating the leading position in the industry. During the Reporting Period, "ZhangLe Fortune Path" (漲樂財富通) had a download volume of 7.2432 million, with a cumulative download volume of 65.3196 million since its launch; the number of accounts opened by mobile terminal customers was 2.5995 million, accounting for 99.42% of all accounts; 96.13% of trading customers used "ZhangLe Fortune Path" (漲樂財富通) to conduct transactions. According to the statistics of Analysys Think Tanks (易觀智庫), during the Reporting Period, the average monthly activity of "ZhangLe Fortune Path" (漲樂財富通) was 8.9131 million. As of the end of the Reporting Period, the monthly activity was 11.0181 million, ranking the first among securities company apps, which means "ZhangLe Fortune Path" (漲樂財富通) has continued to play its important role as the core platform carrier of the Group's wealth management business. At the same time, the Group promoted the construction of "ZhangLe Global" (漲樂全球通) platform in an orderly manner and continuously consolidated the basic trading service capability of the platform, and be committed to providing customers with one-stop investment management services for global assets. The cumulative download volume of "ZhangLe Global" (漲樂全球通) was 927,300 since its launch. During the Reporting Period, the average monthly activity was 103,100.

Average NMAU of "ZhangLe Fortune Path"



Source: Statistics from Analysys

Proportion of the number of users trading through "ZhangLe Fortune Path"



Source: Internal statistics from the Company

The Group further strengthened its advantages in trading services based on advanced platforms. According to the statistics of members of the Shanghai and Shenzhen Stock Exchanges, the Group's equity and fund trading volume totaled RMB42.29 trillion, ranking the first place in the industry. As of the end of the Reporting Period, according to internal statistics, the total assets of client accounts reached RMB5.40 trillion.

Data of agency transaction amount

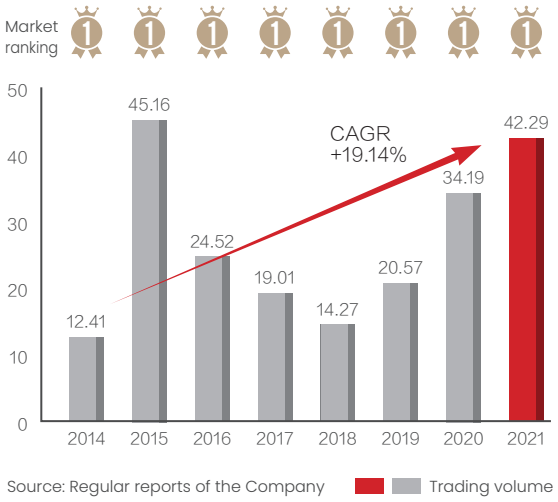
Currency: RMB

2021		2020	
Type of securities	Agency transaction amount (in RMB100 million)	Type of securities	Agency transaction amount (in RMB100 million)
Stocks	392,026.40	Stocks	316,393.11
Funds	30,889.85	Funds	25,494.38
Debentures	386,057.90	Debentures	345,299.16
Total	808,974.15	Total	687,186.65

Note: In view of the fact that Wind Information no longer collects and publishes its member trading volume data, the data of trading volume in 2020 and 2021 are cited from the Shanghai and Shenzhen Stock Exchange members' statistics in which the fund data do not include trading volume of money market funds on the Shanghai Stock Exchange.

Equity fund trading volume

Unit: trillion yuan Currency: RMB

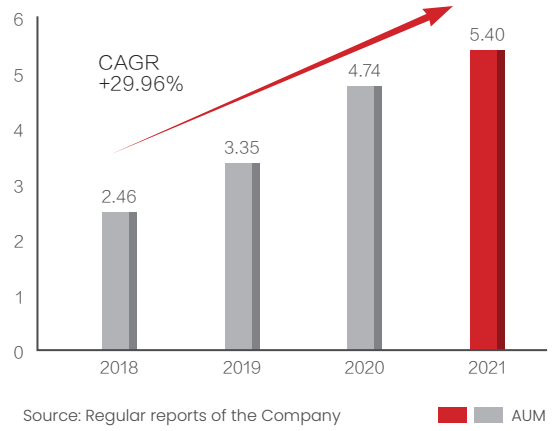


Source: Regular reports of the Company

Trading volume

Total assets of client accounts

Unit: trillion yuan Currency: RMB



Source: Regular reports of the Company

AUM

During the Reporting Period, the Southbound Trading business went steadily, with the number of clients increasing steadily and the services continuing to be deepened. For the Southbound Trading business under Shanghai-Hong Kong Stock Connect, there were 64.3 thousand authorized users in total. For the Southbound Trading business under Shenzhen-Hong Kong Stock Connect, there were 66.3 thousand authorized users in total. In terms of stock options brokerage business, the Group has further boost efforts in technology support, optimized the trading platform system, strengthened online and offline linkage services to improve the intelligent operation, and therefore the business has continued to maintain its market leading edge. According to the statistics of the Shanghai Stock Exchange, the Group's stock option brokerage business at the Shanghai Stock Exchange ranked the first in the industry in terms of trading volume and market share during the Reporting Period.

For the futures brokerage business, Huatai Futures continued to optimize its outlet layout. As of the end of the Reporting Period, there were 9 branches and 41 futures branches in total covering 4 municipalities directly

under the Central Government and 16 provinces in China, being the agent of 91 types of futures. During the Reporting Period, Huatai Futures (excluding clearing members) realized an agency trading volume of 730.4848 million lots with a transaction amount of RMB67,951,422 million. The Group's futures IB business increased consistently, with 230 securities branches permitted to be engaged in futures IB business and the total number of futures IB business customers reaching 55,547 as of the end of the Reporting Period.

(2) Financial product sales and fund investment advisory business

During the Reporting Period, the Group promoted the business development of financial products centered on customer needs from multiple angles. Through the professional and digital large-scale asset research system, strategy research and development system, product research and evaluation system, product and fund investment advisory service system and based on the comprehensive platform-based operation, the Group provided customers with strategic portfolios and financial products that meet their risk and return needs, and met customers' multi-level wealth management needs. The Group actively integrated internal and external resources, strengthened the layered and hierarchical customer service model and formed multi-level investment solutions with fund investment advisory, private fund portfolio and product selection as subjects covering public and private fund portfolios and products to meet the investment demands of different customer groups. According to internal statistics, the number of financial products held (except for the cash management product "Tian Tian Fa" (天天發)) was 7,181, and their sales scale (except for the cash management product "Tian Tian Fa" (天天發)) was RMB759.418 billion, which has increased steadily. According to the statistics from the Asset Management Association of China (中國證券投資基金業協會) as of the fourth quarter of 2021, the Group's shares and hybrid public funds maintained a scale of RMB85,000 million, and the public funds in the non-money market maintained a scale of RMB93,200 million, both ranking the second in the industry.

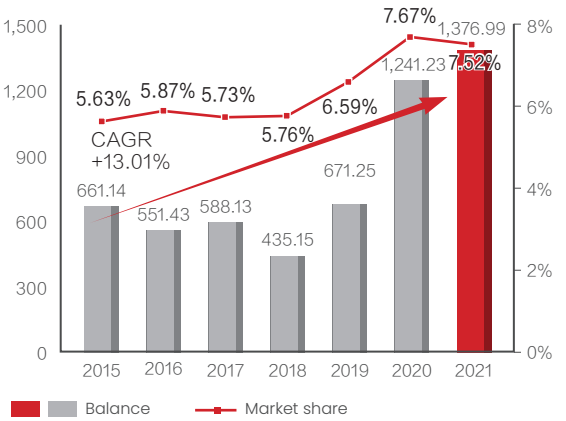
During the Reporting Period, in terms of fund investment advisory business, the Group strengthened and improved the strategic investment and research system, operation promotion system, service system and related system platforms, continuously optimized customer service scenarios and customer service plans, built life-cycle companion service systems for customers and continuously improved customer coverage and satisfaction through continuous customers operations. It also continued to improve the strategic investment and research infrastructure, built a buy-side investment and research system integrating asset research, allocation research and fund research, optimized and diversified strategy portfolio models. The Group strengthened the construction of a digitized empowerment platform, adopted the agile development model and actively built a strategy and product investment and research system to achieve the full coverage of customer and product services and effectively improve the overall business efficiency and capability. The Group promoted the comprehensive operation of the fund investment advisory business and the revenue from the fund investment advisory business increased rapidly. As of the end of the Reporting Period, according to internal statistics, the fund investment advisory business authorized assets amounted to RMB19.511 billion and the number of customers was 722,100.

(3) Capital-based intermediary business

During the Reporting Period, the Group adhered to the customer-oriented operation philosophy, responded to customers' feedbacks in a timely manner, continuously diversified marketing and service models, built a matrix customer service system, enhanced differentiated and professional service capabilities, and constantly improved the risk management and control system to consolidate business competition advantage. Relying on the cooperation and linkage across the entire business chain, it led digital transformation through platform construction, continuously enhanced the securities lending business operation and management capability, consolidated the

Scale of margin financing and securities lending business

Unit: 100 million yuan Currency: RMB

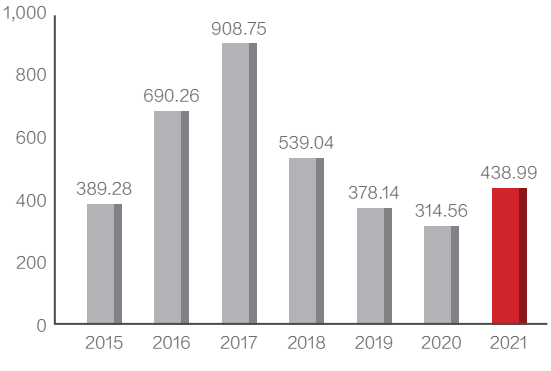


Source: Regular reports of the Company

foundation for the development of securities sources, expanded the scale of the securities pools, constantly improved customers' service experience and achieved business extension and empowerment with the securities lending business as the trigger. The Group released the "Securities Lending Path 3.0" (融券通 3.0), further advanced the construction of the open platform for securities lending, integrated various customer terminals such as "Xing Zhi" and "Wind" and continuously optimized the new model of digital operation of the securities lending industry. During the Reporting Period, the capital-based intermediary business of the Group showed good development momentum, the scale of margin financing and securities lending business increased steadily. The market share continued to increase, the securities lending business maintained the sound development momentum, and the stock pledged repurchase business structure was optimized to make business risks controllable. According to the regulatory statement data, as of the end of the Reporting Period, the balance of margin financing and securities lending business of the Company was RMB137.699 billion, with a year-on-year increase of 10.94% and a market share of 7.52%, and the integral maintenance guarantee ratio was 312.02%. Among them, the balance of securities lending business was RMB24.705 billion, with a market share of 20.56%. The pending repurchase balance of stock pledged repurchase business was RMB43.899 billion in total, with an average fulfillment guarantee ratio of 302.99%. Among them, the pending repurchase balance of on-balance-sheet business was RMB5.990 billion, with an average fulfillment guarantee ratio of 311.68%; while the pending repurchase balance of off-balance-sheet business was RMB37.909 billion.

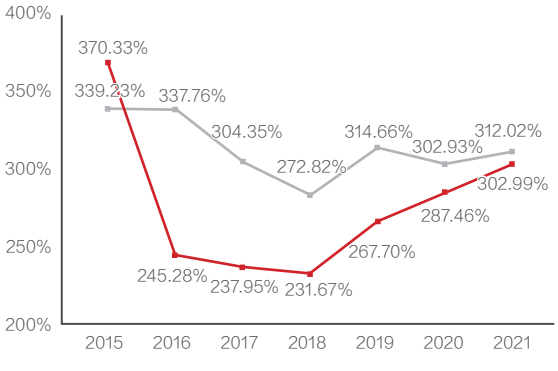
Scale of stock pledged repurchase business

Unit: 100 million yuan Currency: RMB



Source: Regular reports of the Company

Overall guarantee ratio and average fulfilment guarantee ratio



Source: Regular reports of the Company

3. Prospect of wealth management business for 2022

Wealth management business carries the strategic functions of the Group to gather and accumulate customer resources and assets on a large scale. In 2022, the Group will continue to seize the strategic opportunities for the in-depth development of the wealth management market, rely on the dual-end platform and ecosystem operation for customers and investment advisors, further expand the size of customers and customers' assets through the integrated operation driven by the headquarters with the coordination of the headquarters and branches, promote its transformation into a full life cycle service and asset allocation service model for customers and continue to build new competitive edges for the future.

For wealth management business, the Group will continue to implement the philosophy of technology empowerment and platform-based operation, increase investment on technology and contents and promote high-quality business development with the refined, differentiated and intelligent operation and professional online and offline synergy. It will continue to focus on operation as the core, maintain the business idea of "gathering traffic with contents, accumulating traffic with private traffic and magnifying traffic with operation", build the traffic ecosystem with an open thinking, improve the operation efficiency with platform empowerment and consolidate the competitive advantages with the improvement of staff performance through professional division of work. The Group will continue to optimize the classified and

hierarchical service system on investment advisory, optimize outstanding investment advisory service models and build professional and three-dimensional investment advisory teams through platform empowerment to comprehensively improve the efficiency of investment advisory services. It will deepen digital development strategies, fully upgrade the service capability of the "personalized" "ZhangLe Fortune Path" (漲樂財富通) platform and consolidate and optimize the capability on the operation of the "AORTA" (聊 TA) platform to build the refined, digital and systematic operation system and continuously enhance customer stickiness and satisfaction.

For the financial product sales business, the Group will consistently enrich the classified and hierarchical product supply and services, iterate and optimize the investment and research model, upgrade the large-scale asset rating framework and enhance the response to diversified customer demands and operation capacity to support the continuous growth in the customer scale and asset. It will step up efforts in the operation and marketing of the fund investment advisory business, continue to diversify strategic portfolios, practically enhance the product research and investment capabilities and actively explore internal and external customer groups to continuously optimize operation and service systems and enhance the profit experience of customers.

For the capital-based intermediary business, the Group will continue to be customer-oriented, continuously strengthen the construction of the marketing service system to improve the efficiency of business operation. It will focus on differentiated competitions on the ability to obtain sources of securities, the customer service capability and the application of Fintech to further improve the quality of business development. We will put more efforts in providing resources, improve the digital operation platform, deepen the cooperation across the business chain, continue to promote the iteration and upgrading of the "Securities Lending Path" (融券通) platform and create an integrated securities pool at home and abroad, on and off the market. We will vigorously build an open and efficient ecosystem in the securities lending industry and continuously reinforce the brand advantage of the "Securities Lending Path" (融券通).

(II) Institutional services business

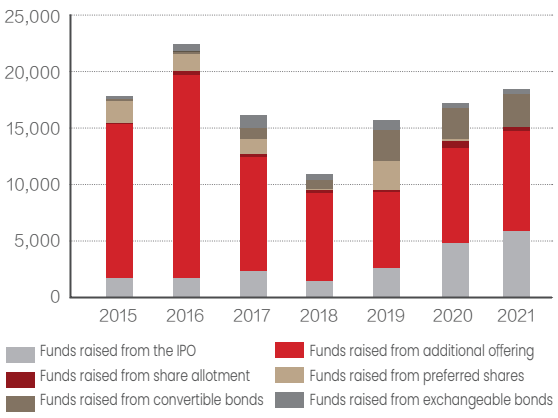
1. Market environment and industry trend of institutional services business

(1) The transformation and upgrading of real economies and the comprehensive deepening reform of the capital market have provided greater potentials for the display of integrated advantages of institutional services business

With the consolidation and expansion of the stable recovery of China's economic development, the supply-side structural reform and the innovation-driven development strategy are further advanced, the strategic position of the capital market in serving the high-quality development of the economy continues to rise, in which the market vitality and driving force will be further released, the institutional service business will have an opportunity to achieve leap-forward development, providing institutional clients with a full range of high-quality comprehensive financial services will become an important manifestation of the core competitiveness of securities companies. Against the background of the promulgation and implementation of the new Securities Law, the merger of Shenzhen Stock Exchange's main board and SME (small and medium enterprises) board, the official opening of Beijing Stock Exchange, the establishment and improvement of the normalized

Statistics of stock issuance

Unit: 100 million yuan Currency: RMB

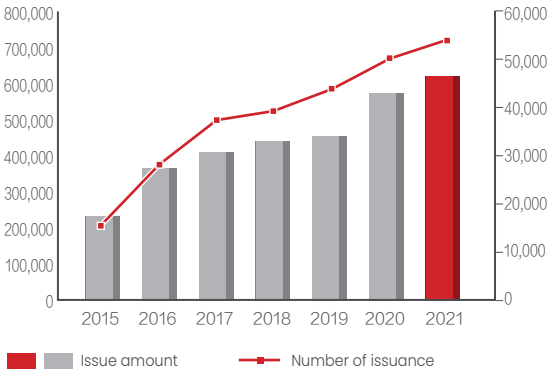


Notes:
1. Source: Wind;
2. The statistical coverage includes IPO, additional offering (including issuance of shares for purchasing assets), share allotment, preferred shares, convertible bonds and exchangeable bonds;
3. The statistical caliber of Wind is issuance date.

delisting mechanism, the implementation of the registration system reform and the promotion in the whole market step by step in recent years, the capital market has initiated a new stage with the full optimization of fundamental systems and the reform and development for the full restructuring of the market ecosystem, which presents the increasingly mature market-based issuance and underwriting mechanisms and the investment banking business of securities companies faces high-level transformation strategic opportunities, securities companies with outstanding business capabilities, rich project reserves and mature integrated operation will achieve more progresses in business and income. In the future, with the deepening of China's capital market reform and the building of the new pattern of the multi-tiered capital market with dislocation development and orderly competition, the capital market will fully display the function of resource allocation and provide financial services to enterprises in different stages of development. The securities industry will embrace historical development opportunities with the improvement of the market width and depth. Securities companies with the ability to better capture macroeconomic trends and development opportunities in the reform of the capital market, improve the comprehensive service capabilities across the entire business chain in an all-around way, promote the comprehensive transformation and upgrading of the business system and create long-term value for their clients will face more business opportunities.

Statistics of bond issuance

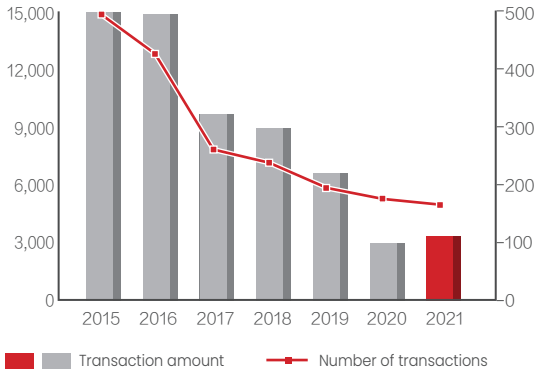
Unit: 100 million yuan Currency: RMB



Notes:
1. Source: Wind;
2. The statistical coverage includes government bonds, local government bonds, NCD, financial bonds, enterprise bonds, corporate bonds, mediumterm notes, short-term financing bonds, dedicated instruments, bonds issued by international institutions, bonds issued by government-supported agencies, asset-backed securities, convertible bonds and exchangeable bonds;
3. The statistical caliber of Wind is issuance date.

Statistics of material assets reorganization of the Company

Unit: 100 million yuan Currency: RMB



Notes:
1. Source: Wind;
2. The statistical caliber of Wind is the reorganization transactions of material assets disclosed by A-share listed companies.

(2) The development trend of institutionalization, increased concentration, and internationalization of market participants have set higher standards for institutional services business of securities companies

Institutional investors are becoming the main force in the capital market, with the establishment and improvement of the multi-tiered capital market, the development and growth of domestic and foreign professional institutional investors, the marketization operation of domestic social security funds, insurance funds, and bank wealth management funds, the lowering market entry barriers for foreign capital, the increased indirect participation of individual investors in securities market investment through financial products, the development and application of new technologies and the more obvious influence of the institutional market. Driven by the accelerated transformation and upgrading of China's macro economy, the comprehensively and deeply advancing of the reform of the capital market system and the policy orientation of promoting fund development, the trend of residents' wealth allocation towards financial assets is continuously enhanced, the scale of mutual and private funds hit a new high with the market influence continuously enhanced and the process of institutionalization of the capital market sped up, which have raised higher requirements on the capabilities of securities companies in providing integrated and professional financial services. In addition, in the context of the accelerated formation of a new pattern

of high-level two-way opening of the capital market, the classified supervision of securities companies, the implementation of the "whitelist" (白名單) system and the establishment of aircraft carrier-level securities companies, superior market resources are speeding up in flowing into superior institutes and the strength polarization in the industry is increasingly obvious. The provision of comprehensive financial services to customers based on platform empowerment and efficient integration of onshore and offshore business resources will be the key in the new round competition on the institutional services business of securities companies. In the future, large-scale securities companies with advantages in systematic institutional services, differentiated and international institutional service capacities as well as advantages in institutional customer base, professional talent team and brand influence will obtain more development opportunities.

(3) The sustainable development of institutional services business of securities companies requires strong risk management capabilities as the foundation

With the manifestations and transmission channels of financial risks becoming more and more complex and the risk management being increasingly difficult in recent years, it is key for securities companies to achieve more steady and sustainable development to improve the comprehensive risk management structure based on their own development strategies and business development and establish effective pre-risk control procedures, complete risk management systems and strong cultural systems on risks. Securities companies must continuously improve risk supervision mechanisms, establish and improve the risk management system across all business chains, continuously optimize the risk management system and procedure design and enhance the professionalism and penetration of risk management to comprehensively improve risk management capabilities, effectively prevent, manage and defuse financial risks and enhance core competitive advantages. The prevention and management of financial risks requires securities companies to continuously optimize the organizational structure and operational process of risk management, continue to improve the professional and platform-based comprehensive risk management mechanism to achieve centralized monitoring, analysis and full process control of risk information. Defusing financial risks requires securities companies to effectively utilize the financial derivatives market while possessing strong capital strength. Based on the continuous improvement in professional capabilities such as valuation, pricing and trading, securities companies should deepen the coverage and penetration of professional risk management to the entire business process, enhance the professionalism, perspectiveness and proactiveness of risk management strategies and control measures and earnestly seize new opportunities in the high-end development of institutional services business coupled with their unique risk management service value and differentiated financial product innovation and design capability.

2. Operational measures and achievements of institutional services business

(1) Investment banking business

During the Reporting Period, the Group firmly grasped significant opportunities in deepening the reform of the capital market and continued to promote the full-service business chain strategy. Adhering to the customer-oriented operation philosophy and towards the direction of industry focus, regional layout and customer demand exploration, the Group strengthened domestic and overseas, on-exchange and OTC cross-market synergy, comprehensively improved the full-range product service ability and the comprehensive service quick response ability and achieved outstanding results in all sectors of the investment banking business.

Consolidated data

Currency: RMB

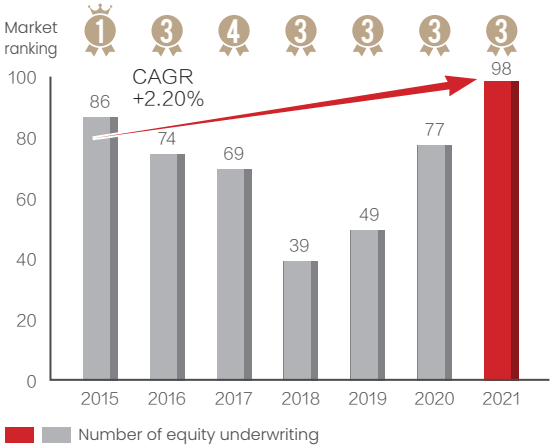
Categories of Issuance	Times of lead underwriting (time)		Lead underwriting amount (in RMB10 thousand)		Lead underwriting income (in RMB10 thousand)	
	Current Period	Accumulated over the years	Current Period	Accumulated over the years	Current Period	Accumulated over the years
Issue of new shares	32	227	3,599,489.71	18,470,069.91	192,087.76	883,565.15
Additional issue of new shares	35	251	6,016,955.00	40,867,389.22	41,459.62	310,338.30
Allotment of shares	2	34	495,302.83	2,162,160.55	1,504.49	22,637.37
Issue of bonds	1,766	3,671	60,007,326.06	198,134,436.47	119,532.41	541,398.07
Total	1,835	4,183	70,119,073.60	259,634,056.15	354,584.28	1,757,938.89

Note: The above data are from the regulatory statements, while the statistical caliber is the issuance completion date of the project; preferred shares are included in the additional newly issued shares; bonds issuance includes treasury bonds, enterprise bonds, corporate bonds (including exchangeable bonds), convertible bonds, short-term financing bonds and medium-term notes, etc., but it excludes asset-backed securitization projects.

① Equity underwriting business

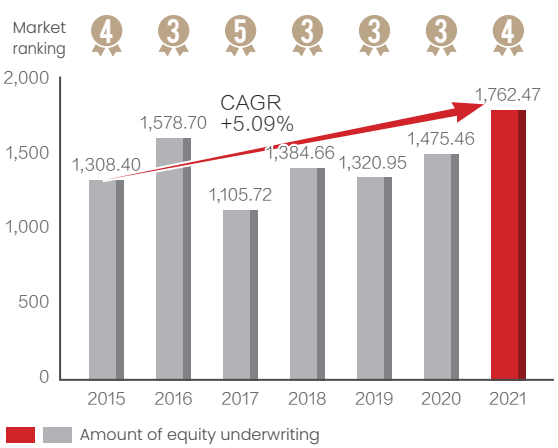
During the Reporting Period, the equity underwriting business maintained platform-based and integrated operation with high-quality customers as the center, deeply explored regional development, focused on industries, actively built a business system with the multi-dimensional integration of industries, regions and products and achieved full results in business deployment. According to the statistics from Wind Information, the Group's equity lead underwriting amount (including the initial public offering, follow-on offering, allotment of shares, preferred shares, convertible bonds, exchangeable bonds) was RMB176.247 billion, ranking the fourth in the industry; and the convertible bonds lead underwriting amount was RMB47.263 billion, ranking the first in the industry. According to the statistics of stock exchanges, as of the end of the Reporting Period, the accumulated number of registration-based IPOs in the STAR Market and the ChiNext of the Group was 109, ranking the third in the industry.

Number and ranking of equity underwriting



Amount and ranking of equity underwriting

Unit: 100 million yuan Currency: RMB

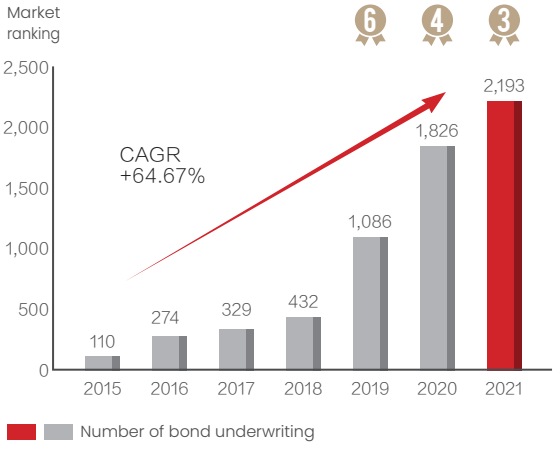


Notes:
1. Source: Wind;
2. The statistical coverage includes IPO, additional offering (including ancillary financing and placement subscribed with assets), share allotment, preferred shares, convertible bonds and exchangeable bonds;
3. The statistical caliber of Wind is issuance date, while the statistical caliber of the Company's regulatory reporting is payment date. Therefore, there are differences between the data from Wind and the statistical data from the Company.

② Bonds underwriting business

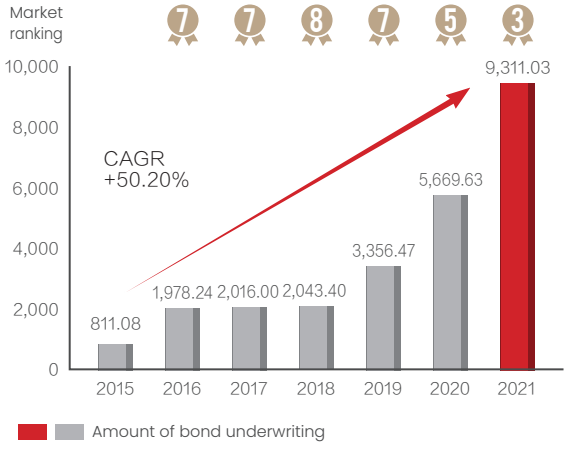
During the Reporting Period, the bonds underwriting business gave full play to its all-license edge and all-round business advantages of equity-debt linkage, achieving continuous breakthroughs in professional teams. It actively built benchmark projects and focused on products such as local government bonds and financial bonds with the number of customer groups further increased, the customer structure further optimized, the regional market share further expanded, product layout making achievements and the business scale achieving remarkable growth. According to the statistics from Wind Information, the Group's lead-underwriting amount of full variety bonds was RMB931.103 billion, ranking the third in the industry.

Number and ranking of bond underwriting



Amount and ranking of bond underwriting

Unit: 100 million yuan Currency: RMB



Notes:

1. Source: Wind;
2. The statistical coverage includes local government bonds, policy-bank bonds, non-policy financial bonds (including securities corporate bonds), enterprise bonds, corporate bonds, medium-term notes, short-term financing bonds (including ultra short-term financing bonds), dedicated instruments, bonds issued by international institutions, bonds issued by government-supported agencies, asset-backed securities, convertible bonds, exchangeable bonds and other bonds;
3. The statistical caliber of Wind is issuance date, while the statistical caliber of the Company's regulatory reporting is payment date. Besides, the statistical coverage of Wind is different from that of regulatory reporting. Therefore, there are differences between the data from Wind and the statistical data from the Company. For the calculation method of issuing number, the statistical caliber of Wind is different from that of regulatory reporting.

③ Financial advisory business

During the Reporting Period, in terms of the M&A and restructuring, the financial advisory business seized the historical opportunity of SOEs reform and focused on capabilities on the identification of high-value transaction opportunity and deal-making, and vigorously developed customer continuous services, thus maintaining the leading position of the M&A and restructuring business and continuously expanding the market share. Based on the public statistics of the CSRC and stock exchanges, the number of M&A and restructuring projects disclosed and accepted with the Group acting as the independent financial advisor during the Reporting Period was 16 and 16, respectively, ranking the first in the industry in terms of the number of reserve M&A and restructuring projects. Nine institutions are registered with and approved by the CSRC to conduct M&A and restructuring transactions, ranking the third in the industry with a transaction amount of RMB64.893 billion, ranking the third in the industry.

Amount, number and ranking of merger, acquisition and reorganization

Currency: RMB

	2015	2016	2017	2018	2019	2020	2021
Number	29	21	11	15	14	9	9
Ranking by number	1	1	5	3	1	2	3
Transaction amount (in RMB100 million)	1,007.31	1,889.53	413.04	1,104.27	1,280.65	504.19	648.93
Ranking by transaction amount	3	2	4	1	1	2	3

Source: The number, scale and ranking of merger, acquisition and reorganization transactions collected based on public information and approved by the CSRC.

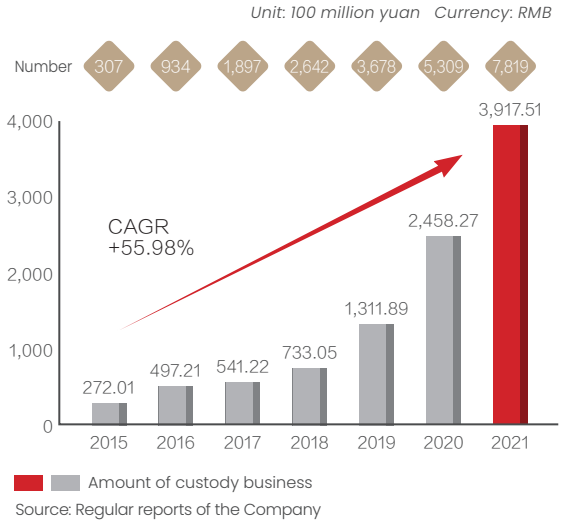
④ OTC business

During the Reporting Period, the Group fully displayed the integrated advantage of a large investment bank, closely followed the businesses on Beijing Stock Exchange and continued to provide technological innovation-based growth enterprises with complete capital market services. During the Reporting Period, the Group provided continuous overseeing services for 23 listed companies, completed one public issuance of stocks and the inclusion in the NEEQ Select as the main underwriter, one acquisition on the NEEQ, one private issuance of stocks under review and one public issuance of stocks and the listing on Beijing Stock Exchange under review. Jiangsu Equity Exchange, a holding subsidiary of the Group, continued to improve compliance and risk control systems, actively innovated debt financing products, expanded financing service methods and financing channels, deepened digital transformation, adhered to the empowerment of Fintech, improved the efficiency of the whole business chain, enhanced and upgraded the capability to provide comprehensive financial services for small, medium and micro enterprises. As of the end of the Reporting Period, the Group has had 11,376 enterprises listed and displayed, 140 enterprises purely under custody, 233 membership units, and 77,417 investors of all types, and it raised RMB6.924 billion for enterprises through financing during the Reporting Period.

(2) Prime brokerage (PB) business

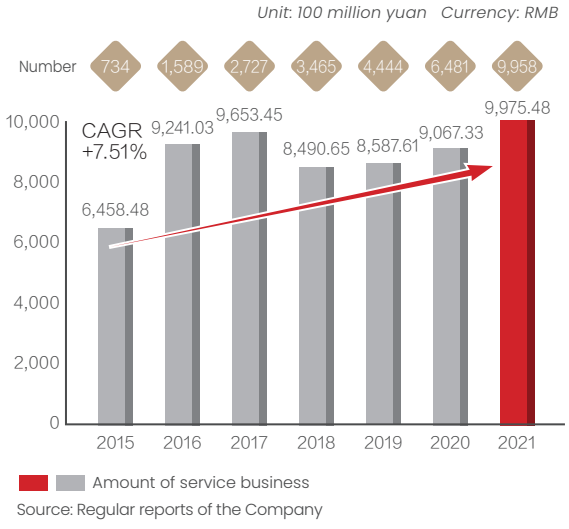
During the Reporting Period, the Group earnestly implemented the service philosophy with customer operation as the core. Relying on the platform-based and ecological development strategies, the Group facilitated the digital transformation and the improvement of the operation efficiency, practiced the customer-oriented full-chain service system, moved forward the development of the prime brokerage (PB) business in a systematic way centered on the comprehensive financial service needs of the customer's full life cycle and actively explored diversified realization. As of the end of the Reporting Period, the Group had 7,819 fund products in custody and the total size of fund in custody reached RMB391.751 billion. We provided administration services to 9,958 fund products (including 789 products from our asset management subsidiary), of which the service scale reached RMB997.548 billion (including the business scale of asset management subsidiary of RMB444.856 billion). According to the statistics from Asset Management Association of China (中國證券投資基金業協會), as of the end of the fourth quarter of 2021, the Group ranked the fourth in the industry in terms of the number of products filed under the private fund custody business.

Number of fund custody products and business scale of fund custody



Source: Regular reports of the Company

Number of fund service products and business scale of fund services



Source: Regular reports of the Company

(3) Research and institutional sales business

During the Reporting Period, in terms of research business, the Group firmly promoted the transformation of business models and actively practiced the full business chain to consistently improve business synergy and efficiency, expand the breadth and depth of research, improve the effectiveness of research service docking and proactively build the market influence of research brands. It deeply explored the digital transformation of business and continued to build and establish intelligent research platforms. Supported by "RIS" and the "Xing Zhi" (行知) platform, it facilitated the transformation of business and management models into digital and platform-based models and constantly improved the business consistency and working efficiency. Focusing on leading domestic institutional customers, the Group continued to boost supports to Hong Kong and overseas markets, completed the establishment of the interconnection system for research products, facilitated the integrated production process of research reports and continuously built the cross-border research service system. Centering on customers, in terms of the institutional sales business, the Group classified and concentrated on the demands of key customer groups for financial services, actively integrated the full-service chain resources and built the customer-driven and product-driven service matrix for institutional sales and trading. It deeply connected the diversified demands of institutional investors and continuously promoted the construction, optimization and iteration of the "Xing Zhi" (行知) service platform, institutional customer CRM system and other digital platforms to build an ecosystem with coordinated development of customers. The Group has actively carried out various forms of research service activities, including releasing 9,572 research reports, organizing 17,309 research roadshow services and 764 thematic teleconferences, and holding 19 strategy meetings, summit forums and thematic meeting online or through the integration of online and offline means. During the Reporting Period, the volume of sub-position transactions for the public fund was approximately RMB1,431.339 billion.

(4) Investment and trading business

① Equity trading business

During the Reporting Period, the Group made ongoing efforts to resolutely promote business transformation to a trading business model, stuck to the de-directionalization, continued to expand the breadth, depth and intensity of fundamental research on equity, constantly improved investment decision-making and risk management systems and actively explored diversified trading strategies and means. It continued to speed up in the expansion of innovative business models, constantly enriched the business structure, focused on the enhancement and expansion of the performance of business platforms and built equity investment and trading systems with core competitiveness and sustainable development by relying on platform

empowerment on business development. It actively built cross-market, multi-tiered, three-dimensional and diversified business systems based on the interconnected development of platforms and explored the law of market operation to effectively identify market opportunities and risks and support the trading business. The Group attached great importance to the research & application of advanced technologies such as big data and artificial intelligence, actively build integrated business platform and the big data transaction business system with great varieties, multi cycles and strategies, improved the trading model of macro hedging transactions, and promoted the improvement of its transaction scale and profitability.

② FICC trading business

During the Reporting Period, the Group gave full display to the comprehensive and diversified operation advantages of the FICC business system, achieved multi-dimensional breakthroughs in structural innovation, layout optimization and target expansion for the product system with customers as the center and satisfied customers' demands for asset allocation and risk management in an all-round way. In terms of fixed-income proprietary investment business, it practiced the management model of hedge fund portfolios under the de-directionalized rotation of general categories of assets, actively sought excess absolute gains based on the volatility and maintained steady growth in proprietary investment revenue. As for bulk commodity business and foreign exchange business, the Group continuously promoted strategic trading research, constantly improved the functions of agency for foreign exchange trading systems and actively built core investment trading and pricing capabilities. It was approved to participate in the "Southbound Trading" business and implemented the first trading as an agent for settlement and sales of foreign exchange, stably enhancing the business capability. The Group continued to advance the digital business transformation, constantly optimized the business functions and modules of the HEADS elephant platform (HEADS 大象平台), upgraded and built the core capabilities of the CAMS (credit analysis management system) and enhanced the investment trading and risk management capabilities in a systematic and platform-based manner. According to statistics from Wind Information, during the Reporting Period, the delivery volume of bonds of the Group ranked the fourth in the industry.

③ OTC derivatives trading business

During the Reporting Period, the Group strived to build a customer-oriented over-the-counter derivatives business system. It built the core competitiveness with the building of the core trading capability as the original business, differentiated advantages with the establishment of systems as supports and the integrated risk control system with professional risk control as drivers to continuously enhance the capability on differentiated and innovative product design and strengthen the capabilities on investment trading, digital operation, facing customer operation and integrated risk control. It achieved the accumulation, upgrading and transformation of core business capabilities with the platform-based construction, fully empowered business development and deeply docked institutional service systems and customer demands. According to the regulatory statement data, as of the end of the Reporting Period, the Group had 6,862 income swap transaction business contracts with an amount of RMB152.609 billion; the Group had 1,753 OTC option trading business contracts with an amount of RMB122.163 billion. During the Reporting Period, the Group issued 3,879 private placement products through the China Securities Internet System and OTC market, with a total amount of RMB66.233 billion.

3. Prospect of institutional services business for 2022

In terms of the institutional services business, the Group is devoted to providing industrial and financial institutional customers with full-business chain services. It is a key strategic sector for the Group to advance towards high-quality development. In 2022, the Group will continue to classify and focus on key customer groups' demands for financial services, continuously promote the systemic service model, consistently strengthen business synergy mechanisms, implement comprehensive operation of customer value and build a new model of services for institutional customers based on the platform, product and ecosystem to achieve mutual empowerment and common growth with customers.

For investment banking business, we will focus on key regions and industries, deeply serve leading industrial customers and enhance the integrated capabilities on coordinated services across the market and various products. At the same time, we will continue to advance the platform-based business and the digital transformation, establish the platform-based big system on investment banking with high-quality customers as the core and build a more efficient and competitive ecosystem on investment banks with the focus on the lifecycle demands of customers on all business chains. In terms of equity underwriting business, the Group will continueto grasp the historical opportunities under the capital market reform and the full implementation of the registration-based IPO system, focus on development in key regions and delve into the industry. Moreover, the Group will increase the number of high-quality customers and continue to enhance the integrated capabilities on coordinated services across the market and various products. In terms of the equity underwriting business, the Group will continue to deeply root in regional development and rely on the platform-based advantages to consistently improve the marketing development capabilities; meanwhile, it will continue to pay attention to products and enhance the professional service capabilities. For the financial advisory business, the Group will further consolidate the service capabilities on innovative and complicated projects, maintain the market reputation and recognition on the M&A and restructuring business as the benchmark business and intensify the capabilities on serving SOEs to build M&A transactions with market influence.

For prime brokerage business, we will rely on the service system covering the full business chain and Fintech advantages, continue to strengthen customer operation, optimize customer services in a classified and hierarchical manner, further expand the size of customer groups, constantly promote digital transformation and build competitive advantages through platform empowerment to provide customers with comprehensive services and achieve diversified realization of business value.

For research and institutional sales business, we will continue to improve the integrated domestic and overseas system on institutional customer services, focusing on building the professional team with comprehensive service ability and steadily promote digital construction and operation to fully expand the dimension of service contents and the depth of services of the systematic work platform and build all-dimensional and one-stop financial service ecosystem with the focus on the demands of institutional investor.

For investment trading business, we will continue to build platform-based and systematic investment and trading capabilities, practically upgrade to the goal of mastering asset pricing rights and productization of trading capabilities, actively build future-oriented core competitiveness, and further promote diversification of profit models. For the equity trading business, the Group will comprehensively upgrade the macro hedging transaction ability and improve the system of big data strategies. It will deeply develop and innovate the investment business, comprehensively promote the digital construction and focus on building a professional equity investment and trading system based on the resources platform and the platform of IT systems. For FICC trading business, the Group will continue to strengthen the systematic business construction and development, upgrade and improve the functions of the HEADS elephant platform (HEADS 大象平台) and the CAMS (credit analysis management system), continuously advance the digital transformation of business and continue to enhance the platform-based advantages and trading and pricing capabilities to promote high-level business transformation. For OTC derivatives trading business, the Group will leverage on first-mover advantages in business, the advantages in the systems with market competitiveness and the outstanding capabilities on business innovation, trading hedge, product design and pricing, risk control and compliance operation to build differentiated competitive advantages through platform-based operation.

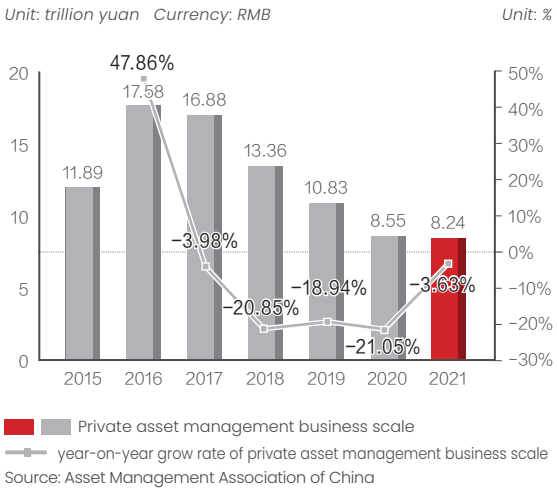
(III) Investment management business

1. Market environment and industry trend of investment management business

(1) Asset management business systems were increasingly improved and the industry entered into a new stage with the full implementation of new regulations on asset management

Driven by various factors such as the financial environment, regulatory policies, customer demands, Fintech and digital transformation and with the increasingly improvement of systems with new regulations on asset management as the core, the structural reform of the asset management industry in China was continuously deepened. The public offering transformation of massive collective products was accelerated; the mutual funds business became new development focus of asset management institutions; the vitality in product innovation was continuously generated; and the asset management business entered into a new stage of returning to its original intention of founding, standardizing development, and in-depth integration. Under the new development pattern of the asset management industry on the tracks of high-quality development and sustainable development, various asset management institutions should continuously enhance the active management capability, build differentiated core competitiveness, actively seek new business development directions and strategic layouts, and continue to build a full-range, rich and complete product system, and investment strategies with a global perspective. According to the statistics from Asset Management Association of China (中國證券投資基金業協會), as of the end of the fourth quarter of 2021, the total amount of asset management business of fund management companies and their subsidiaries, securities companies, futures companies and private fund management institutions was approximately RMB67.87 trillion, among which, the amount of private asset management business of securities companies and their subsidiaries was RMB8.24 trillion. For the asset management business of large comprehensive securities companies, they will continue to create differentiated investment management, refined asset pricing and comprehensive risk management capabilities, build a professional asset management platform to integrate high-quality business resources, and commit to providing customers with multi-level and comprehensive high-quality investment products, asset allocation and overall financial solutions based on the in-depth understanding of client needs and structural changes as well as the collaboration of full business chain and integrated professional advantages.

Scale and year-on-year growth rate of private asset management business of securities companies and their subsidiaries

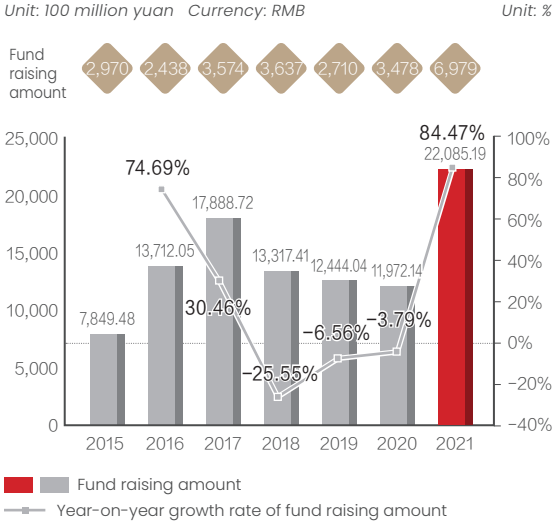


Source: Asset Management Association of China

(2) China's equity investment market performed actively on the whole with increasingly advantages of top companies and overall improved industrial concentration

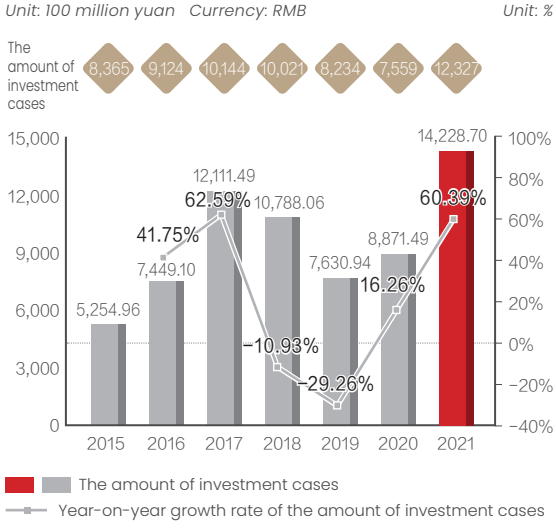
With the improvement of market infrastructure, the perfection of industrial regulatory systems, the enhancing of differentiated regulatory mechanisms, the optimization of registration and filing procedures and the deepening of the digital transformation, China's equity investment market embraced historical development opportunities. The market environment for fundraising was continuously improved, the enthusiasm on the investment market was increasingly enhanced and the market exit channels were smoother. At the same time, competition for high-quality projects was fierce, and there was increasing advantages in top tier institutions. Market funds were gathering to top tier institutions, which have strong professional capabilities and resource integration capabilities, and the ecological pattern in the industry was further reshaped. According to the statistics from Zero2IPO Research Center private placement department, in 2021, 6,979 new funds were raised in China's equity investment market, with a fundraising amount of RMB2,208.519 billion, representing an increase of 84.47% over 2020; and there were 12,327 investment cases in China's equity investment market, with an investment amount of RMB1,422.870 billion, representing an increase of 60.39% over 2020. In the long run, with the increasingly consolidated trend of economic recovery, the comprehensive deepening of the reform of the capital market, the gradual improvement of the multi-level market system, the full optimization of the fundamental market systems and the continuous perfection of the industrial ecosystem and under the background of the official opening of Beijing Stock Exchange and the full implementation of the registration-based IPO system in the future in particular, the equity investment market is playing a fundamental and strategic role in promoting innovative capital, in the formation of an innovative economy and supporting scientific and technological innovation of enterprises. There is much room for the growth of equity investment business. But the securities company's private equity investment business will leverage advantages in full business chains, rely on professional and three-dimensional investment management systems and continue to enhance all-round and comprehensive service capabilities. We will actively create core business competitiveness, thus effectively improving the efficiency of serving real economy.

The number and amount of fund raising in the equity investment market in the PRC and the year-on-year growth rate



Source: Statistics from PEdata of Zero2IPO Research

The number and amount of investment cases in the equity investment market in the PRC and the year-on-year growth rate



Source: Statistics from PEdata of Zero2IPO Research

2. Operational measures and achievements of investment management business

(1) Asset management business of securities companies

During the Reporting Period, under the background of the implementation of new asset management rules entering a critical period, Huatai Asset Management, a wholly-owned subsidiary of the Group, actively adapted to regulatory changes, capitalized on the advantage of full-service business chain resources, focused on building a digital and ecological operation model, continuously improved the integrated asset management business platform, comprehensively improved investment and research capability, pricing capabilities and risk control efficiency, vigorously innovated forms of products, business development and customer service models to provide customers with a full life cycle, comprehensive financial service solutions for the entire business chain. According to the regulatory statement data, as of the end of the Reporting Period, the total asset management scale of Huatai Asset Management was RMB518.573 billion. According to statistics from Wind Information, the issuance scale of enterprises' ABS (asset-backed securitization) of Huatai Asset Management during the Reporting Period was RMB167.112 billion, ranking the third in the industry.

During the Reporting Period, for asset management business of securities companies, we focused on the overall size and quality of asset management and sped up in transformation towards active management. The active investment management capability was continuously enhanced and the proportion in the size of active management was further expanded. Meanwhile, leveraging the product design capabilities and pricing advantages, we actively built scaled and differentiated product systems covering different risk-return characteristics. For the collective asset management business, we effectively implemented transformation under new regulations and completed the transformation of "Tian Tian Fa" (天天發) public fund, a key product. A total of 182 collective asset management plans were under management and the total management scale was RMB69.618 billion. In respect of the single asset management business, we accelerated the exploration of net worth entrusted business and continuously promoted business transformation. A total of 428 single asset management plans were under management and the total management scale was RMB180.456 billion. In respect of specialized asset management business, we launched various ABS projects on carbon neutrality to contribute to the construction of the low-carbon and energy-saving ecosystem. A total of 179 specialized asset management plans were under management and the total management scale was RMB194.782 billion. In respect of the public fund management business, we actively created net-value wealth management solutions for investors with different liquidity needs and managed 23 public fund products in total with aggregated management scale of RMB73.717 billion.

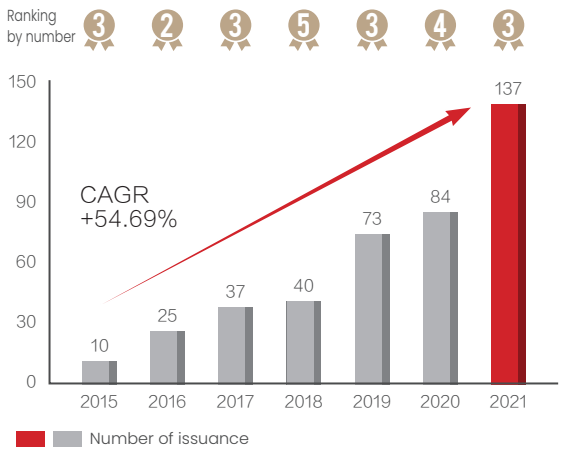
The table below sets forth the scale and income of the securities companies' asset management business:

Currency: RMB

Item	2021		2020	
	Entrusted scale (in RMB100 million)	Net income (in RMB10 thousand)	Entrusted scale (in RMB100 million)	Net income (in RMB10 thousand)
Collective asset management business	696.18	147,568.17	1,324.84	153,409.49
Single asset management business	1,804.56	28,200.79	3,087.13	34,960.34
Specialized asset management business	1,947.82	12,211.97	1,262.86	9,839.69
Public fund management business	737.17	13,546.34	240.71	13,327.56

Note: The above data are from the regulatory statements.

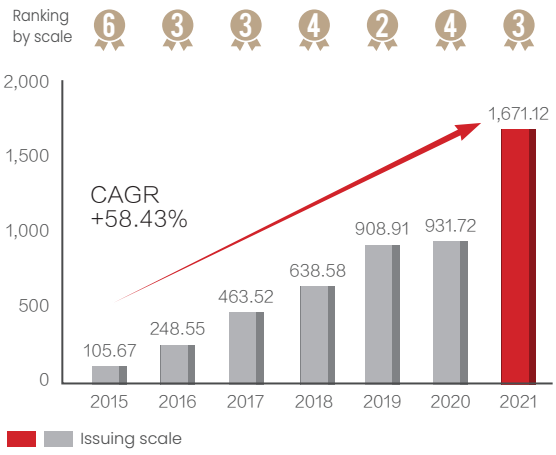
Issuing number and ranking of enterprise ABS (asset-backed securities)



Source: Wind

Issuing scale and ranking of enterprise ABS (asset-backed securities)

Unit: 100 million yuan Currency: RMB



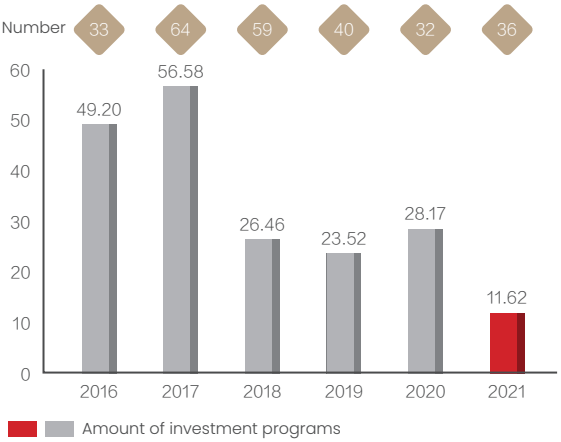
Source: Wind

(2) Private equity fund management business

During the Reporting Period, for the private equity fund management business, the Group continuously optimized the business structure system, continued to strengthen industrial research, strengthened the in-depth layout of key areas and gave full play to the advantages of the Group as a large platform, so as to continuously enhance professional investment management capabilities. Meanwhile, it actively promoted the raising of new funds, maintained the partnership with investment institutions on funds, consistently explored high-quality projects in the industry and continuously accumulated project reserves for the investment business. As of the end of the Reporting Period, Huatai Purple Gold Investment and its secondary subsidiaries as managers have filed a total of 22 private equity investment funds with the Asset Management Association of China (中國證券投資基金業協會), with a total subscription amount of RMB50.845 billion and a total paid-up capital of RMB41.774 billion. During the Reporting Period, the above-mentioned private equity investment funds implemented a total of 36 investment projects with a total investment amount of RMB1,161,568,400, all of which were equity investment projects. According to the statistics of the Asset Management Association of China (中國證券投資基金業協會), as of the fourth quarter of 2021, Huatai Purple Gold Investment ranked the third in the industry in terms of average monthly scale of private equity.

Number and amount of investment programs with private equity investment funds

Unit: 100 million yuan Currency: RMB



Source: Regular reports of the Company

(3) Asset management business of fund companies

During the Reporting Period, with adherence to equal emphasis on compliance management and business development, fund companies under the Group continuously stepped up efforts on product research and business innovation, optimized and adjusted the layout of product lines, intensified business linkage and focused on improving the construction of intelligent systems. The market recognition and reputation and the business competitiveness were increasingly improved, the size of assets under management expanded rapidly and the investment performance generally remained stable. As for asset management business of China Southern Asset Management, as of the end of the Reporting Period, the total assets managed by China Southern Asset Management amounted to RMB1,580.245 billion. Among which, China Southern Asset Management managed a total of 274 funds in its mutual funds business, the total asset size of which amounted to RMB1,056.395 billion, and the total asset size of private funds business amounted to RMB523.850 billion. As for asset management by Huatai-PineBridge, as of the end of the Reporting Period, the total assets managed by Huatai-PineBridge amounted to RMB258.251 billion. Specifically, Huatai-PineBridge managed a total of 103 funds in its mutual funds business, the total asset size of which amounted to RMB244.387 billion, and the total asset size of private funds business amounted to RMB13.864 billion. (The profit or loss from equity investments of China Southern Asset Management and Huatai-PineBridge were included under other segments in the segment report)

(4) Asset management business of futures companies

During the Reporting Period, Huatai Futures, a holding subsidiary of the Group, constantly intensified the integration of internal resources and business collaboration and continued to advance the digital transformation, so as to continuously improve its professional services, intelligent management and business innovation capability, and establish a complete customer service system on asset management. It was devoted to providing high-quality products and full-process service experiences and meeting the differentiated risk appetites and asset allocation demands of customers. As of the end of the Reporting Period, Huatai Futures managed a total of 20 asset management plans which were in the duration period. The total asset management scale was RMB2,749,983,700, and the futures equity scale was RMB479,648,900.

(5) Alternative investment business

The Group carried out alternative investment business through its wholly-owned subsidiary Huatai Innovative Investment. During the Reporting Period, Huatai Innovative Investment continued to improve its internal management system and mechanism, focused on Fintech equity investment and the co-investment business of the STAR Market, and steadily explored the co-investment business of the ChiNext and the strategic placement business of the NEEQ according to regulatory requirements and business layout. As of the end of the Reporting Period, there were 51 subsisting investment projects with an investment scale of RMB2,273.6210 million. The investment attributes mainly include co-investment on the STAR Market and equity investment.

3. Prospect of investment management business for 2022

The investment management business plays the dual strategic roles of asset manager and asset services supplier. It is an important area for the Group's financial product innovation and client asset management. In 2022, the Group will continue to display professional capabilities in asset discovery, risk pricing and product creation, fully leverage resources advantages in full business chains, and actively build scaled and featured financial product system with full varieties to meet the differentiated demands of customers. It will build a first-class investment management platform to continuously reinforce its leading position in the industry.

The asset management business of securities companies will continue to rely on the resources of the entire business chain, focus on technological empowerment, and allow digital transformation to drive the reshaping of the business system and the management processes. The Group will improve the risk control system covering full business chains, continuously optimize the business layout based on strategic orientations and build professional, industrial and systematic investment research capabilities led by

investment research. It will vigorously expand internal and external channels, improve the customer hierarchical and grading service system, consistently optimize the product management mechanism and enrich the diversified product system to continuously consolidate the market influence and brand recognition.

In respect of private equity fund management business, the Group will rely on its good management capability and historical results, actively maintain the partnership with large SOEs, local government platforms, banking, insurance and other institutions on funds and increasingly expand the size of fund management. It will seize the opportunities under the comprehensive deepening reform of the capital market, continue to focus on advantageous business sectors, deepen industrial research, actively explore high-quality projects in the industry and build the ecosystem of key industries to further consolidate the industry influence on key sectors.

In respect of the asset management business of fund companies, we will continue to improve the compliance management and control system and talent team building, constantly advance the digital and intelligent transformation to lead business development and management reform, and strive to enhance investment research professional capabilities. We will continue to maintain the exploration of new businesses and the development of new products, build multi-layered, distinctive and differentiated product lines and continuously optimize the business structure to practically enhance our overall asset management scale and investment performance.

In respect of the asset management business of futures companies, we will implement the full business chain development strategies, proactively integrate internal and external investment research resources, improve the decision-making and management mechanism on investment and enhance the research and judgment capabilities on strategic iteration to continuously improve product management and risk management and control capabilities and promote the transformation, innovation and development of business models by relying on Fintech innovation and platform empowerment.

In respect of alternative investment business, we will constantly improve investment management and business development model, speed up in the construction of the Fintech ecosystem, and prudently promote the development of equity investment, the co-investment of the STAR Market, and other new businesses, effectively prevent and mitigate various risks and steadily improve capital usage efficiency and return on assets.

(IV) International business

1. Market environment and industry trend of international business

(1) The in-depth development of the institutional opening up of the capital market accelerated the internationalization of securities industry, and clients' demand for cross-border services promoted the international service capabilities of securities companies

Against the background of continuously advancing the high-level two-way institutional opening of the capital market in China in recent years, the two-way investment mechanism on cross-border securities in the capital market is increasingly optimized. The interconnection of onshore and offshore markets is effectively expanded and the two-way opening product systems in the capital market are continuously improved. The channels for overseas listing of domestic enterprises are constantly expanded and cross-border businesses are more diversified. The capital market had the new value proposition of being a platform connecting onshore and offshore financial and industrial resources and building a hub with dual-cycle systems. The securities industry ushered in historic and major development opportunities and the internationalization of securities companies will also further advance. Currently, as clients' demands for cross-border integrated financial services are growing, and global asset allocation continues to increase, international business has become a front field for large securities companies to expand development space, increase new profit growth points and promote business structure upgrading. Securities companies should actively seize the strategic opportunities in increasingly deepening the two-way opening of the capital market, firmly implement cross-border integrated operation management across all business

chains, highlight the building of the virtuous cycle mechanism on domestic and overseas resources, continue to deepen cross-border business cooperation and collaboration and increasingly enhance the international operation and management capabilities to better provide domestic and global customers with all-dimensional and one-stop international resources allocation and investment and financing resolutions.

(2) Good growth momentum of the independent channel of the US wealth management industry is favorable for the long-term development of the TAMP market

From the perspective of the overall industry development, the current wealth management industry in the US mainly consists of the "independent" channel (registered investment advisors, hybrid and the independent broker-dealers, insurance broker-dealers etc.) and the "traditional" channel (national and regional broker-dealers, bank broker-dealers and wirehouse advisors, etc.). In the wealth management industry, the market share of the "independent" channel grows faster than that of the "traditional" channel and such trend sustains. According to the statistics of Cerulli, the market size of independent channels is expected to increase from USD10.8 trillion to USD14.4 trillion from 2020 to 2025 and the market share will expand from 42% to 47%. According to the statistics of PriceMetrix, 75% of the investment advisors' revenue came from management fees in 2020, which was a record level relative to commissions and the transformation of the charging model from commissions to management fees was continuously promoted. From the perspective of business development trends, the funds from investors are being transferred to investment products with lower costs and fees. The TAMP industry can keep empowering and fueling the wealth management business through leading Fintech development, which can bring the cost advantage of scale to customers and help them grasp booming development opportunities. According to the statistics of Cerulli, from 2015 to 2020, the compound annual growth rate of the TAMP market was 15.6%, which was significantly higher than that of the overall investment advisory market, which was 9.3% for the same period.

2. Operational measures and achievements of international busines

During the Reporting Period, as the Group's holding platform for international business, Huatai International was fully integrated into the full business chain system of the Group. It deeply promoted the construction of cross-border comprehensive financial service platform, so as to consolidate the intermediary business capability in the capital market through cross-border linkage, business collaboration, intensified risk control and platform-based operation, maintaining outstanding performance growth and continuously enhancing the influence in overseas markets. As of the end of the Reporting Period, total asset size of Huatai International reached nearly HK$200 billion, ranking it among the leading Chinese-funded securities firms in Hong Kong with its comprehensive strength continuing to improve.

(1) Business in Hong Kong

The Group's business in Hong Kong adhered to the original business of the brokerage firm, with cross-border business as the starting point, built an all-dimensional and comprehensive cross-border financial service platform and seized strategic development opportunities under global uncertainties, achieving leapfrog growth in performance. During the Reporting Period, the business platform systems including the equity business platform, fixed-income business platform, individual financial platform, fund platform and flagship investment banking business continued to deepen with outstanding differentiated competitive advantages. For the equity derivatives business, the Group has utilized the advantages of the Group platform to continuously enhance the allocation of bulk assets, bulk commodity trading and the interconnection among securities pools at home and abroad, on and off the market; for the stock sales and transactions business, the Group continued to advance the construction of prime brokerage platforms and provided domestic and overseas institutional investors with one-stop and comprehensive cross-border financial services on "Spot bonds + Synthetic PB + QFII" with various operational indicator ranking high in the market; for FICC business, the Group sped up in the construction of digital platforms, optimized cross-border business models, undertook diversified customer demands and achieved the coverage of all FICC categories. At the same time, it actively hedged risk exposure and effectively resisted market fluctuations; for retail and online financial businesses, the Group has continuously optimized the functions and operating capability of the "ZhangLe Global" (漲樂全球通) platform, focused on high-quality customer acquisition, diversifying traffic

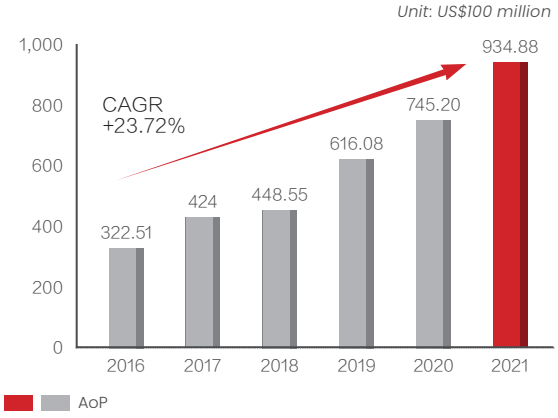
attraction and enhancing conversion to fully transform towards customer operation and asset allocation; for the private wealth management business, the Group has upgraded product functions, trading systems, account management and other modules in all dimensions and continuously improved the platform-based private banking system to provide comprehensive financial services throughout the life cycle; for the fund business, the Group has continued to enhance the active management capability and promote full-process management on "fundraising, investment, management and sales" to build reputation and influence in the industry; in respect of asset management business, the Group actively mastered changes in customer demands, focused on smoothening business chains on cross-border investment and constantly diversified product categories, significantly improving the business breadth and depth; for the investment banking business, the Group paid attention to the changes in customer demands, focused on big health, property management and big consumption industries, actively provided domestic and overseas equity and bond services and built a customer-centric and comprehensive cross-border investment banking platform. It sponsored six IPOs in the Hong Kong stock market, ranking top 5 among Chinese securities companies in Hong Kong.

During the Reporting Period, the Group's business in Hong Kong maintained healthy and balanced business development. As for securities trading, Huatai Financial Holdings (Hong Kong) achieved the total assets under custody of HK$72.076 billion and the total stocks trading volume of HK$328.447 billion; as for advising on securities, it provided research reports and advisory services for customers; as for advising on corporate finance, it participated in 23 listing and placing projects and 79 bond issue projects with the total amount of trading and issuance of about HK$26.377 billion; as for financing for securities deposits, the accumulated credit amount was HK$1.826 billion. Besides, during the Reporting Period, Huatai Financial Holdings (Hong Kong) also completed 10 financial advisory projects. In December 2021, Huatai Financial Holdings (Hong Kong) officially became a member of Turquoise under the LSE Group, making it a securities company with the largest asset scale in Asia with dual memberships of the LSE and Turquoise and further consolidating its capabilities on international development and participating in mainstream international capital markets.

(2) AssetMark

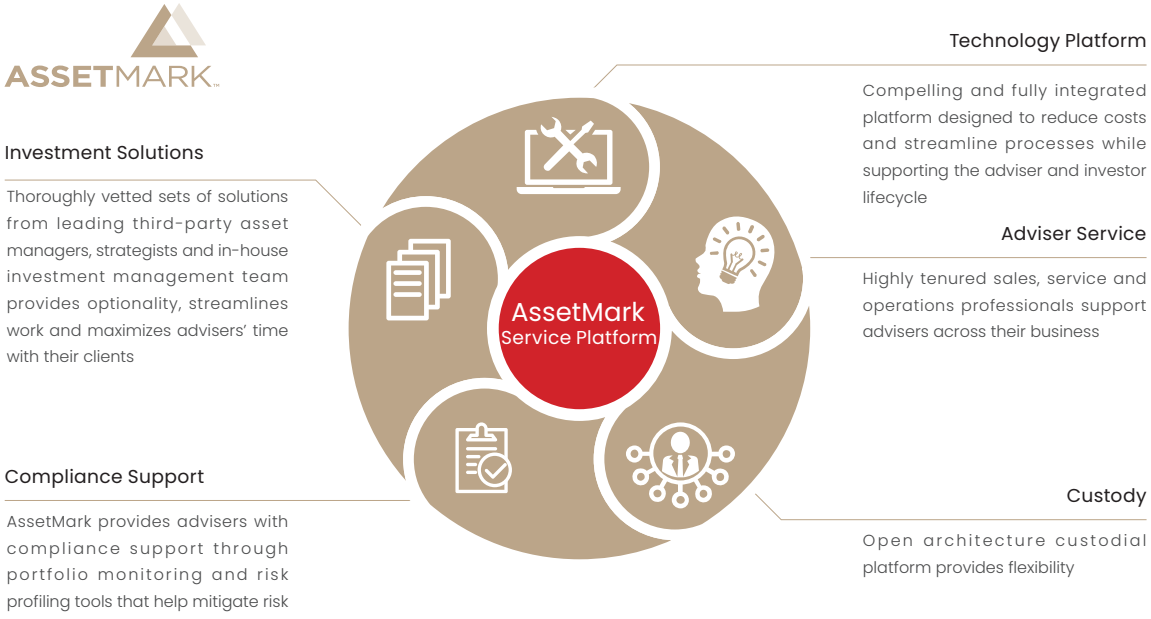
AssetMark's mission is to make a difference in the lives of independent investment advisors and the investors they serve. The highlights of AssetMark's core business include a fully integrated platform with compelling technology, personalised and scalable services and curated investment function. Such clear business strategies guided AssetMark to define its short-term and long-term goals. AssetMark designs and aligns its strategies to things that matter most to advisors and that differentiate it in the TAMP marketplace. According to Cerulli Associates and other public information, as of the end of the third quarter of 2021, AssetMark's market share in the US TAMP industry was 11.1%, ranking the third in the industry.

Assets on Platform (AoP) of AssetMark



Source: Regular reports of the Company

During the Reporting Period, AssetMark maintained stable growth in the size of asset management through leading business models and advanced technology platforms, continuously consolidating its leading position in the industry and constantly increasing the business revenue. As of the end of the Reporting Period, the total platform assets of AssetMark reached USD93.488 billion, representing an increase of approximately 25.45% from the end of 2020; the AssetMark platform served an aggregate of 8,649 independent investment advisors, of whom, 2,858 active investment advisors manage assets of more than USD5 million, representing an increase of approximately 12.70% from the end of 2020; the total investor households served by the AssetMark platform reached nearly 210,000, representing an increase of approximately 12.30% from the end of 2020. During the Reporting Period, 811 investment advisors signed new contracts with AssetMark. In addition, AssetMark completed the acquisition of Voyant, a Fintech company, in July 2021, further enhancing its technological strength in the segment.



(3) Huatai Securities (USA)

With the US broker-dealer license approved by the Financial Industry Regulatory Authority, Huatai Securities (USA) was eligible to conduct broker-dealer business in the US in 2019, including securities underwriting, securities brokerage for institutional investors, M&A and financial advisory, etc. It obtained qualification for proprietary trading in 2020 and obtained the business qualification for securities trading with institutional investors in Canada in 2021. During the Reporting Period, Huatai Securities (USA) continued to improve its system and platform construction and introduce US institutional investors, actively promoted the underwriting of equity securities, global equity distribution and the development of the cross-border equity trading business. The cross-border linkage and coordination mechanism of U.S. domestic businesses and Hong Kong businesses has been continuously optimized, the cross-border equity trading business has been continuously expanded and the overall trading volume of stocks by customers has been effectively improved. During the Reporting Period, Huatai Securities (USA) completed a total of 2 IPO projects in the US stock market.

3. Prospect of international business for 2022

International business is a bridge for the Group to build an onshore and offshore integrated platform as well as a new engine for the high-level development and profit creation of the Group. In 2022, the Group will continue to deepen the cross-border integrated management mechanism, constantly strengthen the effective linkage of teams, platforms and resources and focus on developing the cross-market capital service ability to provide customers with onshore and offshore integrated comprehensive financial services and fully improve the competitiveness and influence of the international business.

Huatai International will rely on the advantages on scale effect, enhance the resource integration function of the international business holding platform, strengthen business collaboration, deeply root in the customer-oriented integrated and platform-based cross-border service ecosystem, diversify product chains and full-process customer services, strengthen the pre-risk management and control capability and actively build the high-quality and comprehensive cross-border platform system.

For the business in Hong Kong, the Group will continue to focus on customer needs, consolidate the intermediary positioning of the cross-border capital market and provide customers with one-stop financial services through implementing business strategies such as domestic and overseas integration, equity and debt integration, complementation of institutional business and retail business, and first-level and second-

level linkage. For equity derivatives business, it will continue to improve the business capabilities, strengthen the levels of customer services in all dimensions and expand profit channels; for stock sales and trading business, while focusing on leading customer groups, the Group will expand the coverage of foreign-funded institutions, constantly tap into the depth of products and continue to promote the construction of cross-border prime brokerage platforms to form a virtuous cycle system on securities pools, traffic attraction and customer acquisition; for FICC business, the Group will rely on platforms to promote scaled, systematic and digital operation, enhance cross-border linkage, first-level and second-level linkage and the exploration in asset innovation and provide customers with one-stop cross-border FICC business services; for retail and online financial business, the Group will deepen the intelligent service function of "ZhangLe Global" (漲樂全球通), perfect distinctive financial products and improve the efficiency in customer development; for private wealth management business, it will focus on customer services, strengthen platform-based service and product systems, highlight customer portrait and expand the coverage of customer groups; for fund business, it will improve the fund platform management capability, continuously promote first-level and second-level linkage and the "investment linkage" (投投聯動) and leverage on the resources advantage across the full industrial chain to improve the management scale and brand recognition; for the asset management business, it will continue to focus on cross-border linkage, interdisciplinary collaboration and the development of new products to intensify and strengthen the comprehensive business capabilities; for investment banking business, the Group will deepen the strategy of advancing IPO, re-financing and M&As in parallel, deeply explore leading domestic enterprises and new economy industries and actively strive for star projects.

AssetMark will continue to hold onto the core business highlights, build an integrated technology platform, improve customizable and scaled services, and strengthen advanced investment management capabilities. AssetMark will continue to deepen cooperation with the existing investment advisors, and will at the same time also focus on customers' needs, provide differentiated services and assist customer growth to further expand the investment consulting customer base. It will establish programs on financial health, actively explore empowering investment advisory with cutting-edge technology and provide in-depth services to meet the changing demands of customers. It will vigorously expand customer channels and devote to improving the operation efficiency and reducing operational risks through promoting scale-based business and the practice of the listed company in performing social responsibilities. In addition, AssetMark will continue to focus on high-quality strategic M&A opportunities to promote extensive growth.

Huatai Securities (USA) will continue to improve the team building, maintain the business relationship with US institutional investors, strengthen the linkage and collaboration with domestic and Hong Kong business teams, actively expand the categories of products and businesses, increase FICC business lines, effectively balance compliance and risk management requirements and provide all-dimensional services to meet customers' demands for asset allocation.

(V) Business innovation and its effects on the Company's business performance, future development and risk control

During the Reporting Period, the Company constantly carried out business innovation activities, promoted the innovation of new businesses, new products, services and management modes, and constantly improved its innovation ability. The development of innovative business is a supplement to the existing product lines and business scope, which can effectively release business space, expand client resources and revenue sources, enhance profitability, as well as improve customer structure and business model, meet customers' full and diversified business needs, and further enhance brand influence.

During the Reporting Period, the Company continued to improve the risk management mechanism on new businesses and enhanced risk assessment on new businesses to guarantee that the risks on new businesses are measurable, controllable and bearable. The Company actively participated in investment and trading businesses of new publicly offered REITs products and provided liquidity market-making services for such products. According to risk characteristics of specific business, the Company has developed and established a risk control mechanism that covers placing, market making and relevant over-the-counter derivatives business of publicly offered REITs and includes measures on concentration control, risk exposure

control and target management for publicly offered REITs, to support steady business development.

During the Reporting Period, the Company obtained the market making qualification on certain commodity futures on Dalian Commodity Exchange and Shanghai Futures Exchange and actively participated in market making on commodity futures and provided liquidity services for commodity futures. The Company further improved the establishment of ancillary systems on market making and the management and control mechanism covering risk exposure and business scale and included new categories into the management system to ensure that all businesses could be carried out constantly and steadily on the premise that related risks are measurable, controllable and bearable.

(VI) There were no significant changes in the Company's operation status during the Reporting Period and there were no matters that had or expected to have significant influence in the future on the Company's operation during the Reporting Period

II. MAJOR OPERATIONS DURING THE REPORTING PERIOD

As of December 31, 2021, on a consolidated basis, total assets of the Group amounted to RMB806.651 billion, representing a year-on-year increase of 12.54%; total equity attributable to shareholders of the Company amounted to RMB148.423 billion, representing a year-on-year increase of 14.99%; total revenue and other income amounted to RMB51.926 billion, representing a year-on-year increase of 28.10%; and profit for the year attributable to shareholders of the Company amounted to RMB13.346 billion, representing a year-on-year increase of 23.32%.

(I) Main businesses analysis

1. Analysis table of the changes in relevant items of the income statement and the cash flow statement

Unit: Thousand Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period of last year	Change percentage (%)
Total revenue and other income	51,926,404	40,534,436	28.10
Total expenses	(38,283,823)	(31,233,707)	N/A
Profit before income tax	16,272,562	13,504,376	20.50
Profit for the year attributable to the shareholders of the Company	13,346,106	10,822,497	23.32
Net cash used in operating activities	(65,337,094)	(13,868,924)	N/A
Net cash used in investing activities	(262,042)	(13,451,545)	N/A
Net cash generated from financing activities	44,205,373	26,850,070	64.64
Net decrease in cash and cash equivalents	(21,365,763)	(470,399)	N/A

2. Income and other gains

As of December 31, 2021, the Group recorded income and other gains of RMB51,926 million, representing a year-on-year increase of 28.10%, in which:

(1) Fee and commission income recorded a year-on-year increase of 20.95% to RMB22,325 million, accounting for 42.99%, mainly due to the increase in charges income from securities and futures brokerage business and underwriting and sponsorship business.

(2) Interest income recorded a year-on-year increase of 34.45% to RMB14,741 million, accounting for 28.39%, mainly due to the increase in the Group's income from margin financing and securities lending business.

(3) Net investment gains recorded a year-on-year increase of 10.94% to RMB11,271 million, accounting for 21.71%, mainly due to the increase in revenue from the Group's investment business.

(4) Other income and gains recorded a year-on-year increase of 276.50% to RMB3,589 million, accounting for 6.91%, mainly due to the increase in income from sales of bulk commodities.

Unit: Thousand Yuan Currency: RMB

Item	2021		2020		Increase/Decrease	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Fee and commission income	**22,325,343**	**42.99%**	18,457,811	45.54%	3,867,532	20.95%
Interest income	**14,741,059**	**28.39%**	10,963,881	27.05%	3,777,178	34.45%
Net investment gains	**11,271,371**	**21.71%**	10,159,587	25.06%	1,111,784	10.94%
Other income and gains	**3,588,631**	**6.91%**	953,157	2.35%	2,635,474	276.50%
Total revenue and other income	**51,926,404**	**100.00%**	40,534,436	100.00%	11,391,968	28.10%

3. Total expenses

As of December 31, 2021, the Group's total expenses were RMB38,284 million, representing a year-on-year increase of 22.57%, mainly due to the increase in staff costs and interest expenses, in which:

(1) Fee and commission expenses amounted to RMB5,653 million, representing a year-on-year increase of 16.57%, mainly due to the increase in expenses from securities and futures brokerage business.

(2) Interest expenses amounted to RMB10,990 million, representing a year-on-year increase of 31.48%, mainly due to the increase in the relevant finance costs during the Reporting Period as a result of the larger debt financing scale as compared to the same period of last year.

(3) Staff costs amounted to RMB11,357 million, representing a year-on-year increase of 9.17%, mainly due to the increase in accrued staff costs as a result of the income growth in the Group.

(4) Other expenses mainly include depreciation and amortisation expenses, tax and surcharges as well as (reversal of)/provision for asset impairment loss and other operating expenses.

Unit: Thousand Yuan Currency: RMB

Item	2021		2020		Increase/Decrease	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Fee and commission expenses	(5,652,709)	14.77%	(4,849,322)	15.53%	(803,387)	16.57%
Interest expenses	(10,990,375)	28.71%	(8,358,703)	26.76%	(2,631,672)	31.48%
Staff cost	(11,357,194)	29.67%	(10,403,649)	33.31%	(953,545)	9.17%
Depreciation and Amortization expenses	(1,432,645)	3.74%	(1,341,384)	4.29%	(91,261)	6.80%
Tax and surcharges	(239,895)	0.63%	(209,157)	0.67%	(30,738)	14.70%
Other operating expenses	(8,062,817)	21.05%	(4,765,630)	15.26%	(3,297,187)	69.19%
Impairment loss on financial assets	(548,188)	1.43%	(1,306,208)	4.18%	758,020	(58.03)%
Other asset impairment (loss)/reversal	–	–	346	–	(346)	(100.00)%
Total expenses	(38,283,823)	100.00%	(31,233,707)	100.00%	(7,050,116)	22.57%

4. Analysis of income and other gains and expenses

(1) Analysis of segment income and other gains

Unit: Thousand Yuan Currency: RMB

Business segment	Segment income and other gains for the current period	Percentage of total segment income and other gains for the current period (%)	Segment income and other gains for the same period of last year	Percentage of total segment income and other gains for the same period of last year (%)	Increase or decrease in percentage of total segment income and other gains as compared to the same period of last year
Wealth management business	26,159,829	50.38	19,477,433	48.05	Increase of 2.33 percentage points
Institutional services business	12,495,351	24.06	10,524,711	25.96	Decrease of 1.90 percentage points
Investment management business	4,162,162	8.02	4,070,097	10.04	Decrease of 2.02 percentage points
International business	7,892,395	15.20	5,550,607	13.69	Increase of 1.51 percentage points
Others (including offset)	1,216,667	2.34	911,588	2.26	Increase of 0.08 percentage point

During the Reporting Period, on a consolidated basis, the Group recorded income and other gains of RMB51,926 million in total, representing a year-on-year increase of 28.10%. Among the principal business segments, income and other gains from wealth management, institutional services, investment management and international business increased year-on-year by RMB6,682 million, RMB1,971 million, RMB92 million and RMB2,342 million, respectively.

In terms of income structure, the business structure of the Group has continued to be optimized. The income from wealth management business segment accounted for 50.38% of the Group's revenue, representing an increase in proportion of 2.33 percentage points, mainly because the Group recorded an increase in both margin financing and securities lending and sales of commodity futures and the business transformation continued to advance due to the relatively active trading of the stock market; revenue from the institutional service business segment recorded a year-on-year increase of 18.72%, but the proportion decreased by 1.90 percentage points as the growth rate was slightly lower than that of the Group's revenue; the proportion of the investment management business segment decreased by 2.02 percentage points due to due to a slight decline in scale and revenue as a result of the continuous deepening of the de-channelization transformation of the securities asset management business; and the income from international business segment accounted for 15.20% of the Group's revenue, representing an increase in proportion of 1.51 percentage points, mainly attributable to the improved results of Huatai Financial Holdings (Hong Kong).

(2) Analysis on segment expenses

Unit: Thousand Yuan Currency: RMB

Business segment	Segment expenses for the current period	Percentage of total segment expenses for the current period (%)	Segment expenses for the same period of last year	Percentage of total segment expenses for the same period of last year (%)	Increase or decrease in percentage of total segment expenses as compared to the same period of last year
Wealth management business	(18,549,453)	48.45	(14,213,154)	45.51	Increase of 2.94 percentage points
Institutional services business	(7,574,761)	19.79	(6,426,891)	20.58	Decrease of 0.79 percentage point
Investment management business	(1,290,760)	3.37	(1,756,231)	5.62	Decrease of 2.25 percentage points
International business	(6,463,785)	16.88	(5,290,461)	16.94	Decrease of 0.06 percentage point
Others (including offset)	(4,405,064)	11.51	(3,546,970)	11.35	Increase of 0.16 percentage point

In terms of expenses of each business segment as a percentage of total expenses of the Group, expenses of wealth management business segment increased by 2.94 percentage points, mainly due to the increase in fee expenses of brokerage business, interest expenses and cost of commodity sales business; expenses of institutional services business segment, investment management business segment and international business segment decreased by 0.79 percentage point, 2.25 percentage points and 0.06 percentage point.

5. Information of R&D personal

Focusing on the main development thread of the Group and implementing the two-pronged strategy empowered by technology, the Company strived to forge technology as its core competitiveness, in bid to achieve the vision of "building a world-class technology organization". During the Reporting Period, the Group continued to make heavy investment in science and technology to achieve scale expansion, which further increased the number and enhanced the quality of scientific and technical personnel, optimized the staff structure and increased the ratio of research and development personnel, so as to build a future-oriented technology talent team. As of the end of the Reporting Period, the R&D personal of the Group amounted to 3,169, representing 22.05% of the total staff of the Group.

As of the end of the Reporting Period, the information of R&D personnel of the Group is as follows:

Education composition[1]	Doctor	12
	Master	947
	Bachelor	2,050
	Junior college graduate	56
	High school diploma or less	–
Age composition	<30	1,681
	≥30-<40	1,253
	≥40-<50	158
	≥50-<60	74
	≥60	3

[1] Note: Due to the internal policies of corporations in the United States, the above statistics of education composition of the R&D personnel do not include those of AssetMark.

6. Cash flow

Unit: Thousand Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period of last year	Amount of increase or decrease	Percentage of increase or decrease (%)
Net cash used in operating activities	**(65,337,094)**	(13,868,924)	(51,468,170)	N/A
Net cash used in investing activities	**(262,042)**	(13,451,545)	13,189,503	N/A
Net cash generated from financing activities	**44,205,373**	26,850,070	17,355,303	64.64
Net decrease in cash and cash equivalents	**(21,365,763)**	(470,399)	(20,895,364)	N/A

During the Reporting Period, the net decrease of cash and cash equivalent of the Group was RMB21,366 million, in which:

(1) Net cash used in operating activities was RMB65,337 million, mainly due to an increase in financial instruments at fair value through profit or loss of RMB59,417 million as a result of the increase in the scale of investment and trading business resulting in a capital outflow during the period.

(2) Net cash used in investing activities was RMB2,620 million, representing a decrease of RMB13,190 million over the previous year, mainly due to a lower increase in the business scale of investing activities than that of the previous year.

(3) Net cash generated from financing activities was RMB44,205 million, representing an increase of RMB17,355 million over the previous year, mainly due to the issuance of debt financing instruments and perpetual bonds.

7. Detailed description of significant changes in the Group's business types, components or sources of profit

Unit: Thousand Yuan Currency: RMB

Item	Amount for the current period	Amount for the same period of last year	Year-on-year change (%)	Principal reason
Total revenue and other gains	**51,926,404**	40,534,436	28.10	Increase in fee and commission income and net investment gains
Total expenses	**(38,283,823)**	(31,233,707)	N/A	Increase in interest expenses, staff costs and fee and commission expenses
Operating profit	**13,642,581**	9,300,729	46.68	Increase in total revenue and other gains
Profit before income tax	**16,272,562**	13,504,376	20.50	Increase in total revenue and other gains
Profit for the year	**13,600,893**	10,870,446	25.12	Increase in total revenue and other gains
Among which: profit for the year attributable to shareholders of the Company	**13,346,106**	10,822,497	23.32	Increase in total revenue and other gains
Total assets	**806,650,833**	716,751,235	12.54	Increase in cash held on behalf of brokerage clients and margin accounts receivable
Total liabilities	**654,615,049**	584,439,200	12.01	Increase in accounts payable to brokerage clients and long-term bonds
Total shareholders' equity	**152,035,784**	132,312,035	14.91	Profit retention and issuance of perpetual bonds during the year

(II) Analysis of key items of consolidated statement of financial position

1. General description of consolidated statement of financial position

Unit: Thousand Yuan Currency: RMB

Item	As at December 31, 2021		As at December 31, 2020		Increase/decrease	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Non-current assets						
Property and equipment	5,178,222	0.64%	5,014,084	0.70%	164,138	3.27%
Investment properties	294,008	0.04%	408,338	0.06%	(114,330)	(28.00)%
Goodwill	2,836,429	0.35%	2,260,945	0.32%	575,484	25.45%
Land use rights and other intangible assets	6,790,673	0.84%	5,276,069	0.74%	1,514,604	28.71%
Interest in associates	18,269,459	2.26%	17,691,161	2.47%	578,298	3.27%
Interest in joint ventures	1,749,065	0.22%	1,641,846	0.23%	107,219	6.53%
Debt investment at amortised cost	25,299,666	3.14%	19,230,660	2.68%	6,069,006	31.56%
Financial assets at fair value through other comprehensive income	5,020,422	0.62%	14,401,106	2.01%	(9,380,684)	(65.14)%
Financial assets at fair value through profit or loss	9,896,339	1.23%	9,229,523	1.29%	666,816	7.22%
Refundable deposits	27,627,129	3.42%	24,763,790	3.46%	2,863,339	11.56%
Deferred tax assets	654,651	0.08%	339,502	0.05%	315,149	92.83%
Other non-current assets	282,227	0.03%	283,320	0.04%	(1,093)	(0.39)%
Total non-current assets	103,898,290	12.88%	100,540,344	14.03%	3,357,946	3.34%
Current assets						
Accounts receivable	10,287,174	1.28%	9,095,561	1.27%	1,191,613	13.10%
Other receivables and prepayments	2,122,246	0.26%	1,131,408	0.16%	990,838	87.58%
Margin accounts receivable	116,942,245	14.50%	102,574,007	14.31%	14,368,238	14.01%
Debt investment at amortised cost	7,121,850	0.88%	11,180,848	1.56%	(4,058,998)	(36.30)%
Financial assets held under resale agreements	11,751,970	1.46%	19,536,413	2.73%	(7,784,443)	(39.85)%

Item	As at December 31, 2021		As at December 31, 2020		Increase/decrease	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Financial assets at fair value through profit or loss	345,362,833	42.81%	282,577,589	39.42%	62,785,244	22.22%
Financial assets at fair value through other comprehensive income	4,457,415	0.55%	1,545,266	0.22%	2,912,149	188.46%
Derivative financial assets	15,247,805	1.89%	7,295,357	1.02%	7,952,448	109.01%
Clearing settlement funds	8,580,941	1.06%	6,988,396	0.98%	1,592,545	22.79%
Cash held on behalf of brokerage clients	143,640,263	17.81%	124,635,007	17.39%	19,005,256	15.25%
Cash and bank balances	37,237,801	4.62%	49,651,039	6.93%	(12,413,238)	(25.00)%
Total current assets	702,752,543	87.12%	616,210,891	85.97%	86,541,652	14.04%
Total assets	806,650,833	100.00%	716,751,235	100.00%	89,899,598	12.54%
Current liabilities						
Short-term bank loans	8,492,290	1.30%	11,299,859	1.93%	(2,807,569)	(24.85)%
Short-term debt instruments issued	53,598,658	8.19%	43,951,388	7.52%	9,647,270	21.95%
Placements from other financial institutions	14,018,721	2.14%	4,815,236	0.82%	9,203,485	191.13%
Accounts payable to brokerage clients	147,501,833	22.53%	136,387,634	23.34%	11,114,199	8.15%
Employee benefits payable	5,757,598	0.88%	4,156,895	0.71%	1,600,703	38.51%
Other payables and accruals	106,620,755	16.29%	105,880,311	18.12%	740,444	0.70%
Contract liabilities	265,637	0.04%	92,366	0.02%	173,271	187.59%
Current tax liabilities	1,245,374	0.19%	1,275,589	0.22%	(30,215)	(2.37)%
Financial assets sold under repurchase agreements	130,710,001	19.97%	139,899,968	23.94%	(9,189,967)	(6.57)%
Financial liabilities at fair value through profit or loss	28,289,462	4.32%	12,196,234	2.09%	16,093,228	131.95%
Derivative financial liabilities	10,643,222	1.63%	13,398,830	2.29%	(2,755,608)	(20.57)%

Item	As at December 31, 2021		As at December 31, 2020		Increase/decrease	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Long-term bonds due within one year	35,372,308	5.40%	11,428,893	1.96%	23,943,415	209.50%
Total current liabilities	542,515,859	82.88%	484,783,203	82.95%	57,732,656	11.91%
Net current assets	160,236,684	–	131,427,688	–	28,808,996	21.92%
Total assets less current liabilities	264,134,974	–	231,968,032	–	32,166,942	13.87%
Non-current liabilities						
Long-term bonds	97,966,119	14.97%	85,624,295	14.65%	12,341,824	14.41%
Long-term bank loans	722,816	0.11%	475,414	0.08%	247,402	52.04%
Long-term employee benefits payable	7,057,339	1.08%	6,974,615	1.19%	82,724	1.19%
Deferred tax liabilities	2,619,161	0.40%	2,545,647	0.44%	73,514	2.89%
Financial liabilities at fair value through profit or loss	2,833,456	0.43%	3,185,296	0.55%	(351,840)	(11.05)%
Other payables and accruals	900,299	0.13%	850,730	0.15%	49,569	5.83%
Total non-current liabilities	112,099,190	17.12%	99,655,997	17.05%	12,443,193	12.49%
Net assets	152,035,784	100.00%	132,312,035	100.00%	19,723,749	14.91%
Shareholders' equity						
Share capital	9,076,650	5.97%	9,076,650	6.86%	–	–
Other equity instruments	9,996,425	6.58%	–	–	9,996,425	–
Treasury share	(1,231,547)	(0.81)%	(1,626,546)	(1.23)%	394,999	–
Reserves	95,021,503	62.50%	92,622,778	70.00%	2,398,725	2.59%
Retained profits	35,559,779	23.39%	28,998,618	21.92%	6,561,161	22.63%
Total equity attributable to shareholders of the Company	148,422,810	97.62%	129,071,500	97.55%	19,351,310	14.99%
Non-controlling interests	3,612,974	2.38%	3,240,535	2.45%	372,439	11.49%
Total shareholders' equity	152,035,784	100.00%	132,312,035	100.00%	19,723,749	14.91%

As of December 31, 2021, total non-current assets of the Group amounted to RMB103,898 million, representing an increase of RMB3,358 million as compared to the beginning of the year, which was mainly due to the increase of RMB2,863 million in refundable deposits. As of December 31, 2021, total non-current liabilities of the Group amounted to RMB112,099 million, representing an increase of RMB12,443 million as compared to the beginning of the year, which was mainly due to the increase in long-term bonds of RMB12,342 million.

As of December 31, 2021, total current assets of the Group amounted to RMB702,753 million, representing an increase of RMB86,542 million as compared to the beginning of the year, which was mainly due to the increase in margin accounts receivable of RMB14,368 million, the increase in the total amount of debt investment at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss of RMB61,638 million as compared to the beginning of the year, the increase in cash held on behalf of brokerage clients of RMB19,005 million, and the decrease in cash and bank balances of RMB12,413 million. As of December 31, 2021, total current liabilities of the Group amounted to RMB542,516 million, representing an increase of RMB57,733 million as compared to the beginning of the year, which was mainly due to the increase in accounts payable to brokerage clients of RMB11,114 million, the increase in short-term debt instruments issued and long-term bonds due within one year of RMB9,647 million and RMB23,943 million, respectively.

2. Major restricted assets as of the end of the Reporting Period

As of the end of the Reporting Period, major restricted assets of the Group totaled RMB157,634,377 thousand, including cash and bank balances, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, debt investment at amortised cost and interest in associates. Except for the above assets, no prime assets of the Group were seized, detained, frozen, mortgaged or pledged so that they could or could not be realized, or could not be used to pay the debts only under a certain condition. There was no circumstance or arrangement under which the prime assets were occupied, used or benefited or the disposal of them was limited.

3. Description of changes in the measurement of assets measured at fair value and prime assets

Fair value refers to the price received for selling one asset or the price payable for transferring one liability by a market participant in an orderly transaction on the measurement date.

When estimating the fair value, the Group considers the characteristics that the market participants consider when they price the related assets or liabilities on the measurement date (including the asset status and the limitation on selling or using the assets), and adopts the currently available valuation techniques that are supported by adequate available data and other information. The main valuation techniques used include market approach, income approach and cost approach.

The impact of gains and losses of changes in fair value on the Group's profit during the Reporting Period is as follows:

Unit: Thousand Yuan Currency: RMB

Item	Impact on profit for 2021	Impact on profit for 2020
Financial assets at fair value through profit or loss	(8,812,676)	5,633,455
Financial liabilities at fair value through profit or loss	118,087	(954,692)
Derivative financial instruments	9,003,658	(7,426,886)
Total	309,069	(2,748,123)

4. Structure and quality of assets

As of December 31, 2021, total shareholders' equity of the Group amounted to RMB152,036 million, representing an increase of RMB19,724 million or 14.91% as compared to that of the end of 2020, which was mainly due to the effects of issuance of perpetual bonds by the Group during the Reporting Period.

The asset structure of the Group continued to optimize and our assets quality and liquidity remained sound. As of December 31, 2021, total assets of the Group amounted to RMB806,651 million, representing an increase of RMB89,900 million or 12.54% as compared to the beginning of the year. Specifically, cash and bank balances, cash held on behalf of brokerage clients and clearing settlement funds of the Group amounted to RMB189,459 million, accounting for 23.49% of the total assets; margin accounts receivable amounted to RMB116,942 million, accounting for 14.50% of the total assets; financial assets at fair value through profit or loss amounted to RMB355,259 million, accounting for 44.04% of the total assets; debt investment at amortised cost and financial assets at fair value through other comprehensive income amounted to RMB41,899 million, accounting for 5.19% of the total assets; property and equipment, investment properties and other intangible assets accounted for 1.52% of the total assets. Most of the assets have strong cashability. The Group's assets have strong liquidity and the asset structure is reasonable.

During the Reporting Period, the Group's debt-to-assets ratio has decreased. As of December 31, 2021, the liabilities of the Group amounted to RMB654,615 million, representing an increase of RMB70,176 million or 12.01%. The debt-to-assets ratio was 76.93% (excluding the impact of customer funds), representing a decrease of 0.27 percentage point as compared to the beginning of the year.

As of December 31, 2021, the Group obtained funds through borrowings and debt financing instruments. As of the end of the Reporting Period, total principal of the placements from other financial institutions of the Group amounted to RMB210,171 million. Details are shown as follows:

Unit: Thousand Yuan Currency: RMB

Borrowings and debt financing plans	As of December 31, 2021
Placement from China Securities Finance Corporation Limited	–
Placement from other financial institutions	14,018,721
Short-term borrowings	8,492,290
Short-term financing funds payable	53,598,658
Long-term borrowings	722,816
Bonds payable	133,338,427
Total principal	210,170,912

Borrowings and debt-financing with a financing maturity of more than one year were RMB98,689 million, accounting for 46.96%. Among them, programs with a financing maturity of one to two years were RMB28,750 million, those with a financing maturity of two to five years were RMB62,674 million and those with a financing maturity of more than five years were RMB7,265 million. Borrowings and debt-financing with a financing maturity of less than one year were RMB111,482 million, accounting for 53.04%.

As of December 31, 2021, the Group's borrowings and debt financing with fixed interest rate were RMB206,833 million. In particular, the balance of short-term borrowings was RMB8,492 million; the balance of placement from other financial institutions was RMB14,019 million; the balance of income receipts with fixed interest rate was RMB915 million; the balance of corporate bonds was RMB155,164 million; the balance of subordinated debts was RMB14,394 million; and the balance of foreign debts was RMB13,849 million.

As of December 31, 2021, cash and cash equivalents of the Group amounted to RMB45,929 million, of which RMB cash and cash equivalents accounted for 70.62%.

As of December 31, 2021, all of the Group's short-term bank loans were credit borrowings.

As of December 31, 2021, all of the Group's long-term bank loans were credit borrowings.

5. Analysis of profitability

In 2021, the Group firmly implemented the "two-pronged" (雙 輪 驅 動) development strategy of wealth management and institutional services with technology empowerment, and continuously enhanced its digital operation capability. Its main businesses have been growing steadily throughout the year and its comprehensive strength soundly ranked in the forefront of the industry.

6. Explanations on the changes in the scope of consolidation of the statements

For details of the explanations on the changes in the scope of consolidation of the statements of the Group, please refer to Note 24 to the financial statements of this report headed "Investment in Subsidiaries".

7. Analysis of income tax policy

During the Reporting Period, the Company's income tax was subject to the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and the Enforcement Regulations of Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》). The calculation and payment methods of the income tax shall be subject to the Announcement of the State Administration of Taxation on Issuing the Measures for the Consolidated Collection of Corporate Income Tax on Trans-regional Business Operations (Announcement [2012] No. 57 of the State Administration of Taxation) (《國家稅務總局關於印發 < 跨地區經營匯總納稅企業所得稅徵收管理辦法 > 的公告》(國家稅務總局公告 [2012]57 號)). The income tax rate applicable to the Company and its domestic subsidiaries is 25%. The Company enjoys the preferential policy of calculating and deducting research and development expenses, and the profit tax rate applicable to the Hong Kong subsidiary of the Company is 16.5%. Other overseas subsidiaries of the Company are subject to income taxes at tax rates applicable in their jurisdictions.

8. Analysis of financing channels and financing capacity

Financing channels	In terms of financing methods, the Company has two financing channels, equity financing and debt financing. In terms of financing maturity, the Company's short-term financing channels included credit lending via interbank market, bond repurchasing via interbank market and stock exchange market, issuing short-term financing bills, short-term corporate bonds, issuing income credential via quotation and service system for inter-institutional private equity products and self-built counter market, carrying out margin refinancing and income rights financing in relation to margin financing and securities lending from banks and other financial institutions, etc., and the Company's medium and long-term financing channels included issuing corporate bonds, private corporate bonds, financial bonds, subordinated debt, perpetual subordinated debt and equity refinancing, etc. In addition, the Company can also introduce foreign currency funds through the issuance of overseas bonds and medium-term notes as well as syndicated loan to support the business development of the Company. After years of effective efforts, the Company explored and established the short, medium and long-term diversified financing channels, which played a key role in the rapid development process of the Company's business.
Liquidity management policies and measures	The Company has always attached great importance to liquidity management. As for funds management, it adhered to the principle of "full amount concentrated, allocated in a unified way, valued by classification and monitored timely". In terms of management and development strategies, it paid attention to matching business scale with liabilities. Based on reasonable asset allocation and diversified debt financing, the Company ensured reasonable matching of duration, scale of assets liabilities and proper liquidity. The Company followed the general principles of comprehensiveness, prudency, predictiveness for liquidity risk management according to the centralized management and hierarchical prevention and control management model, established a liquidity risk management system based on comprehensive risk management framework, as well as a sound liquidity risk management system appropriate to the Company's strategy, and implemented liquidity risk management policy with the preference for "steadiness and safety". The Company ensured no liquidity risk that would cause significant impacts on sustainable operation, so as to fully guarantee the steady and safe development of the business of the Company. In order to ensure its liquidity, the Company has adopted various measures mainly including: 1) constantly improving the capital planning system, establishing a daytime liquidity monitoring system and realizing a daytime monitoring of the management of capital position and cash flow through platforms, so as to ensure the security of daytime liquidity; 2) strengthening the management for the matching between durations of assets and liabilities and establishing high-quality current asset reserves, in order to enhance the diversity and stability of financing; 3) upgrading and transforming the treasury management platform, and achieving effective identification, measurement, monitoring and controlling on liquidity risks through information system, in order to ensure that the liquidity risks are measurable, controllable and tolerable; 4) analyzing supervisory indicators of cash flow and liquidity risk under certain stress scenarios to evaluate the tolerance level of the Company for liquidity risks and analyzing the stress test results to constantly improve the Company's response capacity for liquidity risks; 5) leveraging the consolidation supervision to strengthen the subsidiary liquidity risk guidance and to implement vertical management for overseas subsidiaries' fund and liquidity risks while also to propose a package of management and control measures for core risk points to improve subsidiaries' response capacity for liquidity risks and the Group's prevention and control for liquidity risks; 6) organizing the formulation, exercise and evaluation of a liquidity risk contingency plan, in order to improve the Company's emergency capacity for liquidity risks; and 7) improving the liquidity risk reporting system, so as to ensure that the management is able to keep abreast of the Group's liquidity risk level and management situation.

Analysis of financing capability and financing strategy	The Company has operated in compliance with regulations, enjoyed sound reputation as well as strong capital strength, profitability and debt repayment ability, maintained good cooperation relationships with commercial banks, and had sufficient bank credit. As of the end of the Reporting Period, the total credit line obtained by the Company from commercial banks exceeded RMB480 billion, demonstrating a strong short-term and medium-to-long term financing abilities. As of the end of the Reporting Period, after assessment by China Lianhe Credit Rating Co., Ltd., the credit rating of the Company was AAA and the credit rating outlook is stable. After comprehensive assessment by Shanghai Brilliance Credit Rating & Investors Service Co., Ltd., the credit rating of the Company was AAA and the credit rating outlook is stable. After comprehensive assessment by Standard & Poor's, the credit rating of the Company was BBB+ and the credit rating outlook is stable. After comprehensive assessment by Moody's, the credit rating of the Company was Baa1 and the credit rating outlook is stable. As a listed securities dealer, the Company can also meet the fund demand for long-term development by means such as equity refinancing. Taking into consideration both liquidity and profitability, the Company held a certain number of fixed-income products. Interest rate changes will bring direct impact to the interest income of the cash and the market price and investment income of the bond investment held by the Company. Margin financing and securities lending and other capital-based intermediary business, corporate debt financing and other businesses which directly relate to interest rates may directly impact corresponding interest income and financing interest expenses. At the same time, the Company's stock investment was also indirectly affected by interest rate changes. In addition, as the Company has registered overseas subsidiaries whose capital is contributed in foreign currency, the Company holds foreign currency funds and assets, and the changes of exchange rate will have certain impact on the Company's financial situation. The Company optimized the distribution of assets and liabilities structure by timely adjusting all kinds of asset structure, strengthened the research on the interest rate and exchange rate market, and used appropriate interest rate, exchange rate and other derivative financial tools to avoid risks and reduce the influence of these factors.
Contingencies and their impacts on the financial situation of the Company	–

(III) Analysis of industry operation

For details, please refer to "Management Discussion and Analysis and Report of the Board" in this report.

(IV) Analysis of investments

1. Overall analysis of external equity investments

As of the end of the Reporting Period, the Group's investment in associates amounted to RMB18,269 million, representing an increase of RMB578 million or 3.27% as compared to RMB17,691 million at the beginning of the period; and the investment in joint ventures amounted to RMB1,749 million, representing an increase of RMB107 million or 6.52% as compared to RMB1,642 million at the beginning of the period. For details of the overall situation of the Group's external equity investment, please refer to Note 25 "Interest in associates" and Note 26 "Interest in joint ventures" to the financial statements in this report.

(1) The Company had no significant equity investment

(2) The Company had no significant non-equity investment

(3) Financial assets measured at fair value

Unit: Thousand Yuan Currency: RMB

Item	Balance at the end of last year	Balance at the end of this year	Investment income during the Reporting Period	The changed amount of fair value during the Reporting Period
Financial assets at fair value through other comprehensive income	15,946,372	9,477,837	518,313	(582,699)
Financial assets at fair value through profit or loss	291,807,112	355,259,172	28,406,208	(8,812,676)
Derivative financial instruments	(6,103,473)	4,604,583	(17,553,798)	9,003,658

(4) There was no major asset restructuring and integration by the Company during the Reporting Period

2. Information about the use of raised funds

(1) Overview of the use of raised funds

① Overview of the use of funds raised from the issuance of A Shares

(a) Information about the use of funds raised from the Initial Public Offering of A Shares

Under the Approval for the Initial Public Offering by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2010] No. 138) (《關於核准华泰证券股份有限公司首次公開發行股票的批覆》(證監許可 [2010] 138 號)) issued by the CSRC, the Company publicly issued 784,561,275 ordinary shares in RMB to the public on February 9, 2010, each stock of which was RMB1.00 at an offering price of RMB20.00, and the total amount of funds raised was RMB15,691,225,500.00. The raised funds after deducting the underwriting fee and sponsoring fee of RMB130,000,000.00 amounted to RMB15,561,225,500.00, which were all in place on February 12, 2010, and verified by Jiangsu Talent Certified Public Accountants with the capital verification report (Tian Heng Yan Zi (2010) No. 009) issued. As of December 31, 2012, all the principal of the funds raised from the IPO was used up and the accumulative amount of RMB15.681 billion of the raised funds (including interest of raised funds of RMB119.8082 million) were used. All of the accounts designated for the use of raised funds of the Company had been cancelled with settlement of interests.

(b)Information about the use of funds raised from the Non-Public Issuance of A Shares

Upon the Approval for the Non-Public Issuance of Shares by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2018] No. 315) (《關於核准华泰证券股份有限公司非公開發行股票的批覆》(證監許可 [2018] 315 號)) issued by the CSRC, the Company completed the non-public issuance of 1,088,731,200 RMB-denominated ordinary shares (A Shares) in July 2018, each with a nominal value of RMB1.00 at an offering price of RMB13.05 and the total amount of funds raised was RMB14,207,942,160.00. After deducting the issuing fees of RMB74,736,488.79 related to the non-public offering (including underwriting sponsorship fee, attorney fee, accountant fee, information disclosure fee, issuance registration fee, stamp duty and other fees), the net funds raised were RMB14,133,205,671.21, which were all in place on July 31, 2018 and were verified by KPMG Huazhen LLP with the capital verification report (KPMG Huazhen Yan Zi No. 1800286) issued. As of December 31, 2019, all the funds raised from the Non-Public Issuance of the Company were used up and the accumulative amount of RMB14.184 billion of the raised funds (including interest income generated by raised funds) was used. Accounts designated for the use of raised funds of the Company have been cancelled.

② Overview of the use of funds raised from the issuance of H Shares

Approved by the CSRC, the Company completed the issuance of H Shares in 2015. Funds raised from the issuance of H Shares were verified by KPMG Huazhen LLP with the capital verification report (KPMG Huazhen Yan Zi No. 1501031) issued. According to the Capital Verification Report issued by KPMG Huazhen LLP, the net

funds raised from the initial public issuance of H Shares in 2015 were RMB30,587,689,604.94 (excluding related listing fees), and raised funds after deducting the underwriting and issuing fees were RMB30,015,054,696.76. As of December 31, 2020, all the funds raised from the H Share issuance of the Company were used up and the accumulative amount of RMB30.666 billion of the raised funds (including interest income generated by raised funds) was used and relevant accounts have been cancelled.

③ Overview of the use of funds raised from the issuance of GDRs

Upon the Approval for Issuance and Admission of Global Depository Receipts on London Stock Exchange by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2018] No. 1993) (《關於核准华泰证券股份有限公司發行全球存託憑證並在倫敦證券交易所上市的批覆》(證監許可 [2018] 1993 號)) issued by the CSRC, the Company completed the total issuance of 82,515,000 GDRs in June 2019, each of which at an offering price of USD20.50 and the total amount of funds raised was USD1,691,557,500.00. After deducting the issuing fees of USD39,961,513.72 related to the GDR offering, the net funds raised were USD1,651,595,986.28, equivalent to RMB11,313,036,931.20 at the central parity of RMB against the U.S. dollar on the date when transferred to the account. The abovementioned funds raised were all in place on June 28, 2019 and were verified by KPMG Huazhen LLP with the capital verification report (KPMG Huazhen Yan Zi No. 1900393) issued.

During the Reporting Period, there were surplus funds of RMB128,629,875.52 (calculated at the exchange rate at the end of 2020) carried forward from 2020, all of which were used for supporting the internal and external growth of international business during the Reporting Period. The usage of the funds raised was consistent with that agreed in the GDR prospectus.

As of the end of the Reporting Period, the Company, with respect to its GDRs, has used raised funds of: RMB3,547,720,085.15, calculated at actual exchange rate on the date of settlement of foreign currency, for continuous investment in the existing main businesses, deeply cultivating the business sectors such as wealth management, institutional services and investment management, and further promoting the business transformation and upgrading; RMB1,000,000,000.00, calculated at actual exchange rate on the date of settlement of foreign currency, for supplementing working capital and meeting general enterprise purposes; USD1,013,928,574.46 for supporting the internal and external growth of international business, and expanding overseas strategic layout. As of December 31, 2021, planned use of the Company's funds raised from the issuance of GDRs was consistent with that agreed in the GDR prospectus with no change. All the funds raised from the GDR offering of the Company were used up and relevant accounts have been cancelled.

Overview of the use of raised funds

Unit: Ten Thousand Yuan Currency: RMB

Raising year	Raising method	Total amount of raised funds	Total amount of raised funds used in the Reporting Period	Total amount of raised funds used accumulatively	Total amount of raised funds yet to be used	Usage and whereabouts of raised funds unused
2019	GDR offering	1,131,303.69	12,862.99	1,158,666.14	–	–
2018	Non-Public offering (A Shares)	1,420,794.22	–	1,418,421.26	–	–
2015	Initial offering (H Shares)	3,058,768.96	–	3,066,604.63	–	–
2010	Initial offering (A Shares)	1,556,122.55	–	1,568,103.37	–	–
Total	–	7,166,989.42	12,862.99	7,211,795.40	–	–

Notes to the overview of the use of raised funds	–

(2) There was no commitment in raised funds of the Company during the Reporting Period

(3) There was no change in raised funds of the Company during the Reporting Period

3. Projects not funded by raised funds

During the Reporting Period, the Company did not have any project funded by non-raised funds whose total investment was more than 10% of the audited net assets of the Company as at the end of the previous year.

(V) There were no sales of significant assets or equities by the Company during the Reporting Period

(VI) There was no bankruptcy or restructuring, merger or division, major disposal, acquisition, replacement or stripping of assets or restructuring of other companies by the Company during the Reporting Period

(VII) Analysis of Key Subsidiaries

Unit: Ten Thousand Yuan Currency: RMB

Company name	Shareholding percentage of the Company	Registered capital	Total assets	Net assets	Operating revenue	Total profit	Net profit
Huatai Securities (Shanghai) Asset Management Co., Ltd.	100%	260,000.00	1,128,068.48	954,576.64	235,674.44	168,946.85	127,428.88
	Main businesses: securities asset management; publicly offered securities investment funds management. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities).						
Huatai International Financial Holdings Company Limited	100%	HK$ 10,200,000,002.00	14,108,135.22	1,325,933.30	630,266.24	145,441.04	117,617.30
	Main business: holding company.						
Huatai Purple Gold Investment Co., Ltd.	100%	600,000.00	1,622,692.63	1,150,228.66	93,542.54	82,305.93	63,292.02
	Main businesses: equity investment, debt investment, other fund investments associated with equity investment and debt investment; investment consulting and investment management for equity investment and debt investment, and financial consulting. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities).						
Huatai Innovative Investment Co., Ltd.	100%	350,000.00	419,023.46	353,549.63	109,486.43	96,888.11	73,108.50
	Main businesses: project investment, investment management, sale of precious metal, hotel management; the followings are permitted to be operated only by branches: accommodation, catering services, sale of foods, fitness services, swimming pool, laundry collection, typing and copying, motor vehicle public parking services, conference services, undertaking exhibitions, tourism information consultation, ticket agent service. (1. Public fund-raising shall not be conducted without approval by relevant authorities; 2. trading activities of securities products and financial derivatives shall not be publicly carried out; 3. no loans shall be granted; 4. no guarantee shall be provided to any other enterprises except for its invested enterprises; promises shall not be made to investors that the principal of their investments will not be subject to any loss or that they will get a minimum return; enterprises shall independently select business items and carry out operations according to law; businesses that need to be approved by law shall be carried out in accordance with the approved contents upon the approval of relevant authorities; business activities classified as prohibited or restricted items by industrial policies of this city shall not be carried out).						
Huatai United Securities Co., Ltd.	99.92%	99,748.00	827,715.45	488,528.91	391,017.07	104,868.94	78,663.17
	Main businesses: securities underwriting and sponsorship (excluding treasury bonds, non-financial corporate debt financing instruments and financial bond underwriting); financial advisory for securities trading and investment related activities; other businesses approved by the CSRC.						
Huatai Futures Co., Ltd.	60%	160,900.00	5,223,073.41	334,162.34	403,743.95	50,382.58	36,750.23
	Main businesses: commodities futures brokerage, financial futures brokerage, futures investment consultancy, asset management and fund sales. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities).						
Jiangsu Equity Exchange Co., Ltd.	52%	20,000.00	50,577.15	40,483.71	11,250.82	6,175.97	4,638.60
	Main businesses: provision of premises, facilities and services for approved listing, registration, custody, trading, financing, settlement, transfer, dividend distribution and pledge of equity interests, bonds, assets and related financial products and financial derivatives of unlisted companies, organization and monitoring of trading activities, issuance of market information, trading of listed products in the trading market as an agent, and provision of consultation services for market participants. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities).						
China Southern Asset Management Co., Ltd.	41.16%	36,172.00	1,415,904.41	865,654.31	760,661.17	282,774.09	216,297.46
	Main businesses: fund raising, fund sales, asset management and other businesses approved by the securities regulatory authority under the State Council.						
Huatai-PineBridge Fund Management Co., Ltd.	49%	20,000.00	240,866.64	151,816.82	149,524.63	55,763.93	41,284.14
	Main businesses: fund raising, fund sales, asset management and other businesses approved by the CSRC.						
Bank of Jiangsu Co., Ltd.	5.63%	1,154,445.00	261,839,000.00	19,713,326.90	6,377,100.00	2,647,600.00	2,055,873.50
	Main businesses: deposits taking from the general public; granting short-term, medium-term and long-term loans; handling domestic settlements; handing acceptance and discounting of negotiable instruments; issuing financial bonds; acting as an agent for the issue, honoring and underwriting of government bonds and underwriting of short-term commercial papers; buying and selling government bonds, financial bonds, corporate bonds; engaging in interbank lending; providing letter of credit services and guaranty; acting as an agent for receipts/payments and insurance business, wealth management, fund sales, precious metal sales, receipts/payments and custody of collective fund trust scheme; provision of safe deposit boxes; handing entrusted deposits and loans; bank card services; foreign currency deposits; foreign currency loans; foreign exchange remittances; currency exchange; settlement and sales of foreign exchange, acting as an agent for forward settlement and sales of foreign exchange; international settlement; proprietary trading and agency for trading of foreign exchange; interbank foreign exchange lending; trading or acting as an agent for trading in foreign currency securities other than stocks; credit investigation, consultation and witness services; online banking, and other services approved by the banking regulatory bodies and relevant authorities. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities).						

Notes: The financial data of the Bank of Jiangsu was extracted from its express report of 2021 annual results. The data of net assets represents owner's equity attributable to shareholders of the listing company, and the data of net profit represents net profit attributable to shareholders of the listing company.

(VIII) Structured entities controlled by the Company

The structured entities consolidated by the Group mainly refer to the asset management plans with the Group as the manager or investment advisor and the investor. The Group carries out a comprehensive assessment as to whether the Group will be significantly affected by variable returns due to the return which the Group is entitled to for the shares held by it and its remuneration as the manager or investment advisor of the asset management plan, and according to which, determines whether the Group is the main responsible person for the asset management plan. As at December 31, 2021, the Group has consolidated 34 structured entities whose assets reached RMB29,375,007,858.58 in total. The amount of the trading financial assets in the balance sheet, which embodies the equity of the Group in the above consolidated structured entities, was RMB28,328,912,700.12.

(IX) Other information

1. Establishment and disposal of subsidiaries by the Company during the Reporting Period

(1) Establishment and disposal of subsidiaries by the Company during the Reporting Period

For details of the establishment and disposal of subsidiaries by the Company during the Reporting Period, please refer to Note 24 to the financial statements of this report headed "Investment in Subsidiaries".

(2) Capital increase in Huatai International during the Reporting Period

According to the Letter on the Proposed Capital Increase by Huatai Securities Co., Ltd. to Hong Kong Subsidiary (《關於华泰证券股份有限公司擬向香港子公司增資有關事項的函》) issued by the CSRC and the Resolution on the Increase of Registered Capital of Huatai International Financial Holdings Company Limited, a wholly-owned subsidiary of the Company (《關於增加公司全資子公司華泰國際金融控股有限公司註冊資本金的議案》) considered and approved by the Board of Directors of the Company, the Company resolved to increase capital of HK$1.4 billion to Huatai International Financial Holdings Company Limited, its wholly-owned subsidiary. During the Reporting Period, the capital increase of HK$1.4 billion to Huatai International Financial Holdings Company Limited was completed with the registered capital changed to HK$10,200,000,002.

2. The establishment and disposal of the Company's branches and securities branches during the Reporting Period

During the Reporting Period, the Company relocated one branch, and no branches were newly established or cancelled; 2 securities branches were newly established and 39 were relocated, and no securities branches were cancelled.

As of the end of the Reporting Period, the Company has 28 branch offices and 245 securities branches. For details, please refer to "Appendix II: List of Branch Offices and Securities Branches" in this report.

(1) Relocation of branch during the Reporting Period

No.	Name of branches	Address after relocation	Issue Date of License
1	Huatai Securities Sichuan Branch	Rooms 2503, 2504, 2505, 2506, 2507 and 2508, Building 1-1-25, China Overseas Chinese Financial Center, No. 33, Jiaozi Avenue, Hitech Zone, Chengdu, China (Sichuan) Pilot Free Trade Zone	November 16, 2020

(2) Newly established securities branches during the Reporting Period

No.	Name of Securities Branches	Address	Date of establishment	Business scope
1	Securities Branch of Huatai Securities in Ganzhou M&A Fund Park	Shops 1-1#, 1-10#, 2-1#, 2-10#, Building 1, Yangming International Centre, Zhangjiang New District, Zhanggong District, Ganzhou, Jiangxi	May 25, 2021	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products.
2	Securities Branch of Huatai Securities in Dongfang Road, Pudong New District, Shanghai	Rooms 03-04, 15/F (The actual floor is 03 – 04,12/F), No. 18 Dongfang Road, China (Shanghai) Pilot Free Trade Zone	July 22, 2021	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only; and limited to underwriting); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products.

(3) Relocation of securities branches during the Reporting Period

No.	Name of the branch before relocation	Name of the branch after relocation	Address after relocation	Issue Date of License
1	Securities Branch of Huatai Securities in Dongfang Road, Danyang, Zhenjiang	Securities Branch of Huatai Securities in Fenghuang Road, Danyang, Zhenjiang	No. 16-1 to 16-3 Fenghuang Road, Development Zone, Danyang	January 12, 2021
2	Securities Branch of Huatai Securities in Renmin Middle Road, Nantong	Securities Branch of Huatai Securities in Renmin Middle Road, Nantong	East Half of Jinxin Mansion, No. 79 Renmin Middle Road, Chongchuan District, Nantong	January 12, 2021
3	Securities Branch of Huatai Securities in Renmin South Road, Chengdu	Securities Branch of Huatai Securities in Renmin South Road, Chengdu	Room 703, 7/F, Unit 1, Building 1, New Hope Mansion, No. 45 Section 4, Renmin South Road, Wuhou District, Chengdu	January 25, 2021
4	Securities Branch of Huatai Securities in Haide Third Avenue, Shenzhen	Securities Branch of Huatai Securities in China Resources Building, Keyuan South Road, Shenzhen	Rooms L1805-L1806 China Resources Building, No. 2666 Keyuan South Road, Haizhu Community, Yuehai Sub-district, Nanshan District, Shenzhen	January 25, 2021
5	Securities Branch of Huatai Securities in Wangyuan South Road, Fengxian District, Shanghai	Securities Branch of Huatai Securities in Wangyuan South Road, Fengxian District, Shanghai	No. 46, 47, 48 and 49 Miaojing New Village, Fengxian District, Shanghai	January 27, 2021

No.	Name of the branch before relocation	Name of the branch after relocation	Address after relocation	Issue Date of License
6	Securities Branch of Huatai Securities in Xinnan First Avenue, High and New-tech Zone, Shenzhen	Securities Branch of Huatai Securities in China Resources Land Building, Shennan Avenue, Shenzhen	Rooms 2904, 2905 and 2906, Block D, China Resources Land Building, No. 19 Kefa Road, Dachong Community, Yuehai Sub-district, Nanshan District, Shenzhen	January 27, 2021
7	Securities Branch of Huatai Securities in Qingnian Road, Xuzhou	Securities Branch of Huatai Securities in Huaihai East Road, Xuzhou	No. 165, 1/F; Rooms 2102-2105, Unit A, Suning Plaza, No. 29 Huaihai East Road, Gulou District, Xuzhou	March 8, 2021
8	Securities Branch of Huatai Securities in Shanghai East Road, Nantong	Securities Branch of Huatai Securities in Shanghai East Road, Nantong	Room 101, Building 2, Jinhai Garden, Development Zone, Nantong	March 5, 2021
9	Securities Branch of Huatai Securities in Kaifeng North Road, Zhongjiang County, Deyang	Securities Branch of Huatai Securities in Diamond Plaza, Changjiang West Road, Deyang	Units A2, A3, A4, A5, A6, 5/F, Building 1, Diamond Plaza, No. 29 Section 2, Changjiang West Road, Deyang, Sichuan	March 31, 2021
10	Securities Branch of Huatai Securities in Guangzhou Road, Nanjing	Securities Branch of Huatai Securities in Wenlan Road, Nanjing	No. 6 Wenlan Road, Xianlin Higher Education Mega Center, Qixia District, Nanjing	April 7, 2021
11	Securities Branch of Huatai Securities in Zhongshan North Road, Nanjing	Securities Branch of Huatai Securities in Zhenghe Middle Road, Nanjing	Room 902, 9/F, Building D, Nanjing Yangtze River International Shipping Center, No. 118 Zhenghe Middle Road; No. 3-15-2 Yongning Street, Gulou District, Nanjing	April 19, 2021
12	Securities Branch of Huatai Securities in Zhongtai Road, Nanning	Securities Branch of Huatai Securities in Minzu Avenue, Nanning	Rooms 702-704, 7/F, South Office Building, Nanning China Resources Center, No. 136-5 Minzu Avenue, Qingxiu District, Nanning	April 29, 2021
13	Securities Branch of Huatai Securities in Jiefang Road, Nanjing	Securities Branch of Huatai Securities in Daguang Road, Nanjing	Room 202A, Guanghua Mansion, No. 39 Daguang Road, Qinhuai District, Nanjing	May 25, 2021
14	Securities Branch of Huatai Securities in Tianhe East Road, Guangzhou	Securities Branch of Huatai Securities in Xingmin Road, Guangzhou	Rooms 906-911, The Third of No. 222 Xingmin Road, Tianhe District, Guangzhou	May 28, 2021
15	Securities Branch of Huatai Securities in Tibet South Road, Shanghai	Securities Branch of Huatai Securities in Huangpi South Road, Huangpu District, Shanghai	Units 01B, 02, 03, 05, 06, 3/F, Block A, Building 4, No. 1, Lane 838, Huangpi South Road, Huangpu District, Shanghai	June 17, 2021
16	Securities Branch of Huatai Securities in Hongri Avenue, Lianshui, Huaian	Securities Branch of Huatai Securities in Hongri Avenue, Lianshui, Huaian	Room 104, Building Z02, Xin Lian Yi Pin, Zhong Lian One City, Lianshui County, Huaian	June 17, 2021

No.	Name of the branch before relocation	Name of the branch after relocation	Address after relocation	Issue Date of License
17	Securities Branch of Huatai Securities in Yongning Avenue, Wuxue	Securities Branch of Huatai Securities in Minzhu Road, Wuxue	Shops 101-104 and Shops 201-203, Building 3, Guoding Mansion, No. 138-17 Minzhu Road, Wuxue, Hubei	June 17, 2021
18	Securities Branch of Huatai Securities in Gannan Road, Lanzhou	Securities Branch of Huatai Securities in Donggang West Road, Lanzhou	4/F, Changye Golden Villa, No. 621 Donggang West Road, Chengguan District, Lanzhou, Gansu	June 24, 2021
19	Securities Branch of Huatai Securities in Beijing Middle Road, Jingzhou	Securities Branch of Huatai Securities in Jiangjin Middle Road, Jingzhou	No. 14, 1-2/F, Building 2, Champs Elysees, Jiangjin Middle Road, Shashi District, Jingzhou	June 22, 2021
20	Securities Branch of Huatai Securities in Qingjiang Avenue, Yidu	Securities Branch of Huatai Securities in Changjiang Avenue, Yidu	No. 167 Changjiang Avenue, Lucheng, Yidu	July 7, 2021
21	Securities Branch of Huatai Securities in Huatai Securities Building, Zhongshan East Road, Nanjing	Securities Branch of Huatai Securities in Huatai Securities Building, Zhongshan East Road, Nanjing	25/F, No. 90 Zhongshan East Road, Nanjing	August 7, 2021
22	Securities Branch of Huatai Securities in Xinhua West Street, Yinchuan	Securities Branch of Huatai Securities in Yinjiaqu North Street, Yinchuan	Room 101, Commercial Building No. 1, Jinhai Mingyue Garden, No. 65 Yinjiaqu North Street, Jinfeng District, Yinchuan, Ningxia Hui Autonomous Region	August 16, 2021
23	Securities Branch of Huatai Securities in Xingzheng Road, Zhongshan	Securities Branch of Huatai Securities in Zhongshan 5th Road, Zhongshan	The Second of Block 1, 1/F, Building 3, Zima Pentium Plaza, No. 2 Zhongshan 5th Road, East District, Zhongshan	August 11, 2021
24	Securities Branch of Huatai Securities in Wusi Street, Xining	Securities Branch of Huatai Securities in Xinning Road, Xining	Rooms 59-147, 3/F, Building 5, Hexin Center, No. 23 Xinning Road, Chengxi District, Xining, Qinghai	September 9, 2021
25	Securities Branch of Huatai Securities in Shennan Avenue, Shenzhen	Securities Branch of Huatai Securities in Shennan Avenue, Shenzhen	Room 2501A, Building B, Donghai International Center (Phase I), No. 7888 Shennan Avenue, Donghai Community, Xiangmihu Sub-district, Futian District, Shenzhen	September 24, 2021

No.	Name of the branch before relocation	Name of the branch after relocation	Address after relocation	Issue Date of License
26	Securities Branch of Huatai Securities in Youyi Avenue, Wuhan	Securities Branch of Huatai Securities in Youyi Avenue, Wuhan	Rooms 03-04, 1/F, Unit 3, Building 1, Vanke Jinyu Huafu, No. 29 Fangji Road, Yangyuan Street, Wuchang District, Wuhan	September 16, 2021
27	Securities Branch of Huatai Securities in Jiangbeizui, Chongqing	Securities Branch of Huatai Securities in Jiangbeizui, Chongqing	Rooms 1502-1503, 15/F, Unit 2, No. 9 Juixianyan Square, Jiangbei District, Chongqing	October 11, 2021
28	Securities Branch of Huatai Securities in Ali Cloud Building, Houhai, Shenzhen	Securities Branch of Huatai Securities in Zhongxin Road, Houhai, Shenzhen	Units 1203, 1205 and 1206, Xizhilang Building, No. 3033 Zhongxin Road, Weilan Coast Community, Yuehai Sub-district, Nanshan District, Shenzhen	October 19, 2021
29	Securities Branch of Huatai Securities in Caochangmen Street, Nanjing	Securities Branch of Huatai Securities in Qingliangmen Street, Nanjing	Room 1901, No. 39 Qingliangmen Street, Gulou District, Nanjing	October 26, 2021
30	Securities Branch of Huatai Securities in Jiefang Road, Jinan	Securities Branch of Huatai Securities in Jiefang Road, Jinan	Floor 1 East, Dongyuan Building, No. 30 Jiefang Road, Lixia District, Jinan	October 29, 2021
31	Securities Branch of Huatai Securities in Qianhai, Shenzhen	Securities Branch of Huatai Securities in Qianhai, Shenzhen	Rooms 101, 102, 201, 202, 301, 402, Building B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan 5th Road, Nanshan Sub-district, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen	December 15, 2021
32	Securities Branch of Huatai Securities in Donghe District, Baotou	Securities Branch of Huatai Securities in Huanghe Street, Baotou	No. 87 Huanghe Street, Rare Earth Development Zone, Baotou, Inner Mongolia Autonomous Region	December 13, 2021
33	Securities Branch of Huatai Securities in Chuangxin Avenue, Hefei	Securities Branch of Huatai Securities in Chuangxin Avenue, Hefei	Room 102, Bona Building, No. 2777 Chuangxin Avenue, High-tech District, Hefei	December 9, 2021
34	Securities Branch of Huatai Securities in Chaoyang North Road, Shiyan	Securities Branch of Huatai Securities in Chaoyang Middle Road, Shiyan	No. 29 Middle Chaoyang Road, Maojian District, Shiyan	December 16, 2021
35	Securities Branch of Huatai Securities in Huahai East Road, Huaian	Securities Branch of Huatai Securities in Huahai East Road, Huaian	Shops 1004-1006, HSBC Central Plaza and Room 801-814, Building 1, HSBC Central Plaza, Huaian,	December 14, 2021

No.	Name of the branch before relocation	Name of the branch after relocation	Address after relocation	Issue Date of License
36	Securities Branch of Huatai Securities in Hubu Street, Nanjing	Securities Branch of Huatai Securities in Minzhi Road, Nanjing	12/F, Building N, Nanjing Zendai Himalaya Center, No. 2 Minzhi Road, Yuhuatai District, Nanjing	December 14, 2021
37	Securities Branch of Huatai Securities in Renmin Road, Rudong, Nantong	Securities Branch of Huatai Securities in Jianghai Road, Rudong, Nantong	South to 4/F, Room 101, Central Plaza, No. 2 Jianghai East Road, Chengzhong Sub-district, Rudong County	December 14, 2021
38	Securities Branch of Huatai Securities in Minzu Avenue, Wuhan	Securities Branch of Huatai Securities in Minzu Avenue, Wuhan	No. 1 Minzu Avenue, Hongshan District, Wuhan	December 28, 2021
39	Securities Branch of Huatai Securities in Pusi Road, Nanjing	Securities Branch of Huatai Securities in Pukou Avenue, Nanjing	Room 3004, Building 1, No. 11 Pukou Avenue, Jiangpu Sub-district, Pukou District, Nanjing	December 29, 2021

3. Standardization of accounts such as unqualified accounts, judicially frozen accounts, risk disposal accounts, and pure fund accounts

As at December 31, 2021, the Company had 4,139 unqualified securities accounts, 2,724 judicially frozen securities accounts, 84,309 risk disposal securities accounts, and 721,538 pure capital accounts.

Account standardization has reached the following quality standards: (1) Except for restricted use of dormant securities accounts, remaining unqualified securities accounts, judicially frozen accounts, risk disposal accounts, etc., the accounts engaging in normal trading activities are all qualified accounts. (2) Regular comparison of funds and securities account information was made to verify the consistency of key information such as customer names and numbers to prevent the addition of unqualified accounts. Key information inconsistencies due to special circumstances such as differences in information rules between the depository bank and the registered company or unusual word processing have been explained on a case-by-case basis.

Relevant measures for long-term and standardized management of accounts: the daily management of accounts was strengthened and the real-name system requirements for account business was strictly implemented. Through face recognition technology, combined with ID card readers, public security network verification, mobile phone number verification by relevant operator, the Group has strengthened investor identity information identification. It further improved the customer file management system, built a unified management platform by protocol, promote the optimisation of comprehensive account management functions, and continue to improve the long-term management mechanism for standardized accounts.

III. DISCUSSION AND ANALYSIS OF THE COMPANY'S FUTURE DEVELOPMENT

(I) Competition landscape and trend of the industry

At present, the long-term upward trend of China's economy continues to consolidate. Under the major strategic deployment of accelerating the establishment of a new "dual circulation" development pattern in which domestic economic cycle plays a leading role with both the domestic and international economic cycles promoting each other, the capital market plays an increasingly prominent hub role in promoting the high circulation among technology, capital and the real economy, and the securities industry, as an

important participant in the capital market, will also embrace major strategic opportunities and broad development opportunities.

First, the comprehensive deepening of the reform of the capital market will provide a broader development space for the securities industry. In recent years, the comprehensive deepening reform of the capital market has accelerated, and market-oriented reform measures have been implemented one after another. With increasing inclusiveness in the capital market system and steady enhancement of the competitiveness of market entities, the positive trend of the market ecology has been continually consolidated. Under the policy background of officially implementing the new Securities Law, comprehensively implementing the registration system reform, increasing the proportion of direct financing, and establishing a normalized delisting mechanism, the capital market in China has initiated a new stage with the full optimization of fundamental systems and the reform and development for the full restructuring of the market ecosystem. Moreover, the securities industry will continue to benefit from the policy dividends released by the capital market reform.

Second, the new pattern of institutional two-way opening up will drive the securities industry to transform in the direction of high-quality development. Under the background of accelerating two-way opening up, the supply of products and supporting systems for cross-border investment will continue to be enriched and cross-border investment channels will continue to be optimized and expanded. The adjustment and differentiation in the industry's competitive landscape will promote securities companies to accelerate the enhancement of comprehensive strength, optimize products and improve capabilities on serving the real economy and investors. Oriented by customer needs, we will actively expand the depth and breadth of our business and services, build a systematic and platform-based comprehensive strength, and transform to a comprehensive financial service provider with complete business chain, industrial chain and service chain, which has become the only way for large securities companies to achieve high-quality development.

Third, digital and intelligent transformation will reshape the business operation model and service ecology of the securities industry. In recent years, with highly value in and widely application of Fintech in the securities industry, leading financial institutions at home and abroad have increased investment in technological innovation, seized the development opportunities brought about by Fintech empowerment, built an open and integrated Fintech development ecosystem, and promoted a comprehensive upgrade of the customer service system to create core competitive advantage. With active utilization of digitalization and intelligent thinking to comprehensively transform business models and management modes, we have achieved the in-depth integration of Fintech and business development, which will be an effective way for securities companies to enhance comprehensive financial service capabilities and establish a new round of innovative growth models.

(II) The Company's development strategy

1. Strategic vision: Striving to become a first-class investment bank with both domestic advantages and global influence, and a financial institution with international competitiveness, brand influence and system importance.

2. Values and operation philosophy: By adhering to the core values of "high efficiency, integrity, stability and innovation" and committing to the operation philosophy of "centered on customer services, oriented by customers' needs and purposed on customer satisfaction", to be accountable to all clients, shareholders, staff and society to achieve harmony and unity.

3. Strategic orientation: By adhering to the development ideas of marketization and openness and relying on platform-based operation as the core to create a brand-new business model of two-pronged, cross-border linkage and ecological interaction of wealth management and institutional services with technology empowerment; implementing a differentiated competitive tactic of "investment banking gene + full business chain" and with high-level investment in strategic fields to build core competitiveness of future-oriented digital and intelligent development and develop significant leading edge and brand influence in key customer groups, key industries and key regions with an commitment to being a pioneer of industry reform and innovation and a promoter of sustainable development to become a first-class investment bank with innovative vitality and technological characteristics.

(III) Business operation plan

Please refer to "Management Discussion and Analysis and Report of the Board" in this report.

(IV) The Company's capital needs to sustain the current business and complete the ongoing investment projects

As of the end of the Reporting Period, the Company was at the forefront of the industry in terms of total assets, net assets, net capital and other indicators. The Company has built an assets & liabilities and liquidity management system that not only meets the Company's strategy and regulatory requirements but is also favourable for the development of businesses through constantly optimizing allocation of assets and liabilities. During the Reporting Period, the Company enhanced the management of capital, liabilities and business within the industry, improved its financing ability, optimized the structure of assets and liabilities and lower the financing costs by constantly expanding the financing sources and various bond financing channels. The Company realized liquidity matching of major assets and liabilities by enhancing the liquidity arrangement of assets to guarantee the balance of gross volume and reasonable structure of the assets and liabilities of the Company and realize dynamic equilibrium of security, mobility and profitability, so as to ensure that the capital strength of the Company matches its status in the industry.

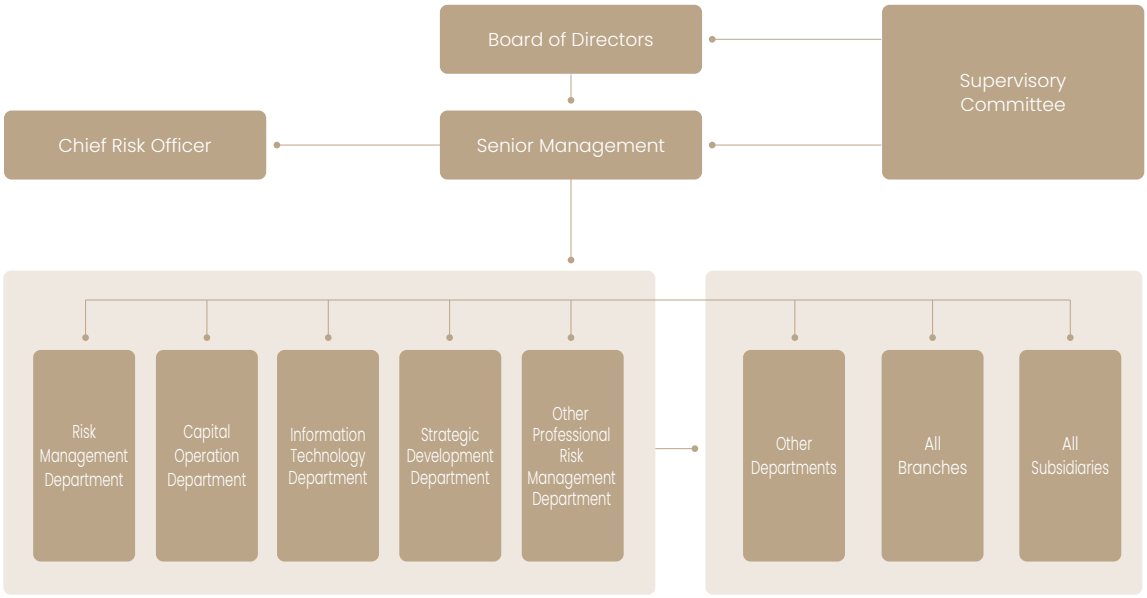
(V)Potential risks (including the implementation of overall risk management and the investment in compliance risk control and information technology)

1. Overview of risk management

The Company attached great importance to risk management. According to regulatory requirements and the actual situation of business development, the Company established a relatively comprehensive overall risk management system based on the core concepts of full staff engagement, full coverage and full penetration. The Company has a solid and effective risk management framework with clearly defined responsibilities and staff at all levels performing their duties effectively; the Company worked out a risk appetite and tolerance system, which is organically integrated with the development strategy, and established a multi-level comprehensive risk management system covering all aspects of business operation and management; in addition, the Company vigorously promoted the construction of group-wide risk-management technology system and established centralized, time-based, quantitative and penetrable pillars for risk management technologies, to improve the effectiveness of risk management of the Group and further strengthen the Group's overall risk identification, quantitative evaluation and risk control capabilities. The Company incorporated its subsidiaries into the overall risk management system of the Group, explored the construction of effective risk management model for subsidiaries, vigorously deepened the management mindset of centralized and unified professional risk lines on a look through basis, and built a professional risk management system. The overall risk management system of the Company ran effectively, which earnestly guaranteed the continuous and healthy development of various businesses of the Company.

During the Reporting Period, with focuses on business risks management and control and leveraging consolidated statement supervision, the Company comprehensively pushed forward various risk management tasks in a digital manner. The Company further strengthened risk assessment and control in key businesses and areas by thoroughly investigating the sources of business risks, and enhanced business forward-looking analysis and bottom-line control. The Company further strengthened the construction of cross-border integrated risk management system to provide solid safeguard for the internationalization of the Group. Furthermore, the Company adhered to technology empowerment, promoted the digital transformation of risk management to create a systematic, platform-based and integrated risk management platform at home and abroad and continuously improved capabilities and efficiency on risk management and control.

2. Risk management structure



The risk management organizational structure of the Company covers five major parts: the Board and Compliance and Risk Management Committee; Supervisory Committee; the Senior Management and Risk Control Committee; Risk Management Department and various professional risk management departments; other departments, branches and subsidiaries.

The Board is ultimately responsible for the overall risk management and is responsible for reviewing and approving the basic system relating to the overall risk management of the Company, approving the risk appetite, risk tolerance and major risk limits of the Company, and reviewing periodic risk assessment reports of the Company. The Compliance and Risk Management Committee is set up by the Board to undertake risk management responsibilities including reviewing and making recommendations on overall risk management targets and fundamental policies; evaluating and making recommendations on the risks of major decisions which require the Board's review, as well as the solutions to these risks; reviewing and making recommendations on risk assessment reports which require the Board's review.

The Supervisory Committee of the Company is responsible for supervising overall risk management, supervising and inspecting the Board and the senior management on the performance of their duties of risk management, and urging them to make rectifications. Based on the authorization and approval of the Board and the operation objectives of the Company, the senior management is specifically responsible for the implementation of risk management and assumes the primary responsibility for overall risk management. Upon authorization of the senior management, the Risk Control Committee under the senior management is mainly responsible for the decision-making on risk management matters in the course of operation and authorizing on risk undertakings in various business lines. Chief risk officer of the Company is responsible for leading the overall risk management of the Company.

The Company appoints the risk management department to perform the overall risk management duties and take the lead in managing the market risk, credit risk and operational risk of the Company; appoints the capital operation department to take the lead in managing the liquidity risk of the Company; appoints the information technology department to take the lead in managing the information technology risk of the Company; and appoints the strategic development department to take the lead in managing the reputation risk of the Company. Other departments, branches and subsidiaries of the Company are responsible for the management of various risks in their respective lines, implementing various policies, procedures and measures formulated by the Company and various leading professional risk management departments, accepting guidance from various leading risk management departments and assigning the

risk management duties and implementation responsibilities. The audit department incorporates overall risk management into the audit scope, makes independent and objective review and evaluation on the adequacy and effectiveness of overall risk management, and is responsible for taking the lead or entrusting external professional institutions to evaluate the overall risk management system of the Company regularly.

3. Market Risk

Market risk refers to the risk of asset loss of the Company resulting from fluctuations in risk factors, including stock prices, interest rates, exchange rates and commodities.

The Company adhered to the concept of creating value through transactions, controlling risks through hedging in controlling risk exposures, and managed the market risk of holding assets through various risks control measures. The Company has built up a unified risk limitation system to control business risks from various aspects, such as Market Value at Risk (VAR), stop-loss, stress testing, sensitivity, etc. The Company also established a pressure testing system to identify and prevent various extreme risks and continuously improve risk response capabilities. In respect of investments in equity securities, the Company continued to promote investment transformation towards diminishing orientation, and flexibly adjusted hedging positions according to market changes, while ensuring the downside risks of assets controllable. In respect of fixed-income securities investment, the Company strictly control duration of credit bond portfolios and effectively hedged interest rate risk of bond portfolio with interest rate swaps, treasury futures and other interest rate derivatives. In respect of derivatives business, the Company adopted market neutral strategy for both OTC derivatives business and market making business for exchange-traded options, and controlled the Greeks values (such as Delta, Gamma, Vega, etc.) exposure risks within acceptable limits. In respect of OTC derivatives business, the Company established management standards such as incorporating targets into transaction list, performance guarantee ratio of counterparty, the liquidity and concentration of transaction targets, etc., to effectively prevent market risks and counterparty default risk.

Market Value at Risk (VAR) of the Company

Currency: RMB

Forward-looking Period: 1 day; Confidence: 95%; Historical Analogical Method; Unit (Ten Thousand Yuan)

	The Company		The Group	
	As at the end of 2021	As at the end of 2020	As at the end of 2021	As at the end of 2020
Equity-sensitive Financial Instruments	15,177	6,711	25,047	14,726
Interest-sensitive Financial Instruments	2,298	4,887	2,528	6,498
Commodity-sensitive Financial Instruments	201	153	294	236
Overall Portfolio Risk Value	15,803	8,844	26,175	18,691

Source: Internal statistics of the Company

During the Reporting Period, Sequence Descriptive Statistics of Market Value at Risk (VAR) of the Company

Currency: RMB

Forward-looking Period: 1 day; Confidence: 95%; Historical Analogical Method; Unit (Ten Thousand Yuan)

	At the beginning of the period	At the end of the period	Maximum value	Minimum value
The Group	17,656	26,175	26,573	11,303
The Company	8,170	15,803	19,892	5,964

Source: Internal statistics of the Company

4. Credit risk

Credit risk refers to the risk of asset loss of the Company resulting from the default of a product or bond issuer or counterparty (customer).

In terms of financing business, during the Reporting Period, the Company's margin financing and securities lending business has, benefited from active market transactions, grown consistently. The Company implemented strict customer and target management, continuous dynamic monitoring, timely risk resolution and other full-process control measures to control business credit risks and to keep the amount to be recovered for the margin financing and securities lending business remained at a low level. Meanwhile, during the Reporting Period, the Company researched and established a business risk response mechanism for overheating markets, and improved the management system and retrospective inspection requirements for various types of differentiated customers and large customers; in addition, the Company prudently carried out stock pledge business, and strengthened business risk review to strictly control business risk exposure. In terms of bond investment business, the Company has established a unified management system for issuers, through which it can achieve aggregate monitoring of the total investment of the same issuer in all business units of the Group. Moreover, the Company further improved the bottom-line control over credit bond investment in key industries to enhance the monitoring and pre-warning of bond positions. In terms of counterparty management, during the Reporting Period, the Company promoted the establishment of a unified management system for counterparties by further expanding the coverage of the unified management of counterparty credit lines at the Group level, in bid to incorporating all the entrusted funds for asset management into the unified management of the Group's counterparties.

5. Liquidity risk

Liquidity risk refers to the risk that the Company cannot obtain sufficient funds at reasonable costs in time to repay due debts, perform other payment obligations and meet the capital requirements for carrying out ordinary businesses.

The Company has always attached importance to liquidity safety, preferred a "sound and safe" liquidity risk preference, followed the general principle of comprehensiveness, importance, applicability, effectiveness, prudence and foresight, and continued to strengthen the identification, measurement, monitoring and control mechanisms of liquidity risks through a management model of centralized management and hierarchical prevention and control, to improve the Company's liquidity risk management capability. On the basis of controlling overall liquidity risks, the Company identified potential liquidity risks of all business lines by regular analysis of existing liquidity risk and ad-hoc new business assessment and proposed targeted control measures. The Company has established a liquidity indicator analysis framework including cash flow, and appropriately set risk limits and implemented daily monitoring through the information technology system, to improve the monitoring frequency and control level of liquidity risks. At the same time, the Company continued to improve the capital planning system by strengthening capital position management and establishing a liquidity daytime monitoring system to keep abreast of capital usage in business and day-time payment progress in a timely manner, further moving forward the frontline of

liquidity risk prevention and control. The Company regularly and occasionally conducted special stress tests on liquidity risks to assess the Company's liquidity risk tolerance under stress from the perspective of cash flow and liquidity indicators, and took targeted measures to improve the Company's liquidity risk resilience. In order to ensure that liquidity needs can be met in a timely manner under stress, the Company has established high-quality liquid asset reserve of an appropriate scale based on risk preferences. At the same time, it has expanded its debt financing channels and quotas from multiple perspectives, and continued to improve the Company's emergency financing capabilities. In addition, the Company leveraged the consolidation supervision to strengthen the subsidiary liquidity risk guidance, in particularly to conduct vertical management on its Hong Kong subsidiaries with emphasizes on their liquidity management, to improve the subsidiaries' response capability to liquidity risks and the Group's prevention and control of overall liquidity risks. During the Reporting Period, the Company's liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) continued to remain at a level that can meet regulatory requirements and far beyond the safety requirements.

6. Operational risks

Operational risk refers to risk on the Company's losses caused by inadequate or problematic internal procedures, personnel, system or external events.

During the Reporting Period, the Company continued to strengthen the accuracy and precision of operational risk identification and improved the quality and effectiveness of the Group's operational risk control with various channels. The Company, taking horizontal common areas and vertical cross-departmental processes as the starting point, broke down barriers between departments and focused on the mechanism optimization and improvement driven by mutual problems. The Company analyzed rules on risk identification in terms of key business and important links, strengthened the reverse proactive identification of operational risks; carried out cleansing and remodeling of essential data based on operational risk management tools and further refined control requirements for the three major tools. Moreover, the Company also continued to improve the risk management mechanism for new businesses, enhanced its quality control and traceability management, constantly directed subsidiaries to further improve management mechanism on new businesses from aspects of materials and evaluation content, retrospective management and evaluation template for new businesses; and made efforts to improve the normalized and standardized management of business continuity to enhance the effectiveness of disruption prevention and control and emergency response.

7. Compliance risk

Compliance risk refers to exposure to property loss or business reputation loss as a result of bearing legal responsibility, supervisory measures or disciplinary sanctions imposed on securities companies due to violation of laws, regulations and standards by operational management or professional conduct performed by securities companies or their employees.

During the Reporting Period, the Company continued to improve its compliance management system in terms of system development, working mechanism and staff management, so as to effectively promote the full coverage of compliance management. The Company was one of the first to promote the construction of "digital compliance" through various measures, and gradually pursued the independent control of the core compliance system. The Company accelerated the development of stereoscopic compliance, kept up with innovation trends and regulatory dynamics, and prudently carried out compliance reviews to promote the stable implementation of new businesses and new products; proactively researched and actively promoted compliance control of key businesses through compliance assessment, process arrangement, prompt supervision, and meeting attendance. In addition, the Company also continued to optimize the management mechanism for ethical conduct of staff to accelerate the construction of industry culture, and enhanced control on staff investment behavior to promote professional integrity; intensified compliance inspections based on problems and risks, focused on key businesses and latent risks, and continued to track and implement rectification status; and improved the group-wide compliance management mechanism, in particularly its overseas subsidiaries to strengthen compliance communication and control among members of the Group.

8. Information technology risk

Information technology risk refers to exposure to losses caused by the failure of the information system to continuously ensure the stable, efficient and safe operation of transaction and business management in terms of business realization, timely response, solving capacity and data security, resulting from technical problems or data leakage out of internal or external reasons.

The business lines and the middle and back office management of the Company are highly depended on the information technology system, which has become the key support to the operation of businesses of the Company. During the Reporting Period, the Company continued to increase investment in information technology to improve the management system and process of information technology risks and strengthened the investigation and governance for information technology risks, further improving the effectiveness of risk management. The Company formulates information system emergency technical plans for information system and emergency response procedures for information security incident, and conducts regular or irregular assessments and drills. During the Reporting Period, the Company's information system was operated safely and stably. No major information technology risk events occurred.

9. Reputational risk

Reputational risk mainly refers to exposure to risks that are detrimental to the normal operation of the Company exposed by the negative judgments from relevant media caused by the Company's operation, management and other conducts or external events.

During the Reporting Period, the Company's reputational risk management mechanism was running steadily without occurrence of any significant reputational risk events. Focusing on its strategy and key business, the Company continued to intensify its monitoring and handling of reputational risks, which created a good public sentiment for the Company's development. At the same time, the Company strengthened group management, prior management and internal publicity, further enhancing its awareness on preventing and the ability on response to reputational risk.

10. Model risk

Model risk refers to the risk of adverse consequence or loss to the Company's businesses resulting from incorrect or inappropriate model design, development or use.

During the Reporting Period, the Company established risk management policies and mechanisms based on the life cycle of model and constantly promoted model risk management and control by approaches and measures including model validation, assessment and monitoring. The Company continuously developed and improved the model risk management system adaptive to its own business development while optimizing risk management system and organizational structure as well as the model's information and data management module function. The Company's model risk management was operated safely and stably. No major model risk events occurred.

11. Implementation of overall risk management of the Company during the Reporting Period

During the Reporting Period, according to the actual situation of the Company and industrial regulatory requirements, the Company continued to improve the overall risk management system and continuously deepened the implementation of various requirements on the overall risk management. The Company was approved to formally implement the pilot project of consolidated statement supervision, under which, the Company, in accordance with regulatory regulations and requirements, continuously carried out various tasks to further enhance the Company's risk management and control capabilities.

For the full coverage of risks, the Company established and improved a comprehensive risk management system of the Group with "high engagement, full coverage and deep penetration" as the core idea, and with "collectivization, specialization and platformization" as the main approach. The current risk management of the Company has already covered all subsidiaries (domestically and globally), branches and business lines for major risk types. The Company established a risk management system for subsidiaries by combining centralized management and control and hierarchical authorization, raised clear requirements

to subsidiaries on issues including the construction of the risk management system, risk management policies and indicator system, risk management personnel allocation and assessment and risk reports, and set up differentiated and detailed rules for risk management. The risk management department of the Company arranged specialized risk management personnel for various business lines and conducted risk identification, monitoring, assessment, decisions, response and reporting before, during and after each operation. For managing market risk, credit risk, liquidity risk, operational risk, reputational risk and information technology risk, the Company has assigned leading management departments for each of them. The coverage of various professional risk management has reached the level of subsidiaries.

For the surveillance of risks, the Company continued to improve the promptness and effectiveness of risk surveillance and monitoring. The Company established a multi-level indicator and limitation system for risk appetite, risk tolerance, professional risk and business risk, and accurately calculated, dynamically monitored and timely alerted risk indicators with systematic methods. During the Reporting Period, the Company continuously promoted the system construction relating to risk indicator monitoring functions, and realized the centralized and unified monitoring on various risk indicators.

For the measurement of risks, the Company realized the measurement on the market, credit and liquidity risks, and continuously strengthened the risk measurement model management. During the Reporting Period, the Company regularly carried out evaluation and verification of valuation pricing model and risk measurement model, and continuously perfected the measurement model to improve the accuracy of measurement results. The Company further strengthened the management of the valuation pricing model and the risk measurement model to effectively control the model risk.

For the analysis of risks, the Company established a multi-level risk reporting system, which clarified the reporting mechanism and procedure requirements, and further strengthened the depth and comprehensiveness of risk analysis during the Reporting Period, so as to ensure the timely and effective transfer of risk information among various levels and departments. The Company set up a relatively comprehensive pressure testing system. The Company's pressure test covers capital regulatory indicators, financial indicators and all risk quotation indicators and has been applied throughout the procedures of day-to-day risk management. During the Reporting Period, the Company further perfected and enriched the library of stress test scenarios, and strengthened the research on the trigger mechanism of irregular stress tests, which has been applied to various management decisions of the Company.

For risk response, the Company has, based on risk assessment and alert results, formulated certain response strategies including risk avoidance, reduction, transfer and tolerance matched with different risk appetites, and adopted response measures such as asset impairment, risk hedging, capital supplement, scale adjustment, asset and liability management. At the same time, the Company developed practical response mechanisms and schemes for various risks, which could ensure the Company has the capability to react to and resolve various risks it encounters.

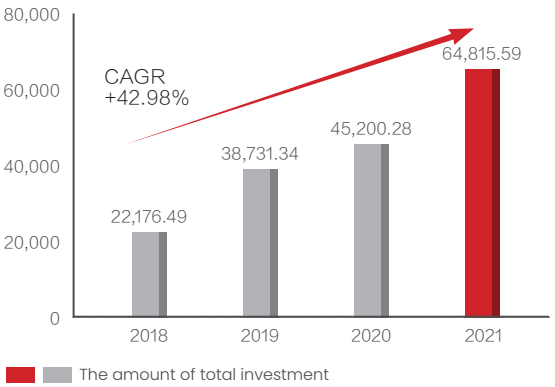
The Company provided support and protection for its comprehensive risk management in aspects of cultivating a culture, developing policies, increasing investment, improving the system and recruiting talents. The Company attached great importance to the construction of risk management culture and strengthened the promotion of risk management ideas. During the Reporting Period, the Company continued to carry out risk management training and risk management culture publicity activities covering all employees, and further promoted the implementation and optimization of the risk management assessment mechanism of the Group, giving full play to the guiding role of risk assessment. The Company established a three-dimensional risk management system at the Board of Directors level, senior management level and business level, and developed a regular evaluation and revision mechanism for the system, through which the implementation of the system was included into the risk assessment. The Company attached great importance to risk management and information technology system construction, and provided sufficient resources to support and protect the risk management and system improvement. The Company emphasized the effective combination of risk management and information technology system, and firmly followed the direction of digital transformation to push forward its establishment of a platform for risk management technology with group-wide coverage and deep penetration, empowering the risk management. The Company intensified its efforts in training and engaging risk management personnel, enabling the risk management personnel of the Company continuously meet regulatory requirements.

12. The investment of the Company in compliance risk control during the Reporting Period

The Company attached great importance to its compliance operation and risk management by continuously enhancing the construction of the compliance risk control system, optimizing the composition of compliance risk control personnel, and increasing investment in the construction of the compliance risk control system to improve our professional abilities in compliance risk control with technology as the driving force. The Company's investments in compliance risk control mainly include: investment in compliance risk control personnel, the daily operating costs of compliance risk control and investment in construction of compliance risk control related systems. In 2021, on Parent Company basis, the total investment in compliance risk control of the Company amounted to RMB648,155,900.

The investment of the Company in compliance risk control

Unit: Ten Thousand Yuan Currency: RMB



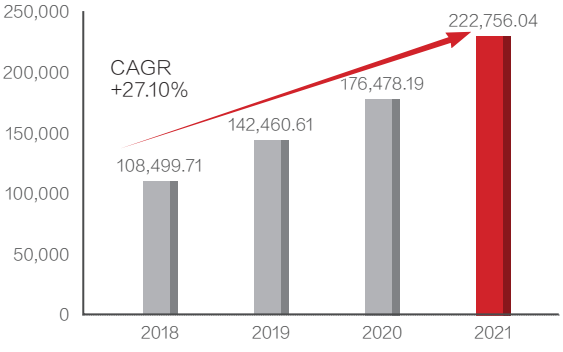
Source: Regular reports of the Company

13. The investment of the Company in information technology during the Reporting Period

The Company has always valued innovation in information technology, adhered to the concept of "return to the origin of financial services with technology empowerment to achieve the co-creation of technology and business" and focused on the target of "client's success, business innovation, operation optimization and employee empowering" to comprehensively promote the Company's digital transformation and strive to creating a leading core technology competitiveness in the forefront of the industry. The Company's investments in information technology mainly include: IT capital expenditure, daily expenses for operation and maintenance of IT, leasing and depreciation cost of computer rooms, circuit leasing cost and remuneration of IT personnel. In 2021, on Parent Company basis, the total investment in information technology of the Company amounted to RMB2,227,560,400.

The investment of the Company in IT

Unit: Ten Thousand Yuan Currency: RMB



Source: Regular reports of the Company

(VI) Establishment of the monitoring and complementary mechanism of the Company's dynamic risk control indicators

1. Establishment of the monitoring and complementary mechanism of the dynamic risk control indicators

The dynamic risk control index monitoring and replenishment mechanism is one of the important measures for the Company to control risks. During the Reporting Period, the Company solidly pushed forward the monitoring and pre-warning of various risk control indicators, continuously improved the dynamic monitoring mechanism for risk control indicators mainly based on net capital and liquidity and assigned full-time operators to conduct daily monitoring, duly report and handle various abnormalities; with stricter corporate monitoring standards as the monitoring threshold, formed a three-stage risk control indicator monitoring standard based on the regulatory standards and pre-warning standards for dynamic risk

control indicators specified by the CSRC, to launch corresponding reporting route and response plan according to different pre-warning level and ensure that the net capital, liquidity and other risk control indicators always comply with the regulatory requirements; constantly optimized the function of the net capital and liquidity dynamic monitoring system to ensure that the dynamic monitoring system can effectively support the monitoring of the Company's net capital, liquidity and other risk control indicators.

The Company has established a dynamic complementary mechanism for net capital and liquidity. The Company's complementary pathways of net capital include but not limited to capital fund raising for increase in capital and share, issuance of subordinated bonds, compression of highly-risky investment types and scale, and reduction or suspension of profit distribution, etc. The Company's complementary pathways of liquidity include but not limited to external financing (interbank borrowing, bond repurchase, corporate bond, short-term corporate bond, subordinated debt, short-term financing bill, income receipts, refinancing integrated fund, gold lease, etc.), realization of part of the liquid reserve, control or adjustment of business scale, etc.

2. Conditions of risk control indicators triggering the pre-warning criteria or not conforming to the required standards, and corrective measures adopted and rectification effects during the Reporting Period

During the Reporting Period, the Company conducted prospective estimation or pressure tests of risk control indicators for profit distribution, capital increase in and guarantee provision to subsidiaries, engagement in new businesses and other major events. The above-mentioned matters were implemented under the condition that the analysis and test results meet the regulatory requirements. During the Reporting Period, main risk control indicators of the Company were all in line with the regulatory requirements, and there were no such circumstances where the risk control indicators violated the pre-warning standards or were not in compliance with the provided standards.

IV. THERE WERE NO CIRCUMSTANCES IN THE COMPANY 'S FAILURE TO MAKE DISCLOSURE IN ACCORDANCE WITH THE STANDARDS DUE TO INAPPLICABILITY OF THE STANDARDS REQUIREMENTS OR SPECIAL REASONS INCLUDING NATIONAL SECRETS AND TRADE SECRETS AND THE EXPLANATIONS OF REASONS THEREOF

V. OTHER DISCLOSURES

(I) Share capital

For the Company's share capital for the year ended December 31, 2021 and the details of changes therein, please refer to "Changes in Shares and Shareholders" in this report.

(II) Arrangement of pre-emptive rights

According to the provisions of the PRC laws and the Articles of Association, none of the shareholders of the Company has any pre-emptive rights.

(III) Repurchase of shares by the Company

In active response to the policies of the national government and regulatory authorities, according to the requirements of relevant laws, regulation and normative documents and based on the confidence in the sustainable and steady development of the Company in the future and the reasonable judgment on the stock value of the Company, the Company repurchased A shares from the secondary market as source of

shares for the restricted share incentive scheme in an effort to enhance investors' confidence, safeguard shareholders' rights and interests, and at the same time, deepen the mixed-ownership reform, establish a market-oriented mechanism for benefits and risks sharing with employees, and further stimulate the vitality of the Company. For the repurchase of shares by the Company, please refer to "Changes in Shares and Shareholders" and "Specific Implementation of Share Repurchase in the Reporting Period" in this report.

(IV) Sufficient public float

As at the latest practicable date before printing of this annual report, based on the information available to the public and as far as the Directors are aware of, the Directors believe that the Company's public float satisfies the requirements for minimum public float under Rule 8.08 of the Hong Kong Listing Rules.

(V) Directors' interests in competing business with the Company

None of the Directors of the Company has any interest in business that competes or is likely to compete, either directly or indirectly, with the business of the Company.

(VI) Service contracts of Directors and Supervisors

According to rules 19A.54 and 19A.55 of the Hong Kong Listing Rules, the Company has entered into a contract with each of the Directors and Supervisors in respect of (among other matters) compliance of relevant laws and regulations, as well as the Articles of Association and provisions on arbitration. Save as disclosed above, none of the Directors or Supervisors of the Company has entered into or is proposed to enter into any service contracts with the Company in their respective capacities as Directors/Supervisors (other than contracts expiring or terminable by the employers within one year without the payment of compensation other than statutory compensation).

(VII) Directors' and Supervisors' interests in material contracts, transactions or arrangements

During the Reporting Period, the Directors or Supervisors of the Company or entities that are connected to them did not have material interests, whether directly or indirectly, in any material contract, transaction or arrangement entered into by the Company or its subsidiaries.

(VIII) Permitted indemnity provision–liability insurance for Directors, Supervisors and senior management

As authorized in 2014 annual general meeting, the Company has provided liability insurance for Directors, Supervisors, senior management, and other relevant competent persons. Appropriate insurance coverage has been arranged for Directors, Supervisors and senior management of the Company against potential legal actions and liabilities that arise from performing their duties to reasonably avoid management and legal risks faced by Directors, Supervisors and senior management of the Company and to promote the full discharge of duties by the Directors, Supervisors and senior management of the Company.

(IX) Profile of Directors, Supervisors and senior management

For profiles of Directors, Supervisors and senior management of the Company, please refer to "Primary work experience" under "Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period" in "Directors, Supervisors and Senior Management" in the section headed "Corporate Governance" in this report.

(X) Remuneration policy

For the remuneration and share incentive scheme of Directors, Supervisors and senior management of the Company, please refer to "Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period" and "Remuneration of the Directors, Supervisors and Senior Management" under "Directors, Supervisors and Senior Management" in

the section headed "Corporate Governance" in this report.

(XI) Share option scheme

The Company did not establish any share option scheme.

(XII) Major customers and suppliers

The Group provides services to a wide range of institutional and individual clients across various sectors. The Group's clients range from retail customers, wealth clients, high-net-worth individuals, institutional clients to corporate clients, who are primarily located in China. The successful listing in Hong Kong and London and smooth implementation of its deployment strategies in the international market will facilitate the Group in carrying out its overseas operations, exploring customer resources and boosting for further development of the Group's businesses. In 2021, the revenue attributable to the five largest clients of the Group accounted for less than 30% of the total operating revenue of the Group.

The Group has no major supplier due to the nature of its business

(XIII) Relationship with employees, customers, suppliers and persons with important relationships

For details of the employees' remuneration and training plans of the Company, please refer to "Remuneration policy" and "Training programs" under "Information about the Staff of the Parent Company and Major Subsidiaries at the end of the Reporting Period" in the section headed "Corporate Governance" in this report. For the relationship between the Company and its major customers and suppliers, please refer to "Major customers and suppliers" under "Other Disclosures" in the section headed "Management Discussion and Analysis and Report of the Board" in this report.

(XIV) Business review

For analysis of business using key financial performance indicators, please refer to "Company Profile and Key Financial Indicators" of this report.

(XV) Corporate governance

For the corporate governance condition of the Company, please refer to "Corporate Governance" of this report.

(XVI)Tax relief

1. Shareholders of A Shares

According to the provisions in the Notice on Issues Regarding Differentiated Individual Income Tax Policy for Dividends and Bonuses of Listed Company (Cai Shui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅 [2015] 101 號)) and the Notice on Issues Regarding the Implementation of Differentiated Individual Income Tax Policy for Dividends and Bonuses of Listed Company (Cai Shui [2012] No. 85) (《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅 [2012] 85 號)) jointly issued by the Ministry of Finance, State Administration of Taxation and the CSRC, for individual shareholders of the Company, if the term of shareholding (a period from the date when the individual acquires the listed shares on public offering and transferring markets to the date one day before the shares are transferred and settled) is within one month (inclusive), all the dividend and bonus incomes thereof are counted as taxable income at the effective tax rate of 20%; if the term of shareholding is between one month and one year (inclusive), temporarily, 50% of the dividend and bonus incomes are counted as taxable income at the effective tax rate of 10%; if the term of shareholding exceeds one year, temporarily, the dividend and bonus incomes are exempted from individual income taxes. When dividends and bonus incomes are distributed by a listed company, such company, temporarily, shall not withhold or pay any individual income taxes on behalf of the individuals whose term of shareholding is within one year (inclusive); instead, the taxable incomes shall be calculated by a securities registration and settlement company based on the term of

shareholding when the individual transfers those shares and the Company shall withhold and pay the taxes through the securities registration and settlement company. For dividend and bonus incomes obtained by securities investment funds from listed companies, the individual income taxes thereof are calculated and levied pursuant to the provisions in the document of Cai Shui [2012] No. 85.

For QFII, according to the provisions in the Notice on Issues Regarding Withholding and Payment of Corporate Income Taxes when PRC Resident Enterprises Distribute Dividends, Bonuses and Interests to the QFII (Guo Shui Han [2009] No. 47) (《關於中國居民企業向 QFII 支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函 [2009] 47 號)) issued by State Administration of Taxation, the listed company withholds and pays corporate income taxes at a uniform tax rate of 10%. If the dividend and bonus incomes obtained by QFII shareholders are entitled to the treatment as stipulated in tax treaties (arrangements), application for tax refund can be submitted to the governing tax authority after the acquisition of such dividends and bonuses according to regulations.

According to the provisions in the Notice on Tax Policy Regarding Shanghai-Hong Kong Stock Connect Pilot Programs (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅 [2014] 81 號)) issued by the Ministry of Finance, State Administration of Taxation and the CSRC, for the dividend and bonus incomes obtained by investors (including enterprises and individuals) on Hong Kong market from investing in A Shares listed on Shanghai Stock Exchange, the implementation of differentiated taxation is suspended before Hong Kong Securities Clearing Company Limited meets the conditions to provide CSDC with the investors' identifications, terms of shareholding and other specific data. The listed company withholds and pays the income taxes at the tax rate of 10%, which should be duly declared to the governing taxation authority. For Hong Kong investors who are tax residents of foreign countries that have entered a tax treaty with the PRC specifying an income tax rate for dividend and bonus incomes below 10%, the enterprises or individuals can, by themselves or entrust a withholding agent to apply to the governing tax authorities of the listed company for the treatment as stipulated in such tax treaties. The governing tax authorities shall refund the taxes according to the discrepancy between the levied taxes and taxes payable based on the rate specified in the tax treaty after verifying and approving the application.

For the qualified investors who invest in the GDR issued by the Company on London Stock Exchange and comply with the relevant domestic and foreign regulatory rules (GDR Investors), according to the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and other relevant tax regulations, the Company shall withhold and pay income taxes at a tax rate of 10%. Citibank and National Association, as the nominal holders of domestic basic A Shares corresponding to GDR, receive the cash dividends distributed by the Company. If the dividend and bonus incomes obtained by GDR Investors are entitled to the treatment as stipulated in relevant tax treaties (arrangements), applications can be submitted to the governing tax authority according to regulations.

For other institutional investors, the taxes on their dividends and bonus incomes shall be paid on their own.

2. Shareholders of H Shares

According to the provisions in the Notice by the State Administration of Taxation on Issues Regarding the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發 [1993] 045 號文件廢止後有關個人所得稅徵管問題的通知》(國稅函 [2011] 348 號)), for the dividend and bonus incomes acquired by individual shareholders as overseas residents from the issuance of shares in Hong Kong by domestic non-foreign investment enterprises, the withholding agent shall legally withhold and pay the individual income taxes according to item "interest, dividend and bonus income". For the issuance of shares in Hong Kong by domestic non-foreign investment enterprises, the individual shareholders as overseas residents can enjoy relevant tax preferences according to the provisions in the tax treaty signed by the country to which the resident identity belongs and the PRC and in the tax arrangements between Mainland China and Hong Kong (Macao). According to relevant tax treaties and tax arrangements, the tax rates for dividends are normally 10%. To simplify administration of tax collection, when the domestic non-foreign investment enterprises issuing shares in Hong Kong distribute dividends and bonuses, the individual income taxes are generally withheld at the tax rate of 10% without application. If the dividend tax rate is not 10%, individual income taxes shall be withheld as per the following provisions: (1) for residents subject to tax rate below 10% pursuant to relevant treaties, the withholding agent can apply related treatment under such treaties on behalf of the residents

and the governing tax authority will refund the additional tax payments after approving the application; (2) for residents subject to tax rate over 10% but lower than 20% pursuant to relevant treaties, when the withholding agent distributes dividend and bonus, the individual income tax shall be withheld and paid at the actual tax rate specified in the treaties and application for approval is not necessary; (3) for residents from the country which did not enter into any tax treaty with the PRC and other situations, when the withholding agent distributes dividend and bonus, the individual income tax shall be withheld and paid at the tax rate of 20%.

According to the provisions in the Notice on Issues regarding Withholding of Enterprise Income Taxes when PRC Resident Enterprises Distribute Dividends to Overseas Non-resident Enterprise shareholders of H Shares (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外 H 股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函 [2008] 897 號)) issued by the State Administration of Taxation, when Chinese resident enterprises distribute annual dividends to overseas non-resident enterprise shareholders of H Shares for 2008 and subsequent years, the corporate income tax shall be withheld and paid at the uniform tax rate of 10%.

According to the provisions in the Notice on Tax Policy Regarding Shanghai-Hong Kong Stock Connect Pilot Programs (Cai Shui [2014] No. 81) (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知 (財稅 [2014] 81 號)) issued by the Ministry of Finance, State Administration of Taxation and the CSRC, for dividends and bonuses acquired by Mainland individual investors by investing in listed H Shares on the Hong Kong Stock Exchange via Shanghai-Hong Kong Stock Connect, such H Share companies shall withhold the individual income tax at a tax rate of 20%. For dividends and bonuses acquired from Mainland securities investment funds by investing in listed shares on the Hong Kong Stock Exchange via Shanghai-Hong Kong Stock Connect, the individual income tax shall be levied as per above regulations. For dividends and bonuses acquired by Mainland enterprise investors by investing in listed shares on the Hong Kong Stock Exchange via Shanghai-Hong Kong Stock Connect, such H Share companies shall not withhold any income taxes on the dividends and bonuses, and such income tax shall be declared and paid by the enterprises on their own. Meanwhile, for the dividends and bonuses acquired by Mainland resident enterprises for continuous holding of H Shares for 12 months, the corporate income tax shall be exempted according to laws.

According to the current practices of Inland Revenue Department of Hong Kong, no tax shall be levied for dividends distributed by the Company in Hong Kong.

The shareholders of the Company shall pay relevant taxes and/or be entitled to tax reliefs according to the above provisions.

(XVII) Environmental policies and performance of the Company

For the environmental policies and performance of the Company, please refer to "Environment and Social Responsibility" in this report.

(XVIII) Compliance with relevant laws and regulations

As a public company listed at home and abroad, the Company abides, in a strict manner, by the requirements of the laws, regulations and normative documents of domestic and foreign places where the Company is listed including the Company Law, Securities Law, Regulation on the Supervision and Administration of Securities Companies, Rules for Governance of Securities Companies, Code of Corporate Governance for Listed Companies in China, Corporate Governance Code and Corporate Governance Report in Appendix 14 of Hong Kong Listing Rules and the Articles of Association. The Company established and perfected its rules and regulations to standardize the operation of the Company, and devoted itself to maintaining and improving its sound market image. Please refer to "Suspected Violations of Laws and Regulations by, Punishment on and Rectification of the Company and its Directors, Supervisors, Senior Management, Controlling Shareholders and de facto Controllers" in the section headed "Major Events" in this report for the punishment and public denouncement received by the Company during the Reporting Period.

(XIX) Reserves and distributable reserves

Please refer to the consolidated statements of changes in equity and Note 54 to the financial statements of this report for changes in reserves and distributable reserves.

(XX) Property and equipment and investment properties

Changes in properties and equipment and investment properties of the Group during the year are set out separately in Notes 20 and 21 to the consolidated financial statements. As at December 31, 2021, the Group did not own any investment properties or properties for development and/or for sale with one or more ratio (as defined in the Rule 14.04(9) of the Hong Kong Listing Rules) over 5%.

(XXI) Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended December 31, 2021.

(XXII) Donations

The Company actively performed its social responsibilities in 2021 by investing a total of RMB46,001,600 (2020: RMB32,408,100) in public activities including public service advertising and charitable contribution.

(XXIII) Five-year financial highlight

For the highlight of operating results, assets and liabilities of the Group in the past five financial years, please refer to "Key Accounting Data and Financial Indicators for the Past Five Years" under "Key Accounting Data and Financial Indicators" in the section headed "Company Profile and Key Financial Indicators" in this report. This summary does not constitute a part of the audited consolidated financial statements.

(XXIV) Auditors

1. Upon approval by the Company's 2018 Annual General Meeting held on June 26, 2019, the Company employed KPMG Huazhen LLP as the audit service institute of the Company and its holding subsidiaries for the 2019 annual financial statements and internal control to issue A Share audit report and internal control audit report; and employed KPMG as the audit service institute of the Company's H Share to issue H Share audit report. The audit service fee was capped at RMB5.50 million. In 2019, KPMG Huazhen LLP issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the China Accounting Standards for Business Enterprises. Certified public accountants Cheng Hailiang and Qian Ruwen signed the report; KPMG issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the International Financial Reporting Standards. Certified public accountant Pang Shing Chor Eric signed the report.

2. Upon approval by the Company's 2019 Annual General Meeting held on June 18, 2020, the Company employed KPMG Huazhen LLP as the audit service institute of the Company and its holding subsidiaries for the 2020 annual financial statements and internal control to issue A Share audit report, internal control audit report and GDR audit report; and employed KPMG as the audit service institute for the Company's H Shares to issue H Share audit report. The audit service fee was capped at RMB6.00 million. In 2020, KPMG Huazhen LLP issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the China Accounting Standards for Business Enterprises. Certified public accountants Cheng Hailiang and Qian Ruwen signed the report; KPMG issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the International Financial Reporting Standards. Certified public accountant Lee Lok Man signed the report.

3. Upon approval by the Company's 2020 Annual General Meeting held on June 22, 2021, the Company employed KPMG Huazhen LLP as the audit service institute of the Company and its holding subsidiaries for the 2021 annual financial statements and internal control to issue A Share audit report, internal control audit report and GDR audit report; and employed KPMG as the audit service institute for the Company's H Shares to issue H Share audit report. The audit service fee was capped at RMB6.00 million (of which the internal control audit fee was capped at RMB0.50 million). In 2021, KPMG Huazhen LLP issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the China Accounting Standards for Business Enterprises. Certified public accountants Cheng Hailiang and Qian Ruwen signed

the report; KPMG issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the International Financial Reporting Standards. Certified public accountant Lee Lok Man signed the report.

4. Upon approval by the Company's twenty-first meeting of the fifth session of the Board of Directors held on March 30, 2022, the Company proposed to employ Deloitte Touche Tohmatsu Certified Public Accountants LLP as the audit service institute of the Company and its holding subsidiaries for the 2022 annual financial statements and internal control to issue A Share audit report, internal control audit report and GDR audit report; and employ Deloitte Touche Tohmatsu as the audit service institute for the Company's H Shares to issue H Share audit report. The audit service fee was RMB4.20 million (of which the internal control audit fee was RMB0.35 million). This issue is yet to be approved at the 2021 Annual General Meeting of the Company.

There has been no change in auditor of the Company in any of the past three years.

(XXV) Auditor's remuneration

For auditor's audit service fee during the Reporting Period, please refer to "Auditors" under "Other Disclosures" in the section headed "Management Discussion and Analysis and Report of the Board" in this report.

During the Reporting Period, the Company employed KPMG Huazhen LLP to provide non-auditing services, such as agreed procedures and advisory service, and the fees for such non-auditing services were RMB1.63 million.

(XXVI) Review of Annual Results

This annual financial report has been audited. The Audit Committee under the Board of Directors has reviewed the Company's audited annual financial statement and annual report as of December 31, 2021, and did not raise any objections to the accounting policy and convention adopted by the Company.

(XXVII) Publication of the Annual Report

This annual report will be released on the Company's website (www.htsc.com.cn) and the HKEXnews website (www.hkexnews.hk).

The 2021 annual report of the Company which contains all the information required by the Hong Kong Listing Rules will be sent to shareholders and published on the Company's website (www.htsc.com.cn) and the HKEXnews website (www.hkexnews.hk).

By order of the Board
Zhang Wei
Chairman
March 30, 2022

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HUATAI SECURITIES

CORPORATE GOVERNANCE

I. DESCRIPTION OF CORPORATE GOVERNANCE

As a public company listed in both domestic and overseas, the Company has been operating business in a standard manner and in strict compliance with the requirements set forth in the laws, regulations and regulatory documents of the PRC and the overseas jurisdiction where the shares of the Company are listed, and has made continuous efforts to maintain and enhance the good image of the Company in the market. The Company keeps improving its corporate governance structure, compliance risk control and internal control system according to the requirements under the Company Law, the Securities Law, the Regulations on Supervision and Management of Securities Companies, the Rules for Governance of Securities Companies, the Rules for Corporate Governance of Listed Companies, the Corporate Governance Code and Corporate Governance Report (the relevant code is set out on https://en-rules.hkex.com.hk/sites/default/files/net_file_store/new_rulebooks/h/k/HKEX4476_3828_VER10.pdf) as set out in Appendix 14 to the Hong Kong Listing Rules and other relevant laws and regulations as well as the Articles of Association, in order to establish a modern corporate system, and shape a corporate governance structure where checks and balances among the general meeting, the Board, the Supervisory Committee and the operation management are maintained, with each of them being separated from the other and performing its own functions and responsibilities corresponding to its position within the specified terms of reference, thereby ensuring all the operational activities of the Company are carried out smoothly and in accordance with relevant laws and regulations.

(I) Corporate governance

During the Reporting Period, the Company conducted its operations and management in a standard and orderly manner. Various rules and regulations have been formulated and continuously refined in strict compliance with the requirements of laws, regulations and regulatory documents to regulate the Company's operations. During the Reporting Period, to further improve corporate governance, the Company amended and improved the Rules of Procedures for General Meetings in accordance with the Securities Law (《證券法》), the Reply of the State Council on the Adjustment of the Provisions Applicable to the Notice Period of Convening General Meetings of Shareholders and Other Matters Applicable to the Companies Listed Abroad (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》), Code of Corporate Governance for Listed Companies (《上市公司治理準則》), Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》) and other relevant laws, regulations, regulatory documents and the Articles of Association and in light of the Company's actual condition, which was considered and

approved at the general meeting of the Company. In addition, during the Reporting Period, as considered and approved by the Board and at the general meeting and according to the election at the congress of workers and staff of the Company, the Company adjusted the members of the fifth session of the Board, the Supervisory Committee and the special committees of the Board to fully display professional advantages and improve the decision-making efficiency and level. Through the establishment and improvement as well as the full implementation of the above systems, the Company's governance structure and level have been continuously standardized and improved.

The convening, holding and voting procedures of the general meeting, the Board of Directors and the Supervisory Committee of the Company were standard, legal and valid, and the Company disclosed truthful and accurate information in a complete, timely and fair manner. The Company carried out investor relationship management in a standard and professional manner, and carried out inside information management and registration of insiders in strict compliance with the requirements of the System regarding Insider Registration and Management and Confidentiality of the Company and other relevant rules. The Company adhered to the principle of scientificity, standardization and transparency when practicing corporate governance. During the Reporting Period, the Company was once again rated Class A Level AA in the assessment of securities firms conducted by the CSRC in 2021, was rated as the highest level A in the 2020-2021 information disclosure evaluation of listed companies organized by the Shanghai Stock Exchange, and won the Best Practice Case Award in the 2021 Best Practice Case for Board Office of Public Companies organized by China Association for Public Companies. In addition, with its outstanding performance in environmental, social and corporate governance, the Company's MSCI ESG rating in 2021 jumped from BBB to A, achieving an improvement for three consecutive years, currently the highest rating for a domestic securities company and the first A rating in the domestic securities industry.

1. Shareholders and the General Meeting

The shareholders' general meeting is the organ of the highest authority of the Company, and the shareholders exercise their rights through the shareholders' general meeting. The Company convenes and holds shareholders' general meetings in strict accordance with the relevant provisions of the Articles of Association and the Rules of Procedures for General Meetings to ensure the equal status of all shareholders, in particular the minority shareholders, and enable them to exercise their rights completely. The largest shareholder and the de facto controller of the Company exercised their rights in accordance with the laws, regulations and the Articles of Association, and neither directly or indirectly intervened in the decisions and operations of the Company beyond the general meeting nor appropriated any fund of the Company or requested the Company to provide any external guarantee. The Company was completely independent from its largest shareholder and de facto controller in terms of staff, assets, finance, organization and business.

2. Directors and the Board

The election and change of Directors were in strict compliance with the Articles of Association. The number and composition of the Board conformed to the requirements of the relevant laws and regulations. The Board has continuously improved its rules of procedures. All the Board meetings were duly convened and held, and all voting procedures at the meetings were legal and valid. The Company has established the Working System for Independent Directors, and all the independent Directors have independently and objectively worked to protect the legitimate rights and interests of the Company and its shareholders, and played a role of check and balance in the decision-making process of the Board. All Directors performed their respective responsibilities with due diligence in accordance with relevant requirements, and worked to protect the interests of the Company and all shareholders.

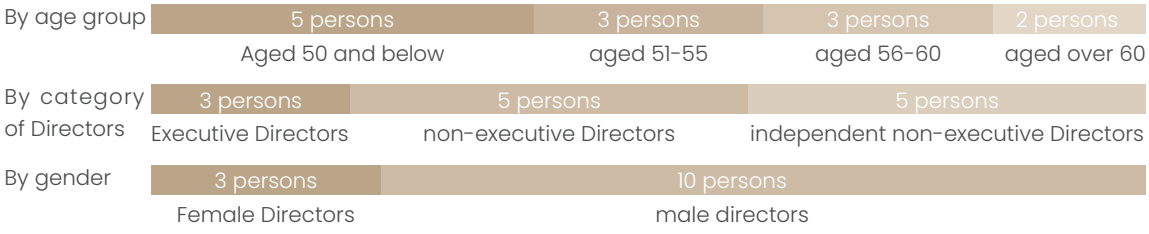
There is no financial, business, family or other significant/related relationship between the Directors, Supervisors and senior management of the Company.

The Company believes that the increasing diversity of the Board is one of the key factors that help support its strategic objectives and maintain sustainable development. Therefore, the Company should, when determining the composition of the Board, consider the diversity of Board members in several aspects,

including but not limited to gender, age, cultural, educational background, professional experience, skills, knowledge and popularity in service. The determination of the members should be based on the value of the candidates and the contribution that they could make to the Board. All nominations of the Board should be in the principle of "merit-based". When the candidates are selected, the benefits from the diversity of Board members should be taken into full consideration according to their objective conditions. The Nomination Committee will report annually on the diversified composition of the Board in the annual report, inspect the implementation of the abovementioned policy on diversification of Board members and review such policy in due course so as to ensure its effectiveness.

In 2019, the Company set up the fifth session of the Board of Directors, with members including strategic Shareholder representatives introduced through the non-public issuance of A Shares, forming a Board with diversified composition and complementary advantages.

As of the end of the Reporting Period, the composition of the Board of the Company is as follows:



Professional background: Finance, economics, accounting, laws, business administration, economic management, enterprise management, public administration, electronic communication, monetary banking, etc.

3. Supervisors and the Supervisory Committee

The election and change of the Supervisors were in strict compliance with the Articles of Association. The number and composition of the Supervisory Committee conformed to the requirements of the relevant laws and regulations. The Supervisory Committee has continuously improved its rules of procedure. All the meetings of the Supervisory Committee were duly convened and held, and all voting procedures at the meetings were legal and valid. The Supervisory Committee is responsible to the general meeting. Based on the principle of being responsible to all shareholders, the Supervisory Committee effectively supervised the legality and compliance of the Company's finance and the performance of duties by the Board and the management of the Company. All Supervisors diligently performed their duties, attended all meetings of the Supervisory Committee and sat in the meetings of the Board as non-voting delegates, made reports to the general meeting and submitted its work report.

4. Senior Management of the Company

The election and change of the senior management were in strict compliance with the Articles of Association. The procedures for appointment of senior management complied with the Company Law and the Articles of Association. The Company has formulated the Terms of Reference of the CEO and the Executive Committee and the Terms of Reference of the Secretary to the Board and other rules and regulations. The senior management of the Company conducted operations and performed their duties legally and diligently in accordance with the laws, regulations and authorizations of the Board, in order to maximize shareholders' benefits and social benefits.

5. Information Disclosure and Transparency of the Company

The Company disclosed information in a truthful, accurate, complete and timely manner in strict compliance with the requirements of laws, rules and relevant regulations, and ensured that all shareholders

had an equal access to the relevant information of the Company, thereby ensuring the transparency of the Company. The Company strengthened the management of inside information, worked to ensure the confidentiality of inside information, and safeguarded the principle of fairness in information disclosure in strict compliance with the System regarding Insider Registration and Management and Confidentiality of the Company. The Board designated the secretary to the Board to be responsible for the Company's information disclosure, and the Office of the Board also assisted the secretary in information disclosure. Meanwhile, the Company also arranged dedicated personnel to answer telephone enquiries of investors and questions from investors via e-mails and the SSE interactive E-platform, actively interacted with institutional investors during their on-site surveys, and set up maintained an investor relations section on the Company's website.

6. Stakeholders

The Company gave full respects to the shareholders, customers, staff and other stakeholders and protected their legitimate rights and interests from the perspective of system building and in each link of business operation, ensured the development of the Company in a sustainable, harmonious, healthy and standard way, in order to achieve all-win results for the Company and all stakeholders, thus maximizing the Company's profits and social benefits.

During the Reporting Period, according to the requirements of the regulatory departments, the Company further improved its organizational structure, institutional building and strengthened management of inside information, and ensured that the actual status of the corporate governance of the Company complied with the requirements of the regulatory documents published by the CSRC regarding the corporate governance of listed companies. Meanwhile, the Company strictly complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report, and met most of the recommended best practices in the Corporate Governance Code.

(II) Formulation and Implementation of Insider Registration and Management System

The Company formulated the System regarding Insider Registration and Management and Confidentiality in April 2010 in accordance with the requirements of relevant laws and regulations, regulatory documents and the Articles of Association and in light of the actual situation of the Company, which was considered and approved at the seventeenth meeting of the first session of the Board, in order to strengthen the management of inside information, maintain the confidentiality of inside information, ensure fair information disclosure and protect the legitimate rights and interests of investors.

In December 2011, according to the Provisions on the Establishment of an Insider Registration and Management System by Listed Companies (CSRC Announcement [2011] No. 30) (《關於上市公司建立內幕信息知情人登記管理制度的規定》(證監會公告 [2011] 30 號)) by the CSRC, the Circular on Filing Records of Insiders by Listed Companies (Shang Zheng Gong Han [2011] No. 1501) (《關於做好上市公司內幕信息知情人檔案報送工作的通知》(上證公函 [2011] 1501 號)) by the Shanghai Stock Exchange and other relevant requirements issued by regulators, the Company made amendments to the System Regarding Insider Registration and Management and Confidentiality, which were considered and approved at the seventh meeting of the second session of the Board.

In March 2015, in order to meet the relevant regulatory requirements regarding the listing of the H Shares of the Company, the Company made amendments to the System Regarding Insider Registration and Management and Confidentiality, which were considered and approved at the sixteenth meeting of the third session of the Board.

In March 2019, for consistency with the Articles of Association, the Company made amendments to the System regarding Insider Registration and Management and Confidentiality, which was considered and approved at the twentieth meeting of the fourth session of the Board.

In August 2020, according to relevant requirements of the revised Securities Law, the Guidelines on Insiders Reporting by Listed Companies of the SSE as well as relevant laws, regulations and regulatory documents,

the Company made amendments to the System regarding Insider Registration and Management and Confidentiality, which was considered and approved at the seventh meeting of the fifth session of the Board.

During the Reporting Period, the Company made more efforts to maintain the confidentiality of inside information, performed its obligation of insider registration, management and confidentiality diligently, kept records of the names of insiders who had accessed to the inside information at the stage of negotiation, planning, demonstration and consultation and contracting as well as in the processes of reporting, delivery, preparation, auditing, resolution and disclosing before its final disclosure in strict compliance with the requirements of System regarding Insider Registration and Management and Confidentiality, and kept records of information relating to insiders and memos of progress of major events, in order to effectively prevent insider dealing and properly carry out information disclosure.

During the Reporting Period, the Company organized internal investigation into the dealing of shares and derivatives of the Company by insiders, and found that none of the holders of inside information had made use of inside information in share transactions before any significant-price-sensitive-nature information disclosure that may affect the share price of the Company, and the Company has not received any punishment or administrative measure imposed by regulatory departments due to the implementation of the Insider Registration and Management System or the possible involvement in insider dealing.

(III) Corporate Governance Policies and the Board's Responsibilities for Corporate Governance

The Company has been in strict compliance with the Hong Kong Listing Rules, and followed all the principles in the Corporate Governance Code and the Corporate Governance Report to be its own corporate governance policies. In respect of the corporate governance function, the terms of reference of the Board shall at least include:

(1) to formulate and review the corporate governance policies and practices of the Company;

(2) to review and monitor the training and continuous professional development of the Directors and the senior management;

(3) to review and monitor the Company's policies and practices on compliance with laws and regulatory requirements;

(4) to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to monitor employees and Directors;

(5) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

(IV) Securities Transactions by Directors, Supervisors and Employees

During the Reporting Period, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules as the code of conduct for securities transactions of the Company by all Directors and Supervisors. According to the domestic regulatory requirements, the Company convened the thirteenth meeting of the third session of the Board on November 25, 2014 to consider and approve the Administrative System regarding the Shares of the Company Held by Directors, Supervisors and Senior Management (the "Administrative System") in order to regulate the holding and dealing in the shares of the Company by Directors, Supervisors and senior management. On March 6, 2015, the Company made amendments to the Administrative System in order to meet the relevant regulatory requirements regarding the listing of the H Shares of the Company, which were considered and approved at the sixteenth meeting of the third session of the Board. The compulsory provisions contained in the Administrative System are stricter than those under the Model Code. Having made all enquiries with Directors, Supervisors and senior management, the Company confirmed that all Directors, Supervisors and senior management had strictly complied with the relevant requirements under the Administrative System and Model Code during the Reporting Period. The Board of the Company will, from time to time, carry out inspection on corporate governance and operation of the Company, in order to ensure the

relevant provisions under the Hong Kong Listing Rules were well observed and to protect the interests of the shareholders. Please refer to "Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period" under "Directors, Supervisors and Senior Management" under "Corporate Governance" in this report for details of the shareholding of the Directors, Supervisors and senior management of the Company.

II. SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY IN TERMS OF ASSETS, PERSONNEL, FINANCE, ORGANIZATION AND BUSINESS, AND THE SOLUTIONS, WORK PROGRESS AND FOLLOW-UP WORK PLANS THAT INFLUENCE THE INDEPENDENCE OF THE COMPANY

The shareholding structure of the Company is relatively decentralized without controlling shareholders. The de facto controller of the Company is Jiangsu SASAC. Since its inception, the Company has been operating in strict compliance with relevant laws and regulations including the Company Law and the Securities Law as well as the requirements of the Articles of Association. The Company is completely separated from its shareholders in respect of business, staff, assets, organization and finance, owns a complete business system and is capable of operating independently in the market.

1. Information about the independence of business

In accordance with the requirements of the Company Law and the Articles of Association, the Company conducts business on its own pursuant to the law within the operating scope approved by the CSRC, and has obtained various business materials required for securities business operation with an independent and complete business system and the ability of self-operation. Its business operation is not controlled or affected by its shareholders or related parties. The Company can compete in the market independently. Shareholders and related parties of the Company did not breach the Company's working procedures or intervene in the Company's internal management or the making of its operational decisions.

2. Information about the independence of the staff

The Company set up a dedicated human resources department, and established independent and complete systems for labor employment, personnel management, salary management and social security. The Directors, Supervisors, and senior management of the Company were selected and employed in compliance with relevant requirements of the Company Law, the Securities Law, and the Measures for the Supervision and Administration of the Professional Qualifications of Directors, Supervisors and Senior Management of Securities Firms and the Articles of Association. The current Directors, Supervisors and senior management of the Company meet the corresponding qualifications. The senior management of the Company held no positions in its largest shareholder and de facto controller and other enterprises under its control. The Company adopts an appointment system for the senior management, a labor contract system for all staff, and enters into Labor Contract with all the staff in accordance with the law. The Company owns independent rights for labor employment and its staff is independent from the shareholders and enterprises under their control without any interference from the shareholders.

3. Information about the integrity of the assets

The Company owns main business qualifications, land, real estate, vehicles and other operating equipment required for business operation. The above assets are subject to no mortgage, pledge or other guarantees, and the Company is the legal owner of these assets. The assets of the Company are independent from its largest shareholder and other shareholders. As of the end of the Reporting Period, the Company provided

no guarantees for the debts of any of its shareholders and their subsidiaries by using its assets or reputation as the collateral. The Company had full control and use right over its assets, and there had been no circumstance under which the interests of the Company were damaged due to the largest shareholder's occupation of any of its assets and funds.

4. Information about organizational independence

In strict compliance with the requirements of the Company Law and the Articles of Association, the Company has set up a sound corporate governance structure, under which the general meeting, the Board of Directors, the Supervisory Committee, the management and relevant operating management departments have been formed. The general meeting, the Board of Directors, the Supervisory Committee and the management are in good operation and exercise their respective functions and powers pursuant to the law. The Company owns an independent and complete system for securities business operation and management, and conducts business on its own. The organizations are set up and run in compliance with the relevant requirements of the CSRC. The existing offices and premises of the Company are totally separate from its shareholders without the circumstances of sharing organizations with them or their direct intervention in the Company's business activities.

5. Information about financial independence

As required by the Accounting Standards for Business Enterprises and the Financial Systems of Securities Firms, the Company has established an independent financial accounting and management system, set up an independent accounting department, and employed independent financial accountants. The chief financial officer and financial personnel of the Company held no positions in its shareholders. The Company has opened an independent bank account, applied for an independent tax registration and paid taxes in accordance with laws and regulations. The Company shared no accounts and taxes with its shareholders and related parties.

As of the end of the Reporting Period, the Company provided no guarantees for its shareholders and other related parties. During the Reporting Period, the Company experienced no peer competition and related-party transactions resulted from shareholding reform, features of the industry and national policies or mergers and acquisitions.

CONTROLLING SHAREHOLDERS, DE FACTO CONTROLLERS AND OTHER UNITS UNDER THEIR CONTROL ENGAGED IN SAME OR SIMILAR BUSINESSES AS THE COMPANY AND IMPACTS OF HORIZONTAL COMPETITIONS OR SIGNIFICANT CHANGES IN HORIZONTAL COMPETITIONS ON THE COMPANY, SOLUTIONS ADOPTED, SOLVING PROGRESS AND SUBSEQUENT SOLUTIONS:

In July 2010 and with the approval of the People's Government of Jiangsu Province, Jiangsu SASAC decided to transfer the state-owned equities in Jiangsu Sainty International Group Limited to Guoxin Group, the largest shareholder of the Company. Guoxin Group directly and indirectly held 78.5% equities of Jintai Futures Co., Ltd. and became the controlling shareholder of Jintai Futures Co., Ltd. Jintai Futures Co., Ltd. is principally engaged in commodities futures brokerage, financial futures brokerage, futures investment consultancy and asset management, which has horizontal competition with Huatai Futures, a subsidiary by the Company.

To avoid the abovementioned horizontal competition, on June 10, 2014, the Company organized the convening of the sixth meeting of the third session of the Board and the fourth meeting of the third session of the Supervisory Committee, which considered and approved the Resolution on Avoiding Horizontal Competition in Futures Businesses Between Jiangsu Guoxin and Huatai Securities and submitted to the 2014 second extraordinary general meeting convened on June 26, 2014 for consideration and approval. Meanwhile, the independent Directors of the Company expressed independent opinions on the resolution. They believed that such horizontal competition has no significant effect on the operation and development of Huatai Securities and the interests of minority shareholders and the resolution is in line with relevant regulations of the CSRC and beneficial to the legitimate interests of investors, small and medium investors in particular, and meets the requirements of Huatai Securities on maximizing shareholders' interests.

On June 27, 2014, Guoxin Group re-signed the Letter of Undertaking on Waiving Horizontal Competition and Conflict of Interests based on relevant regulations and the requirements of the resolutions at the 2014 second extraordinary general meeting of the Company. For the details of the announcement on the change of such undertaking, please refer to the announcement (Lin No. 2014-047) on the performance and change of undertaking by the Company's shareholder dated June 28, 2014.

III. BRIEF INTRODUCTIONS TO THE GENERAL MEETINGS

Meeting	Convening date	Resolutions	Enquiry index of the websites designated for publication of the resolutions	Date of disclosure of the publication of the resolutions	Status
2021 First Extraordinary General Meeting	February 8, 2021	1. To consider and approve the election of Mr. Ke Xiang as a non-executive Director of the fifth session of the Board; 2. To consider and approve the resolution on the general mandate for the Company's domestic and foreign debt financing instruments; 3. To consider and approve the resolution on amendments to the Rules of Procedures of General Meetings of Huatai Securities Co., Ltd.; 4. To consider and approve the resolution on the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. (Draft) and its Summary; 5. To consider and approve the resolution on the Administrative Measures for the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd.; 6. To consider and approve the resolution on the Administrative Measures for the Implementation and Appraisal of the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd.; 7. To consider and approve the resolution on the Proposed Grant of Authorization by the General Meeting to the Board to Handle Matters in relation to the Restricted Share Incentive Scheme of A Shares of the Company.	http://www.sse.com.cn http://www.hkexnews.hk http://www.londonstockexchange.com http://www.htsc.com.cn	February 9, 2021	All resolutions were considered and approved
2020 Annual General Meeting	June 22, 2021	1. To consider and approve the 2020 Work Report of the Board; 2. To consider and approve the 2020 Work Report of the Supervisory Committee; 3. To consider and approve the 2020 Final Financial Report; 4. To consider and approve the resolution on the 2020 Annual Report of the Company; 5. To consider and approve the resolution on the 2020 Profit Distribution of the Company; 6. To consider and approve the resolution on the estimated ordinary transactions with related parties of the Company for 2021; 7. To consider and approve the resolution on the estimated investment amount for the proprietary business of the Company for 2021; 8. To consider and approve the resolution on the reappointment of the accounting firm of the Company; 9. To consider and approve the resolution on the election of an independent non-executive Director of the fifth session of the Board of the Company; 10. Debriefing of the Work Report of Independent Directors of the Company for 2020; 11. Debriefing of the Report on Performance Assessment and Remuneration of the Directors of the Company in 2020; 12. Debriefing of the Report on Performance Assessment and Remuneration of the Supervisors of the Company for 2020; 13. Debriefing of the Report on Execution of Duty, Performance Assessment and Remuneration of Senior Management of the Company for 2020.	http://www.sse.com.cn http://www.hkexnews.hk http://www.londonstockexchange.com http://www.htsc.com.cn	June 23, 2021	All resolutions were considered and approved

Description of general meetings

During the Reporting Period, the Company held two general meetings in total, the details of which were as follows:

The 2021 first extraordinary general meeting of the Company, with on-site & network voting methods adopted, was held at Renaissance Nanjing Olympic Centre Hotel (No. 139, Aoti Street, Jianye District, Nanjing). The general meeting was organized by the Board of Directors and hosted by the Chairman – Mr. Zhang Wei. Certain Directors, Supervisors and the secretary to the Board attended the meeting and certain senior management of the Company and witnessing lawyers employed by the Company and relevant personnel of Computershare Hong Kong Investor Services Limited sat in the meeting. The meeting was convened and held, and its voting method was in conformity with relevant regulations such as the Company Law and the Articles of Association and so on. Details of relevant announcements on the resolutions of the general meeting can be found on the website of the Shanghai Stock Exchange (http://www.sse.com.cn), the HKEXnews website of the HKEX (http://www.hkexnews.hk), the website of the London Stock Exchange (http://www.londonstockexchange.com) and our Company's website (http://www.htsc.com.cn) and China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times published on February 9, 2021.

The 2020 Annual General Meeting of the Company, with on-site & network voting methods adopted, was held at Renaissance Nanjing Olympic Centre Hotel (No. 139, Aoti Street, Jianye District, Nanjing). The general meeting was organized by the Board of Directors and hosted by the Chairman – Mr. Zhang Wei. Certain Directors, Supervisors and the secretary to the Board attended the meeting and certain senior management of the Company and witnessing lawyers employed by the Company and relevant personnel of Computershare Hong Kong Investor Services Limited sat in the meeting. The meeting was convened and held, and its voting method was in conformity with relevant regulations such as the Company Law and the Articles of Association and so on. Details of relevant announcements on the resolutions of the general meeting can be found on the website of the Shanghai Stock Exchange (http://www.sse.com.cn), the HKEXnews website of the HKEX (http://www.hkexnews.hk), the website of the London Stock Exchange (http://www.londonstockexchange.com) and our Company's website (http://www.htsc.com.cn) and China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times published on June 23, 2021.

None of the shareholders of the Company are holders of preference shares with voting rights recovered. Therefore, none of the extraordinary general meetings was convened by holders of preference shares with voting rights restored, nor was any general meeting proposed to be convened, convened or chaired by the holders of preference shares with voting rights recovered during the Reporting Period.

IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period

Unit: Ten thousand shares Currency: RMB

Name	Position (note)	Gender	Age	Start of the term of office	Expiration of the term of office	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Changes in shareholding during the year	Reason for change	Total pre-tax remuneration received from the Company during the Reporting Period (RMB Ten Thousand Yuan)	Whether received remuneration from any connected party of the Company or not
Zhang Wei	Chairman	Male	57	2019-12-16	2022-12-15	–	–	–	–	177.12	No
Zhou Yi	Executive Director	Male	52	2007-12-06	2022-12-15	–	72.00	72.00	Share incentive	456.25	No
	Chief executive officer, Chairman of the Executive Committee			2019-10-29	2022-12-15						
Ding Feng	Non-executive Director	Male	53	2018-10-22	2022-12-15	–	–	–	–	–	Yes
Chen Yongbing	Non-executive Director	Male	47	2018-10-22	2022-12-15	–	–	–	–	–	Yes
Ke Xiang	Non-executive Director	Male	47	2021-02-08	2022-12-15	–	–	–	–	–	Yes
Hu Xiao	Non-executive Director	Female	42	2018-10-22	2022-12-15	–	–	–	–	–	No
Wang Tao	Non-executive Director	Male	53	2019-12-16	2022-12-15	–	–	–	–	–	Yes
Zhu Xuebo	Executive Director	Male	59	2018-10-22	2022-12-15	–	–	–	–	–	Yes
Chen Chuanming	Independent non-executive Director	Male	64	2016-03-18	2022-12-15	–	–	–	–	24.00	Yes
Liu Yan	Independent non-executive Director	Female	48	2016-12-21	2022-12-15	–	–	–	–	24.00	No

Name	Position (note)	Gender	Age	Start of the term of office	Expiration of the term of office	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Changes in shareholding during the year	Reason for change	Total pre-tax remuneration received from the Company during the Reporting Period (RMB Ten Thousand Yuan)	Whether received remuneration from any connected party of the Company or not
Chen Zhibin	Independent non-executive Director	Male	56	2018-06-13	2022-12-15	–	–	–	–	24.00	Yes
Wang Jianwen	Independent non-executive Director	Male	47	2020-06-18	2022-12-15	–	–	–	–	24.00	No
Au King Chi	Independent non-executive Director	Female	62	2021-06-22	2022-12-15	–	–	–	–	14.00	No
Gu Chengzhong	Employee Representative Supervisor	Male	56	2019-04-26	2022-12-15	–	–	–	–	523.07	No
	Chairman of the Supervisory Committee			2021-10-29	2022-12-15						
Zhang Ming	Supervisor	Male	47	2019-12-16	2022-12-15	–	–	–	–	–	Yes
Yu Lanying	Supervisor	Female	50	2018-10-22	2022-12-15	–	–	–	–	–	Yes
Zhang Xiaohong	Supervisor	Female	54	2019-12-16	2022-12-15	–	–	–	–	–	Yes
Fan Chunyan	Supervisor	Female	45	2019-12-16	2022-12-15	–	–	–	–	–	No
Wang Ying	Employee Representative Supervisor	Female	42	2019-12-16	2022-12-15	–	–	–	–	377.61	No
Wang Juan	Employee Representative Supervisor	Female	43	2021-10-29	2022-12-15	–	–	–	–	98.20	No
Li Shiqian	Member of the Executive Committee	Male	53	2020-03-10	2022-12-15	–	60.00	60.00	Share incentive	291.60	No
Sun Hanlin	Member of the Executive Committee	Male	56	2019-12-16	2022-12-15	–	60.00	60.00	Share incentive	366.32	No
Jiang Jian	Member of the Executive Committee	Male	55	2019-12-16	2022-12-15	–	60.00	60.00	Share incentive	366.32	No
Zhang Hui	Member of the Executive Committee	Male	46	2019-12-16	2022-12-15	–	60.00	60.00	Share incentive	411.10	No
	Secretary to the Board of Directors			2017-04-26	2022-12-15						
Chen Tianxiang	Member of the Executive Committee	Male	43	2020-02-18	2022-12-15	–	60.00	60.00	Share incentive	419.50	No
Jiao Xiaoning	Chief financial officer	Female	51	2020-03-05	2022-12-15	–	50.00	50.00	Share incentive	395.80	No
Jiao Kai	Chief compliance officer	Male	47	2020-02-17	2022-12-15	–	50.00	50.00	Share incentive	410.12	No
	General legal counsel			2019-12-16	2022-12-15						
Wang Chong	Chief risk officer	Male	49	2017-03-16	2022-12-15	–	50.00	50.00	Share incentive	412.20	No
Xu Qing	Non-executive Director (resigned)	Male	49	2016-06-07	2021-02-08	–	–	–	–	–	Yes

Name	Position (note)	Gender	Age	Start of the term of office	Expiration of the term of office	Number of Shares held at the beginning of the year	Number of Shares held at the end of the year	Changes in shareholding during the year	Reason for change	Total pre-tax remuneration received from the Company during the Reporting Period (RMB Ten Thousand Yuan)	Whether received remuneration from any connected party of the Company or not
Lee Chi Ming	Independent non-executive Director (resigned)	Male	68	2015-04-30	2021-06-22	–	–	–	–	12.00	No
Zhai Jun	Employee Supervisor (resigned)	Male	47	2019-04-26	2021-10-29	–	–	–	–	484.30	Yes
	Chairman of the Supervisory Committee (resigned)			2020-02-18	2021-10-29						
Total	/	/	/	/	/	–	522.00	522.00	/	5,311.51	/

Notes:

1. On February 8, 2021, the Resolution in relation to the Election of Mr. Ke Xiang as a Non-executive Director of the Fifth Session of the Board of the Company was considered and approved at the 2021 First Extraordinary General Meeting of the Company, pursuant to which Mr. Ke Xiang was elected as a non-executive Director of the fifth session of the Board of the Company. Mr. Ke Xiang has replaced Mr. Xu Qing to serve as a non-executive Director of the fifth session of the Board of the Company from February 8, 2021, and his term of office shall be ended at the end of the term of the current session of the Board.
2. On April 7, 2021, the Company received the Certificate of Registration of Changes in Securities issued by China Securities Depository and Clearing Corporation Limited Shanghai Branch to set out the record date being April 6, 2021 and granted 45,488,000 Restricted A Shares to 810 eligible incentive participants. The incentive participants granted under the Incentive Scheme include the Directors, senior management and other core key employees of the Company, but exclude the non-executive Directors (including independent Directors) and Supervisors of the Company. The Company has completed the registration of the grant of the Restricted A Shares.
3. On June 22, 2021, the Resolution on the Election of an Independent Non-executive Director of the Fifth Session of the Board of the Company was considered and approved at the 2020 Annual General Meeting of the Company, pursuant to which Ms. Au King Chi was elected as an independent non-executive Director of the fifth session of the Board of the Company. Ms. Au King Chi has replaced Mr. Lee Chi Ming to serve as an independent non-executive Director of the fifth session of the Board of the Company from June 22, 2021, and her term of office shall be ended at the end of the term of the current session of the Board.
4. On October 29, 2021, the Supervisory Committee of the Company received the written resignation application from Mr. Zhai Jun, the chairman of the Supervisory Committee and the Employee Representative Supervisor. Due to the change of work arrangement, Mr. Zhai Jun has tendered his resignation as the Chairman of the fifth session of the Supervisory Committee and the Employee Representative Supervisor of the Company. On the same day, the Supervisory Committee of the Company received a Notice on the Election Results for New Employee Representative Supervisor of the Fifth Session of the Supervisory Committee from the Employee Representatives' Meeting of the Company, at which Ms. Wang Juan was elected as the Employee Representative Supervisor for the fifth session of the Supervisory Committee of the Company. Ms. Wang Juan replaced Mr. Zhai Jun from October 29, 2021 in performing the duties of Employee Representative Supervisor of the fifth session of the Supervisory Committee of the Company, until the end of the term of the fifth session of the Supervisory Committee. On the same day, the Company convened the eleventh meeting of the fifth session of the Supervisory Committee and resolved to elect Mr. Gu Chengzhong as the Chairman of the fifth session of the Supervisory Committee of the Company. Mr. Gu Chengzhong replaced Mr. Zhai Jun from October 29, 2021 in performing the duties of the Chairman of the fifth session of the Supervisory Committee of the Company, until the end of the term of the fifth session of the Supervisory Committee.
5. According to the Securities Law and the CSRC's Announcement on Various Issues in relation to the Cancellation or Adjustment of Certain Administrative Approval Projects of Securities Companies (CSRC Announcement [2020] No. 18) (《關於取消或調整證券公司部分行政審批項目等事項的公告》(證監會公告 [2020] 18 號)), senior management of securities companies no longer need regulatory authorities to approve their qualifications before taking office. Mr. Han Zhencong will serve as a member of the Company's executive committee and chief information officer (concurrently) after fulfilling the filing of his qualifications as a manager of a securities company, and his remuneration applies the remuneration assessment system of the Company.
6. Mr. Zhu Xuebo, an executive director of the Company, received remuneration from China Southern Asset Management.
7. Total pre-tax remuneration received by Directors, Supervisors and senior management from the Company during the Reporting Period was implemented in accordance with relevant policies of governing authorities and the Company's relevant remuneration assessment and deferred compensation system, which include deferred payment of remuneration for the prior year.
8. Total pre-tax remuneration received from the Company during the Reporting Period excluded pension insurance, enterprise annuity and restricted equity incentive.
9. The remuneration of the Directors that are the persons in charge of provincial financial enterprises shall be implemented in accordance with the Interim Measures for the Administration of Remuneration of Persons in Charge of Provincial Financial Enterprises in Jiangsu Province (《江蘇省省管金融企業負責人薪酬管理暫行辦法》).

Name	Primary work experience
Zhang Wei	Master of business administration, senior engineer and senior economist. He once worked in Jiangsu Electronic Industry Research Institute (江蘇省電子工業綜合研究所). He also served as cadre at department level of Jiangsu Electronic Industry Bureau and the deputy director of Asset Management Division. He worked as secretary to the board of directors and assistant general manager, deputy general manager, general manager and deputy secretary of the party committee of Jiangsu Hiteker High-tech Co., Ltd. (江蘇宏圖高科技股份有限公司). He also served as director, general manager, deputy secretary of the party committee, secretary of the party committee and chairman of the board of Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司). Mr. Zhang served as secretary of the party committee of the Company from March 2019 to December 2019 and has been chairman of the Board of Directors and secretary of the party committee of the Company since December 2019 with a term of office in this session of Board from December 2019 to December 2022.
Zhou Yi	Bachelor of computer communications. Mr. Zhou once taught at Jiangsu Posts & Telecommunications School (江蘇省郵電學校); engaged in technology management at the Telecommunications Center of Jiangsu Posts & Telecommunications Bureau (江蘇省郵電管理局電信中心) and administrative management at Jiangsu Mobile Communication Co., Ltd. (江蘇移動通信有限公司); served as the chairman of the board of directors of Jiangsu Bei'er Co., Ltd. (江蘇貝爾有限公司) and Nanjing Xinwang Telecom Tech Co., Ltd. (南京欣網視訊科技股份有限公司), deputy general manager of Shanghai Beier Fortune Communications Company (上海貝爾富欣通信公司), director and deputy secretary of the party committee of Huatai Securities Limited Liability Company (华泰证券有限责任公司) from August 2006 to February 2007 and director, president and deputy secretary of the party committee of the same company from February 2007 to December 2007. Mr. Zhou served as Director, President and deputy secretary of the party committee of the Company from December 2007 to October 2011; Director, President and secretary of the party committee of the Company from November 2011 to June 2016; chairman of the Board of Directors, President, and secretary of the party committee of the Company from June 2016 to March 2019; chairman of the Board of Directors, President and party committee member of the Company from March 2019 to October 2019; chairman of the Board of Directors, chief executive officer, chairman of the Executive Committee and party committee member of the Company from October 2019 to December 2019, and has been Director, chief executive officer, chairman of the Executive Committee and party committee member of the Company since December 2019 with a term of office in this session of Board from December 2019 to December 2022.
Ding Feng	Master of business administration and senior accountant. He served as assistant accountant of the finance department of China Songhai Industrial Corporation (中國嵩海實業總公司) in Xiamen Special Economic Zone from August 1990 to November 1992; chief accountant of the finance department of China North Industries Corporation Xiamen Branch (中國北方工業廈門公司) from December 1992 to September 1995; deputy section chief of the finance department of Jiangsu International Trust and Investment Company (江蘇省國際信託投資公司) from October 1995 to August 2002; deputy project manager of the finance department of Guoxin Group from August 2002 to September 2004; head of the finance department (manager assistant) and deputy general manager of Jiangsu International Trust Corporation Limited (江蘇省國際信託有限責任公司) from September 2004 to December 2009; deputy general manager of the finance department of Guoxin Group from December 2009 to December 2010; vice president of Jiangsu Guoxin Group Finance Co., Ltd. (國信集團財務有限公司) from December 2010 to December 2011; president and deputy secretary of the Party Committee of Jiangsu Guoxin Group Finance Co., Ltd. from January 2012 to March 2018; and has served as the general manager of finance department of Guoxin Group since March 2018. He has been a Director of the Company since October 2018 with a term of office from December 2019 to December 2022.

Name	Primary work experience
Chen Yongbing	Bachelor of economic management. He served as clerk and staff member of the enterprise division of State-owned Assets Administration Bureau of Jiangsu Provincial Government (江蘇省國有資產管理局) from August 1996 to November 2000; a staff member of the Administrative Office of State-owned Assets of the Department of Finance of Jiangsu Province (江蘇省財政廳國有資產管理辦公室) from November 2000 to January 2002; senior staff member of the Administrative Office of State-owned Assets of the Department of Finance of Jiangsu Province from January 2002 to March 2004; cadre at sub-section level of Jiangsu SASAC from March 2004 to June 2004; senior staff member of the Division of Enterprise Reform and Development (企業改革發展處) of Jiangsu SASAC from June 2004 to January 2005; principal staff member of the Division of Enterprise Reform and Development of Jiangsu SASAC from January 2005 to December 2009; principal staff member of the Division of Enterprise Development and Reform (企業發展改革處) of Jiangsu SASAC from December 2009 to May 2014; deputy director of the Division of Enterprise Development and Reform of Jiangsu SASAC from May 2014 to October 2016; deputy head of the investment and development department of Jiangsu Communications Holding Co., Ltd. from October 2016 to January 2018; has served as head of the investment and development department of Jiangsu Communications Holding Co., Ltd. from January 2018 to September 2020; has served as head of the development and reform department of Jiangsu Communications Holding Co., Ltd. from September 2020 to September 2021; and has served as party committee member and deputy general manager of China Eastern Airlines Jiangsu Limited (中國東方航空江蘇有限公司) since September 2021. He has been a Director of the Company since October 2018 with a term of office in this session of Board from December 2019 to December 2022.
Ke Xiang	Doctoral degree in corporate management and senior engineer. From August 1996 to October 2002, he successively served as staff member of the infrastructure investment division, staff member and deputy senior staff member of the agriculture division of Jiangsu Provincial Department of Finance. From October 2002 to August 2020, he worked at Jiangsu Communications Holding Company Limited and successively served as assistant to the director of the office, deputy director of the office, deputy director of the operation and safety department, deputy director of the Toll Management Center of Expressway Network of Jiangsu Province, director of the Information Center and deputy director of the office, director of the development strategy and policy regulation research office, deputy director of the investment and development department, director of the strategic research office, deputy director of the corporate management and legal affairs department, and director of the strategic planning department. Since August 2020, he has been deputy general manager, member of the party committee and general counsel of Govtor Capital Group Co., Ltd. He has been a Director of the Company since February 2021 with a term of office in this session of Board from December 2019 to December 2022.
Hu Xiao	Master of business administration. Ms. Hu served as accountant of KPMG Huazhen LLP from September 2002 to July 2003; assistant analyst of the stock research department of China International Capital Corporation Limited from July 2003 to July 2006; manager and then vice president of Citigroup Global Markets Asia Limited from July 2008 to July 2012; vice president and then director of Merrill Lynch (Asia Pacific) Limited from July 2012 to March 2017; and has successively served as director of the strategic investment department and managing director of Alibaba Group Holding Limited since March 2017. She has been Director of the Company since October 2018 with a term of office in this session of Board from December 2019 to December 2022.

Name	Primary work experience
Wang Tao	Master of politics and economics. He successively served as assistant to president of Shenzhen Branch of China Construction Bank and deputy general manager of the finance and accounting department of the head office of China Construction Bank from June 1989. He joined the head office of China Merchants Bank as general manager of the finance and accounting department of the head office in June 2014, and has served as general manager of the retail credit department of the head office since December 2016. He has also served as director of inclusive financial service center of the head office since February 2018. He has been in charge of the establishment of CMB Wealth Management Company Limited (招銀理財有限責任公司) since July 2019 and has been director and president of CMB Wealth Management Company Limited since November 2019. He has been Director of the Company since December 2019 with a term of office in this session of Board from December 2019 to December 2022.
Zhu Xuebo	Bachelor of monetary banking. Mr. Zhu worked at Nanjing Artillery Academy and Jiangsu Branch of the People's Bank of China. He joined Huatai Securities in March 2001 and successively served as general manager of human resources department, head of organization department of the Party Committee and assistant to the president, etc. He served as deputy secretary of the Party Committee of the Company from March 2013 to December 2020, and has served as deputy secretary of the Party Committee of China Southern Asset Management Co., Ltd. since December 2020. He has been Director of the Company since October 2018 with a term of office in this session of Board from December 2019 to December 2022.
Chen Chuanming	Doctor of business management, a professor. In 1978, Mr. Chen was selected by the Ministry of Education of China to study social and economic management at the University of Brittany in France (法國上布列塔尼大學). He was assigned to work at the Institute of World Economics and Politics of Chinese Academy of Social Sciences after returning to China in 1981. He has been teaching at Nanjing University since December 1982, during which he studied for the Doctoral degree in economics at the School of Economics of Nankai University from September 1990 to June 1993. Currently, he serves as professor of Nanjing University Business School, and concurrently as vice chairman of Chinese Institute of Business Administration and Jiangsu Association of Science and Technology Innovation. He has served as independent non-executive Director of the Company since March 2016 with a term of office in this session of Board from December 2019 to December 2022.
Liu Yan	Master of comparative law, with qualification as a lawyer both in China and the United States (New York State). Ms. Liu joined Beijing Tian Yuan Law Firm in 1995 and has been partner of Tian Yuan Law Firm since 2002. She has been independent non-executive Director of the Company since December 2016 with a term of office in this session of Board from December 2019 to December 2022.
Chen Zhibin	Doctor of management (accounting), a postdoctoral fellow in accounting and professor and doctoral student supervisor of the Faculty of Finance and Accounting at Southeast University. Mr. Chen also serves as managerial accounting consultant to the Ministry of Finance and vice director of the governmental accounting committee of the Accounting Society of China. He has been independent non-executive Director of the Company since June 2018 with a term of office in this session of Board from December 2019 to December 2022.

Name	Primary work experience
Wang Jianwen	Ph.D. degree in civil and commercial law. From August 1998 to May 2006, he taught at Nanjing Tech Law School. From May 2006 to May 2016, he taught at Hohai University School of Law. From May 2016 to April 2021, he has been a professor, doctor-postgraduate supervisor and dean at the College of Humanities and Social Sciences of Nanjing University of Aeronautics and Astronautics, and has been a professor at the Law School of Nanjing University since May 2021. He currently serves as a managing director of China Commercial Law Society, the vice president and secretary-general of Jiangsu Commercial Law Society (江蘇省法學會商法學研究會), and concurrently as a member of the legal experts' pool of Jiangsu Provincial Committee of the Communist Party of China, a decision-making consulting expert of The Standing Committee of Jiangsu Provincial People's Congress. He has been independent non-executive Director of the Company since June 2020 with a term of office in this session of Board from December 2019 to December 2022.
Au King Chi	Master's degree in public administration. She served as the Administrative Officer of the former Council Administration of the Hong Kong Government from August 1982 to November 1982; the Administrative Officer of the former City and New Territories Administration of the Hong Kong Government from November 1982 to September 1983; the Administrative Officer of the former Medical and Health Department of the Hong Kong Government from July 1984 to January 1986; the Assistant Secretary for Education of the former Education Commission of the Hong Kong Government from January 1986 to April 1987; the Assistant Secretary for Culture, Leisure, Municipal Services in the former Culture, Leisure, Municipal Services Branch of the Hong Kong Government from April 1987 to January 1988; the Assistant Secretary for the Securities Review Committee of the Hong Kong Government from January 1988 to June 1988; the Assistant Secretary for Monetary Affairs and the Principal Assistant Secretary for Monetary Affairs of the former Monetary Affairs Branch of the Hong Kong Government from June 1988 to October 1991 successively; the Principal Assistant Secretary for Trade and Industry of the former Trade and Industry Branch of the Hong Kong Government from October 1991 to June 1995; the Deputy Director and the Press Secretary to the Chief Executive of the Information Services Department of the Hong Kong Government (later the Information Services Department of the Government of the Hong Kong Special Administrative Region) from July 1996 to March 1999 successively; the Deputy Secretary for Financial Services Bureau of the Government of the Hong Kong Special Administrative Region from March 1999 to August 2004; the Deputy Secretary for Housing, Planning and Lands Bureau of the Government of the Hong Kong Special Administrative Region from August 2004 to May 2006; the Commissioner for Tourism of the Economic Development and Labour Bureau of the Government of the Hong Kong Special Administrative Region from May 2006 to December 2008; the Permanent Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region from January 2009 to December 2014. She currently holds various positions, including a member of the Executive Committee of the Youth Outreach, an honorary member of the Hong Kong Committee of the United Nations Children's Fund, a member of the Management Committee of Endeavour Education Centre Limited, an honorary fellow of the Hong Kong Securities and Investment Institute and a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption of Hong Kong Special Administrative Region. She has been an independent non-executive Director of the Company since June 2021 with a term of office in this session of Board from December 2019 to December 2022.

Name	Primary work experience
Gu Chengzhong	Master's degree in coastal engineering. From July 1990 to May 1998, he worked in Nanjing Public Security Bureau. From May 1998 to November 2005, he worked in the technical supervision office, head office of brokerage management, and Nanjing Hanzhong Road securities business office of Huatai Securities Limited Liability Company (华泰证券有限责任公司). From November 2005 to January 2019, he served as a deputy general manager (in charge of work) and general manager of Xi'an North Wenyi Road securities business office, general manager of Xi'an regional center securities business office, general manager of Nanjing Ruijin Road securities business office, and general manager of Nanjing branch of Huatai Securities. He has been the general manager of the compliance and legal department of the Company since January 2019 and an Employee Representative Supervisor of the Company since April 2019. He has been the chairman of Supervisory Committee of the Company since October 2021 with a term of office in this session of the Supervisory Committee from December 2019 to December 2022.
Zhang Ming	Master's degree, a senior accountant. He worked at the finance department of Yangzhou No. 2 Power Plant Company Limited (揚州第二發電有限公司) from August 1995 to June 1998, served as the general ledger of the finance department, deputy director of finance department, director of finance department, deputy chief accountant and head of finance department of Yangzhou No. 2 Power Plant Company Limited from July 1998 to December 2009; deputy general manager of the finance department of Jiangsu Guoxin Investment Group (江蘇省國信集團) from December 2009 to December 2016; deputy general manager, chief financial officer and general manager (chief at group departmental level) of the finance department of Jiangsu Guoxin Corporation Limited (江蘇國信股份有限公司) as well as secretary of the board from December 2016 to August 2019, and general manager, party committee member, chief accountant of the finance department of Jiangsu Guoxin Investment Group since August 2019. Since December 2019, he has been the Supervisor of the Company, with a term of office in this session of the Supervisory Committee from December 2019 to December 2022.
Yu Lanying	Master's degree in industrial economics, a principal senior accountant. She served at the finance department of Nanjing Runtai Industrial Trading Company (南京潤泰實業貿易公司) from August 1993 to August 1996. She pursued master's studies of industrial economics in Nanjing University of Science and Technology (南京理工大學) from September 1996 to April 1999, served at the finance and audit department of Jiangsu United Trust and Investment Company (江蘇聯合信託投資公司) from May 1999 to December 2002. She worked at the finance and audit division of Jiangsu Communications Industry Group Co., Ltd. (江蘇交通產業集團有限公司) from January 2003 to September 2004, the finance and audit department of Jiangsu Communications Holding Co., Ltd. (江蘇交通控股有限公司) from October 2004 to May 2008. She successively served as the vice manager (in charge of work), manager of the finance and accounting division, deputy chief financial officer (departmental level), chief financial officer and Party Committee member of Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司) from June 2008 to November 2016. She served as the deputy general manager, chief financial officer and Party Committee member of Jiangsu Expressway Company Limited from November 2016 to March 2018, head of the audit and risk control department of Jiangsu Communications Holding Co., Ltd. from March 2018 to August 2018 and has served as head of the audit and risk control department and supervisor of audit center of Jiangsu Communications Holding Co., Ltd. from August 2018 to November 2019 and head of the financial management department of Jiangsu Communications Holding Co., Ltd. since November 2019. She has served concurrently as Supervisor of the Company since October 2018, with a term of office in this session of the Supervisory Committee from December 2019 to December 2022.

Name	Primary work experience
Zhang Xiaohong	Master's degree in business administration. Ms. Zhang served as the export sales business manager of Nanjing Native Produce and Animal Byproducts Import and Export Co., Ltd. (南京市土產畜產進出口股份有限公司) from August 1989 to April 1997; manager assistant and manager of Jiangsu Xinsu Investment Management Co., Ltd. (江蘇鑫蘇投資管理有限公司) from April 1997 to November 2000; department manager of Jiangsu Venture Capital Co., Ltd. (江蘇省創業投資有限公司) from November 2000 to May 2005; senior investment manager, deputy general manager of the asset management department, general manager of the asset management department and general manager of the investment operations department of Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司) from May 2005 to July 2020; and vice general manager of Govtor Capital Group Co., Ltd. since July 2020. She has served as a Supervisor of the Company since December 2019, with a term of office in this session of the Supervisory Committee from December 2019 to December 2022.
Fan Chunyan	College degree in financial accounting. Ms. Fan served as the director assistant of the settlement center of the headquarter of Suning.com Group Co., Ltd. from February 2002 to February 2004; deputy general manager and financial director for the Guangzhou region of Suning.com Group Co., Ltd. from February 2004 to August 2011; executive deputy general manager for the Guangzhou Region and assistant to the executive president of the regional headquarter of South China of Suning.com Group Co., Ltd. from August 2011 to January 2013; executive vice president of the e-commerce operation headquarter and executive vice president of the operation headquarter of Suning.com Group Co., Ltd. from January 2013 to September 2014; vice president of Suning Retail Group (蘇寧零售集團) and president of Internet Platform Company (互聯網平台公司) from August 2016 to January 2018; and has served as vice president of Suning Retail Group and president of Internet Platform Company as well as general manager of the customer service management center since January 2018. She served as a Director of the Company from October 2018 to December 2019. She has been a Supervisor of the Company since December 2019 with a term of office in this session of the Supervisory Committee from December 2019 to December 2022.
Wang Ying	Master's degree in public administration. She worked in the organization department of the Municipal Committee of Yangzhong and the Municipal Party Committee of Youth League in Yangzhong from August 2000 to June 2004. From June 2004 to January 2016, she worked at the State-owned Assets Supervision and Administration Commission of Jiangsu Provincial People's Government, successively serving as the principal staff member of the enterprise leadership personnel management division, principal staff member of the administrative office, deputy division chief of the public working division, deputy division chief of the Party construction work division and deputy division chief of the enterprise leadership personnel management division, etc. She joined Huatai Securities in January 2016 and has been serving as the head of the Communist Party union working department of the Company since April 2016. She has been an Employee Representative Supervisor of the Company since December 2019, chairman of labor union of the Company since December 2021, with a term of office in this session of the Supervisory Committee from December 2019 to December 2022.

Name	Primary work experience
Wang Juan	Master of scientific construction of socialist legal system. From August 1997 to November 2015, she worked in the Publicity Department of the CPC Jiangsu Provincial Committee; from November 2015 to November 2016, she served as a deputy director of the General Administration Department of Jiangsu Cultural Investment & Management Group Co., Ltd.; from November 2016 to January 2019, she served as a deputy director of the General Administration Department of Jiangsu Cultural Investment & Management Group Co., Ltd. (presiding over the work since July 2017), as well as an executive director and the General Manager of Jiangsu Zijin Cultural and Creative Park Operation and Management Company Limited; from January 2019 to October 2019, she served as a deputy director (presiding over the work) of the General Administration Department of Jiangsu Cultural Investment & Management Group Co., Ltd.; from October 2019 to July 2020, she served as the director of the Party-Masses Work Department of Jiangsu Cultural Investment & Management Group Co., Ltd; since July 2020, she has been the Deputy Director of the Office of the Company; since October 2021, she has been the Employee Representative Supervisor of the Company, with a term of office in this session of the Supervisory Committee from December 2019 to December 2022.
Li Shiqian	Doctor of business economics. He used to be a cadre of supervision bureau, chief officer and deputy director of financial audit division of the internal auditing department, deputy director of general office information division of the PBOC, deputy director of the news and information division of the general office, deputy director and director of the financial and accounting department audit division, director of audit division of the first division of the supervisory administration bureau in China Banking Regulatory Commission (中國銀行業監督管理委員會), member of Party Committee and secretary of the discipline inspection commission of Xinjiang Office of China Banking Regulatory Commission, deputy director of the disposal of illegal fund raising office and deputy director of city bank supervision department of the CBRC. He was deputy director of the city commercial bank supervision department of China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) from September 2018 to May 2019, the monitor of the city commercial bank supervision department of the CBIRC from May 2019 to June 2019, and first class monitor of the city commercial bank supervision department of the CBIRC from June 2019 to December 2019. He joined Huatai Securities in December 2019 and has been a member of Executive Committee of the Company since March 2020 with a term of office in this session of senior management from December 2019 to December 2022.
Sun Hanlin	Master of business administration. Mr. Sun once worked as a clerk, officer and deputy chief of the cadre section of human resources division of Jiangsu Branch of the PBOC; deputy chief (presiding) and chief of human resources division of Jiangsu Securities Company (江蘇省證券公司); chief of human resources division, chief of the organization department, general manager of the human resources department, secretary of the discipline inspection commission, chief inspection officer, a member of the Party Committee and vice president of Huatai Securities Limited Liability Company (华泰证券有限责任公司). He was vice president, secretary of the discipline inspection commission and a member of the Party Committee of the Company from December 2007 to December 2015. He was vice president and a member of the Party Committee of the Company from December 2015 to November 2019. He was vice president of the Company from November 2019 to December 2019, and has been a member of Executive Committee of the Company since December 2019 with a term of office in this session of senior management from December 2019 to December 2022.

Name	Primary work experience
Jiang Jian	Master of agricultural economics and management. Mr. Jiang once taught at Nanjing Agricultural University (南京農業大學). He worked at Jiangsu Securities Company (江蘇省證券公司) as an employee of the human resources division, chief of the training and education section of the human resources division, deputy general manager of the stock affairs department under the investment banking head office, deputy general manager of No. 1 investment banking department, senior manager of No. 1 investment banking department, deputy general manager of the investment banking head office and general manager of the issuance department, general manager of the asset management head office, general manager of the investment banking business Nanjing head office, director of investment banking business and general manager of Nanjing head office, assistant to the president and general manager of Shanghai head office, assistant to the president, secretary to the Board of Directors, assistant to the president and general manager of institutional customer service department, vice president and secretary to the Board of Directors, and a member of the Party Committee. He was vice president, secretary to the Board of Directors and a member of the Party Committee of the Company from December 2007 to April 2017, vice president and a member of the Party Committee of the Company from April 2017 to November 2019 and vice president of the Company from November 2019 to December 2019. He has been a member of Executive Committee of the Company since December 2019 with a term of office in this session of senior management from December 2019 to December 2022.
Zhang Hui	Doctor of technology economics and management. Mr. Zhang once worked at Dongcheng District Personnel Exchange Service Center of Beijing (北京東城區人才交流服務中心), Brilliance Group (華晨集團) Shanghai Office, Tongshang Holdings Co., Ltd. (通商控股有限公司) and Beijing Lianchuang Investment and Management Co., Ltd. (北京聯創投資管理有限公司). He served as a senior manager of the asset management head office of Huatai Securities and deputy general manager of the business office at Nantong Yaogang Road. Mr. Zhang served as the general manager of the business office at Shanghai Ruijin First Road, deputy general manager of securities investment department of the Company; general manager of the Company's general affairs department from July 2012 to January 2016; general manager of the human resources department and head of the organization department of the Party Committee of the Company from January 2016 to April 2017; secretary to the Board of Directors, general manager of the human resources department and head of the organization department of the Party Committee of the Company from April 2017 to March 2019; and secretary to the Board of Directors of the Company from March 2019 to December 2019. He has been a member of the Executive Committee and secretary to the Board of Directors of the Company since December 2019, with a term of office in this session of senior management from December 2019 to December 2022.
Chen Tianxiang	Master's degree in control science and engineering. Mr. Chen once was an engineer of Eastcom Co., Ltd. (東方通信股份有限公司), project manager of Nanjing Xinwang Telecom Tech Co., Ltd. (南京欣網視訊科技股份有限公司), senior engineer of the information technology department, website operation manager of customer service center, head of network marketing team and assistant to general manager of financial service center of Huatai Securities. He served as the deputy general manager of the head office of brokerage business of the Company from April 2015 to August 2015; deputy general manager of the internet finance department of the Company (in charge of work) from August 2015 to June 2017; and general manager of the internet finance department of the Company since June 2017. He has been a member of the Executive Committee of the Company since February 2020, with a term of office in this session of senior management from December 2019 to December 2022.

Name	Primary work experience
Jiao Xiaoning	Master's degree of accounting, an accountant. She once was a cadre of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司) Beijing Branch as well as a cadre, deputy chief clerk and chief clerk of the comprehensive division of the accounting department of Ministry of Finance (財政部). She served as the deputy division chief of the second division of standards of the accounting department of Ministry of Finance, investigator of the second division of the system from November 2003 to November 2009; a cadre, investigator, director and leading cadre of the system division of the accounting department of the CSRC from November 2009 to January 2014; deputy inspector and deputy director of the accounting department of the CSRC from January 2014 to January 2020. She joined Huatai Securities in January 2020 and has been the chief financial officer of the Company since March 2020, with a term of office in this session of senior management from December 2019 to December 2022.
Jiao Kai	Doctor of finance. Mr. Jiao was once the manager and director assistant of trading operation department, director assistant and deputy director of trading management department, deputy director of executive office and general manager's secretary, and director of board of governors office and deputy director of executive office of Shanghai Stock Exchange. He served as the director of board of governors office and deputy director of executive office, director of CPC Committee Office and director of board of supervisors office of Shanghai Stock Exchange from January 2013 to March 2014; director of Beijing center of Shanghai Stock Exchange from March 2014 to February 2017; general manager of membership department of Shanghai Stock Exchange from February 2017 to December 2019. He joined Huatai Securities in December 2019 serving as the general legal counsel of the Company and has been the chief compliance officer of the Company since February 2020 with a term of office in this session of senior management from December 2019 to December 2022.
Wang Chong	Master of computer and finance. Mr. Wang served as the principal staff member of the treasury department/global financial marketing department of Bank of China (中國銀行) from July 1995 to March 2003; middle office chief of internal risk control for European treasury operations at the London Branch of Bank of China from March 2003 to May 2007; leader of interest rate derivative product and fixed income risks team of J.P. Morgan Securities (JP 摩根證券) from June 2007 to January 2010; risk compliance officer of China International Capital Corporation (UK) Limited (中國國際金融有限公司 (英國)) from January 2010 to November 2014. He has been general manager of risk management department of the Company from December 2014 to January 2022 and chief risk officer of the Company since March 2017 with a term of office in this session of senior management from December 2019 to December 2022.

Explanation of other information

During the Reporting Period, Mr. Han Zhencong was a member of the Executive Committee (proposed) and chief information officer (proposed) of the Company, and his main work experience is as follows: Mr. Han Zhencong, Doctor of management science and engineering. He served as a secretary of student affairs office, teacher, deputy secretary of Youth League Committee, director of educational affairs section and director of teaching and research office and vice-principal of Jiangsu Post and Telecommunications School (江蘇省郵電學校). He also served as deputy director of Jiangsu Telecom Staff Training Center (江蘇省電信職工培訓中心), manager of enterprise planning department, office director, general manager of Wuxi Branch, deputy general manager, member of the Leading Party Members' Group of China Telecom Jiangsu Company Limited (中國電信江蘇公司). He was the general manager and secretary of the Leading Party Members' Group of China Telecom Heilongjiang Company Limited from September 2009 to February 2012. He was the general manager of the government and enterprise customer business division of China Telecom from February 2012 to July 2016, and was the general manager and secretary of the Party Committee of China Telecom Zhejiang Company Limited from July 2016 to December 2019. He joined HTSC in December 2019 and was proposed to be a member of the Executive Committee and the chief information officer of the Company.

(II) Employment of Directors, Supervisors and senior management at present and those retired during the Reporting Period

1. Employment at the Shareholders' companies

Name of employee	Name of the Shareholder's companies	Position	Commencement of the term of office	Expiration of the term of office
Ding Feng	Jiangsu Guoxin Investment Group Limited	General manager of the finance department	March 8, 2018	
Chen Yongbing	Jiangsu Communications Holding Co., Ltd.	Head of the development and reform department	September 23, 2018	September 22, 2021
Ke Xiang	Govtor Capital Group Co., Ltd.	Deputy general manager, party committee member, general legal counsel	August 17, 2020	
Zhang Ming	Jiangsu Guoxin Investment Group Limited.	Party committee member, chief accountant	October 18, 2020	
Yu Lanying	Jiangsu Communications Holding Co., Ltd.	Head of the financial management department	November 22, 2019	
Zhang Xiaohong	Govtor Capital Group Co., Ltd.	Deputy general manager	July 8, 2020	
Xu Qing	Jiangsu Re-guarantee Group Co., Ltd. (江蘇省信用再擔保集團有限公司)	Party committee member, chairman of the supervisory committee	August 18, 2020	
Zhai Jun	Jiangsu Re-guarantee Group Co., Ltd. (江蘇省信用再擔保集團有限公司)	Party committee member, vice president	July 17, 2021	
Explanation of the employment at the Shareholders' Companies	Nil			

2. Employment at other companies

Name of employee	Name of other companies	Position	Commencement of the term of office	Expiration of the term of office
Zhang Wei	Zking Property & Casualty Insurance Co., Ltd. (紫金財產保險股份有限公司)	Chairman of the supervisory committee	May 15, 2009	February 24, 2021
Zhou Yi	CSOP Asset Management Limited (南方東英資產管理有限公司)	Chairman	November 7, 2017	
	AssetMark Financial Holdings, Inc.	Director	October 31, 2016	
	Huatai Financial Holdings (Hong Kong) Limited	Director	November 28, 2006	
	China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司)	Director	May 19, 2021	
Ding Feng	Jiangsu United Credit Service Co., Ltd. (江蘇省聯合徵信有限公司)	Director	June 14, 2019	
	Jiangsu Guoxin Credit Financing Guarantee Co., Ltd (江蘇省國信信用融資擔保有限公司)	Director	August 12, 2019	
	Zking Property & Casualty Insurance Co., Ltd. (紫金財產保險股份有限公司)	Director	February 20, 2021	
Chen Yongbing	Jiangsu Yunshan Capital Management Co., Ltd. (江蘇雲杉資本管理有限公司)	Chairman & Legal representative	May 6, 2020	October 29, 2021
	Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司)	Director	April 8, 2018	May 11, 2021
	Jiangsu Railway Group Co., Ltd. (江蘇省鐵路集團有限公司)	Director	May 17, 2018	
	Jiangsu Port Group Co., Ltd. (江蘇省港口集團有限公司)	Director	July 9, 2018	
	Jiangsu Financial Leasing Co., Ltd. (江蘇金融租賃股份有限公司)	Supervisor	March 17, 2018	
	Jiangsu United Credit Service Co., Ltd. (江蘇省聯合徵信有限公司)	Director	June 26, 2019	
	Lian Life Insurance Co., Ltd. (利安人壽保險股份有限公司)	Director	November 18, 2020	
Ke Xiang	Jiangsu Addor Huijing Asset Management Co., Ltd. (江蘇毅達匯景資產管理有限公司)	Director	November 4, 2020	
	Jiangsu Govtor Asset Management Co., Ltd. (江蘇高投資產管理有限公司)	Director	December 8, 2020	
	Suzhou Jinling Nanlin Hotel Co., Ltd. (蘇州金陵南林飯店有限責任公司)	Director	April 1, 2017	October 28, 2021
	Jiangsu Fenghai New Energy Seawater Desalination Development Co., Ltd. (江蘇豐海新能源淡化海水發展有限公司)	Director	November 25, 2020	
	Jiangsu Wanhao Real Estate Development Co., Ltd. (江蘇萬豪房地產開發有限公司)	Legal representative, chairman	March 26, 2021	October 18, 2021

Name of employee	Name of other companies	Position	Commencement of the term of office	Expiration of the term of office
Hu Xiao	Alibaba Group Holding Limited	Managing director of strategic investment department	January 1, 2020	
	Tianxianpei (Shanghai) Technology Co., Ltd. (天鮮配 (上海) 科技有限公司)	Director	November 11, 2019	September 5, 2021
	Shanghai Wanxiang Culture Development Co., Ltd. (上海萬象文化發展有限公司)	Director	May 22, 2019	April 20, 2021
	Shanghai Wanxiang Culture Distribution Co., Ltd. (上海萬象文化配送有限公司)	Director	May 7, 2019	
	Guangzhou Wanzhixiang Logistics Co., Ltd. (廣州萬之象物流有限公司)	Director	June 21, 2019	June 10, 2021
	Dianwoba Holdings Limited	Director	May 30, 2020	
	YTO Express Group Co., Ltd. (圓通速遞股份有限公司)	Director	February 25, 2021	
	Jiangsu Kangzhong Auto Parts Co., Ltd. (江蘇康眾汽配有限公司)	Director	September 30, 2021	
Wang Tao	CMB Wealth Management Company Limited (招銀理財有限責任公司)	Director and president	November 1, 2019	
Zhu Xuebo	China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司)	Deputy secretary of the Party Committee	December 10, 2020	
Chen Chuanming	Nanjing University	Professor of Business School	November 1, 2006	
	Nanjing Iron & Steel Co., Ltd. (南京鋼鐵股份有限公司)	Independent director	May 6, 2016	
	GCL System Integration Technology Co., Ltd. (協鑫集成科技股份有限公司)	Independent director	March 31, 2016	Febuary 9, 2021
	Shanghai Dehui Group Co., Ltd. (上海德匯集團有限公司)	Independent director	March 1, 2016	
	Leysen Jewelry Co., Ltd. (萊紳通靈珠寶股份有限公司)	Director	May 14, 2019	December 15, 2021
Liu Yan	Beijing Tian Yuan Law Firm (北京市天元律師事務所)	Partner	January 1, 2002	
	Huaxin Cement Co., Ltd. (華新水泥股份有限公司)	Independent director	September 26, 2014	April 23, 2021
	WuXi Pharma Tech Co., Ltd. (無錫藥明康德新藥開發股份有限公司)	Independent director	March 17, 2017	

Name of employee	Name of other companies	Position	Commencement of the term of office	Expiration of the term of office
Chen Zhibin	Southeast University	Professor of School of Economics and Management	July 1, 2012	
	Jiangsu Phoenix Publishing & Media Corporation Limited (江蘇鳳凰出版傳媒股份有限公司)	Independent director	May 10, 2018	
	Jiangsu Sainty Corp., Ltd. (江蘇舜天股份有限公司)	Independent director	May 15, 2020	
	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)	External supervisor	October 10, 2020	
	Jiangsu Jiangnan Rural Commercial Bank Co., Ltd. (江蘇江南農村商業銀行股份有限公司)	Independent director	October 15, 2021	
Wang Jianwen	Nanjing University of Aeronautics and Astronautics	Professor, doctor-postgraduate supervisor and dean of the College of Humanities and Social Sciences	May 20, 2016	April 30, 2021
	Nanjing University	Professor of the Law School	May 1, 2021	
	Changshu Feifan Metalwork Co., Ltd (常熟非凡新材股份有限公司)	Independent director	April 15, 2021	
	Tongfu Microelectronics Co., Ltd. (通富微電子股份有限公司)	Independent director	December 16, 2021	
Zhang Ming	Jiangsu Guoxin Corporation Limited (江蘇國信股份有限公司)	Supervisor	August 20, 2019	
	Jiangsu International Trust Corporation Limited (江蘇省國際信託有限責任公司)	Director	August 28, 2019	
	Jiangsu International Talents Advisory Services Co., Ltd. (江蘇省國際人才諮詢服務有限公司)	Director	February 20, 2016	February 4, 2021
	Jiangsu Sainty Corp., Ltd. (江蘇舜天股份有限公司)	Supervisor	July 12, 2019	
	Suzhou Industrial Park Co., Ltd. (蘇州工業園區股份有限公司)	Supervisor	June 24, 2015	
	Tongmei Datang Tashan II Power Generation Company Limited (同煤大唐塔山第二發電有限責任公司)	Director	September 17, 2019	February 4, 2021
	Yangzhou No. 2 Power Plant Company Limited (揚州第二發電有限責任公司)	Director	June 5, 2018	February 4, 2021

Name of employee	Name of other companies	Position	Commencement of the term of office	Expiration of the term of office
Zhang Ming	Jiangsu Guoxin Yangzhou Power Generation Co., Ltd. (江蘇國信揚州發電有限責任公司)	Director	June 5, 2018	February 4, 2021
	China Eastern Airlines Jiangsu Limited (中國東方航空江蘇有限公司)	Director	December 30, 2020	
	Jiangsu Guoxin Group Finance Co., Ltd. (江蘇省國信集團財務有限公司)	Director	December 24, 2020	
Yu Lanying	Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司)	Chairman of the supervisory committee	April 8, 2018	May 11, 2021
	Jiangsu Re-guarantee Group Co., Ltd. (江蘇省信用再擔保集團有限公司)	Supervisor	May 27, 2018	
	Jiangsu Salt Industry Group Co., Ltd. (江蘇省鹽業集團有限責任公司)	Chairman of the supervisory committee	December 3, 2018	
	Jiangsu Jinsuzheng Investment and Development Co., Ltd. (江蘇金蘇證投資發展有限公司)	Director	December 3, 2018	
	Bank of Nanjing Co., Ltd. (南京銀行股份有限公司)	Director	September 16, 2020	
Zhang Xiaohong	Jiangsu Addor Equity Investment Fund Management Co., Ltd. (江蘇毅達股權投資基金管理有限公司)	Director	March 10, 2021	
	Jiangsu Proprietary Technology Exchange Center Co., Ltd. (江蘇省技術產權交易市場有限公司)	Director	January 5, 2018	
	Jiangsu Talent Innovation and Venture Service Center Co., Ltd. (江蘇省人才創新創業服務中心有限公司)	Legal representative, director	September 9, 2019	
	Jiangsu Govtor Asset Management Co., Ltd. (江蘇高投資產管理有限公司)	Legal representative, chairman	August 26, 2021	
	Jiangsu Xinxin Retail Innovation Fund (Limited Partnership) (江蘇新新零售創新基金 (有限合夥))	Designated representative of executive partner	August 26, 2021	
	Jiangsu Govtor Venture Capital Management Co., Ltd. (江蘇高投創業投資管理有限公司)	Legal representative, chairman	December 13, 2021	
Fan Chunyan	Suning.com Group Co., Ltd.	Vice president of Suning Retail Group and president of Internet Platform Company	August 16, 2016	
		General manager of the customer service management center	January 29, 2018	

Name of employee	Name of other companies	Position	Commencement of the term of office	Expiration of the term of office
Gu Chengzhong	Huatai Purple Gold Investment Co., Ltd. (華泰紫金投資有限責任公司)	Supervisor	January 18, 2019	
	Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司)	Supervisor	March 18, 2020	
Sun Hanlin	Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司)	Chairman	March 1, 2021	
Jiang Jian	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)	Director	May 16, 2012	
Zhang Hui	China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司)	Director	October 18, 2016	
Chen Tianxiang	Huatai Securities (Shanghai) Asset Management Co., Ltd. (華泰證券 (上海) 資產管理有限公司)	Director	March 30, 2018	
Jiao Xiaoning	AssetMark Financial Holdings, Inc.	Chairman	April 21, 2020	
	Huatai Securities (Shanghai) Asset Management Co., Ltd. (華泰證券 (上海) 資產管理有限公司)	Director	August 10, 2020	
Wang Chong	Huatai International Financial Holdings Company Limited (華泰國際金融控股有限公司)	Director	February 28, 2018	
	Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股 (香港) 有限公司)	Chief risk officer	July 30, 2018	
	Huatai Securities USA Holdings, Inc.	Director	September 28, 2018	
	Huatai Securities (USA), Inc.	Director	September 28, 2018	
Xu Qing	Jiangsu Addor Equity Investment Fund Management Co., Ltd. (江蘇毅達股權投資基金管理有限公司)	Supervisor	February 9, 2017	February 10, 2021
Lee Chi Ming	Benington Capital Partners Limited (柏寧頓資本有限公司)	Managing partner and director	February 11, 2020	
	DIT Group Limited (中民築友智造科技集團有限公司) (formerly known as China Minsheng Drawin Technology Group Limited (中民築友科技集團有限公司)	Independent non-executive director	December 30, 2014	
	Chung Ying Theatre Company (HK) Limited (中英劇團有限公司)	Director	December 10, 2015	
	Cango Inc.	Independent non-executive director	July 31, 2018	
	Wanlian Securities Co., Ltd. (萬聯證券股份有限公司)	Independent director	April 12, 2019	
Explanation of other jobs	Nil			

(III) Remuneration of the Directors, Supervisors and senior management

Decision-making procedures of remuneration of the Directors, Supervisors and senior management	The Remuneration and Appraisal Committee of the Board is responsible for advising the Board on the remuneration structure and policies of the Directors and senior management of the Company. The Board makes decisions on matters relating to the remuneration of and reward and punishment of senior management in accordance with relevant policies, and matters relating to the remuneration of Directors and Supervisors shall be determined at the general meeting.
The basis for determining the remuneration of the Directors, Supervisors and senior management	The external Directors and external Supervisors of the Company do not receive remuneration from the Company; standard of remuneration of the independent Directors is determined with reference to that of the listed peers and based on actual situation of the Company; remuneration of internal Directors, employee Supervisors and the senior management applies relevant policies of governing authorities and the remuneration assessment system of the Company, and determined in accordance with job responsibilities and the result of annual performance, as it is linked to position and performance.
Actual payments of remuneration of the Directors, Supervisors and senior management	Please refer to "Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period" in this report for details
Total remuneration actually obtained by all Directors, Supervisors and senior management at the end of the Reporting Period	Approximately RMB53.1151 million

(IV) Changes in Directors, Supervisors and senior management

Name	Position	Change	Reason for Change
Ke Xiang	Non-executive Director	Elected	Elected at the First Extraordinary General Meeting in 2021
Au King Chi	Independent Director	Elected	Elected at the 2020 Annual General Meeting
Gu Chengzhong	Chairman of the Supervisory Committee	Elected	Elected by the Supervisory Committee
Wang Juan	Employee Representative Supervisor	Elected	Elected by the congress of workers and staff
Xu Qing	Non-executive Director	Resigned	Due to work arrangements, he will no longer serve as a non-executive Director of the Company
Lee Chi Ming	Independent Director	Resigned	Due to the expiration of his term of office, he will no longer serve as an independent Director of the Company
Zhai Jun	Chairman of the Supervisory Committee, Employee Representative Supervisor	Resigned	Due to work arrangements, he will no longer serve as Chairman of the Supervisory Committee and an employee Supervisor of the Company

Notes:
1. On February 8, 2021, the Company considered and approved the Resolution on the Election of Mr. Ke Xiang as a Non-executive Director of the Fifth Session of the Board of the Company at the first extraordinary general meeting in 2021, and elected Mr. Ke Xiang as a non-executive Director of the fifth session of the Board of the Company. Mr. Ke Xiang has replaced Mr. Xu Qing to serve as a non-executive Director of the fifth session of the Board of the Company from February 8, 2021 to the end of the term of the current session of the Board.
2. On June 22, 2021, the Resolution on the Election of an Independent Non-executive Director of the Fifth Session of the Board of the Company was considered and approved at the 2020 Annual General Meeting of the Company, pursuant to which Ms. Au King Chi was elected as an independent non-executive Director of the fifth session of the Board of the Company. Ms. Au King Chi has replaced Mr. Lee Chi Ming to serve as an independent non-executive Director of the fifth session of the Board of the Company from June 22, 2021, and her term of office shall be ended at the end of the term of the current session of the Board. Upon the retirement of Mr. Lee Chi Ming, the Audit Committee of the Board of the Company only comprises two members, which temporarily shall not comply with the Rule 3.21 of the Listing Rules that (i) the Audit Committee shall have at least three members, (ii) the majority of its members shall be independent non-executive directors and (iii) the chairman shall be an independent non-executive director as required. Save for the above, the retirement of Mr. Lee Chi Ming did not cause the number of members of the Board of the Company to fall below the statutory minimum quorum, and did not affect the normal operation of the Company and the Board of the Company. On June 29, 2021, the seventeenth meeting of the fifth session of the Board of the Company has considered and approved the Resolution in relation to the proposal on adjustment to the composition of certain special committees under the fifth session of the Board of the Company. After the adjustment to the composition of the Audit Committee, the Audit Committee of the Board of the Company comprises three members, which has fully complied with the requirements of the three aforementioned rules.
3. On October 29, 2021, the Supervisory Committee of the Company received the written resignation application from Mr. Zhai Jun, the chairman of the Supervisory Committee and the Employee Representative Supervisor. Due to the change of work arrangement, Mr. Zhai Jun has tendered his resignation as the Chairman of the fifth session of the Supervisory Committee and the Employee Representative Supervisor of the Company. On the same day, the Supervisory Committee of the Company received a Notice on the Election Results for New Employee Representative Supervisor of the Fifth Session of the Supervisory Committee from the Employee Representatives' Meeting of the Company, at which Ms. Wang Juan was elected as the Employee Representative Supervisor for the fifth session of the Supervisory Committee of the Company. Ms. Wang Juan replaced Mr. Zhai Jun from October 29, 2021 in performing the duties of Employee Representative Supervisor of the fifth session of the Supervisory Committee of the Company, until the end of the term of the fifth session of the Supervisory Committee. On the same day, the Company convened the eleventh meeting of the fifth session of the Supervisory Committee and resolved to elect Mr. Gu Chengzhong as the Chairman of the fifth session of the Supervisory Committee of the Company. Mr. Gu Chengzhong replaced Mr. Zhai Jun from October 29, 2021 in performing the duties of the Chairman of the fifth session of the Supervisory Committee of the Company, until the end of the term of the fifth session of the Supervisory Committee.

Save as disclosed above, the Company did not appoint or dismiss any Director, Supervisor and senior management during the Reporting Period. Meanwhile, there is no change of information about the Directors, Supervisors and chief executives which shall be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

(V) As of the end of the Reporting Period, none of the incumbent Directors, Supervisors and senior management or Directors, Supervisors or senior management who resigned from office during the Reporting Period had been subject to any penalty imposed by the securities regulatory authorities during the last three years

V. MEETINGS OF THE BOARD CONVENED DURING THE REPORTING PERIOD

Meeting	Convening date	Meeting form and place	Meeting motion	Status
The Twelfth Meeting of the Fifth Session of the Board	January 29, 2021	By means of teleconference	To consider the resolution on the Establishment of Industrial Fund by Huatai Purple Gold Investment Co., Ltd., a wholly-owned subsidiary of the Company.	The resolution was considered and approved
The Thirteenth Meeting of the Fifth Session of the Board	February 8, 2021	By means of teleconference	To consider the resolution on Adjustment to the Composition of Certain Special Committees of the Fifth Session of the Board of the Company.	The resolution was considered and approved
The Fourteenth Meeting of the Fifth Session of the Board	March 23, 2021	By means of onsite & video meetings. Address: Large Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing; Medium Conference Room, Beijing Branch Office of Huatai Securities, Floor 18, Building A, China Pacific Insurance Plaza, No. 28 Fengsheng Alley, Xicheng District, Beijing; Simulated Video Conference Room, Shanghai Branch Office of Huatai Securities, Floor 25, Poly Plaza, No. 18, Dongfang Road, Pudong New Area, Shanghai; Simulated Video Conference Room, Shenzhen Branch Office of Huatai Securities, 42/F, Fund Mansion, No. 5999 Yitian Road, Shenzhen; Simulated Video London Conference Room, Huatai Financial Holdings (Hong Kong) Limited, 62/F, The Center, 99 Queen's Road Central, Hong Kong.	1. To consider the 2020 Work Report of the Senior Management of the Company; 2. To consider the 2020 Final Financial Report of the Company; 3. To consider the 2021 Financial Budget Report of the Company; 4. To consider the proposal on the 2020 profit distribution of the Company; 5. To consider the resolution on the Provision for Impairment of Assets; 6. To consider the 2020 Work Report of the Board of the Company; 7. To consider the resolution on the 2020 Annual Report of the Company; 8. To consider the resolution on the 2020 Annual Compliance Report of the Company; 9. To consider the resolution on the 2020 Annual Risk Management Report of the Company; 10. To consider the resolution on the 2020 Annual Internal Control Evaluation Report of the Company; 11. To consider the resolution on the Special Report on Information Technology Management of the Company for 2020; 12. To consider the resolution on the 2020 Corporate Social Responsibility Report of the Company; 13. To consider the proposal on the estimated ordinary transactions with related parties of the Company for 2021; 14. To consider the proposal on the estimated investment amount for the proprietary business of the Company for 2021; 15. To consider the Internal Audit Work Plan of the Company for 2021; 16. To consider the resolution on the reappointment of the accounting firm by the Company; 17. To consider the Resolution in Relation to the Adjustment to the Restricted Share Incentive Scheme of A Shares of the Company; 18. To consider the Resolution on Granting Restricted A Shares to the Incentive Participants; 19. To consider the Report on Performance Assessment and Remuneration of Directors of the Company for 2020; 20. To consider the Report on Execution of Duty, Performance Assessment and Remuneration of the Senior Management of the Company for 2020; 21. To consider the resolution on convening the 2020 Annual General Meeting of the Company; 22. Debriefing of the Work Report of Independent Directors of the Company for 2020; 23. Debriefing of the Report on Performance of Duties by the Audit Committee of the Board of the Company for 2020; 24. Debriefing of the Work Report of the Chief Compliance Officer of the Company for 2020; 25. Debriefing of the Work Report on Anti-money Laundering of the Company for 2020; 26. Debriefing of the Report on Internal Audit of the Company for 2020; 27. Review of the Report on Net Capital and Other Risk Control Indicators of the Company for 2020.	All resolutions were considered and approved

Meeting	Convening date	Meeting form and place	Meeting motion	Status
The Fifteenth Meeting of the Fifth Session of the Board	April 29, 2021	By means of onsite & video meetings. Address: Large Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing; Conference Room No. 3, Research Institute, Beijing Branch Office of Huatai Securities, Floor 9, Building A, China Pacific Insurance Plaza, No. 28 Fengsheng Alley, Xicheng District, Beijing; Simulated Video Conference Room, Shanghai Branch Office of Huatai Securities, Floor 25, Poly Plaza, No. 18, Dongfang Road, Pudong New Area, Shanghai; Simulated Video Conference Room, Shenzhen Branch Office of Huatai Securities, 42/F, Fund Mansion, No. 5999 Yitian Road, Shenzhen; Simulated Video London Conference Room, Huatai Financial Holdings (Hong Kong) Limited, 62/F, The Center, 99 Queen's Road Central, Hong Kong.	1. To consider the resolution on the First Quarterly Report of the Company for 2021; 2. To consider the resolution on Using Part of the Shares of Bank of Jiangsu Co., Ltd. as Deposits for Margin and Securities Refinancing.	All resolutions were considered and approved
The Sixteenth Meeting of the Fifth Session of the Board	May 20, 2021	By means of teleconference	1. To consider the proposal on the election of independent non-executive Directors of the fifth session of the Board of the Company; 2. To consider the proposal to increase the agenda for the 2020 Annual General Meeting of the Company.	All resolutions were considered and approved
The Seventeenth Meeting of the Fifth Session of the Board	June 29, 2021	By means of teleconference	1. To consider the resolution on the "14th Five-Year" Strategic Development Plan of the Company; 2. To consider the resolution on Adjustment to the Composition of Certain Special Committees of the Fifth Session of the Board of the Company.	All resolutions were considered and approved
The Eighteenth Meeting of the Fifth Session of the Board	August 27, 2021	By means of onsite & video meetings. Address: Large Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing; Conference Room No. 3, Huatai Securities, Floor 9, Building A, China Pacific Insurance Plaza, No. 28 Fengsheng Alley, Xicheng District, Beijing; Simulated Video Conference Room, Shanghai Branch Office of Huatai Securities, Floor 25, Poly Plaza, No. 18, Dongfang Road, Pudong New Area, Shanghai; Simulated Video Conference Room, Shenzhen Branch Office of Huatai Securities, 42/F, Fund Mansion, No. 5999 Yitian Road, Shenzhen; Simulated Video Beijing Conference Room, Huatai Financial Holdings (Hong Kong) Limited, 62/F, The Center, 99 Queen's Road Central, Hong Kong.	1. To consider the resolution on the 2021 Interim Report of the Company; 2. Examination on the Report on Net Capital and Other Risk Control Indicators of the Company for the First Half of 2021.	The resolution was considered and approved
The Nineteenth Meeting of the Fifth Session of the Board	October 29, 2021	By means of onsite & video meetings. Address: Large Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing; Conference Room No. 3, Huatai Securities, Floor 9, Building A, China Pacific Insurance Plaza, No. 28 Fengsheng Alley, Xicheng District, Beijing; Simulated Video Conference Room, Shanghai Branch Office of Huatai Securities, Floor 25, Poly Plaza, No. 18, Dongfang Road, Pudong New Area, Shanghai; Simulated Video Conference Room, Shenzhen Branch Office of Huatai Securities, 42/F, Fund Mansion, No. 5999 Yitian Road, Shenzhen; Simulated Video Singapore Conference Room, Huatai Financial Holdings (Hong Kong) Limited, 42/F, The Center, 99 Queen's Road Central, Hong Kong.	To consider the Resolution on the Third Quarterly Report of the Company for 2021.	The resolution was considered and approved
The Twentieth Meeting of the Fifth Session of the Board	December 1, 2021	By means of teleconference	1. To consider the resolution on the establishment of a foundation; 2. To consider the resolution on the amendments to the Administrative Measures for External Donations of Huatai Securities Co., Ltd.; 3. To consider the resolution on the acquisition of 100% equity interest in Shanghai Shengju Asset Operation and Management Co., Ltd. (上海盛鉅資產經營管理有限公司).	All resolutions were considered and approved

Note: Details of relevant announcements on the resolutions of the Board can be found on the website of the Shanghai Stock Exchange (http:// www.sse.com.cn), the HKEXnews website of the HKEX (http://www.hkexnews.hk) and our Company's website (http://www.htsc.com.cn) and China Securities Journal, Shanghai Securities News, Securities Daily as well as Securities Times.

VI. MEETINGS OF THE SUPERVISORY COMMITTEE CONVENED DURING THE REPORTING PERIOD

Meeting	Convening date	Meeting form and place	Meeting motion	Status
The Seventh Meeting of the Fifth Session of the Supervisory Committee	February 2, 2021	By means of on-site meeting. Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing.	To consider the resolution on the Publicity and the Verification Opinion of the Incentive Participants of the Restricted Share Incentive Scheme of A Shares of the Company.	The resolution was considered and approved
The Eighth Meeting of the Fifth Session of the Supervisory Committee	March 23, 2021	By means of on-site meeting. Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing.	1. To consider the 2020 Work Report of the Supervisory Committee; 2. To consider the proposal on the 2020 Profit Distribution of the Company; 3. To consider the resolution on the Provision for Impairment of Assets; 4. To consider the resolution on the 2020 Annual Report of the Company; 5. To consider the resolution on the 2020 Annual Internal Control Evaluation Report of the Company; 6. To consider the Resolution in Relation to the Adjustment to the Restricted Share Incentive Scheme of A Shares of the Company; 7. To consider the Resolution on Granting Restricted A Shares to the Incentive Participants; 8. To consider the Report on the Performance Assessment and Remuneration of Supervisors of the Company for 2020; 9. Debriefing of the Report on Internal Audit of the Company for 2020; 10. Debriefing of the Internal Audit Work Plan of the Company for 2021.	All resolutions were considered and approved
The Ninth Meeting of the Fifth Session of the Supervisory Committee	April 29, 2021	By means of on-site meeting. Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing.	To consider the resolution on the First Quarterly Report of the Company for 2021.	The resolution was considered and approved
The Tenth Meeting of the Fifth Session of the Supervisory Committee	August 27, 2021	By means of on-site meeting. Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing.	To consider the resolution on the 2021 Interim Report of the Company.	The resolution was considered and approved
The Eleventh Meeting of the Fifth Session of the Supervisory Committee	October 29, 2021	By means of on-site meeting. Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing.	1. To consider the Resolution on the Third Quarterly Report of the Company for 2021; 2. To consider the resolution on the election of chairman of the Fifth Session of the Supervisory Committee of the Company.	All resolutions were considered and approved

Note: Details of relevant announcements on the resolutions of the Supervisory Committee can be found on the website of the Shanghai Stock Exchange (http://www.sse.com.cn), the HKEXnews website of the HKEX (http://www. hkexnews.hk) and our Company's website (http://www.htsc.com.cn) and China Securities Journal, Shanghai Securities News, Securities Daily as well as Securities Times.

VII. PERFORMANCE OF DUTIES OF DIRECTORS

(I) Attendance of Directors at Board Meetings and General Meetings

Name of Director	Attendance at Board meetings							Attendance at general meetings
	Whether or not he/she is an independent Director	Times of attendance at Board meetings during the year	Attendance in person	Attendance by means of teleconference	Attendance by proxy	Absence	Whether or not he/she failed to attend the meeting in person for two consecutive times	Times of attendance at general meetings
Zhang Wei	No	9	9	5	–	–	No	2
Zhou Yi	No	9	9	5	–	–	No	–
Ding Feng	No	9	7	5	2	–	No	1
Chen Yongbing	No	9	6	5	3	–	Yes	2
Ke Xiang	No	8	7	4	1	–	No	–
Hu Xiao	No	9	7	5	2	–	No	–
Wang Tao	No	9	6	5	3	–	Yes	–
Zhu Xuebo	No	9	9	5	–	–	No	1
Chen Chuanming	Yes	9	9	5	–	–	No	1
Liu Yan	Yes	9	7	5	2	–	No	–
Chen Zhibin	Yes	9	9	5	–	–	No	1
Wang Jianwen	Yes	9	9	5	–	–	No	2
Au King Chi	Yes	4	4	2	–	–	No	–
Xu Qing	No	1	1	1	–	–	No	–
Lee Chi Ming	Yes	5	5	3	–	–	No	–

Explanation on Directors who failed to attend the Board meetings in person twice in succession
During the Reporting Period, Mr. Chen Yongbing and Mr. Wang Tao failed to attend the Board meetings in person for two consecutive times due to business engagement but appointed other Directors in writing to exercise the voting rights on their behalf.

Number of Board meetings held within the year	9
Of which: Number of on-site meetings	-
Number of meetings held by teleconference	5
Number of meetings held on-site and via teleconference	4

(II) No Objections Raised by Directors to Relevant Matters of the Company

(III) Others

1. Board of Directors and the Operation Management

(1) Composition of the Board

According to the relevant regulations of the Articles of Association, the Board shall be composed of 13 Directors, with the number of independent Directors accounting for at least 1/3 of the total number. On December 16, 2019, the fifth session of the Board was elected in the Company's first extraordinary general meeting in 2019. During the Reporting Period, as considered and approved at the first extraordinary general meeting in 2021 and the 2020 Annual General Meeting of the Company, the Company made adjustments to the fifth Board members. As of the end of the Reporting Period, there were 13 members in the Board, including 3 executive Directors (Mr. Zhang Wei, Mr. Zhou Yi, Mr. Zhu Xuebo), 5 non-executive Directors (Mr. Ding Feng, Mr. Chen Yongbing, Mr. Ke Xiang, Ms. Hu Xiao, Mr. Wang Tao) and 5 independent non-executive Directors (Mr. Chen Chuanming, Ms. Liu Yan, Mr. Chen Zhibin, Mr. Wang Jianwen, Ms. Au King Chi).

The Directors are elected or changed via the general meeting and shall formally take office from the date on which their appointments are approved by the general meeting. A Director shall serve a term of three years. Directors are eligible for re-election upon the expiration of their terms. However, the successive terms of independent non-executive Directors may not be more than 6 years. According to relevant regulations of Rule 3.13 of the Hong Kong Listing Rules, the Company has received the annual written confirmation from each independent non-executive Director with regards to his/her independence. Based on these confirmations and the relevant information available to the Board, the Company continues to confirm their independence.

The Company covered liability insurance for Directors, Supervisors and senior management and other related staff held responsible according to the authorization of the 2014 annual general meeting, to protect them from the compensation liabilities that may arise from performing their duties and to reasonably avoid management risk and legal risk which the Directors, Supervisors and senior management may be exposed to, and to encourage them to earnestly fulfill their duties and responsibilities.

(2) Duties and Responsibilities of the Board

The Board is the decision-making body of the Company and is accountable to the general meeting. According to the Articles of Association, the Board shall exercise the following major functions and powers: to convene general meetings and report work to general meetings; to carry out the resolutions of the general meetings; to resolve on the business & investment plans of the Company; to prepare annual financial budget plan and final accounting plan of the Company; to prepare profit distribution plan and loss remedy plan of the Company; to formulate proposals of the Company on increasing or decreasing the registered capital, issuing bonds or other securities and the listing plan; to formulate plans for material acquisition, purchase of shares of the Company, merger, division, dissolution or transformation of the Company; to determine, within the authority granted by the general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted wealth management, related-party transactions, etc.; to decide on the establishment of the Company's internal management organizations; to appoint or dismiss the Company's chief executive officer and secretary to the Board; to appoint or dismiss other senior management of the Company including member of Executive Committee, chief financial officer, chief compliance officer, chief risk officer and chief information officer according to the nominations by the president, and to decide the matters on their remuneration and rewards as well as penalties; to set up the basic management system of the Company; to formulate the proposals for any amendment to the Articles of Association; to manage the Company's information disclosure; to propose to the general meeting the appointment or replacement of the accounting firms which provide audit services for the Company; to listen to the work reports of the Executive Committee and review its work; to decide the Company's compliance management objectives and assume the responsibility for the effectiveness

of compliance management, including but not limited to: considering and approving the basic system for compliance management and the annual compliance report, evaluating the effectiveness of compliance management, urging to solve problems in compliance management, establishing the mechanism for direct communication with the chief compliance officer, guaranteeing the chief compliance officer's assessment on the senior management, various departments and branches, subsidiaries at all levels, Compliance Department and compliance management personnel; to formulate the risk control system of the Company; to determine Directors' remunerations and distribution plan thereof; to decide to purchase Company's shares due to the circumstances specified in the Articles of Association of the Company; and to exercise other functions and powers authorized by laws, administrative regulations, departmental rules or the Articles of Association.

(3) Duties and Responsibilities of the Operation Management

The Board is responsible for overall strategies and governance of the Company, and the Operation Management is responsible for the concrete implementation of the development strategies and policies passed by the Board as well as the daily operation and management of the Company. The Operation Management is the supreme operation management body established by the Company for implementation of the routes and policies determined by the Board, and shall exercise the following functions and powers according to the Articles of Association: to carry out Company's operation policies determined by the Board and decide on material matters during the operation and management of the Company; to formulate and implement the financial budget plan of the Company; to formulate final accounting plan, profit distribution plan and loss remedy plan of the Company; to formulate the registered capital change plans and bonds insurance plans of the Company; to formulate plans for merger, division, change and dissolution of the Company; to formulate Company's business plans and plans for investment, financing and disposal of assets, and report to the Board for approval according to authorization; to formulate Company's plan for establishment of internal management bodies; to prepare and approve the employee benefits plans and promotion and demotion plans; and to exercise other functions and powers authorized by the Board.

(4) Implementation by the Board of Resolutions Passed at General Meetings

1) On February 8, 2021, the Resolution on General Mandate for Domestic and Overseas Debt Financing Instruments of the Company was considered and approved at the Company's first extraordinary general meeting of 2021. According to the resolution, after being approved by Approval for the Registration of Public Issuance of Corporate Bonds by Huatai Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2020] No. 2057) of the CSRC, the Company publicly issued nine tranches of corporate bonds totaling RMB38.5 billion during the Reporting Period.

2) On February 8, 2021, the Resolution on General Mandate for Domestic and Overseas Debt Financing Instruments of the Company was considered and approved at the Company's first extraordinary general meeting of 2021. According to the resolution, during the Reporting Period, Pioneer Reward Limited, a subsidiary of Huatai International (an overseas wholly-owned subsidiary of the Company) issued one tranche of USD bonds totaling USD1.4 billion.

3) On February 8, 2021, the Resolution on General Mandate for Domestic and Overseas Debt Financing Instruments of the Company was considered and approved at the Company's first extraordinary general meeting of 2021. According to the resolution, after being approved by the Notice on the Matter regarding Maximum Outstanding Balance of Short-term Debentures of Huatai Securities Co., Ltd. (Yin Shi Chang [2019] No. 132) from the Financial Market Department of the People's Bank of China, during the Reporting Period, the Company issued six tranches of short-term debentures in aggregate with totaling RMB20 billion.

4) On February 8, 2021, the Resolution on General Mandate for Domestic and Overseas Debt Financing Instruments of the Company was considered and approved at the Company's first extraordinary general meeting of 2021. According to the resolution, after being approved by Approval for the Registration of Public Issuance of Subordinated Bonds by Huatai Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2020] No. 2599) of the CSRC, the Company publicly issued one tranche of subordinated bonds totaling

RMB9 billion during the Reporting Period.

5) On February 8, 2021, the Resolution on General Mandate for Domestic and Overseas Debt Financing Instruments of the Company was considered and approved at the Company's first extraordinary general meeting of 2021. According to the resolution, after being approved by Approval for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds by Huatai Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2021] No. 2918) of the CSRC, the Company publicly issued three tranches of perpetual subordinated corporate bonds totaling RMB10 billion during the Reporting Period.

6) On February 8, 2021, the Resolution on General Mandate for Domestic and Overseas Debt Financing Instruments of the Company was considered and approved at the Company's first extraordinary general meeting of 2021. According to the resolution, after being approved by Approval for the Registration of Public Issuance of Short-term Corporate Bonds by Huatai Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2020] No. 1904) of the CSRC, the Company publicly issued ten tranches of short-term corporate bonds totaling RMB40 billion during the Reporting Period.

7) On February 8, 2021, a series of resolutions including the Resolution on the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. (Draft) and its Summary was considered and approved at the Company's first extraordinary general meeting of 2021. According to the resolution, the Company completed the registration for the grant of restricted A Shares during the Reporting Period.

8) On June 22, 2021, the Resolution on the 2020 Profit Distribution Plan of the Company was considered and approved at the Company's 2020 Annual General Meeting. According to the resolution, during the Reporting Period, the Company distributed cash dividend of RMB4.00 (tax inclusive) per 10 shares based on the Company's existing total share capital of 9,076,650,000 shares after deducting the A Shares deposited in the special account for securities repurchase and temporarily not used in the equity incentive scheme, with the total cash dividend of RMB3,612,548,602.00. During the Reporting Period, the profit distribution plan has been completed.

9) On June 22, 2021, the Resolution on the Estimated Ordinary Transactions with Related Parties of the Company for 2021 was considered and approved at the Company's 2020 Annual General Meeting. For details of the actual performance of ordinary transactions with related parties of the Company during the Reporting Period according to the resolution, please refer to "Material Related-party Transactions" under "Major Events" in this report.

10) On June 22, 2021, the Resolution on the Estimated Investment Amount of the Company's Proprietary Business for 2021 was considered and approved at the Company's 2020 Annual General Meeting. According to the resolution, during the Reporting Period, related business indicators of the Company were controlled within the authorized scope of the shareholders' general meeting.

11) On June 22, 2021, Resolution on the Re-appointment of the Accounting Firm of the Company was considered and approved at the Company's 2020 Annual General Meeting. According to the resolution, during the Reporting Period, the Company continued to appoint KPMG Huazhen LLP to handle 2021 annual financial statements and internal control auditing services for the Company and its holding subsidiaries, and to issue the audit report of A shares, internal control audit report and GDR audit report; the Company also appointed KPMG for auditing services of H Shares for the Company, and to issue the audit report of H Shares.

(5) Training of Directors

Trainings are provided to Directors on an on-going basis. The Company attaches great importance to the ongoing training of Directors, to ensure that the Directors form an appropriate understanding of the operation of the Company and its business and they understand their duties and responsibilities as directors as required by the CSRC, the Shanghai Stock Exchange, the Hong Kong Stock Exchange, and as stipulated in the Articles of Association and other relevant laws and regulatory requirements. During the Reporting Period, the Company's Directors attached great importance to updating professional knowledge and skills, to adapt to the needs of the development of the Company. In addition to participation in regular trainings held by regulatory organizations and self-regulatory organizations and complete required ongoing

trainings, the Office of the Board also prepared the Work Newsletter of the Company regularly and sent it to the Directors to enable them to understand the latest policies and regulations and industrial trends and enhance their knowledge and understanding of the culture and operation of the Company. In addition, the Company continuously improved the internal work procedures, established the multi-level information communication mechanism, and set up the information communication platform, in order to ensure the access to information for Directors to perform their duties and constantly improve their overall performance capability.

During the Reporting Period, the main trainings of the Directors of the Company were as follows:

Director Name	Date	Organizer	Content	Training Location
Zhang Wei	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-05-26	Jiangsu Securities Regulatory Bureau, Jiangsu Association for Public Companies	Topics on "key minority" for listed companies – training on non-compliance cases including insider dealing and market manipulation	Nanjing, Jiangsu (network video training)
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Nanjing, Jiangsu
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Nanjing, Jiangsu
Zhou Yi	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Nanjing, Jiangsu
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Nanjing, Jiangsu

Director Name	Date	Organizer	Content	Training Location
Ding Feng	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-05	Jiangsu Securities Regulatory Bureau, Jiangsu Association for Public Companies	Training on special ratification of non-compliance in relation to stock transactions	Nanjing, Jiangsu (network video training)
	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Nanjing, Jiangsu
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Nanjing, Jiangsu
Chen Yongbing	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Nanjing, Jiangsu
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Nanjing, Jiangsu
Ke Xiang	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-05	Jiangsu Securities Regulatory Bureau, Jiangsu Association for Public Companies	Training on special ratification of non-compliance in relation to stock transactions	Nanjing, Jiangsu (network video training)

Director Name	Date	Organizer	Content	Training Location
Ke Xiang		Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Nanjing, Jiangsu
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Nanjing, Jiangsu
Hu Xiao	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shanghai
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shanghai
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shanghai
	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shanghai
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Shanghai
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Shanghai
Wang Tao	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shenzhen
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shenzhen
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shenzhen
	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shenzhen
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Shenzhen
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Shenzhen
Zhu Xuebo	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shenzhen
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shenzhen
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shenzhen

Director Name	Date	Organizer	Content	Training Location
Zhu Xuebo	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Shenzhen
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Shenzhen
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Shenzhen
Chen Chuanming	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Nanjing, Jiangsu
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Nanjing, Jiangsu
	2021-12-17	China Association for Public Companies	Training on legal liabilities and risk precaution for independent directors of listed companies	Nanjing, Jiangsu (network video training)
Liu Yan	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Beijing
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Beijing
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Beijing
	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Beijing
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Beijing
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Beijing
	2021-12-17	China Association for Public Companies	Training on legal liabilities and risk precaution for independent directors of listed companies	Beijing (network video training)

Director Name	Date	Organizer	Content	Training Location
Chen Zhibin	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-12 to 2021-11-19	Shanghai Stock Exchange	Following-up training for independent directors of listed companies	Nanjing, Jiangsu (network video training)
	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Nanjing, Jiangsu
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Nanjing, Jiangsu
	2021-12-17	China Association for Public Companies	Training on legal liabilities and risk precaution for independent directors of listed companies	Nanjing, Jiangsu (network video training)
Wang Jianwen	2021-02-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-04-23	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Nanjing, Jiangsu
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Nanjing, Jiangsu
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Nanjing, Jiangsu
	2021-12-17	China Association for Public Companies	Training on legal liabilities and risk precaution for independent directors of listed companies	Nanjing, Jiangsu (network video training)
Au King Chi	2021-06-16	Hong Kong Securities and Investment Institute	Training on latest regulatory policies of Hong Kong banking system	Hong Kong
	2021-07-06	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Hong Kong

Director Name	Date	Organizer	Content	Training Location
Au King Chi	2021-07-07 to 2021-07-09	Shanghai Stock Exchange	Qualification training for independent directors of companies listed on the Main Board	Hong Kong (network video training)
	2021-08-06	Hong Kong Securities and Investment Institute	Relevant policies and measures of Hong Kong International Finance Centre	Hong Kong
	2021-10-22 and 2021-10-29	Practising Governance Limited	Training on macro environment, regulation updates and ESG etc.	Hong Kong
	2021-11-17	Clifford Chance	Introduction to latest regulatory laws in the Hong Kong capital market	Hong Kong
	2021-11-17	Financial Reporting Council of Hong Kong	Training on non-compliance cases of financial statements of companies listed on the Stock Exchange	Hong Kong
	2021-11-23	Huatai Securities Co., Ltd.	Training on regulations in relation to stock transactions by directors, supervisors and senior management	Hong Kong
	2021-12-17	China Association for Public Companies	Training on legal liabilities and risk precaution for independent directors of listed companies	Hong Kong (network video training)

2. Chairman and Chief Executive Officer

Chairman and Chief Executive Officer are two different positions, and according to the provisions of the Articles of Association, the chairman is the legal representative of the Company, responsible for managing the operations of the Board, ensuring that the Board acts in compliance with the best interests of the Company, ensuring the effective operation of the Board, ensuring that the Board has fulfilled its due duties and discussions about all significant and appropriate matters are held so that Directors get accurate, timely and explicit data. Chief Executive Officer manages the daily work of the Company, attends Board meetings, reports to the Board and exercises the functions and powers according to the responsibility scope of the Chief Executive Officer.

According to provisions of Rule A.2.1 (renumbered as Rule C.2.1 with effect from January 1, 2022) of Corporate Governance Code, the roles of the chairman and chief executive shall be separate and should not be performed by the same individual at the same time. On December 16, 2019, at the first meeting of the fifth session of the Board, the Company elected Mr. Zhang Wei as the chairman of the fifth session of the Board and continued to hire Mr. Zhou Yi as the Chief Executive Officer and the Chairman of the Executive Committee of the Company. The Board thinks that this management structure is effective and has enough checks and balances for the Company's operation.

3. Non-executive Directors

As of the end of the Reporting Period, the Company has 5 non-executive Directors and 5 independent non-executive Directors. For details of their terms of office, please refer to "Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period" under "Directors, Supervisors and senior management" under "Corporate Governance" in this report.

4. Performance of Duties by Independent Non-executive Directors

(1) Works regarding periodic reports

In the annual report compilation process, all independent non-executive Directors of the Company have performed full duties according to the requirements of the CSRC and the provisions of the Working System for Independent Directors of the Company.

On January 19, 2021, at the first meeting of the Audit Committee of the fifth session of the Board for 2021, the Audit Committee listened to the report on the arrangement of audit progress of the audit work in 2020, the focus of annual audit and the situation of pre-audit made by relevant personnel from KPMG Huazhen LLP, and made discussion and communication with relevant personnel from KPMG Huazhen LLP. Two out of the three members in the Audit Committee are independent non-executive Directors, who put forward opinions and suggestions to the supplement and perfection of the Auditing Plan of the Company for 2020 from different perspectives in their roles as members of the Audit Committee and as independent non-executive Directors.

On February 26, 2021, at the second meeting of the Audit Committee of the fifth session of the Board for 2021, the Audit Committee considered and approved the Resolution on the Auditing Plan of the Company for 2020. Two out of the three members in the Audit Committee are independent non-executive Directors, who examined the Auditing Plan of the Company for 2020 from different perspectives in their roles as members of the Audit Committee and as independent non-executive Directors.

On March 19, 2021, at the third meeting of the Audit Committee of the fifth session of the Board for 2021, the Audit Committee examined the Company's Annual Financial Statement in 2020, Annual Report in 2020, Annual Internal Control Evaluation Report in 2020, Report on Performance of Duties by the Audit Committee of the Board in 2020 and Internal Audit Work Plan in 2021, etc., reviewed the "Key Audit Matters" and other important issues involved in the Company's 2020 Annual Audit Report, and listened to the report on the internal audit work of the Company in 2020. Two out of the three members in the Audit Committee are independent non-executive Directors, who examined relevant resolutions and gave opinions from different perspectives in their roles as members of the Audit Committee and as independent non-executive Directors.

On August 3, 2021, at the fifth meeting of the Audit Committee of the fifth session of the Board for 2021, the Audit Committee listened to the report on the 2021 mid-term review of the Company's H+G Shares and the audit plan of the Company's 2021 A+H+G Share annual report made by relevant personnel from KPMG Huazhen LLP, and made discussion and communication with relevant personnel from KPMG Huazhen LLP. Two out of the three members in the Audit Committee are independent non-executive Directors, who made discussions, exchanged views and made comments and suggestions from different perspectives in their roles as members of the Audit Committee and as independent non-executive Directors.

(2) Consideration on related-party transactions

On March 23, 2021, all the independent non-executive Directors of the Company gave independent opinions on the Proposal on the Ordinary Transactions with Related Parties of the Company for 2021. They were of the opinion that the relevant related-party transactions were fair with reference to the market price for pricing the transactions without compromising the interests of the Company and other shareholders; the relevant related-party transactions were all derived in the ordinary operation of the Company and would help carry out the businesses of the Company and bring certain income to the Company; the procedures for approval for relevant related-party transactions complied with relevant laws, regulations and regulatory documents as well as the Articles of Association and the Management System for Related-party Transactions of the Company.

(3) Other performance of duties

On March 23, 2021, all the independent non-executive Directors of the Company gave special clarification and independent opinions on external guarantees carried out by the Company in 2020, gave special clarification and independent opinions on fund intercourse between the Company and the controlling

shareholders and other related parties, gave independent opinions on the Proposal on Profit Distribution of the Company in 2020, gave independent opinions on Annual Internal Control Evaluation Report of the Company in 2020, gave independent opinions on the re-appointment of the accounting firm, gave independent opinions on the provision for impairment of assets of the Company and gave independent opinions on the adjustment to the restricted share incentive scheme of A Shares and the grant thereunder of the Company. On May 20, 2021, all the independent non-executive Directors of the Company gave independent opinions on the nomination of Ms. Au King Chi as the candidate for an independent non-executive Director of the fifth session of the Board of the Company.

VIII. SPECIAL COMMITTEES UNDER THE BOARD

(I) Members of the special committees of the Board

Five special committees, namely, Development Strategy Committee, Compliance and Risk Management Committee, Audit Committee, Nomination Committee and Remuneration and Appraisal Committee were established under the Board, members of which were as follows:

The Development Strategy Committee (a total of five members): Zhang Wei, Zhou Yi, Chen Yongbing, Hu Xiao and Wang Tao and Mr. Zhang Wei is the chairman (convener) of the Development Strategy Committee;

The Compliance and Risk Management Committee (a total of three members): Zhou Yi, Ke Xiang and Wang Jianwen and Mr. Zhou Yi is the chairman (convener) of the Compliance and Risk Management Committee;

The Audit Committee (a total of three members with the independent non-executive Directors accounting for more than 1/2): Chen Zhibin, Ding Feng and Au King Chi and Mr. Chen Zhibin is the chairman (convener) of the Audit Committee;

The Nomination Committee (a total of three members with the independent non-executive Directors accounting for more than 1/2): Chen Chuanming, Zhu Xuebo and Liu Yan and Mr. Chen Chuanming is the chairman (convener) of the Nomination Committee;

The Remuneration and Appraisal Committee (a total of three members, all are independent non-executive Directors): Chen Chuanming, Liu Yan and Chen Zhibin and Mr. Chen Chuanming is the chairman (convener) of the Remuneration and Appraisal Committee.

(II) Performance of duties by the special committees of the Board

1. Development Strategy Committee of the Board

The major duties of the Development Strategy Committee of the Board include: 1. Understanding and grasping the overall situation of the Company's operation; 2. Understanding, analyzing and grasping the current situation of international and domestic industries; 3. Understanding and grasping the relevant domestic policies; 4. Studying the short-term, medium-term and long-term development strategies of the Company or relevant issues; 5. Providing consultancy advice on the Company's long-term development strategies, major investments, reforms and other major decisions; 6. Considering and approving the special research reports on development strategies; 7. Publishing daily research reports in a regular or irregular manner; 8. Other duties assigned by the Board.

During the Reporting Period, the Development Strategy Committee of the Board convened a total of two meetings, the details of which were as follows:

Session	Convening date	Meeting contents	Important comments and suggestions	Other conditions on execution of duty
The first meeting of the Development Strategy Committee of the fifth session of the Board for 2021	June 29, 2021	To consider the Resolution on the "14th Five-Year" Strategic Development Plan of the Company	The Development Strategy Committee considered and approved the resolution at the meeting	The meeting was convened by way of communication
The second meeting of the Development Strategy Committee of the fifth session of the Board for 2021	November 29, 2021	To consider the Resolution on Sponsoring a Foundation and the Resolution on Amendments to the Administration Measures for Donations of Huatai Securities Co., Ltd.	The Development Strategy Committee considered and approved the resolutions at the meeting	The meeting was convened by way of communication

Attendance of members of the Development Strategy Committee of the Board at the meetings held during the Reporting Period:

Name	Position	Attendance in person/Number of meetings requiring attendance
Zhang Wei (chairman and convener)	Chairman	2/2
Zhou Yi	Executive Director	2/2
Chen Yongbing	Non-executive Director	2/2
Hu Xiao	Non-executive Director	2/2
Wang Tao	Non-executive Director	2/2

2. Compliance and Risk Management Committee of the Board

The main duties of the Compliance and Risk Management Committee of the Board include: 1. Reviewing and making recommendations on the overall targets and fundamental policies of compliance management and risk management; 2. Reviewing and making recommendations on the setup of compliance management and risk management bodies and their duties; 3. Evaluating and making recommendations on the risks of major decisions which require the Board's review as well as the solutions to these risks; 4. Reviewing and making recommendations on the compliance reports and risk assessment reports that require the Board's review; 5. Other duties prescribed in the Articles of Association.

During the Reporting Period, the Compliance and Risk Management Committee of the Board convened two meetings, the details of which were as follows:

Session	Convening date	Meeting contents	Important comments and suggestions	Other conditions on execution of duty
The first meeting of the Compliance and Risk Management Committee of the fifth session of the Board for 2021	March 22, 2021	1. To consider the Resolution on the Annual Compliance Report of the Company in 2020 2. To consider the Resolution on the Annual Risk Management Report of the Company in 2020 3. To consider the Resolution on Annual Internal Control Evaluation Report of the Company in 2020	The Compliance and Risk Management Committee considered and approved the resolutions at the meeting	The meeting was convened by way of communication
The second meeting of the Compliance and Risk Management Committee of the fifth session of the Board for 2021	August 26, 2021	To consider the Resolution on the Company's 2021 Interim Compliance Report	The Compliance and Risk Management Committee considered and approved the resolution at the meeting	The meeting was convened by way of communication

Attendance of members of the Compliance and Risk Management Committee at the meetings held during the Reporting Period:

Name	Position	Attendance in person/Number of meetings requiring attendance
Zhou Yi (chairman and convener)	Executive Director	2/2
Ke Xiang	Non-executive Director	2/2
Wang Jianwen	Independent non-executive Director	2/2

Note: The fifth session of the Board convened the thirteenth meeting on February 8, 2021, and considered and approved the Resolution on the Adjustment to the Composition of Certain Special Committees under the Fifth Session of the Board of the Company. According to the resolution, Zhou Yi, Ke Xiang and Wang Jianwen became members of the Compliance and Risk Management Committee, and Mr. Zhou Yi is the chairman (convener) of the Compliance and Risk Management Committee.

3. Audit Committee of the Board

The main duties of the Audit Committee of the Board include: 1. Supervising and guiding the audit work. It shall manage and guide the internal audit work planning and audit team construction, regularly listen to and review the comprehensive report of audit work, annual audit plan and important audit reports, make judgements on the truthfulness, accuracy and completeness of the audited financial report, and submit them to the Board for reviewing. It shall supervise the Company's financial statement and the completeness of the Company's annual report and account, interim report and quarterly report and review statements as well as major opinions on financial declaration in reports. The Committee shall pay special attention to the following matters: ① Changes in accounting policies and practices; ② Matters concerning significant judgment; ③ Significant adjustments due to the audit; ④ Assumptions of on-going operations of the Company and its qualified opinions; ⑤ Compliance with the accounting standards; and ⑥ Compliance with the listing rules or relevant laws and regulations of the listing place where the financial reporting shall be made; 2. Proposing the engagement or changing of external audit institutions and supervising the professional conduct of external audit institutions, so as to ensure the coordination of internal and external auditors. Moreover, it shall also ensure that the internal audit institution is given enough resources for operation and appropriate status within the Company and check and supervise its validity; 3. Considering and putting forward suggestions for the appointment, reappointment, remuneration, appointment terms and any other issues about the resignation or dismissal of external auditors. It shall hold the position as the main representative between the Company and the external auditor and supervise their relationship; 4. Discussing with the external auditors about the nature, scope and relevant responsibility of audit and frequently check if the audit procedure is valid and whether the external auditor is objective and independent before carrying out the audit work; 5. Checking the Explanation Letter on Audit offered by external auditors to the management and any major doubts put forward by the auditors to the management about the accounting record, financial account or monitoring system as well as the response of the management and ensure that the Board can timely reply to issues put forward in the Explanation Letter on Audit offered by external auditors to the management; 6. Checking and monitoring the Company's financial supervision, risk management and internal monitoring system and check the financial and accounting policies and practices of the Company and its subsidiaries; 7. Discussing the risk management and internal supervision system with the management so as to ensure that the management has performed its duty and established a valid internal supervision system; studying the important investigations results and responses of the management related to risk management and internal supervision system actively or as assigned by the Board of Directors; 8. Reporting the above issues to the Board; 9. Checking the Company's following arrangement: Employees of the Company may secretly raise concerns on irregular conducts about financial reporting, internal monitoring, or other aspects. The Audit Committee shall ensure that there is appropriate arrangement for the Company to make fair and independent investigation and take appropriate actions on such issues; 10. Studying other projects defined by the Board; 11. Other responsibilities according to the Company's Articles of Association or the Listing rules or laws and regulations of the place where the Company is listed.

During the Reporting Period, the Audit Committee of the Board convened seven meetings, the details of which were as follows:

Session	Convening date	Meeting contents	Important comments and suggestions	Other conditions on execution of duty
The first meeting of the Audit Committee of the fifth session of the Board for 2021	January 19, 2021	To listen to the report on the progress of the audit work in 2020, the focus of annual audit and the situation of pre-audit made by relevant personnel from KPMG Huazhen LLP, and to discuss and communicate with relevant personnel from KPMG Huazhen LLP	Committee member Lee Chi Ming inquired about key audit matters and the work focus. Committee member Ding Feng advised the Company to pay attention to the transfer registration date of the share allotment of the Bank of Jiangsu. Committee member Chen Zhibin inquired about the audit arrangements on subsidiaries in the United States. Relevant personnel of KPMG Huazhen LLP and the Planning and Finance Department of the Company made detailed explanations.	The meeting was convened by way of on-site & video meetings
The second meeting of the Audit Committee of the fifth session of the Board for 2021	February 26, 2021	To consider the Resolution on the Auditing Plan of the Company for 2020	The Audit Committee considered and approved the resolution at the meeting	The meeting was convened by way of communication

Session	Convening date	Meeting contents	Important comments and suggestions	Other conditions on execution of duty
The third meeting of the Audit Committee of the fifth session of the Board for 2021	March 22, 2021	1. To consider the Final Financial Report of the Company for 2020 2. To consider the Financial Budget Report of the Company for 2021 3. To consider the Proposal on the Profit Distribution Plan of the Company for 2020 4. To consider the Resolution on the Provision for Impairment of Assets 5. To consider the Resolution on the Annual Financial Statements of the Company for 2020 6. To consider the Proposal on the Annual Report of the Company for 2020 7. To consider the Resolution on the Internal Control Assessment Report of the Company for 2020 8. To consider the Proposal on the Anticipation of Related-Party Transactions of the Company for 2021 9. To consider the Proposal on the Re-appointment of the Company's Accounting Firm; 10. To consider the Report on Performance of Duties of Audit Committee under the Board of the Company for 2020 11. To consider the Work Plan for the Internal Audit of the Company for 2021 12. To review the Important Matters Involved in the "Key Audit Matters" as Set Out in the Annual Audit Report of the Company for 2020 13. Debriefing in Relation to the Internal Audit Report of the Company for 2020	The Audit Committee considered and approved the resolutions at the meeting. Committee member Lee Chi Ming inquired about the impact of the opening of the domestic securities market and the recognition of audit reports by the HKEX and advised the Company to further improve the coordination mechanism on internal audit and external audit and adopt more technologies to empower audit so as to provide better guarantees to the compliance operation of the Company. Committee member Ding Feng inquired about the performance growth of AssetMark, assumptions on annual budget and the audit range of the audit department. Committee member Chen Zhibin inquired about audit expenses, audit of related-party transactions and the target and positioning of internal audit. Relevant personnel of KPMG Huazhen LLP and the Planning and Finance Department of the Company made detailed explanations.	The meeting was convened by way of on-site & video meetings

Session	Convening date	Meeting contents	Important comments and suggestions	Other conditions on execution of duty
The fourth meeting of the Audit Committee of the fifth session of the Board for 2021	April 28, 2021	To consider the Resolution on the Financial Statements for January to March 2021 of the Company	The Audit Committee considered and approved the resolution at the meeting.	The meeting was convened by way of communication
The fifth meeting of the Audit Committee of the fifth session of the Board for 2021	August 3, 2021	To listen to the report on the 2021 mid-term review of the Company's H+G Share and the Company's 2021 A+H+G Share annual audit plan made by relevant personnel from KPMG Huazhen LLP, and to discuss and communicate with relevant personnel from KPMG Huazhen LLP	The Audit Committee considered and approved the resolution at the meeting. Committee member Ding Feng inquired about the impact of the additional information disclosures from Chinese companies seeking a listing on U.S. stock exchanges by the US Securities and Exchange Commission. Committee member Au King Chi advised the Company to pay attention to US restrictions on overseas investments by US investors and inquired the margin financing and securities lending department about the disposal of academic course training stocks. Relevant personnel of KPMG Huazhen LLP and the Planning and Finance Department of the Company made detailed explanations.	The meeting was convened by way of on-site & video meetings
The sixth meeting of the Audit Committee of the fifth session of the Board for 2021	August 26, 2021	1. To consider the Resolution on the Financial Statement of the Company in the First Half of 2021 2. To consider the Resolution on Interim Report of the Company in 2021	The Audit Committee considered and approved the resolution at the meeting.	The meeting was convened by way of communication

Session	Convening date	Meeting contents	Important comments and suggestions	Other conditions on execution of duty
The seventh meeting of the Audit Committee of the fifth session of the Board for 2021	October 28, 2021	To consider the Resolution on the Financial Statements for January to September of 2021 of the Company	The Audit Committee considered and approved the resolution at the meeting.	The meeting was convened by way of communication

Attendance of the members of the Audit Committee at the meetings held during the Reporting Period is as follows:

Name	Position	Attendance in person/Number of meetings requiring attendance
Chen Zhibin (chairman and convener)	Independent non-executive Director	7/7
Ding Feng	Non-executive Director	7/7
Au King Chi	Independent non-executive Director	3/3
Lee Chi Ming	Independent non-executive Director (resigned)	4/4

Note: The fifth session of the Board convened the seventeenth meeting on June 29, 2021, and considered and approved the Resolution on the Adjustment to the Composition of Certain Special Committees under the Fifth Session of the Board of the Company. According to the resolution, Chen Zhibin, Ding Feng and Au King Chi became members of the Audit Committee, and Mr. Chen Zhibin is the chairman (convener) of the Audit Committee.

4. Nomination Committee of the Board

The main duties of the Nomination Committee of the Board include: 1. Reviewing the structure, headcount and composition (including skills, knowledge and experience) of the Board at least once each year and making recommendations regarding any proposed changes in the Board in line with the Company's strategies; 2. Considering and making suggestions on the criteria and procedures for the selection of Directors and senior management members; 3. Searching for qualified candidates for Director and senior management, and selecting from the list of candidates nominated by Directors or making recommendations to the Board; 4. Reviewing and making suggestions on the qualification requirements for Directors and senior management; 5. Assessing the independence of independent non-executive Directors; 6. Making recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors (in particular the chairman and the president); 7. Other responsibilities stipulated in the Articles of Association or as required by the Board.

During the Reporting Period, the Nomination Committee of the Board convened two meetings, the details of which were as follows:

Session	Convening date	Meeting contents	Important comments and suggestions	Other conditions on execution of duty
The first meeting of the Nomination Committee of the fifth session of the Board for 2021	May 20, 2021	To consider the Resolution in Relation to the Election of an Independent Non-executive Director of the Fifth Session of the Board of the Company	The Nomination Committee considered and approved the resolution at the meeting	The meeting was convened by way of communication
The second meeting of the Nomination Committee of the fifth session of the Board for 2021	December 30, 2021	To consider the Resolution in Relation to the Election of an Executive Director of the Fifth Session of the Board of the Company	The Nomination Committee considered and approved the resolution at the meeting	The meeting was convened by way of communication

Attendance of the members of the Nomination Committee at the meetings held during the Reporting Period:

Name	Position	Attendance in person/Number of meetings requiring attendance
Chen Chuanming (chairman and convener)	Independent non-executive Director	2/2
Zhu Xuebo	Executive Director	2/2
Liu Yan	Independent non-executive Director	2/2

5. Remuneration and Appraisal Committee of the Board

The main duties of the Remuneration and Appraisal Committee of the Board include: 1. Reviewing and providing opinions on the appraisal and remuneration management system for Directors and senior management, and making recommendations to the Board on the Company's overall policy and structure for the remuneration of the Directors and senior management, and on the establishment of a formal and transparent procedure to develop remuneration policy; 2. Reviewing and approving the management' remuneration proposals with reference to the Board's corporate goals and objectives; 3. Conducting assessment on and making recommendations to the Directors and senior management: making recommendations on the remuneration packages, including benefits in kind, pensions and compensation payments (including any compensation payable for loss or termination of office or appointment), for certain executive Directors and senior management, and making recommendations to the Board on the remuneration of non-executive Directors; 4. Considering salaries paid by comparable companies, time commitment and responsibilities and engagement condition elsewhere in the Group; 5. Reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with the relevant contractual terms. In case of inconsistency with the relevant contractual terms, the compensation shall be fair and not be excessive; 6. Reviewing and approving compensation arrangements relating to dismissal or removal

of Directors for misconduct to ensure that they are consistent with the contractual terms. In case of inconsistency with the relevant contractual terms, the compensation shall be reasonable and appropriate; 7. Ensuring that no Director or any of his/her associates is involved in determining their own remuneration; 8. Other responsibilities stipulated in the Articles of Association.

During the Reporting Period, the Remuneration and Appraisal Committee of the Board convened two meetings, the details of which were as follows:

Session	Convening date	Meeting contents	Important comments and suggestions	Other conditions on execution of duty
The first meeting of the Remuneration and Appraisal Committee of the fifth session of the Board for 2021	March 22, 2021	1. To consider the Report on Performance Assessment and Remuneration of the Directors of the Company in 2020 2. To consider the Report on Execution of Duty, Performance Assessment and Remuneration of the Senior Management of the Company in 2020	The Remuneration and Appraisal Committee considered and approved the resolutions at the meeting	The meeting was convened by way of communication
The second meeting of the Remuneration and Appraisal Committee of the fifth session of the Board for 2021	August 26, 2021	To consider the Resolution in Relation to the Performance Plan and Target of the Company's Senior Management for 2021	The Remuneration and Appraisal Committee considered and approved the resolution at the meeting	The meeting was convened by way of communication

Attendance of the members of the Remuneration and Appraisal Committee at the meetings held during the Reporting Period:

Name	Position	Attendance in person/Number of meetings requiring attendance
Chen Chuanming (chairman and convener)	Independent non-executive Director	2/2
Liu Yan	Independent non-executive Director	2/2
Chen Zhibin	Independent non-executive Director	2/2

IX. PERFORMANCE OF DUTIES OF SUPERVISORS

The Supervisory Committee is the Company's supervisory body and is accountable to the Shareholders' general meeting. The Supervisory Committee is responsible for supervising the financial activities and internal control of the Company, and supervising the legality and compliance of the performance of duties by the Board of Directors, operating management and its members in accordance with the Company Law and the Articles of Association.

In 2021, the Supervisory Committee of the Company strictly complied with the relevant provisions of the Company Law, the Securities Law and the Company's Articles of Association, the Rules of Procedures for the Supervisory Committee and other relevant regulations, to conscientiously perform and independently exercise the supervisory powers and duties of the Supervisory Committee. In the spirit of being responsible to all shareholders, the Supervisory Committee effectively supervised the Company's operating activities, financial position, major decisions of the Board of Directors and the legality and compliance of the performance of duties by operating management. It actively protects the interests of the Company and the shareholders, and escorts the healthy and long-term development of the Company.

(I) Performance of duties by Supervisors

During the Reporting Period, the Supervisory Committee of the Company held 5 meetings. For relevant information, please refer to "VI. Meetings of the Supervisory Committee Convened During the Reporting Period" in this section.

During the Reporting Period, all the supervisors of the Company attended the meetings of the Supervisory Committee, the Board of Directors, and the Shareholders' general meetings, the details of which were as follows:

Name of Supervisor	Attendance at meetings of the Supervisory Committee						Attendance at Board meeting	Attendance at the general meeting
	Number of meetings of Supervisory Committee requiring attendance	Attendance in person	Attendance in the way of teleconference	Attendance by proxy	Absence	Whether or not he/ she failed to attend the meeting in person for two successive times		Attendance times
Gu Chengzhong	5	5	–	–	–	No	4	2
Zhang Ming	5	1	–	4	–	Yes	–	–
Yu Lanying	5	3	–	2	–	No	2	–
Zhang Xiaohong	5	4	–	1	–	No	3	1
Fan Chunyan	5	2	–	3	–	Yes	2	–
Wang Ying	5	5	–	–	–	No	4	2
Wang Juan	1	1	–	–	–	No	1	–
Zhai Jun	4	3	–	1	–	No	2	2

Number of meetings of Supervisory Committee convened during the year	5
Of which: number of meetings held on-site	5
number of meetings in the way of teleconference	-
number of meetings held on-site and in the way of teleconference	-

Note: During the Reporting Period, Mr. Zhang Ming and Ms. Fan Chunyan failed to attend meetings of the Supervisory Committee in person for two consecutive times due to business engagement but appointed other supervisors in writing to exercise the voting right on their behalf.

(II) Independent opinions of the Supervisory Committee

During the Reporting Period, the Supervisory Committee convened 5 meetings in total in the whole year, at which 15 proposals and reports were considered. The Supervisors sat in the Board meetings and general meetings of the Company, monitored the decision-making process on material matters on a real-time basis, kept abreast of the management's implementation of the decisions made by the Board through carefully reading the reports of the Company, including Work Newsletter (monthly) and Brief Report on Audit Work (quarterly). On this basis, the Supervisory Committee gave independent opinions on the Company's relevant matters as follows:

1. Legal operation

During the Reporting Period, the Company was under legal operation in compliance with relevant laws and regulations such as the Company Law, the Securities Law and the Articles of Association as well as the requirements of the Company's systems. Major operational decisions of the Company were reasonable, and the decision-making procedures were lawful. The Company established a relatively sound internal management system and internal control system, under which various regulations were effectively implemented. During the Reporting Period, the Supervisory Committee found no conducts violating laws, regulations, the Articles of Association or damaging the interests of the Company and its shareholders made by Directors and senior management of the Company when performing their duties, and there were no material risks in the Company.

2. Financial conditions of the Company

During the Reporting Period, the Supervisory Committee of the Company regularly convened meetings of the Supervisory Committee to review quarterly reports, interim reports, annual financial reports, annual evaluation reports on internal control and other documents of the Company, and checked the business and financial conditions of the Company. The Supervisory Committee believed that the financial report of the Company for 2021 had been audited by KPMG Huazhen LLP which had issued a standard audit report without qualified opinions. The Company's financial statements were prepared in compliance with the relevant requirements of the ASBE, which truly reflected the financial conditions and operational achievements of the Company. Regular reports were prepared and reviewed in compliance with relevant laws, regulations and various requirements of the CSRC, the contents of which were true, accurate and complete to reflect the actual conditions of the Company.

3. Implementation of the System regarding Insider Registration and Management and Confidentiality

The Company established the System regarding Insider Registration and Management and Confidentiality of Huatai Securities Co., Ltd. in accordance with relevant laws and regulations. During the Reporting Period, the Company carried out the registration and management of insider information in an orderly manner pursuant to the policies. There were no incidents found in the Company in violation of insider registration and management and confidentiality obligation.

4. Related-party transactions

During the Reporting Period, the related-party transactions of the Company were fair and reasonable, and

no circumstances impairing interests of the Company and shareholders have been found. When the Board of Directors of the Company considered related matters, independent directors expressed independent opinions, affiliated directors abstained from voting, and the voting procedures were legal and valid.

5. Use of funds raised

1) Under the Approval for Issuance and Admission of Global Depository Receipts on the London Stock Exchange plc by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2018] No. 1993) (《關於核准华泰证券股份有限公司發行全球存託憑證並在倫敦證券交易所上市的批覆》(證監許可 [2018] 1993 號)) issued by the CSRC, in June 2019, the Company completed the issuance of 82,515,000 GDRs in total. After deducting the issuing fees, the net funds raised were US$1,651,595,986.28, which was converted into RMB11,313,036,931.20 at the central parity of RMB against USD as at the date when the proceeds were received. The abovementioned proceeds have been all in place as at June 28, 2019 and have been verified by KPMG Huazhen LLP with the KPMG capital verification report (Yan Zi No. 1900393).

As of the end of the Reporting Period, the funds raised from GDR of the Company were used as below: RMB3,547,720,085.15 was used to continuously investing in the Company's current principal businesses, developing various business segments including wealth management, institutional services, investment management, and promoting its business transformation and upgrade; RMB1,000,000,000.00 was used to supplementing working capital and for general corporate purposes; and USD1,013,928,574.46 was used for supporting the internal and external growth of international business, and expanding overseas strategic layout. As of December 31, 2021, the planned usage of the Company's funds raised from issuance of GDRs was consistent with that disclosed in the GDR prospectus without change. Funds raised from GDR of the Company were fully utilized, and deregistration procedures for relevant account have been completed.

2) During the Reporting Period, the Company successfully issued nine tranches of corporate bonds of RMB38.5 billion in total; issued ten tranches of short-term corporate bonds of RMB40 billion in total; issued one tranche of subordinated bonds of RMB9 billion; issued three tranches of perpetual subordinated bonds of RMB10 billion; issued six tranches of short-term financing bonds with an accumulative scale of RMB20 billion; issued USD bonds and USD medium-term notes with a total scale of USD1.922 billion. During the Reporting Period, the Company issued 3,879 income certificates in total with a scale of RMB66.233 billion. As of the end of the Reporting Period, 872 income certificates continued to exist with a scale of RMB15.363 billion. All the use of funds raised was consistent with the content disclosed in the prospectus.

6. Share incentive scheme

During the Reporting Period, the Supervisory Committee reviewed the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. (Draft) and relevant information, verified the list of incentive participants, subsequent adjustments to the restricted share incentive scheme of A Shares of the Company, the list of proposed incentive participants and the satisfaction of conditions for the incentive participants to be granted the equity, and expressed its verification opinions. The incentive scheme is beneficial to the sustainable development of the Company, and there is no apparent prejudice to the interests of the Company and all shareholders. The incentive participants are legally and validly qualified, and the procedures are in compliance with laws and regulations.

7. Review of relevant reports

1) Written reviews and opinions on the annual report of the Company for 2021 prepared by the Board of Directors were as follows:

The annual report of the Company for 2021 was prepared and reviewed in compliance with the relevant laws, regulations and requirements of regulatory authorities, the contents of which were true, accurate and complete and could reflect the actual conditions of the Company.

2) The Supervisory Committee of the Company reviewed the Assessment Report on Internal Control of the Company for 2021, and had no objections to the contents therein.

X. RISKS FOUND BY THE SUPERVISORY COMMITTEE IN THE COMPANY

The Supervisory Committee had no objections towards the matters under supervision during the Reporting Period.

XI. INFORMATION ABOUT THE STAFF OF THE PARENT COMPANY AND MAJOR SUBSIDIARIE AS AT THE END OF THE REPORTING PERIOD

(I) Information about the staff

Number of staff employed by the parent company	10,506
Number of staff employed by major subsidiaries	3,866
The total number of staff employed	14,372
Number of retired staff of the parent company and its major subsidiaries that need to be paid for the cost	226

Profession Composition

Profession	Number of staff
Operation professionals	9,728
Operation support professionals	1,475
Research and development professionals	3,169
Total	14,372

Education

Level of education	Number (persons)
Doctor	140
Master	5,080
Bachelor	6,927
Junior college graduate and below	1,351
Total	13,498

Note: Due to the internal policies of corporations in the United States, the above statistics do not include those of AssetMark. Number of staff includes dispatched workers and brokers etc.

(II) Remuneration policy

The Company attaches importance to external competitiveness and internal fairness of salary incentive, and implements a remuneration distribution system based on market standards and weighted by performance evaluation. Staff remuneration of the Company consists of fixed salary, performance bonus, share incentive and employee benefits. The Company has established and implemented the restricted share incentive scheme of A Shares in accordance with national laws and regulations, which established a sound medium and long-term incentive and restraint mechanism, and created a market-oriented institutional mechanism and development platform to gather core talents.

Pursuant to relevant laws and regulations, the Company makes full payments to social insurances and housing fund accounts for staff in accordance with laws. Meanwhile, the Company has established the supplementary medical insurance plan and enterprise annuity plan to improve supplementary medical care and retirement treatment of staff.

(III) Training programs

In line with the development trend of industry innovation and transformation, the Company continued to centralize its training on the aspects including professional ability, management capability, business innovation, technology empowerment and international horizon and its annual training plan was implemented smoothly. The Company actively responded to the pandemic and organized and carried out various online and offline professional development trainings such as the BAL Star Battle Camp (BAL 星戰營) for managers, the HIPO project for potential employees and the HTSC STAR project for new employees. It organized business trainings on investment advisory on public and private products, institutional RM and compliance with business departments. To support the technology empowerment strategy, the Company established digital talent cultivation systems and launched digital talent training programs at different levels. Among them, the "HIPO-Talent Program" fintech talent training project is to cultivate leading fintech professionals with first-rate professionalism, technological capability and leadership. In addition, the Company effectively utilized the cloud learning platform and optimized its functions to improve staff experience. It organized 480 live broadcast training sessions on the platform. 1,300,000 participants studied through the platform and completed 320,000 hours of learning with an average of 41 hours for each participant.

(IV) No labor outsourcing

XII. PROPOSAL OF PROFIT DISTRIBUTION OR CAPITALIZATION FROM CAPITAL RESERVE

(I) Formulation, implementation or adjustment of cash dividend policy

Article 262 of the Articles of Association has clarified the Company's profit distribution policy, the decision-making process for the profit distribution plan and the decision-making process for adjustments of the profit distribution policy. The policy of the Company's profit distribution is: "The Company shall focus on generating a reasonable investment return to the investors and implements continual and steady policy of profit distribution; the Company's profit distribution shall not exceed the scope of accumulated distributable profits nor impair the Company's continual operational capability; the Company may distribute dividends in form of cash, shares or a combination of cash and shares. Except for the special condition under which the Company plans to conduct material investments or make major cash expenses within the next twelve months, or other conditions that may result in the fact that the Company fails to comply with the regulatory requirements regarding net capital, the Company shall distribute its dividends in form of cash if the Company's profits for the current year and its accumulated non-distributed profits are positive; for the last three years, the Company's accumulated profits distributed in form of cash shall not be less than 30% of the annual average distributable profit realized for the last three years; upon the proposal by the Board of Directors and approval by the general meeting, an interim dividend distribution may be made in the form of cash; the Company may distribute dividends in the form of shares based on the annual profits and cash flow status and subject to the satisfaction of the lowest ratio for cash dividend and the reasonableness of the Company's equity scale."

For the last three years (including the Reporting Period), the Company did not have any plan or proposal regarding capitalization from capital reserve to share capital. The details of the profit distribution plan or proposal of ordinary shares of the Company over the last three years (including the Reporting Period) were as follows:

In 2019, the Company distributed cash dividend of RMB3.00 (tax inclusive) per 10 shares based on the Company's total share capital of 9,076,650,000 shares after deducting the number of shares held in the special account for repurchase of the Company after the closing of the record date of holders of A Shares for the profit distribution, with the total cash dividend of RMB2,701,394,989.80, representing 30.01% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2019.

In 2020, the Company distributed cash dividend of RMB4.00 (tax inclusive) per 10 shares based on the Company's total share capital of 9,076,650,000 shares after deducting the A Shares deposited in the Company's special account for securities repurchase and temporarily not used in the equity incentive scheme, with the total cash dividend of RMB3,612,548,602.00, representing 33.38% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2020. According to relevant provisions of the Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 7 – Repurchase of Shares (《上海證券交易所上市公司自律監管指引第 7 號－回購股份》), the amount of share repurchases effected by a company in a year shall be deemed as cash dividends and be counted in the calculation of the cash dividend payout ratio for the year. Accordingly, based on the amount of share repurchases effected by the Company for 2020 of RMB1,626,402,152.88 (excluding transaction costs), the total cash dividend of the Company in 2020 amounted to RMB5,238,950,754.88, representing 48.41% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2020.

In 2021, after comprehensive consideration of factors such as the interests of shareholders and the development of the Company, the 2021 profit distribution proposal of the Company is as follows:

1. The Company will distribute cash dividend of RMB4.50 (tax inclusive) per 10 shares based on the Company's existing total share capital of 9,076,650,000 shares after deducting 45,278,495 A Shares deposited in the special account for securities repurchase and 1,060,973 A Shares to be repurchased and cancelled (i.e. on the basis of 9,030,310,532 shares), with the total cash dividend of RMB4,063,639,739.40 (tax inclusive), representing 30.45% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2021. The remaining profit available for distribution to investors will be carried forward to the next year. According to relevant provisions of the Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 7 – Repurchase of Shares (《上海證券交易所上市公司自律監管指引第 7 號－回購股份》), the amount of share repurchases effected by a company in a year shall be deemed as cash dividends and be counted in the calculation of the cash dividend payout ratio for the year. Accordingly, based on the amount of share repurchases effected by the Company for 2021 of RMB48,959,144.00 (excluding transaction costs), the total cash dividend amounted to RMB4,112,598,883.40, representing 30.81% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2021.

If the total share capital of the Company changes as a result of repurchase and cancellation of shares granted in the equity incentive during the period from the disclosure date of this proposal to the record date of the implementation of the dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution accordingly. The remaining profits available for distribution to investors will be carried forward to the next year.

2. Cash dividend is denominated and declared in RMB and paid to holders of A Shares (including the depositary of GDRs) and the investors of Southbound Trading in RMB and to holders of H Shares (excluding the investors of Southbound Trading) in HKD. The actual distribution amount in HKD shall be calculated at the rate of average basic exchange rate of RMB issued by the PBOC five business days prior to the date of the 2021 Annual General Meeting of the Company.

(II) Particulars of cash dividend policy

Whether it is in compliance with the requirements of the Articles of Association or the resolutions of general meetings	√Yes ☐No
Whether the dividend distribution criteria and proportion are well-defined and clear	√Yes ☐No
Whether the relevant decision-making procedures and mechanism are complete	√Yes ☐No
Whether the independent directors fulfil their duties and play their roles	√Yes ☐No
Whether the minority shareholders have the opportunities to sufficiently voice their opinions and make requests, and whether their legal interests are fully protected	√Yes ☐No

XIII. SHARE INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVES MEASURES AND THEIR IMPLICATION

(I) Incentives disclosed in ad hoc announcements and without subsequent development or changes

Summary of event	Inspection indexes
On December 31, 2020, the eleventh meeting of the fifth session of the Board and the sixth meeting of the fifth session of the Supervisory Committee of the Company have considered and approved the Resolution on the Restricted Share Incentive Scheme of A Shares of the Company (the "Incentive Scheme"), respectively, and agreed to submit it to the general meeting of the Company for consideration. On February 2, 2021, the Incentive Scheme was approved by the Jiangsu Provincial Government State-owned Assets Supervision and Administration Commission. On February 8, 2021, the 2021 First Extraordinary General Meeting of the Company has considered and approved the relevant resolution on the Incentive Scheme.	Announcements No. Lin 2021-001, 2021-015, 2021-016
On March 23, 2021, the fourteenth meeting of the fifth session of the Board and the eighth meeting of the fifth session of the Supervisory Committee of the Company have considered and approved the Resolution in Relation to the Adjustment to the Restricted Share Incentive Scheme of A Shares of the Company and the Resolution on Granting Restricted A Shares to the Incentive Participants, respectively. The Company was of the view that the grant conditions under the Incentive Scheme have been satisfied, and determined March 29, 2021 as the grant date.	Announcements No. Lin 2021-029, 2021-030

Summary of event	Inspection indexes
On April 7, 2021, the Company received the Certificate of Registration of Changes in Securities issued by China Securities Depository and Clearing Corporation Limited Shanghai Branch to set out the record date being April 6, 2021 and granted 45,488,000 Restricted A Shares to 810 eligible incentive participants at the Grant Price of RMB9.10 per Share. The incentive participants granted under the Incentive Scheme include the Directors, senior management and other core key employees of the Company, but exclude the non-executive Directors (including independent Directors) and Supervisors of the Company. The Company has completed the registration of the grant of the Restricted A Shares.	Announcement No. Lin 2021-032

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

Other incentive measures

For the employee incentive measures adopted by AssetMark, a controlled company of the Group, please refer to Note 62(b) Share-based payments of an overseas subsidiary to the consolidated financial statements in this report.

(III) Share incentive granted to the Directors and senior management during the Reporting Period

Name	Position	Number of restricted Shares held at the beginning of the year	Number of restricted Shares newly granted during the Reporting Period	Grant price of restricted Shares (RMB)	Unlocked Shares	Locked Shares	Number of restricted Shares held at the end of the period	Market price at the end of the Reporting Period (RMB)
Zhou Yi	Director and senior management	–	72.00	9.10	–	72.00	72.00	17.76
Li Shiqian	Senior management	–	60.00	9.10	–	60.00	60.00	17.76
Sun Hanlin	Senior management	–	60.00	9.10	–	60.00	60.00	17.76
Jiang Jian	Senior management	–	60.00	9.10	–	60.00	60.00	17.76
Zhang Hui	Senior management	–	60.00	9.10	–	60.00	60.00	17.76
Chen Tianxiang	Senior management	–	60.00	9.10	–	60.00	60.00	17.76
Jiao Xiaoning	Senior management	–	50.00	9.10	–	50.00	50.00	17.76
Jiao Kai	Senior management	–	50.00	9.10	–	50.00	50.00	17.76
Wang Chong	Senior management	–	50.00	9.10	–	50.00	50.00	17.76
Total	/	–	522.00	/	–	522.00	522.00	/

(IV) Appraisal mechanism for the senior management and the establishment and implementation of incentive mechanism during the Reporting Period

During the Reporting Period, the performance appraisal on the Company's senior management was carried out on a yearly basis in the principle of sharing goals, comprehensively benchmarking the market and attaching equal importance to incentives and restrictions. The appraisal adopts the target appraisal on key performance indicators. The performance indicators are related not only to the annual operating goals of the Company but also reflect the orientation of compliance operation as well as the emphasis and difficulties of relevant work charged by such individual. The performance indicators and target value on senior management are determined by the Board based on the Company's annual operation strategies, the characteristics of the Company and the market environment. The Board determines the level of annual appraisal of senior management and the distribution of remuneration at the end of the year after comprehensively considering the Company's annual operating goals, the completion of relevant work charged by the senior management member and the special annual compliance appraisal.

The Remuneration and Appraisal Committee proposes the amount of reward and the form of incentives for senior management based on the completion of the Company's annual operating goals and the performance indicators of senior management as well as the Company's policies on remuneration distribution and submits them to the Board for study and determination after approving by vote.

XIV. ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

(I) Statement of the Board

As required by the internal control standard system of the Company, the Company has strengthened and refined its corporate governance structure, compliance and risk control system and internal control management system. A corporate governance structure with checks and balances has been formed, which features the separation among the Shareholders' general meeting, the Board, the Supervisory Committee and senior management. Under such structure, all operating management members perform their functions and duties within respective responsibilities and authorization, ensuring the prudent and standardized operation of the Company. The Company convenes and holds shareholders' general meetings in strict accordance with the Articles of Association, the Rules of Procedures for General Meetings and other relevant provisions to strictly perform its obligations of information disclosure, protect the right to know of all shareholders, and thus to ensure the standard and transparent operation of Shareholders' general meetings. Meanwhile, the Company also strictly regulated its relationships with shareholders, de facto controllers and related parties to ensure its operational independence.

The objective of internal control of the Company is to reasonably ensure the legality and compliance of the operation and management, the security of the assets, and the truthfulness and completeness of the financial report and its relevant information, to improve operating efficiency and effectiveness, and to promote the accomplishment of the development strategy. Due to the inherent limitations of internal control and the fact that it is designed to manage rather than eliminate the risk of failure to achieve business objectives, only reasonable assurance can be provided for the achievement of the above objectives. In addition, internal control may become inappropriate or the level of compliance with control policies and procedures may become lower due to the changes of situation, so it subjects to certain risks to speculate the effectiveness of internal control in the future based on the results of internal control evaluation.

(II) Structure of the internal control system

The Board of Directors has set up special committees such as the Compliance and Risk Management Committee, the Audit Committee and the Development Strategy Committee to comprehensively monitor the effective implementation of internal control and self-evaluation of internal control. The Company

established internal control construction and a continuous optimization leading group to comprehensively lead internal control standardized project construction and continuously promote the improvement of the internal control system. The Company designates Risk Management Department, Planning and Finance Department, Inspection Department, Legal Compliance Department, etc. as internal control management departments and all departments as internal control implementation departments to fully cooperate with the improvement and self-assessment of the internal control system, actively rectify defects in internal control and give feedback on rectification results as required. The Inspection Department shall be responsible for conducting internal control evaluation independently and implementing internal audit and assessment independently on the Company's internal control measures annually.

(III) Construction and improvement of the internal control system

The Company strictly follows the Company Law of the PRC, Securities Law of the PRC, Guidelines for Internal Control of Securities Firms, Regulation on Supervision and Administration of Securities Firms, Basic Internal Control Norms for Enterprises, Implementation Guidelines for Enterprise Internal Control and other laws and regulations, and improves the corporate governance structure, compliance risk control system and internal control management system. The Company practices internal control management methods, constantly enhances its ability to restrict itself and effectively prevents and resolves various risks so as to ensure the continuous, stable and rapid development of various businesses thereof. The Company makes clear the internal control organizational structure and division of responsibilities and sets up internal control construction and a continuous optimization leading group to supervise and promote the internal control construction of the Company. The Company's whole businesses, departments, branches and all staff are involved in internal control, throughout each link from decision-making, implementation, supervision to feedback. The Company formulated relevant systems in a timely manner based on business development, and carried out a review and update on relevant management systems for authorization management, external donations, investors interests protection and self-evaluation on money-laundering risks, and online account opening, stock option brokerage business, fund service business, public fund classification business and other relevant business management systems, so as to ensure that the system and procedures comply with the principles of comprehensiveness, prudence, effectiveness, timeliness and the like, so as to avoid blank or loopholes in the system and procedures. Starting from prudent operation and identification, prevention and resolution of risks, the Company established risk matrixes for all businesses and develops clear control measures to check the effectiveness of control measures with regular assessment.

(IV) Operation of the internal control system

With a focus on the regulatory requirements, development strategies and operation objectives, the Company continued to deepen the operation of the internal control system and promoted the comprehensive digital transformation to build its core competitiveness of platform-based, systematic, and digitized operations. The Company regularly or irregularly carried out a review and update of the system based on business development, to ensure that the system and procedures comply with the principles of comprehensiveness, prudence, effectiveness, timeliness and the like, so as to avoid blank or loopholes in the system and procedures. The Company strengthened its risk review, assessment, management and control in key businesses and fields to guarantee the risks are measurable, controllable and bearable. It deepened the establishment of the business continuity management mechanism and improved the systems of emergency proposals; and actively conducted communications and trainings to strengthen the internal control culture publicity. Starting from prudent operation and identification, prevention and resolution of risks, the Company established a multi-level internal control evaluation mechanism, including regular and irregular self-assessment on the effectiveness of internal control, the evaluation on the effectiveness of internal control by the internal audit departments and the independent evaluation by the external auditors to consistently deepen the analysis on high residual risk points and control defects and the rectification and tracking on internal control defects and improve the effectiveness of the design and effectiveness of control measure.

The business management departments supervise the development of various businesses from the perspective of operation management and compliance management. The Compliance and Legal

Department, the Risk Management Department and the Inspection Department work together from different perspectives to conduct regular and irregular inspections, evaluations and reports on the establishment and implementation of the internal control system of each business and management department of the Company. The management of the Company attaches great importance to the reports and suggestions from the internal control functions and actively takes measures to rectify the problems found, so as to avoid the occurrence of business risks and errors to the greatest extent, and enhance the effectiveness of internal control management.

(V) Basis for the assessment of internal control

The Company organizes to conduct internal control assessment according to the corporate internal control standard system and the Guidelines for Internal Control of Securities Firms (《證券公司內部控制指引》) and Rules for the Preparation and Reporting of Information Disclosure by Listed Issuers of Securities No.21 – General Provisions on the Annual Internal Control Assessment Report (《公開發行證券的公司信息披露編報規則第21號—年度內部控制評價報告的一般規定》) issued by the CSRC, the Guidelines of the Shanghai Stock Exchange for Internal Control of Listed Companies (《上海證券交易所上市公司內部控制指引》) issued by the Shanghai Stock Exchange and other relevant laws, regulations and regulatory rules.

(VI) Internal control defect and its identification

According to the identification requirements for major defects, important defects and general defects as stipulated by the internal control system of enterprises, the Board of the Company, in consideration of such factors as the scale of the Company, industrial characteristics, risk appetite and risk tolerance, distinguished financial report internal control from non-financial report internal control and determined the internal control defects applicable to the Company and its specific identification standards, which were consistent with those of the previous years.

A material defect refers to a combination of one or more controlling defects that could cause the enterprise to deviate significantly from its control objectives; a significant defect refers to a combination of one or more controlling defects that is less severe and has less economic consequences than a material defect, but may still cause the enterprise to deviate from its control objectives; general defects refer to defects other than material defects and significant defects.

(VII) The Company's internal control effectiveness assessment

According to the Basic Norms of Internal Control and its provisions in its supporting guidelines and other regulatory requirements on internal control as well as the Company's internal control system and assessment methods, we have assessed the Company's internal control effectiveness on December 31, 2021 (base date of internal control assessment report) based on the daily supervision and specialized supervision of internal control, and has issued the Annual Internal Control Evaluation Report for 2021.

The Company conducts reviews on the effectiveness of its risk management and internal supervision system once a year. The main businesses and matters included in the evaluation scope of the Company's internal control include: internal environment, risk assessment, control activities, information and communication, internal supervision, as well as incompatible position separation control, authorization and approval control, accounting system control, property protection control, budget control, operation analysis control and performance appraisal control involved in the control activities. High risk areas we focused on include: current business and basic function management, namely FICC business, financial innovation business, securities investment business, margin financing and securities lending business, research and consulting business, network finance business, wealth management business, financial products business, asset custody business, bond financing business, investment banking business, futures business, asset management business, information technology, operation management, financial management, related-party transactions, subsidiary management and other fields, as well as the liquidity risk, market risk, credit risk, operational risk, reputation risk, information technology risk, compliance risk, legal risk and integrity risk that have significant impact on the Company's operation and management.

According to the identification results of major defects in financial report internal control, on the base date of internal control assessment report, the Company does not have major defects in financial report internal control.

The Board of Directors thinks that the Company has maintained effective financial report internal control in all major aspects according to the enterprise internal control standardized system and requirements in relevant regulations.

According to the identification results of major defects in non-financial report internal control, on the base date of internal control assessment report, the Company does not have major defects in non-financial report internal control.

(VIII) Work plan for internal control in 2022

In 2022, the Company will continuously promote internal control self-assessment and optimize work scheme and supervise the implementation. The key contents include: continuously implementing and deepening internal control management with focus on deepening special review and enhancing the efficiency of management and control tools; further improving the level of refinement of internal control management with data and scenarios as drivers; improving the process control and the ability to identify reverse risks and enhancing the insurmountability of management and control; boosting the automation of control measures and the identification and evaluation of risk points and advancing digital business process and operation management; and deepening the establishment of internal control and management culture and intensifying training and publicity.

XV. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

The Company incorporated all subsidiaries into the comprehensive risk management system. It continued to deepen and improve the Group's comprehensive risk management system with high engagement, full coverage and deep penetration as the core idea and advanced all risk management work with the philosophy of collectivization, specialization and platformization. It established the concentrated and unified management thinking on professional risk lines of all subsidiaries and all subsidiaries were covered by all professional risk management requirements at the Group level.

During the Reporting Period, the Company optimized the overall risk management framework of subsidiaries, enhanced the refined management and control ability and amended risk management systems and differentiated management rules of subsidiaries. In the principle of hierarchical authorization, the Company carried out independent risk assessment and approval on significant risk projects or key matters of subsidiaries and conducted penetration management and control on subsidiaries' business risks. It continuously integrated the Group's risk data and information to constantly improve the data accuracy and timeliness and enhance the risk monitoring and warning ability at the Group level.

XVI. INFORMATION ABOUT THE INTERNAL CONTROL AUDITING REPORT

When disclosing the annual report for 2021, the Company will also disclose the 2021 Annual Internal Control Evaluation Report of Huatai Securities Co., Ltd. and the Internal Control Audit Report of Huatai Securities Co., Ltd. at the same time, which will be published on the website of the Shanghai Stock Exchange (www.sse.com.cn), the HKEXnews website of the HKEX (www.hkexnews.hk) and the Company's official website (www.htsc.com.cn) on March 31, 2022.

Whether to disclose the internal control audit report: Yes

Type of opinion on the audit report on internal control: Standard unqualified opinion

XVII. RECTIFICATION OF PROBLEMS DISCOVERED IN SPECIAL SELF-INSPECTION ACTIONS ON LISTED COMPANIES GOVERNANCE

Under the requirements of the Announcement Regarding Implementation of Special Actions on Listed Companies Governance issued by the CSRC, the Company conducted careful review and searching based on the list of items for special self-inspection on listed companies governance and discovered no problems to be rectified.

XVIII. BUILDING OF THE COMPLIANCE MANAGEMENT SYSTEM OF THE COMPANY AND THE INSPECTION AND AUDIT FINISHED BY THE COMPLIANCE AND INSPECTING DEPARTMENT DURING THE REPORTING PERIOD

The Company always places emphasis on the corporate culture of operation in compliance with laws and regulations, and carries out strict management and prudent and standard operation. During the Reporting Period, in accordance with the relevant laws and regulations and the regulatory requirements, the Company further established a sound compliance management system, improved the organizational structure for compliance management, and continued to strengthen the compliance management of the Company to keep continuous and standardized development of the Company's various businesses.

(I) Organizational Structure for Compliance Management

Since its establishment, the Company has been adjusting and improving the organizational structure for compliance management and the relevant systems based on the changes of the market environment and regulatory requirements and the development needs of business. According to the Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies (hereinafter referred to as the "Measures") issued by the CSRC in 2017, the Company further clarified the compliance duties of the Board of Directors, Supervisory Committee, senior management, chief compliance officer, and responsible persons of all departments, all branches and subsidiaries at all levels (hereinafter referred to collectively as "all subordinate units") in the Articles of Association and the basic compliance management system. The current compliance organizational system comprehensively reflects the basic requirements of the Measures for "full compliance" and "starting compliance management from the senior management", and a resultant force situation of sound compliance management organizational structure, clear positioning of responsibilities at all levels and full compliance is basically created.

The Board of Directors is the supreme decision-making body for compliance management of the Company, which bears ultimate responsibility for the effectiveness of compliance management, decides on the compliance management objectives and is responsible for the effectiveness of compliance management of the Company; the Compliance and Risk Management Committee under the Board of Directors is responsible for overseeing the overall risk management of the Company and controlling the risks within a reasonable range to ensure that the internal management system, business rules, significant decisions and main business activities of the Company are in compliance with laws and regulations and the risks are controllable and bearable; the Supervisory Committee is responsible for supervising the compliance management and the performance of compliance management duties by Directors and senior management; the senior management assumes the major responsibilities for compliance management, implements the compliance management objectives of the Company and is responsible for the whole company's compliance management; responsible persons of all subordinate units are responsible for their units' operations in accordance with laws and regulations; all the staff of the Company are responsible for the compliance of the operational matters and professional conducts within the range of their operational activities.

The chief compliance officer is in charge of the compliance of the Company, conducts audit, inspection and supervision on the compliance of the management and professional conducts of the Company and its staff, and helps the operation management effectively identify and manage compliance risks. The chief compliance officer is a member of the Company's senior management, and is appointed by the Board of Directors. The chief compliance officer does not hold any concurrent posts or take charge of any departments that conflict with his/her compliance management duties.

The Company has established a Legal Compliance Department to assist the chief compliance officer in performing specific compliance management duties, mainly including: establishment of the compliance management system of the Company; compliance training, inspection and guidance; assessment and unified disposal of compliance risks; compliance review and compliance reports; cooperation with external compliance supervision and management institutions; anti-money laundering and Chinese Wall; establishment of the legal system of the Company; review of legal documents; handling of legal affairs; assessment of and consultation on legal risks.

All departments and branches of the Company have their own compliance officers. A compliance officer is mainly responsible for the compliance management work of the unit he/she belongs to, performing such duties as carrying out timely and effective supervision, inspection, assessment and reporting on the implementation of compliance policies and procedures by such unit and its staff, and is responsible for the unit's communication and exchange of information with the Legal Compliance Department and other compliance management work. During the Reporting Period, the Company further optimized the compliance management mode of its branches, deepened the vertical management of the branches' compliance management teams, strengthened the compliance risk management work of the branches, ensured the branches' compliance teams to perform their duties independently, and strived to prevent compliance risks of front-line businesses from the source.

The Company established the management measures for compliance of subsidiaries, which made detailed arrangements for basic principles, organizational structure and working mechanism of compliance management of the subsidiaries, and established a sound compliance management system appropriate to the group strategy on the basis of ensuring the independence of the subsidiaries' legal representatives. Meanwhile, the Company established a special compliance management information reporting mechanism, and all subsidiaries shall report on the operation of compliance management quarterly and report on any major risk or abnormal situation timely after the event so that the Company can grasp the compliance risk management and control of its subsidiaries timely; the Company established a mechanism for regular meetings between compliance chiefs of the parent company and subsidiaries to call together compliance chiefs of the subsidiaries to hold regular meetings quarterly and unblock the communication mechanism between the Group's compliance chiefs and the Compliance Department, and built an important platform of notifying the Group's compliance risk events, sharing supervision information, exchanging key and difficult points of the compliance management work and forming a resultant force for compliance management; and the Company improved the compliance conversation system and mechanism to strengthen the audit and filing of important compliance systems of subsidiaries, and carried out special compliance inspection on relevant subsidiaries to implement the compliance management mechanism of subsidiaries.

(II) Compliance System Building of the Company

The Company continued to improve the compliance management system and formed various compliance management systems, including the Compliance Management System of Huatai Securities Co., Ltd. (2017 Revision), Measures for the Compliance Management of Subsidiaries (2020 Revision), Daily Working Measures for Compliance Management (2020 Revision), Measures for Management of Compliance Management Personnel (2020 Revision) and Measures for the Implementation of Compliance Accountability.

During the Reporting Period, the Company formulated the Administrative Measures for Preventing and Combating Illegal Fundraising and Illegal Securities Activities, and amended certain internal control systems such as the Management System for Abnormal Securities Transaction Behaviors of Customers of Stock Exchanges and the Administrative Measures for Self-evaluation on Money-laundering Risks, which further

optimized the construction of compliance system.

(III) Implementation of the Compliance Management Mechanism

Since the full implementation of the compliance management system, the Company saw continuous improvement of its compliance management work, and continued to benefit from observance with the philosophy of "Creating Value through Compliance Management" and saw significant improvement in the standardization of operations. During the Reporting Period, the Company deepened the effective integration of business and compliance, and focused on key business links to build an embedded compliance management and control mechanism with penetration and coverage. The Compliance Department provided all branches with comprehensive compliance consultation, put forward recommendations on common issues in time and monitored and gave guidance over the rectification and improvement of relevant systems and procedures by relevant departments; carried out compliance review comprehensively, clarified the front-line compliance review responsibilities.

(IV) Information about Inspection Carried out by the Compliance Department during the Reporting Period

During the Reporting Period, the Company's Compliance Department carried out special on-site inspections of the offices of some branches, completed special anti-money laundering inspections of relevant business lines, carried out special inspections of implementation of the study of new regulations for business and special inspections of OTC derivatives compliance, and continuously followed up the progress of rectification.

(V) Progress of Audit Work of the Audit Department during the Reporting Period

During the Reporting Period, the Company's Audit Department closely focused on the strategic transformation of digital transformation, deepened the concept of digital operation, insisted on enhancing audit with technology and actively explored audit innovation. It vigorously empowered audit with digital staff to improve the audit efficiency. Under the new situation with the comprehensive implementation of the Audit Law and the full display of the important role of audit supervision, the Company firmly focused on "development, reform, rule of law and anti-corruption" in deploying audit work and practically implemented risk management work in the principle of accurate thinking. The Company effectively carried out inspections and evaluation on the establishment and implementation of the internal control mechanisms of each department and subsidiary, and each branch and securities business department of the Company, the legality and compliance of business operation, operating guarantee, client services, anti-money laundering and innovative business, as well as the accuracy of financial revenue and expenditure and accounting calculation, evaluated the risks on business and operation and revealed the weaknesses and defects in operation management. It better completed the working tasks for the whole year and made its own contributions to the Company's innovative development.

Based on the annual operational targets and regulatory requirements, the Company's Audit Department overcame the regional outbreak and reoccurrence of the pandemic during the Reporting Period, adjusted the manners of working and arranged various projects to adopt new types of audit such as "remote + on-site" and "video + materials" through the appropriate allocation of audit resources and the optimization of audit means. It connected the units under auditing to conduct remote communications on uncertain points through online video meetings and Link working groups and achieved the homogeneous management of off-site data analysis and on-site audit, well completing the tasks of audit projects. During the Reporting Period, it completed 172 audit items in total, including regular auditing for 17 business and management departments such as the research institute, securities investment department, fixed income department, debt financing department, sales and trading department, network finance department, securities margin trading department, financial innovation department, capital management department, central trading room, wealth management department, financial product department, asset custody department, operation center, information technology department, risk management department and offices; regular auditing and auditing for departure of chairmen, presidents and board secretaries for 8 subsidiaries

such as Huatai Futures, Huatai United Securities, Huatai Asset Management, Huatai Innovative Investment, Huatai Purple Gold Investment, Huatai International, Jiangsu Equity Exchange and Huatai United Securities; auditing for the departure and mandatory leave of general managers of 18 branches in Guangdong, Hubei, Yunnan, Shanghai, Shandong, Yangzhou, Sichuan, Zhenjiang, Zhejiang, Nanjing, Yancheng, Shenzhen, Hunan, Nantong, Taizhou, Changzhou, Hubei and Beijing; auditing for the departure and mandatory leave of general managers of 116 securities branches in Changjiang Road, Nanjing, Wuluo Road, Wuhan, Renmin Middle Road, Nantong, Yushi Street, Nanjing, Wuding Road, Shanghai, Jianguo West Road, Xuzhou, Jiefang East Road, Hangzhou, Xiahe Road, Xiamen, Yaogang Road, Nantong, Qiushi Road, Hangzhou, Shennan Avenue, Shenzhen and Renmin Road, Suzhou; 13 special audits including assessment report on the effectiveness of corporate compliance management, corporate internal control evaluation, effectiveness evaluation of the dynamic monitoring system for corporate risk control indicators, evaluation of corporate anti-money laundering, specific compliance of branches in Xiamen, specific securities investment and funds custody and service business, specific funds sales business, specific related-party transactions, special IT auditing and IT risk assessment, special comprehensive auditing on information technology management, special report on the application of smart business travels, special report on project construction and rectification and tracking of problems discovered in audit items. Audit reports have been issued for 166 audit items; 555 audit opinions and suggestions were put forward and 493 problems were rectified, with a rectification completion rate of 88.83%; 562 problems discovered in the previous auditing were tracked and 520 problems were rectified, with a rectification completion rate of 92.53%; according to the Implementing Rules for Penalties of Illegal Behaviors Discovered in Audit of Huatai Securities Co., Ltd., suggestions were made on penalties for 109 person-times in 109 units and the penalty amounted to RMB165,500. All units under auditing actively coordinated in the auditing process and the audit opinions and suggestions were recognized by units under auditing and their responsible persons.

During the Reporting Period, the Audit Department of the Company firmly focused on the digital transformation strategy and actively explored innovation in audit means under the environment of informatization. It sought to expand means for the implementation and application of big data audit, enhanced the digital thinking, promoted the concept of digital audit and continuously upgraded and built the audit management platform with the combination of data application and process management. It advanced the collection, accumulation and governance of data required in auditing, docked the middle office for data and certain data of the brokerage business, compliance, risk control and financial systems, established the audit database and improved the quality of data application through the continuous improvement of data varieties. Meanwhile, it focused on inspection points with the orientation of risks and integrated digitalization into routine audit. The contents of auditing covered business operation activities, financial accounting and management, the establishment and implementation of internal control, the completion of operating targets, the implementation of responsibilities on improving Party's work style and building clean government and abiding by regulations on integrity, the rectification of problems discovered in previous audits as well as other matters, achieving the full coverage of audit targets and contents.

In order to further expand the breadth and depth of audit supervision, the Audit Department of the Company established an audit mechanism with "one punishment, two steps and three feedbacks" and strived to achieve the audit effect of identifying problems, promoting rectification, fixing up existing issues and preventing future problems. It advanced the long-term responsibility mechanism on the implementation of the rectification of problems discovered in audits, arranged special staff to create the list of problems and rectification accounts based on each unit and item and "eliminate the number based on accounts". It irregularly "reviewed" problems discovered in the current and previous periods and confirmed with the units responsible for rectification one by one to follow the latest rectification progress and results. It gradually cleared historical issues to be rectified to ensure that no issues are left and all problems are rectified earnestly and seriously. It implemented and supervised the closed-loop management of rectification and increased punishment on a few repeated problems to promote audit rectification with accountability. The Audit Department continued to implement the regular reporting mechanism on problems discovered in audit and publicized typical, universal and tendentious problems discovered in audit through the publication of the Brief Report on Audit Work on a quarterly basis to ensure that once the key link is grasped, everything falls into place. It reminded relevant units to carry out self-inspections and self-rectifications and draw inferences about other cases from one instance to display the effect of systems. It reviewed and analyzed

the problems discovered in audits during the year and their rectification as well as the implementation of the penalties one by one and summarized them to formulate a special annual report. It achieved the results as anticipated in rectifying errors, improving defects, standardizing management and improving efficiency and effect through the rectification and tracking of audit problems in previous years.

Adhering to the philosophy of strengthening audit with technology, the Audit Department of the Company optimized audit means, improved the audit coverage and strengthened audit supervision. It further refined all audit rules and systems, firmly focused on solving prominent problems closely based on its own conditions and advanced the theme of innovative development. It vigorously promoted digital construction, advanced audit management, intensified audit efforts in key businesses and strived to provide better support to operation and management.

The Party branch of the Audit Department of the Company deepened the prevention and control of integrity risk and integrated Party building and integrity with audit. It displayed the role of Party members as pioneers and models, coordinated the application of various audit methodologies and procedures and carried out inspections on integrity risk points, effectively preventing risks on ethics, laws and corruption.

XIX. OTHER INFORMATION

(I) Company Secretary

Mr. Zhang Hui is one of the joint company secretaries of the Company, while Ms. Kwong Yin Ping Yvonne, manager of SWCS Corporate Services Group (Hong Kong) Limited, is the joint company secretary fulfilling the relevant qualification requirements of the Hong Kong Listing Rules. The company secretary is mainly responsible for facilitating the operation of the Board, ensuring the effective communication between the members of the Board and the observation of the policies and procedures of the Board, and ensuring the compliance with Hong Kong Listing Rules and other regulations by the Company. Any Director can discuss with, seek advice from and obtain information from the company secretary. The primary contact person for Ms. Kwong Yin Ping Yvonne at the Company is Mr. Zhang Hui.

Each of Mr. Zhang Hui and Ms. Kwong Yin Ping Yvonne has complied with the requirements of Rule 3.29 of the Hong Kong Listing Rules by receiving relevant professional training for no less than 15 hours during the Reporting Period.

(II) Responsibilities of the Directors and Auditors in respect of the Accounts

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

The Board of Directors confirmed that it took responsibility for the preparation of the annual report of the Group for the year ended December 31, 2021.

The Board of Directors is responsible for presenting a clear and well-defined assessment of the annual and interim reports, stock price sensitive information, and other matters that need to be disclosed according to the Hong Kong Listing Rules and other regulatory provisions. The management has provided relevant and necessary explanation and information for the Board of Directors so that the Board of Directors could make informed assessment on the financial data and position of the Group for examination and approval at the Board meetings.

To the knowledge of all Directors, the Company does not face any events or situations of significant uncertainty likely to give rise to the significant doubt of the Company's capability of sustainable operations. In addition, the Company has arranged appropriate insurance cover for the legal actions and liabilities which the Directors, Supervisors and senior management may be exposed to.

For the purposes of the United Kingdom's Financial Conduct Authority's Transparency Rule 4.1.12(3), each Director of the Company (whose names and functions are listed on page 120 of this report), to the best of his or her knowledge, confirms the following two points:

(a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

(b) the management report (being this annual report, excluding the financial statements referred to above (on pages 247-389 of this report) and the independent auditor's report thereon (on pages 238-246 of this report)) includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Group faces.

(III) Performance Assessment Results for Directors and Supervisors

During the Reporting Period, the Directors and Supervisors of the Company had abided by the relevant provisions of laws, administrative laws and regulations as well as the Articles of Association, and performed their duties and obligations honestly and diligently.

All the Directors of the Company have performed their statutory duties honestly, faithfully and diligently in compliance with laws. They have attended Board meetings and various meetings of special committees in accordance with relevant provisions, considered each proposal seriously, offered advice and suggestions on significant strategic decisions and plans, important investment and financing projects, business innovations, related-party transactions, compliance management and internal control, system construction, appointment of senior management, performance assessment, enterprise cultural construction and social responsibilities of the Company, and acted as professional gatekeepers on such issues, which ensured those material decisions to be scientific and standardized as well as the sustainable and innovative development of the Company, and preserved the interests of the shareholders practically.

All the Supervisors of the Company have performed their statutory duties honestly, faithfully and diligently in compliance with laws. They have attended the meetings of the Supervisory Committee in accordance with relevant provisions, attended the Board meetings, considered each proposal carefully, supervised and inspected the legality of operation, material decisions and important business activities as well as the financial position of the Company, actively protected the legal interests of the Company and its shareholders, promoted the legal operation and standardized management, and ensured the sound development of the Company.

For details on the performance of duties of the Company's Directors and Supervisors, please refer to the "Performance of Duties of Directors" and "Performance of Duties of Supervisors" under this section in this report.

(IV) Communication with Shareholders

The shareholders' general meeting is the organ of the highest authority of the Company, and the shareholders exercise their rights through the shareholders' general meeting. The Company convenes and holds shareholders' general meetings in strict accordance with the relevant provisions of the Articles of Association and the Rules of Procedures for General Meetings to ensure the equal status of all shareholders, in particular the minority shareholders, and enable them to exercise their rights completely.

The Company pays great attention to the shareholders' opinions and advice, actively and regularly carries out various investor relations activities to keep communication with shareholders and meet their reasonable needs timely. The Company has formulated a series of relatively perfect rules and regulations such as the Administrative System Regarding Investor Relationship, to manage investor relationship in accordance with the standards, systems and procedures. Meanwhile, the Company has formed good interaction and communication with the investors by actively using various channels such as existing investor service hotlines, a special column for investor relations at the Company's website and reception of on-site researchers.

The Board of Directors of the Company is willing to listen to shareholders' advice and encourages shareholders to attend the general meetings to ask the Board of Directors or the management directly about any doubts they may hold. Shareholders may convene extraordinary general meetings or submit interim proposals to general meetings according to the procedures set out in Article 84 and Article 89 of the Articles of Association, which were published on the website of the Shanghai Stock Exchange, the HKEXnews website of the HKEX and the Company's official website. The Company will arrange for the Board of Directors to answer the shareholders' questions at its annual general meeting for 2021.

(V) Investor Relations

The investor relations management is one of the most important tasks on the normative development and legitimate operation of the Company and is highly valued by the Board of the Company. The Company planned, arranged and organized various activities to manage investor relations with a strong sense of responsibility, including coordinating on-site interviews to the Company, and keeping in contact with regulatory authorities, investors, intermediary agencies and news media and so on.

During the Reporting Period, the Company timely updated information on the "Investor Relations" column on the Company's website, and answered inquiries from investors of the interactive E-platform on the website of the Shanghai Stock Exchange. The Company has received 16 times of onsite investigations and surveys or telephone interviews from approximately 52 researchers and investors such as securities companies and funds companies at home and abroad in the whole year. The Company also carried out daily consultation work seriously for investors and answered their questions in detail. Meanwhile, to assist the issuance of the periodic reports, the Company held 2 presentations for operating performance and 2 online briefings on performance, and proactively attended strategy seminars and investment forums held by domestic or foreign securities institutions. It attended 7 strategy seminars and investment forums and accepted the investigations of approximately 90 investors and researchers during the Reporting Period and maintained full communications with investors and researchers on issues such as the development trend of the industry, operational results of the Company as well as its business development strategy, which effectively promoted investors' and researchers' understanding of the business condition and result performance of the Company, completely marketed the development advantages of the Company, and correctly guided market expectations. The Company persisted in inducing and analyzing various questions proposed by institutional investors and researchers to improve the professionalism, normalization and the quality of investor relations management of the Company.

The Company's reception of investigations and surveys, communications, and interviews in the full year of 2021:

No.	Date of reception	Place of reception	Way of reception	Guests	Major topics discussed and information provided
1	January 20, 2021	Hong Kong Office	Telephone interview	Fidelity Funds (1 person-time)	Business development, innovative business development and long-term development strategy of the Company, etc.
2	January 20, 2021	Hong Kong Office	Telephone interview	M&G Asset Management (1 person-time)	
3	January 27, 2021	Hong Kong Office	Telephone interview	CLSA (1 person-time)	
4	March 30, 2021	The headquarters of the Company	Telephone interview	Schroders Group (4 person-times)	
5	March 30, 2021	The headquarters of the Company	On-site interview	Rosefinch Fund, Guotai Asset Management, Harvest Fund, etc. (13 person-times)	
6	April 8, 2021	Shanghai Office	On-site interview	Rosefinch Fund (2 person-times)	
7	April 12, 2021	Shanghai Office	On-site interview	APS Asset Management (2 person-times)	
8	April 12, 2021	Shanghai Office	On-site interview	CPIC AMC (1 person-time)	
9	May 12, 2021	Shenzhen Office	Telephone interview	Fidelity Funds (1 person-time)	
10	May 13, 2021	Shenzhen Office	On-site interview	Dacheng Fund (1 person-time)	
11	May 21, 2021	The headquarters of the Company	On-site interview	China Merchants Fund (1 person-time)	
12	May 27, 2021	Hong Kong Office	Telephone interview	HSBC (3 person-times)	
13	June 3, 2021	Hong Kong Office	Telephone interview	Soochow Securities, Ping An Securities (2 person-times)	
14	June 23, 2021	Hong Kong Office	Telephone interview	Prime Capital, WT Capital, etc. (14 person-times)	
15	August 10, 2021	Hong Kong Office	Telephone interview	Fidelity Funds (4 person-times)	
16	December 7, 2021	Hong Kong Office	Telephone interview	TengYue Partners (1 person-time)	

The Company's participation in strategy seminars and investment forums held by domestic or overseas securities institutions in the full year of 2021 is as follows:

No.	Date of reception	Meeting name	Way of reception	Guests	Major topics discussed and information provided
1	January 21, 2021	UBS GCC 2021	Telephone interview	UBS Wealth Management, APS Asset Management, Nomura Asset Management, etc. (18 person-times)	Business highlights, operations and financial performance, and long-term strategic planning of the Company
2	June 1, 2021	CITIC Securities 2021 Capital Market Forum	On-site interview	Dacheng Fund, Harvest Fund, Springs Capital, etc. (28 person-times)	
3	November 3, 2021	Citicorp 2021 China Investor Summit	Telephone interview	Millennium, CICC AM, Citi (5 person-times)	
4	November 9, 2021	Merrill Lynch 2021 China Investor Summit	Telephone interview	Balyasny, Rays, Well Fargo (10 person-times)	
5	November 10, 2021	CITIC Securities 2022 Annual Capital Market Conference	Telephone interview	CITIC AMC, China Merchants Securities, Changjiang Pension, Taikang AMC (11 person-times)	
6	November 18, 2021	HTSC 2022 Investment Summit	Telephone interview	Taikang AMC, ICBCCS, Springs Capital, etc. (14 person-times)	
7	November 19, 2021	Morgan Stanley 2021 Asia-Pacific Investor Summit	Telephone interview	UG, GQG, TX Capital, WT Capital (4 person-times)	

(VI) Independence of the Auditor

According to the relevant provisions in Rule 19A.31 of the Hong Kong Listing Rules, annual accounts should be audited by a prestigious certified public accountant (whether it is an individual, a firm or a company), who (whether it is an individual, a firm or a company) also should be independent of the Chinese issuer to the extent that its independent procedures should be substantially the same as those specified in the statements on independence issued in the Companies Ordinance or by the International Federation of Accountants. According to the relevant provisions in Rule C.3.3 (renumbered as Rule D.3.3 with effect from January 1, 2022) of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Hong Kong Listing Rules, the Audit Committee should review and monitor the independence and objectiveness of external auditors as well as the validity of the auditing process in accordance with applicable standards. During the Reporting Period, the Company continued to engage KPMG Huazhen LLP as the auditors of A Shares and KPMG as the auditors of H Shares. The Audit Committee had carried out necessary review and supervision to ensure the independence between the firms and the Company.

ENVIRONMENT AND SOCIAL RESPONSIBILITY

I. ENVIRONMENTAL INFORMATION

(I) The Company is not in the list of severely polluting units published by the environmental protection authority

(II) Description of the environmental protection of enterprises excluding attention units discharging pollutants

1. During the Reporting Period, the Company was not subject to any administrative penalty arising from environmental issues

2. Other environmental information with reference to disclosures of attention units discharging pollutants

The Company is a financial company, which is not in the list of attention units discharging pollutants and their major subsidiaries published by the environmental protection authority. The Company entrusts qualified third-party organizations to conduct inspections for the wastewater, exhaust gases and noises of the headquarters office every year. All inspections are in line with the national standards.

For possible rainstorms, typhoons and other extreme weather events as a result of climate change, the Company issues pre-warning alerts and notices to all departments and branches in time and relevant staff immediately adopt measures on preventing wind and water logging, inspect and clear flood-discharging facilities and prepare sandbags, raincoats and other emergency equipment. Under extreme weathers, relevant staff enhance inspections on key areas and parts in preventing wind and water logging and rectify equipment failure in time.

(III) Relevant information beneficial to protecting ecosystem, preventing pollution and performing environmental responsibilities

1. The Company actively responds to the Nanjing Municipal Domestic Waste Management Regulations and sets household waste sorting points on each floor of Huatai Securities Square. It publicizes the concepts and practice on waste sorting among staff through pasting posters on waste sorting in striking parts of public places and playing videos on waste sorting repeatedly in elevators to create an atmosphere of "waste sorting with all participation" and form a habit of actively sorting and consciously putting waste. Office wastes of the Company are collected and transported by the property management company. Hazardous

wastes such as electronic wastes, light pipes, toner cartridges and ink cartridges are recovered by qualified entities for further disposal or recycling.

2. According to the Management Measures on Motor Vehicles of the Company, new energy vehicles shall be given priority when purchasing vehicles for corporate affairs and operation of the Company to practice low-carbon and environmental operation. The underground garage of Huatai Securities Square is equipped with charging piles for new energy vehicles and electric motorcycles to encourage employees to practice green commuting and advocate green and environmental concepts.

3. For the decoration and renovation of business buildings of the Company, it takes measures such as setting the shortest decoration intervals (decoration and renovation are not allowed for those not exceeding the shortest decoration intervals except under special circumstances) and improving the quality of decoration and renovation projects to extend the life of decoration for business buildings, reduce the frequency of decoration and minimize pollution from decoration and renovation. The Company adopts new construction materials in decoration and renovation to achieve the integration of environmental protection and buildings. For curtain walls, interior furnishings and landscapes, it follows green, innovative and environmental concepts and focuses on the popularization of LED lighting with low energy consumption in office areas to save lighting power in daily office to the maximum extent. It significantly reduces the use of paint and other decoration materials and adopts environmental and paint-free materials instead. Panel furniture is widely adopted for office and it generally eliminates the use of paint furniture. Greater efforts are made in aerial detection and governance after decoration to improve the air quality in the office environment so as to create a safe and comfortable office environment for employees.

(IV) Measures adopted for reducing its carbon emission during the Reporting Period and their effects

1. Green parks

The greening rate of Huatai Securities Square is 27.9%, which is higher than that of general business office areas. Around the concept of garden-like office, the Company consistently expanded the plantation area of green plants and focused on reducing carbon emission through creating a multi-level landscape in addition to developing greening in central area.

Leveraging the solar photovoltaic power generation system, the Company saved 84,199 kWh of electricity in 2021. Meanwhile, through the sunlight induced lighting device system, the air-conditioning ice storage system, the floor air supply system, the intelligent lighting control in office areas and other measures, the Company continuously brought better social benefits to the low carbon economy.

2. Green Office

The Company calls on all employees to integrate the concepts of resources saving and emission reduction into their work and life and is devoted to minimizing the impact of its own operation on the environment. It has adopted the following measures to save energy, reduce emission and protect the environment:

(1) Leveraging on the electronic signature platform, the Company continues to promote paperless office and reduces the use of paper contracts through electronic stamp and electronic signature. The Company used electronic stamp for over 100,000 times, saving over 3 million sheets of paper.

(2) The Company evaluates the reusability of discarded office devices and encourages reusing of waste and old materials to reduce unnecessary waste; entrusts a qualified company to recycle and dispose of or reuse hazardous wastes; requires the property management center to clear and transport office waste to minimize adverse impacts on environment; discharges wastewater into the municipal sewage pipeline and transports wastewater to the municipal wastewater treatment plant.

(3) The Company reduces the number of on-site meetings and therefore reduces carbon emissions due to business travel; prioritizes the purchase of new energy vehicles and encourages green travel to reduce environmental pollution caused by vehicle exhaust emissions.

(4) Advocating water saving, the Company uses water-saving sanitary ware to reduce water consumption; conducts regular maintenance on water equipment to prevent evaporating, emitting, dripping, and leaking; makes full use of the rainwater recovery system, collects rainwater in the rainy season, and irrigates plants in the dry season.

3. Green data center

The usable area of the data center of Huatai Securities Square is approximately 3,600 square meters and was put into production in 2015. With the target of building a green data center from the early construction to the later operation and maintenance, it has adopted various measures to improve the use efficiency of energy.

During the construction period, the machine room area adopted the high-efficient cold aisle enclosed energy-saving technology to improve the heat dissipation efficiency of equipment and enhance the utilization of cold air. During the nearly six years after being put into production, the data center consistently reduced energy consumption through technical and management means, such as adding blind plates to improve the isolation effect of hot and cold aisles; renovating and updating the return louvers of air-conditioning rooms to reduce resistance in air returning; and conducting fine management on the lighting system of the machine room.

To further improve the energy efficiency, the operation and maintenance staff carried out comprehensive analysis on the overall temperature of the data center in 2021. They found that the temperature of approximately 20% of the cold aisles, which directly face the air supply channels of air conditioners, has been relatively low for a long time. The return temperature of air-conditioners in the corresponding area was adjusted 1°C higher after various tests and adjustments, accounting for 20% of all air conditioners. The energy consumption of air conditioners in the data center significantly reduced after the adjustment, having saved approximately 10,950 kWh of electricity during the year.

II. SOCIAL RESPONSIBILITIES

The Company is a financial company in Shanghai, Hong Kong and London. While disclosing its 2021 Annual Report, the Company will also disclose the 2021 Corporate Social Responsibility Report of Huatai Securities Co., Ltd., which will be published on the website of SSE (www.sse.com.cn), the HKEXnews website of HKEX (www.hkexnews.hk), the website of LSE (www.londonstockexchange.com) and the website of the Company (www.htsc.com.cn) on March 31, 2022.

In 2021, the Company was granted Grade A in the ESG rating of Morgan Stanley Capital International (MSCI), achieving upgrade for three consecutive years, reaching the highest level in the domestic securities industry and surpassing 79% of its peers globally.

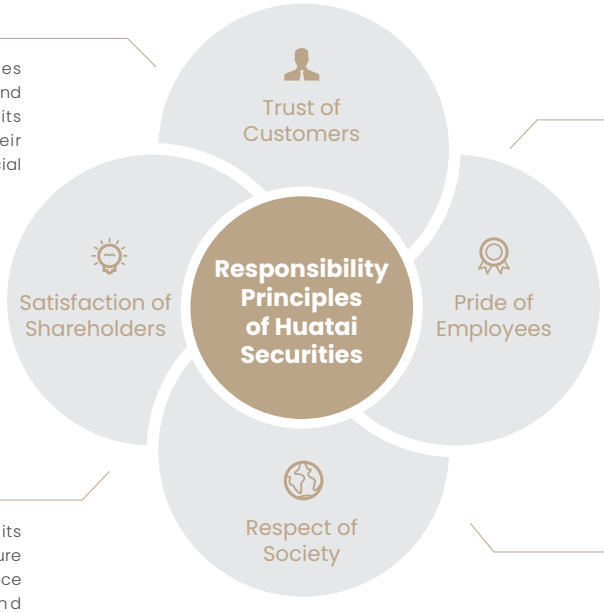
A

the highest level in the domestic securities industry

1. Social Responsibility Management

Responsibility principles

The Company has always been adhering to its core values of "efficiency, honesty, prudence, and innovation" and its business philosophy of "centering on customer service, driven by customer demand, and aiming for customer satisfaction", integrating ESG standards into the routine businesses of the Company, striving to create value for customers, shareholders, employees, society and other stakeholders.



The Company always places its customers at the center and strives to create value for its customers, so as to win their trust with high-quality financial services.

The Company values people that are both talented and morally respectable, for whom it has built a solid career development platform and fostered an optimistic corporate culture, so as to achieve common growth with its employees.

The Company standardizes its corporate governance structure and attaches great importance to risk management and compliant operation, aiming to achieve a stable increase in asset value and ensure sustainable returns to its shareholders.

The Company values the harmonious development of the financial system and the society, gives full play to its professional strengths to facilitate social advances. It also actively participates in social welfare promotion and green development, fulfilling its responsibilities as a corporate citizen.

Management structure of social responsibility

The Company considers the environmental, social and corporate governance (ESG) as the core driver to the overall social responsibility performance and a scientific and effective governance structure as the basis for promoting ESG-related works. Employing ESG management as part of its development strategy, the Company set up the ESG committee under the senior management to continuously improve its ESG management structure, established an ESG management mechanism with the linkage between upper and lower levels and continued to improve the systematicness and effectiveness of its ESG management.

Social Responsibility Management Structure of Huatai Securities

Supervision level

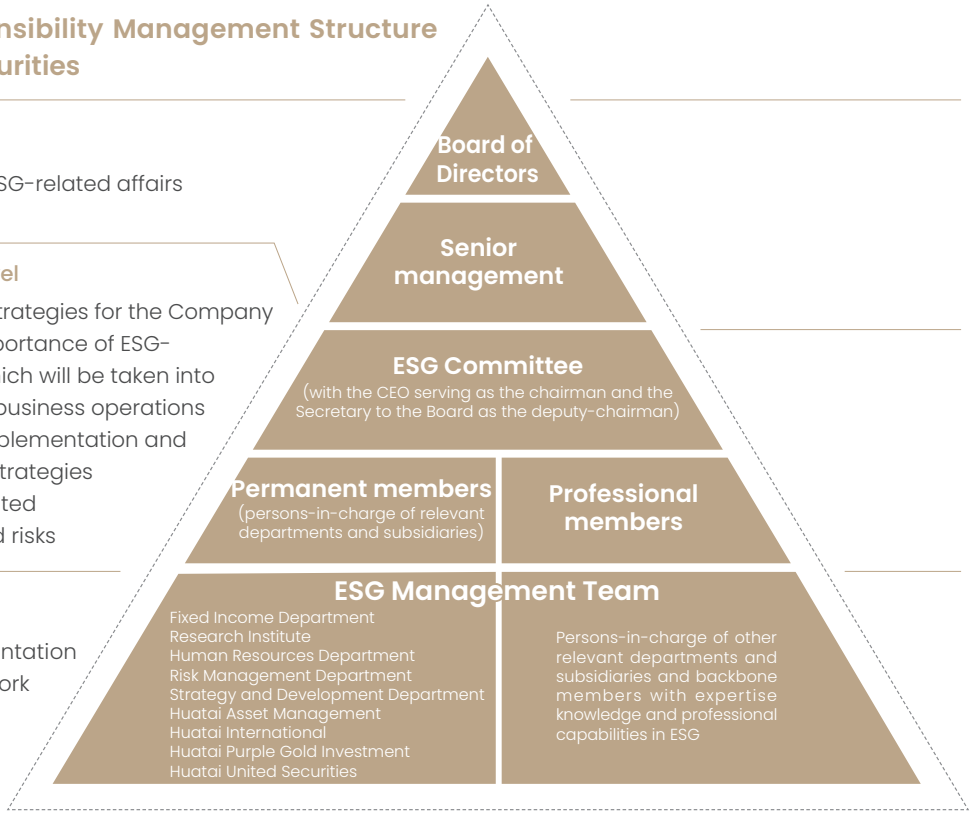
· Fully supervise ESG-related affairs

Management level

· Formulate ESG strategies for the Company
· Evaluate the importance of ESG-related affairs which will be taken into consideration in business operations
·Supervise the implementation and progress of ESG strategies
· Identify ESG-related opportunities and risks

Execution level

· Actual implementation of ESG relevant work



2. Compliant Operation to Protect the Rights and Interests of All Parties

The Company conscientiously implements the Company Law, the Securities Law, the Standards for the Governance of Listed Companies (《上市公司治理準則》) and other documents and has established a system of modern enterprise organization and an operation mechanism with the General Meeting, the Board of Directors, the Supervisory Committee and the senior management. It follows the principles of independent operation, effective checks and balances, mutual cooperation and coordinated operation of various governance bodies and continuously improves the operation mechanism of the Meetings and the management to improve its corporate governance efficiency.

Acted in strict accordance with the Administrative Measures for the Disclosure of Information of Listed Companies issued by the CSRC and other legal norms and relevant requirements, the Company also formulated the Management Measures for Information Disclosure, the Internal Reporting System for Material Information, the System regarding Insider Registration and Management and Confidentiality and other rules and regulations to provide comprehensive regulation on information disclosure of the Company, so as to disclose information in a truthful, accurate, complete and timely manner, and ensure that all shareholders have equal access to relevant information of the Company.

AA

In 2021, the Company was rated Class AA under Category A according to the classification of securities companies by the CSRC in 2021.

A

In 2021, the Company was rated the highest-level Class A in the 2020-2021 information disclosure evaluation of listed companies by the Shanghai Stock Exchange.

The suppliers of Company mainly include those related to IT hardware, IT software, products for project construction, comprehensive materials, products for Internet marketing, information products and relevant services. By strictly following the Tendering and Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), the Government Procurement Law of the People's Republic of China (《中華人民共和國政府採購法》) and other laws and regulations, the Company further optimized management method of suppliers and created sound supplier cooperation ecosystem.

The Company strictly complies with various requirements on financial marketing publicity and product advertisement stipulated by the Advertisement Law, the Notice on Further Standardizing Financial Marketing Publicity, the Measures for Supervision and Administration of the Sales Organizations of Securities Investment Funds in Public Offering and the Interim Regulations on the Administration of Publicity and Marketing of Securities Investment Funds in Public Offering and formulated the Administrative Measures for Marketing Publicity Activities and the Administrative Measures for Proxy Sale of Financial Products, establishing and improving the internal control systems on the advertising and marketing management of financial products, continuously strengthening the management of marketing publicity activities and preventing risks resulting from illicit marketing publicity.

3. Promoting Sustainable Development with Responsible Finance

Strengthening ESG risk management on clients

The clients' ESG risks include risks on three major aspects, namely environmental, social and corporate governance. The Company strengthened the clients' ESG risk management to facilitate the Company in managing and controlling non-financial risks of clients or projects, prevent the Company from suffering credit and reputational risks due to clients' or projects' ESG issues and promote the sustainable development of the Company in the long run.

To further improve the clients' ESG risk management system, the Company amended the Guidelines for Due Diligence on Clients' Environmental, Social and Governance (ESG) in 2021, specifying that for agriculture, biodiversity, energy use, forestry, mining, oil and gas, transport, materials and other industries with high environmental risks, it shall strengthen due diligence on clients' ESG risks and industries with high environmental risks shall meet relevant industrial policies. Meanwhile, the Company released the Reference Index of Policy Documents on Industries with High Environmental Risks, Biodiversity and Climate Change to relevant business lines as a supporting instrument in ESG due diligence.

Practicing the concept of responsible investment

With the concept of responsible investment gradually popularized in the market and widely recognized by domestic and foreign investment institutions, the Company actively responds to domestic and overseas development trends. The Company amended the Responsible Investment Statement of Huatai Securities Co., Ltd. In 2021, gradually improved three aspects of responsible investment, namely the organizational structure and management, research and communication, as well as investment strategy and application, and strived to prevent investment risks, create economic benefits and enhance social benefits of investments at the same time.

Under the overall framework of responsible investment, the Company continuously promoted the application of responsible investment strategies, such as positive screening, negative screening, ESG integration, sustainability themed investing and impact investment, in the investment business. The Company actively participated in green bonds investment and impact investment to seek economic benefits and balance social and environmental benefits.

Huatai Securities Asset Management officially joined the United Nations-supported Principles for Responsible Investment (UNPRI) in July 2021 and became an asset management subsidiary with the largest size of asset management among Chinese securities companies in the UNPRI. It will continue the two-way empowerment on responsible investment from the two ends of investment and financing and build an ESG investment research framework, carry out the integration of ESG into investment systems and develop ESG-related investment products under the guidance of the six principles for responsible investment with a view

to more comprehensively managing investment risks and enhancing sustainable long-term investment returns by pursuing long-term and value- oriented investments.

Facilitating "carbon neutrality" through financial innovation

The Company has promoted the development of green finance with a high sense of responsibility and mission, and contributed to the sustainable development of our country's green finance by supporting the listing of energy-saving and environmentally friendly companies, the issuance of green bonds, and the establishment of innovative products and successfully explored in facilitating "carbon peak and carbon neutrality" through financial innovation. In 2021, Huatai United Securities underwrote 46 green bonds, with a total financing scale of RMB50,314 million (on a consolidated basis). Huatai Securities Asset Management issued 6 carbon neutrality and green ABS with an amount of RMB11,010 million.

In April 2021, Huatai United Securities, acting as the joint lead underwriter, facilitated China Energy Investment Group in issuing the "Tranche 1 Green Corporate Bonds in 2021 of China Energy Investment Group Co., Ltd. (國家能源投資集團有限責任公司) (Special for Carbon Neutrality)". It is the green bond with the largest scale among the first batch of green corporate bonds for "carbon neutrality" on the SSE with an issuing scale of RMB5.0 billion. The proceeds will be mainly used in green projects with carbon emission reduction effects to facilitate the construction of a clean, low-carbon, safe and efficient energy system and contribute to the realization of the "carbon peak and carbon neutrality" goals.

The Company also hosted the summit on carbon neutrality and green finance, the finance salon themed "Green Finance Development in the New Era of Carbon Reduction" and other communication activities on green finance in 2021, striving to enhance the public awareness on green finance and green development and jointly promote the healthy development of green finance with all parties.

Serving real economies

The Company actively responds to national strategies and provides science and technology enterprises with all-round financial services to effectively solve the problems such as huge R&D inputs and poor profitability and capital liquidity in the preliminary stage of science and technology enterprises and promote the stable and efficient development of science and technology enterprises. In 2021, Huatai United Securities successfully promoted 17 companies to log on the STAR Market, ranking the fourth in the number of enterprises sponsored by us.

The Company is committed to providing professional financial services for high-growth private enterprises. Focusing on the needs of various stages of enterprise development, Huatai Securities provides comprehensive full-cycle financial services for the entire industry chain, and grows together with the enterprises. In 2021, the Company has provided continuous services to companies including Wingtech Technology, S.F. Holding, CNGR, Trina Solar and HYC, fully supporting the sustainable and healthy development of private enterprises.

As the only company in China that has both GDR issuer and underwriter experience, the Company is capable and obliged to conform to the national strategy and made full use of domestic and foreign resources to provide professional and comprehensive financial services for Chinese companies to "go global", and all-round support for building a new pattern of opening capital market to the outside world.

4. Technology Empowering to Provide High-quality Services

Adhering to the concept of "Fintech Empowerment Returning to the Origins of Financial Services for Common Development of Technology and Business", the Company continued to promote digital transformation and improve the efficiency and quality of its own services through fintech empowerment. In 2021, the Company has continued to deepen the research and application of technologies such as artificial intelligence, cloud computing and big data and continuously upgraded and updated existing products, making new breakthroughs in technology innovation, achieving fruitful results and significantly enhancing the platform capability.

Since the launch of the mobile wealth management terminal "ZhangLe Fortune Path" in 2014, the Company

has continued to optimize and upgrade it. In 2021, "ZhangLe Fortune Path" released a total of 28 versions. With the purposes of developing scenarios and instruments with contents interaction, providing immersive business handling experience and building featured market transactions and account services, the Company actively established technology platforms focusing on new trends of wealth management for customers to comprehensively improve customer services with the improvement of customer interaction and the expansion of the number of customers and asset size as key points.

As of the end of **2021** the "ZhangLe Fortune Path" APP had been cumulatively downloaded by **65,319,600** users

5. Support for Employee Development Based on the Concept of "People-Oriented"

The Company strictly observed the Labour Law of the People' s Republic of China (《中華人民共和國勞動法》), Labour Contract Law of the People' s Republic of China (《中華人民共和國勞動合同法》) and other laws and regulations, formulated and continuously improved the Employee Management Measures of Huatai Securities Co., Ltd. and other internal systems to carry out standard management on employment and dismissal, equal employment, working hours management, rest and holidays and the prevention of child labour and forced labour.

The Company persisted in the establishment of standard, fair and equal employment and dismissal procedures, firmly opposed discrimination in employment, equally treated every jobseeker and employee, and ensured fair employment and occupational development that does not be affected by race, belief, sex, religion, nationality, ethnic group, age, marital status, disability, social status, etc. In addition, the Company paid attention to the employment of female candidates and minority ethnic candidates, and provided equal and fair employment opportunities for female candidates and minority ethnic candidates.

Based on the technology-empowered "two-pronged" strategy and empowering people strategy, the Company built a talent development system with the quality as an international investment banking employee should have, customer value-added capabilities and digital transformation capabilities. In 2021, based on the Measures for Training Management of Huatai Securities Co. Ltd., the Company established and optimized the talent cultivation system based on the whole life cycle for talent growth and continuously conducted three series of training programs, namely the Huatai "STAR", the "HIPO" for core employees and the "BAL", fully meeting employees' development demands in different stages of career.

In 2021

Staff training attendance reached	With average training hours per capita (for parent company) of	Coverage ratio of staff training reached
1,396,745 person times	**66.8** hours	**100%**

6. Giving Back to the Community so as to Convey the Warmth of Finance

Supporting rural revitalization

The Company actively responses to national strategies by consolidating the achievements in poverty alleviation and continuously promoting rural revitalization.

The Company has established a service system featuring with the leadership and command of the management, coordination between different functional departments, specific coordination within branches, and the active engagement of all subsidiaries with their expertise. The Company has given full play to its advantages in market industry and financial expertise, injected its capital, technology, talents, management and other modern production factors into villages with putting major efforts in aspects such as party building and association building, industrial support, consumer support and public welfare support, thus to make contribution to the comprehensive revitalization of villages in the new era.

In 2021, the Company was awarded the honorary title of "Advanced Unit for Poverty Alleviation 2020" by the Old Liberated Area Construction Association, Foundation for Poverty Alleviation and Association for Poverty Alleviation and Development of Jiangsu Province.

Supporting ecological protection

Huatai Securities launched the campaign "One Commonweal Heart of Huatai One Yangtze River" in 2018 and cooperated with charitable organizations such as the World Wildlife Fund (WWF) and Shan Shui Nature Conservation Center as well as other private protection authorities, university research institutions and the public, to jointly protect the biodiversity of the Yangtze River Basin and promote the harmonious development of the ecological environment.

In 2021, the Company continuously united professional forces, conveyed the warmth of finance, promoted the dialogue and coordination between ecological protection and the capital market, boosted the strategic input of green finance and guided capital inflow into public welfare. In the source region of the Yangtze River, the Company has established a community protection base with a total area of 2,000 square kilometers and constantly improved resolutions on the ecological protection and the balanced development of communities. In the middle and lower reaches of the Yangtze River, the Company and the WWF jointly launched the project "One Yangtze River Small Fund for Wildlife Protection" (Phase-II) to support the protection of nine representative threatened species, including the Yangtze porpoise and Aythya baeri, and their habitats by Fudan University and other local institutions, filling the blankness in the protection of certain threatened species. In addition, the Company and China Environmental Protection Foundation jointly launched a 4K documentary on biodiversity protection, Huatai Securities Asset Management and the SEE Foundation launched the first asset management product with the theme of public welfare and the Company launched the "One Yangtze River Thousands of Cranes" and other public welfare campaigns to protect biodiversity in all aspects.

In September 2021, the "One Commonweal Heart of Huatai One Yangtze River" project was selected into the "100+ Biodiversity Positive Practices and Actions Around the World" at the 15th meeting of the UN Conference of the Parties to the Convention on Biological Diversity (CBD COP15).

Practicing charity with love

The Company has launched the "One Commonweal Heart of Huatai One Tomorrow" rural education program for six consecutive years, subsidizing the construction of software and hardware facilities in 5 schools in Jinzhai and Yuexi in Anhui Province, Enshi, Hubei Province, Suqian, Jiangsu Province and Yushu,

Qinghai Province. According to the differentiated demands of schools, the Company also introduced expert resources in such aspects as psychology, pedagogy, sociology, tangible cultural heritage and ecology, and regularly offered services to left-behind children and teachers, including neighborly action, summer training for class teachers, funding for children in need, natural education and psychological counselling, in order to continuously improve the specialization of the project.

As of the end of 2021, the "One Commonweal Heart of Huatai One Tomorrow"

ural education program benefited

55,758

children

9,195

teachers

III. DETAILS ON CONSOLIDATION AND EXPANSION OF THE RESULTS OF POVERTY ALLEVIATION, RURAL REVITALIZATION AND OTHER WORK

"One Company Helps One County" continuously deepened. The Company carried out the "One Company Helps One County" assistance in pair with Jinzhai County, Anhui Province in October 2016 and Jinzhai County was lifted from poverty in April 2020. In order to further consolidate the results of poverty alleviation and summarize the experience on assistance in pair, the Company drafted and published the Research Report on Regional Economy of Jinzhai County, which introduced the current development conditions of regional economy, analyzed the difficulties in economic development and proposed forward-looking thinking and professional suggestions on future development. Giving full play to its professional advantages and based on the demands in industrial development in Jinzhai Country, the Company coordinated professional staff to assist in the asset securitization program on the photovoltaic power station in Jinzhai Economic Development Zone and carry out the coordination and preparation work. It provided "dual support for aspiration and wisdom" and provided the government of Jinzhai County with "Smooth Learning" services under the support of the Securities Association of China. With systematic and diversified learning resources, it can better publicize financial knowledge and empower local financial cadres.

Seeking development through "East-west Collaboration". The Company actively responded to the calls of the Party committee and government of Jiangsu Province, adapted to the changes in the situation and tasks and deepened the assistance under the east-west collaboration. During the Reporting Period, it donated RMB500,000 to the pilot program on the environmental renovation in Keziletao Village, Halajun Township, Atushi City, Kizilsu Kirghiz Autonomous Prefecture, Xinjiang to promote poverty alleviation and rural revitalization and improve the production and living conditions in border areas. It donated RMB200,000 to the charity program with the theme of "Jiangsu-Guizhou Targeted Poverty Alleviation • Spring Bud Program", which subsidizes poverty-stricken students in Tongren City, Guizhou Province to successfully finish their studies. It proactively carried out assistance through consumption and procured agricultural and sideline products with an amount of RMB458,300 from Qinghai and Tibet.

"Village-enterprise Construction" in full swing. Since November 2020, the Company has initiated the "village-enterprise construction" in 10 villages in 5 cities in middle and north Jiangsu, including 2 villages in Xuzhou, 3 villages in Yancheng, 1 village in Huai'an, 2 villages in Yangzhou and 2 villages in Taizhou. With the target of "building up foundations in the first year, making development in the second year and gaining results in the third year", the Company devoted itself to the village-enterprise cooperation for common development and contributed to rural revitalization. During the Reporting Period, the Company invested assistance capitals with a total amount of RMB6.20 million and promoted the implementation of 14 assistance programs, which vigorously boosted the income growth of the collective economy of villages under the program and led the villagers in taking the path of common prosperity.

MAJOR EVENTS

I. PERFORMANCE OF UNDERTAKINGS

Undertakings of de facto controllers, Shareholders, related parties, purchasers of the Company, the Company and other undertaking-related parties made or remained effective during the Reporting Period

Background of undertaking	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Any deadline for performance or not	Strictly performed in a timely manner or not
Other undertakings made to minority Shareholders of the Company	To solve horizontal competition	Guoxin Group	Guoxin Group and its subsidiaries or associated companies shall not engage in or conduct any business which may compete with the primary business of Huatai Securities in any way (including but not limited to self-operated, joint venture or associated) at any time in the future (except for Jintai Futures Co., Ltd.). For any opportunities to conduct, engage in or invest in any business that may compete with the business of Huatai Securities available to Guoxin Group and its subsidiaries or associated companies, Guoxin Group will give such opportunities to Huatai Securities (except for Jintai Futures Co., Ltd.).	Issuing date: June 27, 2014; expiry date: in a long term	No	Yes

II. THERE WAS NO NON-OPERATING MISAPPROPRIATION OF FUNDS OF THE COMPANY BY ANY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD.

III. THE COMPANY HAD NO GUARANTEES IN VIOLATION OF REGULATIONS DURING THE REPORTING PERIOD.

IV. STANDARD UNQUALIFIED OPINION AUDIT REPORT WAS PREPARED BY THE ACCOUNTING FIRM OF THE COMPANY.

V. ANALYSIS AND EXPLANATION FROM THE COMPANY ON THE REASONS AND IMPACT OF THE CHANGE OF ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR CORRECTION OF MAJOR ACCOUNTING ERRORS

(I) Analysis and explanation from the Company on the reasons and impact of the change of accounting policies and accounting estimates

For the change of accounting policies and accounting estimates during the Reporting Period, please refer to note 2. Significant Accounting Policies under Financial Report in this report.

(II) The Company made no correction of major accounting errors

VI. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRM

Unit: Ten Thousand Yuan Currency: RMB

	Currently employed units
Name of the domestic accounting firm	KPMG Huazhen LLP
Remuneration of the domestic accounting firm	332
Audit duration of the domestic accounting firm	8 years
Name of the overseas accounting firm	KPMG
Remuneration of the overseas accounting firm	265
Audit duration of the overseas accounting firm	7 years

	Name	Remuneration
Accounting firm for the auditing of internal controls	KPMG Huazhen LLP	Please refer to the description below this table

Description of appointment and removal of accounting firm

During the Reporting Period, as approved at the 2020 Annual General Meeting of the Company, the Company reappointed KPMG Huazhen LLP to audit the financial statements and conduct internal control audit of the Company and its holding subsidiaries for 2021 to issue the 2021 audit report and internal control audit report. The audit service fee was capped at RMB6.00 million.

VII. THE COMPANY HAD NO RISKS OF SUSPENSION OF LISTING, TERMINATION OF LISTING, BANKRUPTCY AND RESTRUCTURING

VIII. MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, there were no material litigation and arbitration of the Company with amount involving more than RMB10 million and accounting for more than 10% of the absolute value of the audited net assets of the Company for the latest period, which are required to be disclosed by the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

(I) Litigation and Arbitration Disclosed in Ad hoc Announcements without Subsequent Development

Summary and type of event	Query indexes
Debt disputes between Huatai United Securities, Stone Group (四通集團) and Stone Group Financial Company (四通集團財務公司)	Could be retrieved in the annual reports for the Year 2011 to 2020
Debt disputes between Huatai United Securities and Beijing Huazi Syndicated Group (北京華資銀團集團)	Could be retrieved in the annual reports for the Year 2011 to 2020
Debt disputes between Huatai United Securities, China Huacheng Group Financial Co., Ltd. (中國華誠集團財務有限責任公司) and Huacheng Investment Management Co., Ltd. (華誠投資管理有限公司)	Could be retrieved in the annual reports for the Year 2011 to 2020
Stock pledged repurchase contract dispute under No. 3 Targeted Assets Management Plan on Capital Innovation of China Merchants of Huatai Asset Management	Could be retrieved in the annual report for the Year 2020
A considerable overloss in futures account of Zhang Xiaodong, a client of Huatai Futures	Could be retrieved in the annual reports for the Year 2013 to 2020

(II) Litigation and Arbitration not Disclosed in Ad hoc Announcements or with Subsequent Development

The litigation or arbitration of the Company which was newly raised but has not been disclosed (with an involved amount of over RMB100 million) or has been disclosed but had progress during the Reporting Period:

1. Debt dispute between the Company and Sichuan Shengda Group Co., Ltd. (四川聖達集團有限公司)

The interest of corporate bond of Sichuan Shengda Group Co., Ltd. of 2012 ("12 Shengda bond" (12 聖達債), bond code: 1280443) was not able to be paid to the Company in full and the principal amount of the bond was not able to be paid for redemption in full upon maturity. The Company and other creditors jointly entrusted Chengdu Branch of the Bank of Tianjin Co., Ltd. to lodge litigation at Sichuan Higher People's Court on June 7, 2016 according to the decision made in the meeting of bondholders, requesting Sichuan Shengda Group Co., Ltd. to repay the principal amounts and interests. The total principal amount was RMB300 million, the interest shall be paid at the coupon rate of 7.25% calculated from December 6, 2014 till the date of repayment, and the penalty interest shall be paid at the annual interest rate of 3.625% calculated from December 6, 2015 till the date of repayment (of which RMB50 million was attributable to the Company). The case was closed through mediation. Sichuan Shengda Group Co., Ltd. agreed to pay the money above, confirming that Chengdu Branch of Bank of Tianjin Co., Ltd. is entitled to the priority of claim for the money from disposal of the pledge and that relevant personnel are jointly responsible for liquidation. At present, the Intermediate People's Court in Leshan City, Sichuan Province, the executive court, is disposing the pledge, among which 10 million shares of "GWACG" (stock code: 000835) were auctioned for the second time on November 21, 2018. The second largest shareholder of GWACG won the equity at RMB42.68 million. In February

2019, the Company received the auction proceeds of approximately RMB7.01 million. Equity of Sichuan Shengda Hydropower Development Co., Ltd. (四川聖達水電開發有限公司) amounting RMB78 million, the pledge, was publicly auctioned and sold, but the auction failed because no one bid. The creditors agreed to settle the debt with the equity. After deduction of fees, the court delivered the equity to the execution applicant, Chengdu Branch of Bank of Tianjin Co., Ltd. on July 12, 2021 to settle the debt of RMB98,948,752. The disposal of the equity is still in progress, and there is no cash collection yet. As of December 31, 2021, the principal, interest and penalty interest receivable by the Company from Sichuan Shengda Group Co., Ltd. were RMB44.5668 million, RMB22.8567 million and RMB10.4042 million, respectively.

2. Dispute over pledged securities repurchase

Matters	Descriptions
Dispute over pledged securities repurchase between the Company, Chu Jinfu, Tang Fujun and Henan Senyuan Group Co., Ltd.	Due to the breach of contract on stock pledged repurchase transaction by Chu Jinfu, the Company filed a lawsuit with the Intermediate People's Court of Nanjing in July 2020, requesting the court to order Chu Jinfu to pay the outstanding principal of RMB571.80 million and the corresponding interest, liquidated damages and the fees on the realization of creditor's rights, order Tang Fujun to undertake joint settlement obligations and order that the Company is entitled to the priority of claim for the money from the discounting, auction or sale of relevant shares, equity interests and the corresponding dividend pledged to the Company by Chu Jinfu and Henan Senyuan Group Co., Ltd. (hereinafter referred to as "Senyuan Group") within the scope of relevant payment obligations. On June 24, 2021, the Company received the first-instance judgment from the Intermediate People's Court of Nanjing, ruling that Chu Jinfu, the defendant, shall repay the financing principal, the interest and liquidated damages to the Company and pay the lawyer's fee. The Company is entitled to the priority of claim for the money from the discounting, auction or sale of relevant shares, equity interests and the corresponding dividend pledged to the Company by Chu Jinfu and Senyuan Group within the scope of the above payment obligations. Tang Fujun shall undertake joint responsibilities on the payment obligations of Chu Jinfu. On July 8, 2021, Senyuan Group and Tang Fujun appealed to the High People's Court of Jiangsu Province. On December 23, 2021, the Company received the second-instance judgment from the High People's Court of Jiangsu Province, which rejected the appeal and upheld the original judgment.
Dispute over pledged securities repurchase between the Company, Henan Senyuan Group Co., Ltd. and Chu Jinfu	Due to the breach of contract on stock pledged repurchase transaction by Senyuan Group, the Company filed a lawsuit with the Intermediate People's Court of Nanjing in July 2020, requesting the court to order Senyuan Group to pay the outstanding principal of RMB300 million and the corresponding liquidated damages and the fees on the realization of creditor's rights, order Chu Jinfu to undertake joint settlement obligations and order that the Company is entitled to the priority of claim for the money from the discounting, auction or sale of relevant shares, equity interests and the corresponding dividend pledged to the Company by Senyuan Group within the scope of relevant payment obligations. On June 24, 2021, the Company received the first-instance judgment from the Intermediate People's Court of Nanjing, ruling that Senyuan Group, the defendant, shall repay the financing principal and liquidated damages to the Company and pay the lawyer's fee. The Company is entitled to the priority of claim for the proceeds from the disposal of relevant shares, equity interests and the corresponding dividend pledged to the Company by Senyuan Group within the scope of the above payment obligations. Chu Jinfu shall undertake joint responsibilities on the above payment obligations of Senyuan Group. On July 8, 2021, Senyuan Group appealed to the High People's Court of Jiangsu Province. On December 23, 2021, the Company received the second-instance judgment from the High People's Court of Jiangsu Province, which rejected the appeal and upheld the original judgment.
Dispute over pledged securities repurchase between the Company, Han Hua and Yang Lijun	Due to the breach of contract on stock pledged repurchase transaction by Han Hua, the Company filed a lawsuit with the Intermediate People's Court of Nanjing in August 2020, requesting the court to order Han Hua to pay the outstanding principal of RMB161,905,600 and the corresponding interest, liquidated damages and the fees on the realization of creditor's rights, order Yang Lijun to undertake joint settlement obligations and order that the Company is entitled to the priority of claim for the money from the discounting, auction or sale of relevant shares and the corresponding dividend pledged to the Company by Han Hua within the scope of relevant payment obligations. On June 16, 2021, the Company received the first instance judgment from the Intermediate People's Court of Nanjing, ruling that Han Hua shall pay the amount on the stock repurchase transaction and liquidated damages to the Company. The Company is entitled to the priority of claim for the proceeds from the disposal of relevant shares pledged by Han Hua. Yang Lijun shall undertake joint settlement responsibilities on the debts of Han Hua. The Company has lodged an application to the Intermediate People's Court of Nanjing for enforcement.

Matters	Descriptions
Dispute over pledged securities repurchase between the Company, Yang Lijun and Han Hua	Due to the breach of contract on stock pledged repurchase transaction by Yang Lijun, the Company filed a lawsuit with the Intermediate People's Court of Nanjing in September 2020, requesting the court to order Yang Lijun to pay the outstanding principal of RMB101,268,300 and the corresponding interest, liquidated damages and the fees on the realization of creditor's rights, order Han Hua to undertake joint settlement obligations and order that the Company is entitled to the priority of claim for the money from the discounting, auction or sale of relevant shares and the corresponding dividend pledged to the Company by Yang Lijun. On July 12, 2021, the Company received the first-instance judgment from the Intermediate People's Court of Nanjing, ruling that Yang Lijun shall pay the amount on the stock repurchase transaction and liquidated damages to the Company. The Company is entitled to the priority of claim for the proceeds from the disposal of relevant shares pledged by Yang Lijun. Han Hua shall undertake joint settlement responsibilities on the debts of Yang Lijun. The Company has lodged an application to the Intermediate People's Court of Nanjing for enforcement.

3. Arbitration on the Dispute in relation to the Master Agreement on Bond Pledge Repurchase Transactions of Shanghai Stock Exchange between Everbright Securities Company Limited and the Company

During the Reporting Period, the Company received an arbitration document from Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center). Everbright Securities Company Limited applied to Shanghai International Economic and Trade Arbitration Commission for arbitration on the bond pledge repurchase transactions of Shanghai Stock Exchange, requesting the Company to repay the financing amount under four repurchase transactions under relevant agreements together with the corresponding interest and liquidated damages with a total amount of RMB240,149,300. As the Company is not the repurchasing party in the repurchase transactions under the agreements involved and it is only the dealer of the repurchasing party, the Company has appointed lawyers to respond to the case. On October 29, 2021, the case was heard at the Shanghai International Economic and Trade Arbitration Commission. No arbitral award has been received by the Company as of the end of the Reporting Period.

4. Dispute between Huatai United Securities and investors of 16 Bright Oceans Bonds

Bright Oceans Group Co., Ltd. was approved to issue corporate bonds with a nominal value of no more than RMB2.5 billion (the "16 Bright Oceans Bonds") to qualified investors in 2015. Huatai United Securities served as the joint lead underwriter.

(1) Disclosed cases with new developments

On October 26, 2020, Huatai United Securities received a notice of respondence to action from the First Intermediate People's Court of Beijing. China Foreign Economy and Trade Trust Co., Ltd., the plaintiff, believed the bonds have breached contract and there were false and misleading statements or significant omissions in the Prospectus and the lead underwriter and the joint lead underwriter failed to perform due diligence obligations. It filed a lawsuit against the issuer, the lead underwriter and the joint lead underwriter, requesting the issuer to repay a principal of RMB45 million and interest of RMB16,481,126 and requesting the lead underwriter and the joint lead underwriter to undertake joint responsibilities.

On October 31, 2020, Huatai United Securities received a notice of respondence to action from the First Intermediate People's Court of Beijing. Shenzhen Rongtong Capital Management Co., Ltd., the plaintiff, filed a lawsuit against the issuer, the lead underwriter and the joint lead underwriter, requesting the issuer to repay a principal of RMB500 million, the interest and the fees on the realization of the creditor's rights with a total amount of RMB602.4 million, and requesting the lead underwriter and the joint lead underwriter to undertake joint responsibilities.

On November 5, 2020, Huatai United Securities received a notice of respondence to action from the First Intermediate People's Court of Beijing. CITIC Trust Co., Ltd. (中信信託有限責任公司), the plaintiff, filed a lawsuit against the issuer, the lead underwriter and the joint lead underwriter, requesting the issuer to repay a

principal of RMB20 million and the interest with a total amount of RMB23,536,400, and requesting the lead underwriter and the joint lead underwriter to undertake joint responsibilities.

For the above cases, the First Intermediate People's Court of Beijing has ruled that the three cases shall be combined for trial and handed over to the Intermediate People's Court of Harbin. On August 3, 2021, the Intermediate People's Court of Harbin served a civil judgment to lawyers of the Company, ruling that the claims of the three plaintiffs have been effectively settled through bankruptcy and restructuring procedures and that the debtor-creditor relationship between the plaintiffs and the defendant have been terminated. Therefore, it rejected the claims of the plaintiffs. As for the first-instance judgment, Shenzhen Rongtong Capital Management Co., Ltd. did not appeal, and China Foreign Economy and Trade Trust Co., Ltd. and CITIC Trust Co., Ltd. appealed. As China Foreign Economy and Trade Trust Co., Ltd., the appellant, failed to pay its lawsuit fees on time, on December 30, 2021, the Higher People's Court of Heilongjiang Province issued the Civil Judgment of (2021) Hei Min Zhong No. 2085, and the case was handled as the plaintiff withdrew the lawsuit. The first-instance judgment shall take effect from the date of service of the judgment. The second instance of the case with CITIC Trust Co., Ltd. as the appellant was heard on January 21, 2022.

(2) New case

On March 8, 2021, Huatai United Securities received a notice of respondence to action from the First Intermediate People's Court of Beijing. China Securities Funds Management Limited, the plaintiff, filed a lawsuit against the issuer, requesting the issuer to repay the principal and interest of the bond with a total amount of RMB85,684,579 and requesting the lead underwriter and the joint lead underwriter, the responsible person on the issuance, the accounting firm and the law firm to undertake joint compensation responsibilities.

The First Intermediate People's Court of Beijing made a ruling on April 25, 2021 that the case is handed over to the Intermediate People's Court of Harbin. It was because the plaintiff failed to pay its lawsuit fees on time. On August 25, 2021, the Intermediate People's Court of Harbin issued the Civil Judgment of (2021) Hei 01 Min Chu No. 1931, and the case was handled as the plaintiff withdrew the lawsuit.

5. Dispute over Magnate project between Huatai United Securities and Postal Savings Bank

For the "Huatai Magnate Light Asset-backed Special Program" (the "Magnate ABS"), Shanghai Fortune HFT Asset Management Co., Ltd. (上海富誠海富通資產管理有限公司) acted as the program manager and Huatai United Securities acted as the financial consultant.

On September 21, 2020, Shanghai Financial Court issued the Notice of Respondence to Action and served it to Huatai United Securities on September 25. Since investment in "Magnate ABS" was not fully redeemed, Postal Savings Bank of China, the plaintiff, requested to order the five defendants to jointly compensate the plaintiff an investment loss of RMB527 million and interest of RMB72 million (as of June 1, 2020) and order the lawsuit fees shall be assumed by the five defendants, among which Huatai United Securities was listed as the fifth defendant. Shanghai Financial Court heard the case three times on July 9, October 25 and December 24, 2021, respectively. No result of the first-instance judgment was received as of the end of the Reporting Period.

6. Bond default contract dispute under Huatai collective asset management program of Huatai Asset Management

On June 24, 2020, Huatai Asset Management, on behalf of the collective asset management program and as the plaintiff, lodged a civil lawsuit with Shanghai Financial Court on the violation of contract related to "16 Rightway 03" bonds against Rightway Property Development Co., Ltd. (正源房地產開發有限公司), the issuer of the bonds, as the defendant and the amount involved was approximately RMB171 million. The case was officially accepted and is under first trial. Based on relevant opinions and requirements of the Supreme People's Court on bonds review, the case has been transferred to the Intermediate People's Court of Dalian. The Intermediate People's Court of Dalian issued a civil judgment on August 20, 2021, the result thereof basically all supported the claims of Huatai Asset Management. As for calculation of the principal, interest and liquidated damages in the first-instance judgment, the defendant filed an appeal. Liaoning High

People's Court ruled on December 28, 2021 to uphold the original judgment. Huatai Asset Management shall proactively promote follow-up executions.

IX. SUSPECTED VIOLATIONS OF LAWS AND REGULATIONS BY, PUNISHMENT ON AND RECTIFICATION OF THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

1. On July 22, 2021, Shanghai Bureau of the CSRC issued the Decision on Ordering of Huatai Securities (Shanghai) Asset Management Co., Ltd. to Take Rectification Measures (Hu Zheng Jian Jue [2021] No. 104) to Huatai Asset Management, stating that Huatai Asset Management has insufficient internal control system in the process of carrying out fixed-income business, the credit risk management mechanism is unsound, and it fails to accurately identify, prudently assess and wholly manage the credit risks, and some products have liquidity risks. Huatai Asset Management was ordered to take rectifications and submit a written report to Shanghai Bureau of the CSRC before August 31, 2021.

In response to the issues raised in (Hu Zheng Jian Jue [2021] No. 104), Huatai Asset Management conducted comprehensive reviews and took rectifications in a timely manner. Through rectification measures on several aspects, including bond credit research, product liquidity management, risk control, investment and research system, the Plan on Risk Control System of Fixed-income Business of Huatai Securities (Shanghai) Asset Management Co., Ltd. was prepared and implemented. Currently, Huatai Asset Management has completed its rectifications and submitted a written rectification report to Shanghai Bureau of the CSRC on August 9, 2021, and obtained the acceptance.

2. Save for the foregoing, none of the Company and its Directors, Supervisors, senior management, shareholders holding over 5% of equity interest or de facto controllers were investigated by competent authorities, imposed with coercive measures by a judiciary authority or disciplinary department, transferred to a judicial authority or held criminally liable, banned from accessing to the market, identified as unsuitable persons, punished by other administrative departments or publicly condemned by a stock exchange.

X. INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS DURING THE REPORTING PERIOD

During the Reporting Period, the Company and its de facto controllers maintained good faith with no cases such as non-performance of effective court judgment or overdue of relatively large liability.

XI. MAJOR RELATED-PARTY TRANSACTIONS

Details on the related-party transactions under the relevant accounting standards can be found in note 55 to the financial statements of this report headed "Related party relationships and transactions". The Company confirmed that, except for the following transaction, the related-party transactions shown in notes to the financial statements were not qualified as the "connected transactions" or the "continuing connected transactions" as defined in Chapter 14A of the Hong Kong Listing Rules (as the case may be), and those qualified as the connected transactions in Chapter 14A of the Hong Kong Listing Rules were fully in compliance with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

Establishment of a Partnership (Nanjing Huatai Guoxin Medical Investment Partnership (LP))

In order to explore potential investment opportunities and bring benefits and obtain better returns to shareholders, on December 31, 2020, Huatai Purple Gold Investment (as a general partner and an executive partner) and Jiangsu Investment Management Co., Ltd. (as a general partner), Nanjing Industrial Development Fund Co., Ltd. (as a limited partner) and Nanjing Beilian Venture Capital Co., Ltd. (as a limited partner) entered into a partnership agreement to establish Nanjing Huatai Guoxin Medical Investment Partnership (LP), which mainly focuses on investing in the medical and health industry, including biomedicine, medical equipment, medical services and other fields. Pursuant to the partnership agreement, the total capital contribution by all partners to the partnership shall be RMB3,000,000,000, being initial subscription scale for the fund and of which, Huatai Purple Gold Investment shall contribute RMB600,000,000. Huatai Purple Gold Investment serves as the fund manager, providing investment consulting, investment management and other services to the partnership, and the partnership shall pay the fund management fee to Huatai Purple Gold Investment. From the date of establishment of the partnership to the expiry of the thirty-sixth month from the date of establishment of the partnership, the billing base of the management fee that each partner shall share is the amount of subscribed capital contribution and the rate of 1% per year; From the day after the expiry of thirty-sixth month from the date of establishment of the partnership, to the expiry of eighty-fourth month from the date of establishment of the partnership, the billing base of the management fee that each partner shall share is the original investment cost of the partnership that has invested but has not yet withdrawn from the investment project, and the rate of 1% per year. On January 29, 2021, the Board of the Company considered and approved the Proposal on the Establishment of Industrial Fund by Huatai Purple Gold Investment Co., Ltd., a Wholly-owned Subsidiary of the Company (《關於公司全資子公司華泰紫金投資有限責任公司投資設立產業基金的議案》) and the main rights and obligations of Huatai Purple Gold Investment and Jiangsu Investment Management Co., Ltd. in the partnership agreement will take effect upon the approval of the Board of the Company and fulfilment of the approval or decision-making procedures by Jiangsu Investment Management Co., Ltd. For details, please refer to the announcement of the Company dated January 29, 2021.

Guoxin Group is a substantial shareholder of the Company, holding approximately 14.86% of the entire issued share capital of the Company on January 29, 2021, and thus is a connected person of the Company under the Hong Kong Listing Rules. Jiangsu Investment Management Co., Ltd. is a wholly-owned subsidiary of Guoxin Group, and hence Jiangsu Investment Management Co., Ltd. is an associate of Guoxin Group and a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transaction contemplated under the establishment of the partnership constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules. As the highest applicable percentage ratio in respect of the capital contribution for the establishment of the partnership is more than 0.1% but less than 5%, as calculated under Rule 14.07 of the Hong Kong Listing Rules, the establishment of the partnership is only subject to the reporting and announcement requirements, but exempted from the requirements of circular and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules. As all the applicable percentage ratios in respect of the management fees receivable by Huatai Purple Gold Investment as the fund manager of the partnership are less than 0.1%, as calculated under Rule 14.07 of the Hong Kong Listing Rules, the collection of the management fees is exempted from the requirements of reporting, announcement and independent shareholders' approval under Chapter 14A of the Hong Kong Listing Rules.

XII. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

(I) Custody, contracting or leasin

During the Reporting Period, the Company was not engaged in any custody, contracting or leasing.

(II) Guarantees

Unit: 100 Million Yuan Currency: RMB

External guarantees of the Company (excluding the guarantees for subsidiaries)	
Total amount of guarantees during the Reporting Period (excluding the guarantees for subsidiaries)	-
Total balance of guarantees at the end of the Reporting Period (A) (excluding the guarantees for subsidiaries)	-
Guarantees of the Company and its subsidiaries for its subsidiaries	
Total amount of guarantees for subsidiaries during the Reporting Period	90.02
Total balance of guarantees for subsidiaries at the end of the Reporting Period (B)	237.83
Total guarantee amount of the Company (including the guarantees for subsidiaries)	
Total guarantee amount (A+B)	237.83
Percentage of the total guarantee amount to net assets of the Company (%)	16.02
Among which:	
Amount of guarantees provided for shareholders, actual controllers and their related parties (C)	–
Amount of debt guarantees provided directly or indirectly for the guaranteed objects with an asset-liability ratio of more than 70% (D)	175.83
Excess amount of the total guarantee over 50% of the net assets (E)	–
Total amount of the three guarantees mentioned above (C+D+E)	175.83
Undue guarantees with joint and several liabilities	Bearing the principal, interest and other expenses of the bonds
Conditions of guarantees	1. Guarantees Provided by the Company (1) In January 2015, Huatai Asset Management was officially founded. With the steady development of the Company's asset management business and the rapid expansion of the scale of asset management, in order to ensure the risk control indicators of Huatai Asset Management meet the supervisory requirements, the Company's Shareholders' meeting reviewed and approved relevant resolutions respectively on March 30, 2015 and September 13, 2016, approved the Company to offer Huatai Asset Management a net capital guarantee with the maximum amount of RMB1.2 billion and RMB5.0 billion and promised that, whenever Huatai Asset Management needs to expand businesses, it will provide cash support within the aforesaid amount unconditionally. On December 31, 2020, Shanghai Securities Regulatory Bureau approved the Company to terminate the commitment on the provision of net capital guarantee with an amount of RMB2.0 billion to Huatai Asset Management. As at the end of the Reporting Period, the Company provided a total net capital guarantee with the maximum amount of RMB4.2 billion to Huatai Asset Management. (2) In 2017, as approved and passed at the fifth meeting of the fourth session of the Board and the 2016 Annual General Meeting of the Company, the Company provided a net capital guarantee with the maximum amount of RMB1.9 billion to Huatai Asset Management. The net capital guarantee of RMB1.9 billion has not been utilized during the Reporting Period. (3) In 2018, as approved and passed at the sixteenth meeting of the fourth session of the Board, the Company provided a net capital guarantee with the maximum amount of RMB2.0 billion to Huatai United Securities. The net capital guarantee will be available from July 1, 2019. (4) In 2019, as considered and approved at the twentieth meeting of the fourth session of the Board, the Company (as the guarantor) entered into a guarantee agreement with Citicorp International Limited (as the trustee) for the provision of an unconditional and irrevocable guarantee of USD500 million for the bonds issued by Pioneer Reward Limited, a subsidiary of Huatai International. In 2020, as considered and approved at the second meeting of the fifth session of the Board, the Company (as the guarantor) entered into a guarantee agreement with Citicorp International Limited (as the trustee) for the provision of an unconditional and irrevocable guarantee of USD400 million for the bonds issued by Pioneer Reward Limited, a subsidiary of Huatai International. (5) In 2020, as considered and approved at the seventh meeting of the fifth session of the Board, the Company provided a liquidity guarantee with a maximum amount of RMB2.0 billion to Huatai United Securities, which had not been utilized during the Reporting Period. (6) In April 2021, as considered and approved at the eleventh meeting of the fifth session of the Board and the 2021 First Extraordinary General Meeting of the Company, the persons authorized by the general mandate to issue onshore and offshore debt financing instruments of the Company may sign relevant agreements, and the Company (as the guarantor) has entered into a guarantee agreement with Citicorp International Limited (as the trustee), to provide an unconditional and irrevocable guarantee respectively for USD1,300 million bonds and additional USD100 million bonds issued by Pioneer Reward Limited, a subsidiary of Huatai International. 2. Guarantees Provided by the Subsidiaries During the Reporting Period, Huatai International and its subsidiaries had provided guarantees for the benefits of their subsidiaries in connection with their business operations, which are mainly guarantees for corporate bonds, guarantees for medium-term notes, and guarantees for transactions with counterparties involving the signing of international swaps and derivatives association agreements. The aggregate guaranteed amount was approximately RMB2.355 billion as of the end of the Reporting Period. 3. The aforesaid amount of debt guarantees provided directly or indirectly for the guaranteed objects with an asset-liability ratio of more than 70% was RMB17.583 billion, including: 1) guarantee provided by the Company to Pioneer Reward Limited, a subsidiary of Huatai International, for the issuance of USD2.3 billion bonds; 2) the guarantee provided by Huatai International and its subsidiaries to meet the needs of the business operation of their subsidiaries.

(III) Other material contracts

1. According to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – Contents and Formats of Annual Report (Revised in 2021) (《公開發行證券的公司信息披露內容與格式準則第2號—年度報告的內容與格式(2021年修訂)》), the Group did not enter into material contracts during the Reporting Period.

2. There was no progress of relevant material contracts disclosed during the Reporting Period.

XIII. DESCRIPTION OF OTHER MAJOR EVENTS THAT HAVE SIGNIFICANT IMPACTS ON INVESTORS TO MAKE VALUE JUDGMENTS AND INVESTMENT DECISIONS

(I) Capital increase in subsidiaries of the Company

For details on capital increase in subsidiaries of the Company during the Reporting Period, please refer to "(IX) Other information" under "VI. Major Operations during the Reporting Period" under "Management Discussion and Analysis and Report of the Board" in this report.

(II) Description of major events of the subsidiaries

1. Huatai Purple Gold Investment

During the Reporting Period, the Board of the Company approved the participation of Huatai Purple Gold Investment in the investment in and establishment of Nanjing Huatai Guoxin Medical Investment Partnership (Limited Partnership) (南京華泰國信醫療投資合夥企業(有限合夥)), with a total fund subscription amount of RMB3,000 million. Huatai Purple Gold Investment, as a fund manager, an executive partner and a general partner, has contributed RMB600 million. As of the end of the Reporting Period, Huatai Purple Gold Investment has paid-in capital of RMB240 million.

During the Reporting Period, Huatai Purple Gold Investment initiated the establishment of Huaian Huatai Yuanhong Technology Venture Capital Partnership (Limited Partnership) (淮安華泰遠宏科技創業投資合夥企業(有限合夥)), with a total fund subscription amount of RMB500 million. Huatai Purple Gold Investment, as a fund manager, an executive partner and a general partner, has contributed RMB100 million. As of the end of the Reporting Period, Huatai Purple Gold Investment has paid-in capital of RMB40 million.

During the Reporting Period, Huatai Purple Gold Investment initiated the establishment of Nanjing Huatai Zijin Emerging Industry Fund Partnership (Limited Partnership) (南京華泰紫金新興產業基金合夥企業(有限合夥)), with a total fund subscription amount of RMB768.625 million. Huatai Purple Gold Investment, as a fund manager, an executive partner and a general partner, has contributed RMB153.725 million. As of the end of the Reporting Period, Huatai Purple Gold Investment has paid-in capital of RMB30.745 million.

During the Reporting Period, Huatai Purple Gold Investment has contributed additional RMB87 million to Jiangsu Purple Gold Cloud Healthy Industry Investment Partnership (Limited Partnership) (江蘇紫金弘雲健康產業投資合夥企業(有限合夥)) sponsored and established by it. As of the end of the Reporting Period, Huatai Purple Gold Investment has paid-in capital of RMB232 million.

During the Reporting Period, Shenzhen Huatai Ruilin No. 1 Equity Management (Limited Partnership) (深圳市華泰瑞麟一號股權投資基金合夥企業(有限合夥)) managed by Shenzhen Huatai Ruilin Fund Investment Management Partnership (Limited Partnership) (深圳市華泰瑞麟基金投資管理合夥企業(有限合夥)), a holding subsidiary of Huatai Purple Gold Investment, completed industrial and commercial deregistration.

2. Huatai International

During the Reporting Period, Huatai International established Taibao Capital Management Co., Ltd. (泰保資本管理有限公司) as its wholly-owned subsidiary in Hong Kong.

During the Reporting Period, AssetMark Financial, Inc., a subsidiary of Huatai International, registered and established Gossamer Merger Sub, Inc. as its wholly-owned subsidiary, through which it completed the acquisition of four companies, namely Voyant, Inc., Voyant UK Limited, Voyant Financial Technologies, Inc. and Voyant Australia Pty Ltd, and completed deregistration of Gossamer Merger Sub, Inc. after the acquisition.

During the Reporting Period, AssetMark Financial, Inc., a subsidiary of Huatai International, deregistered three overseas subsidiaries, namely OBS Financial Services, Inc., WBI OBS Financial, LLC and OBS Holdings, Inc.

3. Huatai Futures

During the Reporting Period, Huatai Capital Management (Hong Kong) Limited, an overseas subsidiary of Huatai Futures, increased its investments in its wholly-owned subsidiaries namely Huatai (Hong Kong) Futures Limited and Huatai Financial USA, Inc. by HK$6 million and HK$3 million, respectively.

During the Reporting Period, Huatai Futures appointed Mr. Zhao Changtao as the general manager.

4. Jiangsu Equity Exchange

During the Reporting Period, Jiangsu Equity Exchange held a board meeting, at which Mr. Sun Hanlin was elected as chairman of the third session of the board of directors for a term ending at the expiry of the third session of the board of directors.

During the Reporting Period, the registered address of Jiangsu Equity Exchange was changed from "11/F, 188 Lushan Road, Nanjing" to "3/F, Building 10, Financial City, No. 377 Middle Jiangdong Road, Jianye District, Nanjing".

5. Huatai Innovative Investment

During the Reporting Period, the registered address of Huatai Innovative Investment was changed from "Room 1501, 15/F, Block 28, Fengsheng Hutong, Xicheng District, Beijing" to "Room 701-8 to 701-11, 7/F, Block 28, Fengsheng Hutong, Xicheng District, Beijing".

6. Huatai Asset Management

During the Reporting Period, Huatai Asset Management appointed Mr. Nie Tingjin as the general manager.

(III) Others

The fifth session of the Board convened the twentieth meeting on December 1, 2021, and considered and approved the Resolution on the Acquisition of 100% Equity Interest in Shanghai Shengju Asset Operation and Management Co., Ltd. During the Reporting Period, the Company acquired 100% equity interest in Shanghai Shengju Asset Operation and Management Co., Ltd. by way of public bidding, auction and listing through Shandong Property Rights Exchange Center, and actually purchased the properties in Building C of Shanghai Poly Plaza for daily office use. At present, the industrial and commercial registration modification procedures and the transfer procedures for related assets are still in process.

(IV) For other major events disclosed by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and the website of the Shanghai Stock Exchange (www.sse.com.cn) during the Reporting Period, please refer to Appendix III Information Disclosures Index.

XV. MAIN OFF-BALANCE SHEET ITEMS THAT MAY AFFECT THE COMPANY'S FINANCIAL SITUATION AND OPERATING RESULTS

For the main off-balance sheet items that may affect the Company's financial situation and operating results, please refer to "(II) Guarantees" under "XII. Material Contracts and Performance Thereof" under "Major Events" in this report.

XVI. IMPORTANT MATTERS AFTER THE BALANCE SHEET DATE

(I) Proposal or resolution on annual distribution

Please refer to "Important Notice" in this report.

(II) Material Investment and financing activities

Please refer to note 65 to the financial statements headed "Events after the reporting date" in this report.

(III) Material litigation and arbitration

After the Reporting Period, the Company did not have any material litigation and arbitration.

(IV) Business combination or disposal of subsidiary

After the Reporting Period, the Company did not conduct any business combination or disposal of subsidiary.

(V) Other situations that might materially affect the financial position, results of operation and cash flow of the Company after the Reporting Period

The Company had no other situations that might materially affect the financial position, results of operation and cash flow of the Company after the Reporting Period.

CHANGES IN SHARES AND SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Statement of changes in shares

1. Statement of changes in shares

Unit: Shares

	Before the change		Increase/decrease (+, -) of the change					After the change	
	Number	Percentage (%)	New shares issued	Bonus shares	Shares converted from reserves	Others	Subtotal	Number	Percentage (%)
I. Shares subject to selling restrictions	–	–	–	–	–	45,488,000	45,488,000	45,488,000	0.50
1. Shares held by the state	–	–	–	–	–	–	–	–	–
2. Shares held by state-owned legal persons	–	–	–	–	–	–	–	–	–
3. Shares held by other domestic investors	–	–	–	–	–	–	–	–	–
Including: Shares held by domestic non-state-owned legal persons	–	–	–	–	–	–	–	–	–
Shares held by domestic natural persons	–	–	–	–	–	45,488,000	45,488,000	45,488,000	0.50
4. Shares held by foreign investors	–	–	–	–	–	–	–	–	–
Including: Shares held by overseas legal persons	–	–	–	–	–	–	–	–	–
Shares held by overseas natural persons	–	–	–	–	–	–	–	–	–

	Before the change		Increase/decrease (+, -) of the change					After the change	
	Number	Percentage (%)	New shares issued	Bonus shares	Shares converted from reserves	Others	Subtotal	Number	Percentage (%)
II. Tradable shares not subject to selling restrictions	9,076,650,000	100.00	–	–	–	-45,488,000	-45,488,000	9,031,162,000	99.50
1. Ordinary shares in RMB	7,357,604,320	81.06	–	–	–	-45,488,000	-45,488,000	7,312,116,320	80.56
2. Domestic listed foreign shares	–	–	–	–	–	–	–	–	–
3. Overseas listed foreign shares	1,719,045,680	18.94	–	–	–	–	–	1,719,045,680	18.94
4. Others	–	–	–	–	–	–	–	–	–
III. Total shares	9,076,650,000	100.00	–	–	–	–	–	9,076,650,000	100.00

2. Information on changes in shares

During the Reporting Period, the Company completed the registration of the grant of restricted A Shares. 45,488,000 restricted A Shares granted to incentive participants were changed from tradable shares not subject to selling restrictions to shares subject to selling restrictions, and the source of shares was ordinary A Shares repurchased by the Company from secondary market.

3. The changes in shares had no impact on earnings per share, net asset value per share or other financial indicators for the latest year and the latest period

4. Other contents that the Company deemed necessary or the securities regulatory authorities required to disclose

On July 6, 2021, Guoxin Group notified the Company that Guoxin Group increased its holding of H Shares in the Company by 2,363,600 H Shares via Southbound Trading, accounting for approximately 0.0260% of the Company's total shares. After the increase in shareholding, Guoxin Group held 1,351,597,036 shares of the Company, accounting for approximately 14.8909% of the Company's total shares. Guoxin Group intended to continue to increase its holding of H Shares of the Company via Southbound Trading within the next six months from the date of the increase in shareholding, with the increased shareholding percentage in aggregate not less than 0.1102% (10 million shares) of the Company's total shares and not higher than 0.5% of the Company's total shares (inclusive of this increase in shareholding). (See Shanghai Stock Exchange announcement 2021-045 for details)

On November 22, 2021, Guoxin Group notified the Company that the implementation of the shareholding increase plan had been completed. During the period from July 6, 2021 to November 22, 2021, Guoxin Group has increased its holding of H Shares of the Company by 24,248,200 H Shares through Southbound Trading, accounting for approximately 0.2671% of the Company's total shares, which reached the lower limit but did not exceed the upper limit of the shareholding increase plan; the cumulative amount of shareholding increase was RMB216,501,443.82 (exclusive of service fees). After the increase in shareholding, Guoxin Group held 1,373,481,636 shares of the Company, accounting for approximately 15.1320% of the total share capital of the Company. (see Shanghai Stock Exchange announcement 2021-059 for details)

(II) Changes in shares subject to selling restrictions

Unit: Shares

Name of shareholder	Number of shares subject to selling restrictions at the beginning of the year	Number of shares released from selling restrictions during the year	Increase in the number of shares subject to selling restrictions during the year	Number of shares subject to selling restrictions at the end of the year	Reasons for selling restrictions	Date of release from selling restrictions
Incentive participants of restricted A Shares	-	-	45,488,000	45,488,000	Incentive scheme of restricted A Shares	See note for details
Total	-	-	45,488,000	45,488,000	/	/

Note: The unlocking period and unlocking schedule of each period of the restricted shares granted under the incentive scheme are set out below:

Unlocking Arrangement	Unlocking Period	Unlocking proportion
The first unlocking period	Commencing from the first trading day upon the expiry of 24 months from the date of completion of registration for the grant of the corresponding portion of the restricted shares to the last trading day of 36 months from the date of completion of registration for the grant of the restricted shares	33%
The second unlocking period	Commencing from the first trading day upon the expiry of 36 months from the date of completion of registration for the grant of the corresponding portion of the restricted shares to the last trading day of 48 months from the date of completion of registration for the grant of the restricted shares	33%
The third unlocking period	Commencing from the first trading day upon the expiry of 48 months from the date of completion of registration for the grant of the corresponding portion of the restricted shares to the last trading day of 60 months from the date of completion of registration for the grant of the restricted shares	34%

II. THE ISSUANCE AND LISTING OF SECURITIES

(I) Issuance of securities during the Reporting Period

During the Reporting Period, in order to supplement its working capital and repay its debt financing instruments, the Company issued the following securities:

Currency: RMB

Types of shares and their derivative securities	Date of issue	Issue price (or interest rate)	Number of securities issued	Date of listing	Number of securities permitted to be listed for trading	Ending date of the trading
Bonds (including company bonds, corporate bonds and debt financing instruments of non-financial enterprises)						
Corporate bonds	2021-01-18	3.58%	RMB4.0 billion	2021-01-27	RMB4.0 billion	2024-01-19
Corporate bonds	2021-04-22	3.42%	RMB5.0 billion	2021-04-29	RMB5.0 billion	2024-04-25
Corporate bonds	2021-05-13	3.71%	RMB6.0 billion	2021-05-26	RMB6.0 billion	2026-05-16

Types of shares and their derivative securities	Date of issue	Issue price (or interest rate)	Number of securities issued	Date of listing	Number of securities permitted to be listed for trading	Ending date of the trading
Corporate bonds	2021-05-20	3.28%	RMB4.0 billion	2021-05-27	RMB4.0 billion	2024-05-23
Corporate bonds	2021-05-20	3.63%	RMB2.0 billion	2021-05-27	RMB2.0 billion	2026-05-23
Corporate bonds	2021-06-10	3.40%	RMB2.0 billion	2021-06-21	RMB2.0 billion	2024-06-14
Corporate bonds	2021-06-17	3.45%	RMB2.5 billion	2021-06-24	RMB2.5 billion	2024-06-20
Corporate bonds	2021-09-03	3.78%	RMB2.7 billion	2021-09-13	RMB2.7 billion	2031-09-06
Corporate bonds	2021-09-03	3.03%	RMB1.5 billion	2021-09-13	RMB1.5 billion	2024-09-06
Corporate bonds	2021-10-14	3.99%	RMB3.4 billion	2021-10-22	RMB3.4 billion	2031-10-17
Corporate bonds	2021-10-14	3.25%	RMB2.1 billion	2021-10-22	RMB2.1 billion	2024-10-17
Corporate bonds	2021-10-21	3.94%	RMB1.1 billion	2021-10-28	RMB1.1 billion	2031-10-24
Corporate bonds	2021-10-21	3.22%	RMB2.2 billion	2021-10-28	RMB2.2 billion	2024-10-24
Short-term corporate bonds	2021-06-24	2.95%	RMB4.0 billion	2021-07-02	RMB4.0 billion	2022-06-27
Short-term corporate bonds	2021-07-07	2.75%	RMB2.0 billion	2021-07-15	RMB2.0 billion	2022-02-21
Short-term corporate bonds	2021-07-07	2.87%	RMB4.0 billion	2021-07-15	RMB4.0 billion	2022-07-08
Short-term corporate bonds	2021-07-15	2.75%	RMB3.0 billion	2021-07-23	RMB3.0 billion	2022-07-18
Short-term corporate bonds	2021-08-05	2.55%	RMB4.0 billion	2021-08-13	RMB4.0 billion	2022-02-10
Short-term corporate bonds	2021-08-12	2.51%	RMB4.0 billion	2021-08-20	RMB4.0 billion	2022-01-19
Short-term corporate bonds	2021-08-24	2.40%	RMB3.0 billion	2021-08-31	RMB3.0 billion	2021-11-08
Short-term corporate bonds	2021-12-02	2.64%	RMB2.3 billion	2021-12-10	RMB2.3 billion	2022-06-07
Short-term corporate bonds	2021-12-02	2.70%	RMB2.7 billion	2021-12-10	RMB2.7 billion	2022-11-24
Short-term corporate bonds	2021-12-09	2.62%	RMB2.0 billion	2021-12-17	RMB2.0 billion	2022-05-12
Short-term corporate bonds	2021-12-17	2.70%	RMB1.0 billion	2021-12-27	RMB1.0 billion	2022-09-20
Short-term corporate bonds	2021-12-17	2.75%	RMB4.0 billion	2021-12-27	RMB4.0 billion	2022-12-20
Short-term corporate bonds	2021-12-27	2.75%	RMB4.0 billion	2022-01-05	RMB4.0 billion	2022-11-28
Subordinated bonds	2021-01-27	4.50%	RMB9.0 billion	2021-02-04	RMB9.0 billion	2026-01-28
Perpetual subordinated bonds	2021-09-15	3.85%	RMB3.0 billion	2021-09-28	RMB3.0 billion	2026-09-16
Perpetual subordinated bonds	2021-10-26	4.00%	RMB5.0 billion	2021-11-03	RMB5.0 billion	2026-10-27
Perpetual subordinated bonds	2021-11-16	3.80%	RMB2.0 billion	2021-11-24	RMB2.0 billion	2026-11-17
Short-term financing bonds	2021-01-21	2.48%	RMB3.0 billion	2021-01-26	RMB3.0 billion	2021-04-23
Short-term financing bonds	2021-01-25	2.42%	RMB3.0 billion	2021-01-28	RMB3.0 billion	2021-04-26
Short-term financing bonds	2021-03-05	2.68%	RMB3.0 billion	2021-03-10	RMB3.0 billion	2021-06-04
Short-term financing bonds	2021-06-23	2.40%	RMB4.0 billion	2021-06-28	RMB4.0 billion	2021-09-22
Short-term financing bonds	2021-07-13	2.15%	RMB4.0 billion	2021-07-16	RMB4.0 billion	2021-10-12
Short-term financing bonds	2021-07-20	2.15%	RMB3.0 billion	2021-07-23	RMB3.0 billion	2021-10-19

Information of the issuance of securities during the Reporting Period (for the bonds with different interest rates in the duration period, please explain separately):

1. Corporate bonds

On January 18, 2021, the Company publicly issued the 2021 Corporate Bonds of Huatai Securities (First Tranche) (Type I) to professional investors. The amount of the said bonds came to RMB4.0 billion at an issue price of RMB100 per bond, carrying 3-year fixed rates with a coupon rate of 3.58%. Such bonds were listed for trading on January 27, 2021. The abbreviation and code of the bonds were "21 Huatai G1" and "175648.SH",

respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion with the trading ended on January 19, 2024.

On April 22, 2021, the Company publicly issued the 2021 Corporate Bonds of Huatai Securities (Second Tranche) to professional investors. The amount of the said bonds came to RMB5.0 billion at an issue price of RMB100 per bond, carrying 3-year fixed rates with a coupon rate of 3.42%. Such bonds were listed for trading on April 29, 2021. The abbreviation and code of the bonds were "21 Huatai G3" and "188047.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB5.0 billion with the trading ended on April 25, 2024.

On May 13, 2021, the Company publicly issued the 2021 Corporate Bonds of Huatai Securities (Third Tranche) to professional investors. The amount of the said bonds came to RMB6.0 billion at an issue price of RMB100 per bond, carrying 5-year fixed rates with a coupon rate of 3.71%. Such bonds were listed for trading on May 26, 2021. The abbreviation and code of the bonds were "21 Huatai G4" and "188106.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB6.0 billion with the trading ended on May 16, 2026.

On May 20, 2021, the Company publicly issued the 2021 Corporate Bonds of Huatai Securities (Fourth Tranche) to professional investors. The amount of the said bonds came to RMB6.0 billion at an issue price of RMB100 per bond, carrying 3-year and 5-year fixed rates. The amount of the 3-year bonds came to RMB4.0 billion with a coupon rate of 3.28%, while the amount of the 5-year bonds came to RMB2.0 billion with a coupon rate of 3.63%. Such bonds were listed for trading on May 27, 2021. The abbreviation and code of the 3-year bonds were "21 Huatai G5" and "188134.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion with the trading ended on May 23, 2024; the abbreviation and code of the 5-year bonds were "21 Huatai G6" and "188140.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.0 billion with the trading ended on May 23, 2026.

On June 10, 2021, the Company publicly issued the 2021 Corporate Bonds of Huatai Securities (Fifth Tranche) (Type I) to professional investors. The amount of the said bonds came to RMB2.0 billion at an issue price of RMB100 per bond, carrying 3-year fixed rates with a coupon rate of 3.40%. Such bonds were listed for trading on June 21, 2021. The abbreviation and code of the bonds were "21 Huatai G7" and "188239.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.0 billion with the trading ended on June 14, 2024.

On June 17, 2021, the Company publicly issued the 2021 Corporate Bonds of Huatai Securities (Sixth Tranche) (Type I) to professional investors. The amount of the said bonds came to RMB2.5 billion at an issue price of RMB100 per bond, carrying 3-year fixed rates with a coupon rate of 3.45%. Such bonds were listed for trading on June 24, 2021. The abbreviation and code of the bonds were "21 Huatai 09" and "188282.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.5 billion with the trading ended on June 20, 2024.

On September 3, 2021, the Company publicly issued the 2021 Corporate Bonds of Huatai Securities (Seventh Tranche) to professional investors. The amount of the said bonds came to RMB4.2 billion at an issue price of RMB100 per bond, carrying 3-year and 10-year fixed rates. The amount of the 3-year bonds came to RMB1.5 billion with a coupon rate of 3.03%, while the amount of the 10-year bonds came to RMB2.7 billion with a coupon rate of 3.78%. Such bonds were listed for trading on September 13, 2021. The abbreviation and code of the 3-year bonds were "21 Huatai 11" and "188324.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB1.5 billion with the trading ended on September 6, 2024; the abbreviation and code of the 10-year bonds were "21 Huatai 12" and "188325.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.7 billion with the trading ended on September 6, 2031.

On October 14, 2021, the Company publicly issued the 2021 Corporate Bonds of Huatai Securities (Eighth Tranche) to professional investors. The amount of the said bonds came to RMB5.5 billion at an issue price of RMB100 per bond, carrying 3-year and 10-year fixed rates. The amount of the 3-year bonds came to RMB2.1 billion with a coupon rate of 3.25%, while the amount of the 10-year bonds came to RMB3.4 billion with a coupon rate of 3.99%. Such bonds were listed for trading on October 22, 2021. The abbreviation and code of the 3-year bonds were "21 Huatai 13" and "188874.SH", respectively, and the amount of the bonds permitted

to be listed for trading came to RMB2.1 billion with the trading ended on October 17, 2024; the abbreviation and code of the 10-year bonds were "21 Huatai 14" and "188875.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB3.4 billion with the trading ended on October 17, 2031.

On October 21, 2021, the Company publicly issued the 2021 Corporate Bonds of Huatai Securities (Ninth Tranche) to professional investors. The amount of the said bonds came to RMB3.3 billion at an issue price of RMB100 per bond, carrying 3-year and 10-year fixed rates. The amount of the 3-year bonds came to RMB2.2 billion with a coupon rate of 3.22%, while the amount of the 10-year bonds came to RMB1.1 billion with a coupon rate of 3.94%. Such bonds were listed for trading on October 28, 2021. The abbreviation and code of the 3-year bonds were "21 Huatai 15" and "188926.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.2 billion with the trading ended on October 24, 2024; the abbreviation and code of the 10-year bonds were "21 Huatai 16" and "188927.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB1.1 billion with the trading ended on October 24, 2031.

2. Short-term corporate bonds

On June 24, 2021, the Company publicly issued the 2021 short-term Corporate Bonds of Huatai Securities (First Tranche) (Type II) to professional investors. The amount of the said bonds came to RMB4.0 billion at an issue price of RMB100 per bond, carrying a 365-day fixed rate with a coupon rate of 2.95%. Such bonds were listed for trading on July 2, 2021. The abbreviation and code of the bonds were "21 Huatai S2" and "163883.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion with the trading ended on June 27, 2022.

On July 7, 2021, the Company publicly issued the 2021 short-term Corporate Bonds of Huatai Securities (Second Tranche) to professional investors. The amount of the said bonds came to RMB6.0 billion at an issue price of RMB100 per bond, carrying 228-day and 365-day fixed rates. The amount of the 228-day bonds came to RMB2.0 billion with a coupon rate of 2.75%, while the amount of the 365-day bonds came to RMB4.0 billion with a coupon rate of 2.87%. Such bonds were listed for trading on July 15, 2021. The abbreviation and code of the 228-day bonds were "21 Huatai S3" and "163888.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.0 billion with the trading ended on February 21, 2022; the abbreviation and code of the 365-day bonds were "2021 Huatai S4" and "163889.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion with the trading ended on July 8, 2022.

On July 15, 2021, the Company publicly issued the 2021 short-term Corporate Bonds of Huatai Securities (Third Tranche) to professional investors. The amount of the said bonds came to RMB3.0 billion at an issue price of RMB100 per bond, carrying a 365-day fixed rate with a coupon rate of 2.75%. Such bonds were listed for trading on July 23, 2021. The abbreviation and code of the bonds were "21 Huatai S5" and "163892.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB3.0 billion with the trading ended on July 18, 2022.

On August 5, 2021, the Company publicly issued the 2021 short-term Corporate Bonds of Huatai Securities (Fourth Tranche) to professional investors. The amount of the said bonds came to RMB4.0 billion at an issue price of RMB100 per bond, carrying a 186-day fixed rate with a coupon rate of 2.55%. Such bonds were listed for trading on August 13, 2021. The abbreviation and code of the bonds were "21 Huatai S6" and "188548.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion with the trading ended on February 10, 2022.

On August 12, 2021, the Company publicly issued the 2021 short-term Corporate Bonds of Huatai Securities (Fifth Tranche) to professional investors. The amount of the said bonds came to RMB4.0 billion at an issue price of RMB100 per bond, carrying a 157-day fixed rate with a coupon rate of 2.51%. Such bonds were listed for trading on August 20, 2021. The abbreviation and code of the bonds were "21 Huatai S7" and "188591.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion with the trading ended on January 19, 2022.

On August 24, 2021, the Company publicly issued the 2021 short-term Corporate Bonds of Huatai Securities (Sixth Tranche) to professional investors. The amount of the said bonds came to RMB3.0 billion at an issue

price of RMB100 per bond, carrying a 75-day fixed rate with a coupon rate of 2.40%. Such bonds were listed for trading on August 31, 2021. The abbreviation and code of the bonds were "21 Huatai S8" and "188658.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB3.0 billion with the trading ended on November 8, 2021, and the principal together with the interest was repaid during the Reporting Period.

On December 2, 2021, the Company publicly issued the 2021 short-term Corporate Bonds of Huatai Securities (Seventh Tranche) to professional investors. The amount of the said bonds came to RMB5.0 billion at an issue price of RMB100 per bond, carrying 184-day and 354-day fixed rates. The amount of the 184-day bonds came to RMB2.3 billion with a coupon rate of 2.64%, while the amount of the 354-day bonds came to RMB2.7 billion with a coupon rate of 2.70%. Such bonds were listed for trading on December 10, 2021. The abbreviation and code of the 184-day bonds were "21 Huatai S9" and "185092.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.3 billion with the trading ended on June 7, 2022; the abbreviation and code of the 354-day bonds were "21 Hua S10" and "185101.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.7 billion with the trading ended on November 24, 2022.

On December 9, 2021, the Company publicly issued the 2021 short-term Corporate Bonds of Huatai Securities (Eighth Tranche) to professional investors. The amount of the said bonds came to RMB2.0 billion at an issue price of RMB100 per bond, carrying a 151-day fixed rate with a coupon rate of 2.62%. Such bonds were listed for trading on December 17, 2021. The abbreviation and code of the bonds were "21 Hua S11" and "185135.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.0 billion with the trading ended on May 12, 2022.

On December 17, 2021, the Company publicly issued the 2021 short-term Corporate Bonds of Huatai Securities (Ninth Tranche) to professional investors. The amount of the said bonds came to RMB5.0 billion at an issue price of RMB100 per bond, carrying 274-day and 365-day fixed rates. The amount of the 274-day bonds came to RMB1.0 billion with a coupon rate of 2.70%, while the amount of the 365-day bonds came to RMB4.0 billion with a coupon rate of 2.75%. Such bonds were listed for trading on December 27, 2021. The abbreviation and code of the 274-day bonds were "21 Hua S12" and "185162.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB1.0 billion with the trading ended on September 20, 2022; the abbreviation and code of the 365-day bonds were "21 Hua S13" and "185158.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion with the trading ended on December 20, 2022.

On December 27, 2021, the Company publicly issued the 2021 short-term Corporate Bonds of Huatai Securities (Tenth Tranche) to professional investors. The amount of the said bonds came to RMB4.0 billion at an issue price of RMB100 per bond, carrying a 335-day fixed rate with a coupon rate of 2.75%. Such bonds were listed for trading on January 5, 2022. The abbreviation and code of the bonds were "21 Hua S14" and "185188.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion with the trading ended on November 28, 2022.

3. Subordinated bonds

On January 27, 2021, the Company publicly issued the 2021 subordinated bonds of Huatai Securities (First Tranche) to professional investors. The amount of the said bonds came to RMB9.0 billion at an issue price of RMB100 per bond, carrying a 5-year fixed rate with a coupon rate of 4.50%. Such bonds were listed for trading on February 4, 2021. The abbreviation and code of the bonds were "21 Huatai C1" and "175721.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB9.0 billion with the trading ended on January 28, 2026.

4. Perpetual subordinated bonds

On September 15, 2021, the Company publicly issued the 2021 perpetual subordinated bonds of Huatai Securities (First Tranche) to professional investors. The amount of the said bonds came to RMB3.0 billion at an issue price of RMB100 per bond, with a coupon rate of 3.85% and an interest rate repriced every 5 years for which interest is accruable. Such bonds were listed for trading on September 28, 2021. The abbreviation

and code of the bonds were "21 Huatai Y1" and "188785.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB3.0 billion with the trading ended on September 16, 2026.

On October 26, 2021, the Company publicly issued the 2021 perpetual subordinated bonds of Huatai Securities (Second Tranche) to professional investors. The amount of the said bonds came to RMB5.0 billion at an issue price of RMB100 per bond, with a coupon rate of 4.00% and an interest rate repriced every 5 years for which interest is accruable. Such bonds were listed for trading on November 3, 2021. The abbreviation and code of the bonds were "21 Huatai Y2" and "188942.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB5.0 billion with the trading ended on October 27, 2026.

On November 16, 2021, the Company publicly issued the 2021 perpetual subordinated bonds of Huatai Securities (Third Tranche) to professional investors. The amount of the said bonds came to RMB2.0 billion at an issue price of RMB100 per bond, with a coupon rate of 3.80% and an interest rate repriced every 5 years for which interest is accruable. Such bonds were listed for trading on November 24, 2021. The abbreviation and code of the bonds were "21 Huatai Y3" and "185019.SH", respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.0 billion with the trading ended on November 17, 2026.

5. Short-term debt instruments

On January 21, 2021, the Company issued the 2021 first tranche of short-term debt instruments of RMB3.0 billion for a duration of 90 days, at a coupon rate of 2.48%. The debt instruments ("21 Huatai CP001", code: 072100013.IB) were listed on January 26, 2021 and the amount approved for trading was RMB3.0 billion. The trading was terminated on April 23, 2021, and the principal together with the interest was repaid during the Reporting Period.

On January 25, 2021, the Company issued the 2021 second tranche of short-term debt instruments of RMB3.0 billion for a duration of 90 days, at a coupon rate of 2.42%. The debt instruments ("21 Huatai CP002", code: 072100017.IB) were listed on January 28, 2021 and the amount approved for trading was RMB3.0 billion. The trading was terminated on April 26, 2021, and the principal together with the interest was repaid during the Reporting Period.

On March 5, 2021, the Company issued the 2021 third tranche of short-term debt instruments of RMB3.0 billion for a duration of 90 days, at a coupon rate of 2.68%. The debt instruments ("21 Huatai CP003", code: 072100039.IB) were listed on March 10, 2021 and the amount approved for trading was RMB3.0 billion. The trading was terminated on June 4, 2021, and the principal together with the interest was repaid during the Reporting Period.

On June 23, 2021, the Company issued the 2021 fourth tranche of short-term debt instruments of RMB4.0 billion for a duration of 90 days, at a coupon rate of 2.40%. The debt instruments ("21 Huatai CP004", code: 072100109.IB) were listed on June 28, 2021 and the amount approved for trading was RMB4.0 billion. The trading was terminated on September 22, 2021, and the principal together with the interest was repaid during the Reporting Period.

On July 13, 2021, the Company issued the 2021 fifth tranche of short-term debt instruments of RMB4.0 billion for a duration of 90 days, at a coupon rate of 2.15%. The debt instruments ("21 Huatai CP005", code: 072100118.IB) were listed on July 16, 2021 and the amount approved for trading was RMB4.0 billion. The trading was terminated on October 12, 2021, and the principal together with the interest was repaid during the Reporting Period.

On July 20, 2021, the Company issued the 2021 sixth tranche of short-term debt instruments of RMB3.0 billion for a duration of 90 days, at a coupon rate of 2.15%. The debt instruments ("21 Huatai CP006", code: 072100131.IB) were listed on July 23, 2021 and the amount approved for trading was RMB3.0 billion. The trading was terminated on October 19, 2021, and the principal together with the interest was repaid during the Reporting Period.

6. Offshore bonds

During the Reporting Period, in order to supplement its working capital, Pioneer Reward Limited, a subsidiary

of Huatai International, completed the issuance of USD bonds with fixed rates of USD1.4 billion, of which the amount of the 3-year bonds came to USD0.9 billion, while the amount of the 5-year bonds came to USD0.5 billion. The listing place is the Hong Kong Stock Exchange. The Company provided unconditional and irrevocable guarantee for the bonds under the issuance.

During the Reporting Period, in order to supplement its working capital and repay its debt financing instruments, Huatai International Finance Limited, a subsidiary of Huatai International, issued the medium-term notes of approximately USD522 million in aggregate. Huatai International provided unconditional and irrevocable guarantee for the medium term note programme.

7. Structured notes

During the Reporting Period, the Company cumulatively issued 3,879 structured notes, with a total amount of RMB66.233 billion. As of the end of the Reporting Period, the Company had 872 structured notes in duration period, with an amount of RMB15.363 billion.

(II) Changes in total number of the shares and shareholding structure of the Company and changes in structure of assets and liabilities of the Company

Please refer to "I. Changes in Share Capital" in this section for the details of changes in total number of the shares and shareholding structure of the Company.

Please refer to "(II) Analysis of key items of consolidated statement of financial position" under "VI. Major Operations during the Reporting Period" in "Management Discussion and Analysis and Report of the Board" of this report for the details of changes in structure of assets and liabilities of the Company.

III. INFORMATION OF SHAREHOLDERS AND DE FACTO CONTROLLERS

(I) Total number of shareholders

Total number of shareholders of ordinary shares as of the end of the Reporting Period	284,040
Total number of shareholders of ordinary shares as of the end of last month prior to the date on which the annual report shall be disclosed	273,915
Total number of shareholders of preferred shares whose rights have been restored as of the end of the Reporting Period	–
Total number of shareholders of preferred shares whose voting rights have been restored as of the end of last month prior to the date on which the annual report shall be disclosed	–

Among the total number of shareholders of ordinary shares as of the end of the Reporting Period, shareholders of A Shares came to 276,691 and registered shareholders of H Shares came to 7,349. Among the total number of shareholders of ordinary shares as of the end of last month (February 28, 2022) prior to the date on which the annual report shall be disclosed, shareholders of A Shares came to 266,597 and registered shareholders of H Shares came to 7,318.

(II) Shareholding of top ten shareholders and top ten holders of tradable shares (or holders of shares not subject to selling restrictions) as of the end of the Reporting Period

Unit: Shares

Shareholding of top ten shareholders

Name of shareholder (in full name)	Increase/ decrease during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares held subject to selling restrictions	Pledged, marked or frozen shares		Nature of shareholder
					Statusof shares	Number of shares	
HKSCC Nominees Limited	-152,827,800	1,418,260,727	15.6254	–	Nil	–	Foreign legal person
Jiangsu Guoxin Investment Group Limited	24,248,200	1,373,481,636	15.1320	–	Nil	–	State-owned legal person
Jiangsu Communications Holding Co., Ltd.	5,000,000	489,065,418	5.3882	–	Nil	–	State-owned legal person
Govtor Capital Group Co., Ltd.	–	356,233,206	3.9247	–	Nil	–	State-owned legal person
Alibaba (China) Technology Co., Ltd.	–	268,199,233	2.9548	–	Nil	–	Domestic non-state-owned legal person
Hong Kong Securities Clearing Company Limited	-43,927,874	231,491,774	2.5504	–	Nil	–	Foreign legal person
Jiangsu SOHO Holdings Group Co., Ltd.	33,139,245	186,544,699	2.0552	–	Nil	–	State-owned legal person
China Securities Finance Corporation Limited	-93,814,073	152,906,738	1.6846	–	Nil	–	Unknown
Jiangsu Hiteker High-tech Co., Ltd.	–	123,169,146	1.3570	–	Unknown	123,169,146	Domestic non-state-owned legal person
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	-26,183,787	100,280,374	1.1048	–	Nil	–	Unknown

Shareholding of top ten holders of shares not subject to selling restrictions

Name of shareholder	Number of tradable shares not subject to selling restrictions	Class and number of shares	
		Class	Number
HKSCC Nominees Limited	1,418,260,727	Overseas listed foreign shares	1,418,260,727
Jiangsu Guoxin Investment Group Limited	1,373,481,636	Ordinary shares in RMB	1,271,072,836
		Overseas listed foreign shares	102,408,800
Jiangsu Communications Holding Co., Ltd.	489,065,418	Ordinary shares in RMB	452,065,418
		Overseas listed foreign shares	37,000,000
Govtor Capital Group Co., Ltd.	356,233,206	Ordinary shares in RMB	342,028,006
		Overseas listed foreign shares	14,205,200
Alibaba (China) Technology Co., Ltd.	268,199,233	Ordinary shares in RMB	268,199,233
Hong Kong Securities Clearing Company Limited	231,491,774	Ordinary shares in RMB	231,491,774
Jiangsu SOHO Holdings Group Co., Ltd.	186,544,699	Ordinary shares in RMB	42,829,299
		Overseas listed foreign shares	143,715,400
China Securities Finance Corporation Limited	152,906,738	Ordinary shares in RMB	152,906,738
Jiangsu Hiteker High-tech Co., Ltd.	123,169,146	Ordinary shares in RMB	123,169,146
China Construction Bank Corporation – Guotai CSI All Share Securities Company Trading Index Securities Investment Open-ended Fund	100,280,374	Ordinary shares in RMB	100,280,374
Description of special repurchase accounts for the top ten shareholders	There are no special repurchase accounts for the top ten shareholders.		
Description of the voting rights entrusted by the above shareholders, the voting rights the above shareholders are entrusted with and the voting rights the above shareholders abstained from	There are no voting rights entrusted by the above shareholders, the voting rights the above shareholders are entrusted with and the voting rights the above shareholders abstained from.		
Description of the related party relationships or acting in concert among the above shareholders	Guoxin Group, Communications Holding, Govtor Capital and Jiangsu SOHO Holdings Group Co., Ltd. are wholly owned by Jiangsu SASAC. Apart from the above, the Company is not aware of any related party relationship among other shareholders or whether such shareholders are parties acting in concert as specified in the Regulations on the Takeover of Listed Companies.		
Explanation of shareholders of preferred shares with restored voting rights and the number of shares held by them	There are no shareholders of preferred shares of the Company.		

Notes:
1. The class of shareholders of ordinary shares in RMB (A Shares) represents the class of accounts held by them registered with Shanghai Branch of China Securities Depository and Clearing Corporation Limited.

2. Among the holders of overseas listed foreign shares (H Shares) of the Company, shares of non-registered shareholders are held by HKSCC Nominees Limited on their behalf. As of the end of the Reporting Period, Guoxin Group, Communications Holding, Govtor Capital and Jiangsu SOHO Holdings Group Co., Ltd. acquired, via Southbound Trading, 102,408,800, 37,000,000, 14,205,200 and 143,715,400 H Shares of the Company, respectively, which are also being held by HKSCC Nominees Limited. These shares are specifically and separately listed at the time of disclosure of this report; should such shares be included, the actual number of shares held by HKSCC Nominees Limited on their behalf would have been 1,715,590,127, representing 18.90% of the Company's total shares.
3. Hong Kong Securities Clearing Company Limited is the nominal holder of the A Shares of the Company held by the investors in Northbound Trading under Shanghai-Hong Kong Stock Connect.
4. Citibank, National Association is the depositary of the Company's GDRs, and the domestic underlying A Shares represented by the GDRs are legally registered under its name. According to the statistics provided by the depositary, the Company had a total of 169,885 GDRs in the duration period as of the end of the Reporting Period, accounting for 0.21% of the approved number for issuance by the CSRC.

Number of shares held by top ten holders of shares subject to selling restrictions and relevant selling restrictions

Unit: Shares

No.	Name of holders of shares subject to selling restrictions	Number of shares held subject to selling restrictions	Listing and trading of shares subject to selling restrictions		
			Permitted time for listing and trading	Number of additional shares permitted to be listed and traded	Selling restrictions
1	Zhou Yi	720,000	See note for details	–	See note for details
2	Han Zhencong	600,000	See note for details	–	See note for details
3	Li Shiqian	600,000	See note for details	–	See note for details
4	Sun Hanlin	600,000	See note for details	–	See note for details
5	Jiang Jian	600,000	See note for details	–	See note for details
6	Zhang Hui	600,000	See note for details	–	See note for details
7	Chen Tianxiang	600,000	See note for details	–	See note for details
8	Jiao Xiaoning	500,000	See note for details	–	See note for details
9	Jiao Kai	500,000	See note for details	–	See note for details
10	Wang Chong	500,000	See note for details	–	See note for details
Description of the related party relationships or acting in concert among the above shareholders			The Company is not aware of any related party relationship or acting in concert arrangement.		

Note: The above shares subject to selling restrictions represent the shares granted by the Company to the incentive participants due to the implementation of incentive scheme of restricted A Shares. Details of listing and trading of shares subject to selling restrictions and selling restrictions are available in the Incentive Scheme of Restricted A Shares disclosed by the Company on the website of the Shanghai Stock Exchange on February 9, 2021.

(III) A strategic investor or common legal person who became one of the top ten shareholders as a result of subscription for new shares allotted to them

During the Reporting Period, the Company did not have any strategic investor or common legal person who became one of the top ten shareholders as a result of subscription for new shares allotted to them.

IV. CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

(I) Controlling Shareholders

There are no controlling shareholders with more than 50% shareholding of the Company.

(II) De facto controllers

1. Legal Person

Name	State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government
Person in charge or legal representative	Xie Zhengyi

2. Framework of the ownership and controlling relationship between the Company and the de facto Controllers

3. De facto controllers did not control the Company through trust or other asset management programs

V. DURING THE REPORTING PERIOD, THERE WERE NO CIRCUMSTANCES WHERE THE CUMULATIVE NUMBER OF SHARES PLEDGED BY THE CONTROLLING SHAREHOLDERS OR THE LARGEST SHAREHOLDER AND PERSONS ACTING IN CONCERT WITH THEM ACCOUNTED FOR MORE THAN 80% OF THE COMPANY'S SHARES HELD BY THEM

VI. OTHER LEGAL-PERSON SHAREHOLDERS WITH MORE THAN 10% SHAREHOLDING

Unit: 100 million Yuan Currency: RMB

Name of legal-person shareholder	Person in charge or legal representative of the unit	Date of establishment	Organization code	Registered capital	Main businesses or management activities
Jiangsu Guoxin Investment Group Limited	Xie Zhengyi	2002-02-22	91320000735724800G	300	Investment, management, operation, transfer of state-owned capital; enterprise trusteeship, assets restructuring, management consultation, house leasing and other businesses upon approval.
Remarks	Shares held by HKSCC Nominees Limited are owned by the non-registered holders of H Shares.				

VII. THE COMPANY HAD NO RESTRICTIONS ON SHAREHOLDING REDUCTION

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE IN THE REPORTING PERIOD

Unit: Yuan Currency: RMB

Name of share repurchase plan	Repurchase of A Shares through Centralized Price Bidding
Date of share repurchase plan disclosed	2020-03-31
Number of shares to be repurchased and percentage to the total share capital (%)	The lower limit of shares to be repurchased is 45,383,250 and the upper limit is 90,766,500. The percentage to the total share capital is 0.5%-1%.
Amount to be repurchased	Not exceeding RMB2.615 billion.
Period to be repurchased	The period of the share repurchase shall be no more than 12 months from the date when the Board of the Company considers and approves the repurchase plan of A shares. The repurchase term shall expire in advance in the event that one of the following conditions occurs: 1. If, during the repurchase period, the number of shares repurchased or the funds used for the repurchase reached the cap, the repurchase plan would be fully implemented and the repurchase period would expire in advance from that date. 2. If the Board of the Company decided to terminate the repurchase plan, the repurchase period would expire in advance from the date when the Board made the termination decision.
Purpose of repurchase	Intended to be used for the source of stocks for the restricted stock incentive plan.
Shares repurchased	On January 8, 2021, the Company repurchased 2,675,500 A Shares on the Shanghai Stock Exchange. The maximum repurchase price was RMB18.48 per share, the lowest repurchase price was RMB18.23 per share and the total amount of funds used was RMB48,959,144.00 (excluding transaction costs). As of the end of the Reporting Period, the Company has repurchased 90,766,495 shares (representing 0.9999999% of total shares), and completed the repurchase on January 8, 2021.
Number of shares repurchased as a percentage of the underlying shares under the stock incentive plan (%), if any	45,488,000 restricted A shares granted to incentive participants were all from the A shares repurchased by the Company.
Progress of the Company to reduce shareholding of shares repurchased through centralized price bidding	Not applicable

Save as disclosed above, the Company or any of its subsidiaries did not repurchase, sell or redeem any listed securities of the Company and its subsidiaries for the year ended December 31, 2021.

IX. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2021, as far as the Company and the Directors are aware after having made all reasonable enquiries, the following persons (other than the Directors, Supervisors or chief executives of the Company) held interests or short positions in shares or underlying shares which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and were recorded in the register required to be kept by the Company under Section 336 of the SFO:

No.	Number of substantial shareholders	Class of shares	Nature of interests	Number of shares held (share)	Percentage of the total issued shares of the Company (%)	Percentage of the total issued A Shares/ H Shares of the Company (%)	Long position (Note 2)/ short position (Note 3)/ shares available for lending
1	Jiangsu Guoxin Investment Group Limited	A Shares	Beneficial owner (Note 1)	1,271,072,836	14.00	17.28	Long position
		H Shares (Southbound Trading)	Beneficial owner (Note 1)	102,408,800	1.13	5.96	Long position
2	Jiangsu Communications Holding Co., Ltd.	A Shares	Beneficial owner (Note 1)	452,065,418	4.98	6.14	Long position
		H Shares (Southbound Trading)	Beneficial owner (Note 1)	37,000,000	0.41	2.15	Long position
3	Jiangsu SOHO Holdings Group Co., Ltd.	A Shares	Beneficial owner (Note 1)	42,829,299	0.47	0.58	Long position
			Interests of controlled corporations (Note 1)	46,755,432	0.52	0.64	Long position
		H Shares (Southbound Trading)	Beneficial owner (Note 1)	143,715,400	1.58	8.36	Long position
			Interests of controlled corporations (Note 1)	48,428,200	0.53	2.82	Long position
4	Citigroup Inc.	H Shares	Interests of controlled corporations, approved lending agent (Note 1)	87,668,671	0.97	5.09	Long position
		H Shares	Interests of controlled corporations (Note 1)	306,400	0.003	0.01	Short position
		H Shares	Approved lending agent (Note 1)	86,524,060	0.95	5.03	Shares available for lending

Note 1: According to the information disclosed on the websites of HKEX (www.hkex.com.hk) and China Securities Depository and Clearing Corporation Limited (www.chinaclear.cn). Under Section 336 of the SFO, forms disclosing interests shall be submitted by shareholders of the Company upon satisfaction of certain conditions. Changes of shareholders' shareholdings in the Company are not required to inform the Company and the Hong Kong Stock Exchange unless certain conditions are satisfied. Therefore, there could be differences between substantial shareholders' latest shareholdings in the Company and the shareholding information reported to the Hong Kong Stock Exchange.
Jiangsu SOHO Holdings Group Co., Ltd. directly held a long position in 42,829,299 A Shares and 143,715,400 H Shares of the Company, and, through its controlled corporation (namely Jiangsu SOHO International Group Corp. (江蘇蘇豪國際集團股份有限公司)), indirectly held a long position in 46,755,432 A Shares and 48,428,200 H Shares of the Company.
Citigroup Inc., through a series of its controlled corporations, indirectly held a long position in 87,668,671 H Shares of the Company, of which 86,524,060 H Shares were held in the capacity of approved lending agent, and a short position in 306,400 H Shares of the Company
Note 2: A shareholder has a [long position] if such shareholder has interests in shares, including interests through holding, writing or issuing financial instruments (including derivatives), under which such shareholder (i) has a right to purchase the underlying shares; (ii) is under an obligation to purchase the underlying shares; (iii) has a right to receive payments if the price of the underlying shares increases; or (iv) has a right to avoid or reduce a loss if the price of the underlying shares increases; and
Note 3: A shareholder has a [short position] if such shareholder borrows shares under a securities borrowing and lending agreement, or holds, writes or issues financial instruments (including derivatives) under which such shareholder (i) has a right to require another person to purchase the underlying shares; (ii) is under an obligation to deliver the underlying shares; (iii) has a right to receive payments if the price of the underlying shares declines; or (iv) has a right to avoid or reduce a loss if the price of the underlying shares declines.

Save as disclosed above, the Company is not aware of any other person (other than the Directors, Supervisors and chief executives of the Company) having any interests or short positions in the shares or underlying shares of the Company as at December 31, 2021, which shall be recorded in the register pursuant to Section 336 of the SFO.

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

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

No.	Name	Class of shares	Nature of interests	Number of shares held (share)	Percentage of the total issued shares of the Company (%)	Percentage of the total issued A Shares/ H Shares of the Company (%)	Long position/ short position/ shares available for lending
1	Zhou Yi	A Shares	Beneficial owner	720,000	0.008	0.010	Long position

Save as disclosed above, as of December 31, 2021, the Company was not aware of any other Directors, Supervisors or chief executives of the Company having any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations, which shall be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be recorded in the register of interests, or which shall, pursuant to the Model Code, be notified to the Company and the Hong Kong Stock Exchange.

XI. INFORMATION ON PREFERENTIAL SHARES

During the Reporting Period, the Company had no preferred shares.

XII. ARRANGEMENT FOR DIRECTORS AND SUPERVISORS TO PURCHASE SHARES OR DEBENTURES

Save the incentive plan stated in "XIII. Share Incentive Scheme, Employee Stock Ownership Plan or Other Employee Incentives Measures and Their Implication" under "Corporate Governance" in this report, at no time during the Reporting Period has the Company, its holding companies or any of its subsidiaries or fellow subsidiaries, entered into any arrangements to enable the Directors and Supervisors to acquire benefits by means of the purchase of shares in, or debentures of, the Company or any other corporate bodies.

BONDS

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

(I) Enterprise Bonds

During the Reporting Period, the Company did not issue any enterprise bonds.

(II) Corporate Bonds

1. Basic information on corporate bonds

Information on corporate bonds of the Company in duration as at the date on which the annual report was approved to publish is as follows.

Unit: 100 million Yuan Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Expiration date	Balance	Interest Rate (%)	Principal and interest payment method
2013 Corporate Bonds of Huatai Securities Co., Ltd. (Ten-year bonds)	13 Huatai 02	122262.SH	2013-06-05	2013-06-05	2023-06-05	60	5.10	Principal to be paid upon expiration and interest to be paid annually
2018 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Qualified Investors (First tranche) (Type II)	18 Huatai G2	155048.SH	2018-11-22	2018-11-26	2023-11-26	10	4.17	Principal to be paid upon expiration and interest to be paid annually
2019 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Qualified Investors (Second tranche) (Type I)	19 Huatai G3	155358.SH	2019-04-18	2019-04-22	2022-04-22	50	3.80	Principal to be paid upon expiration and interest to be paid annually

Name of bond	Abbreviation	Code	Issue date	Value date	Expiration date	Balance	Interest Rate (%)	Principal and interest payment method
2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Qualified Investors (First tranche)	20 Huatai G1	163353.SH	2020-03-24	2020-03-26	2023-03-26	80	2.99	Principal to be paid upon expiration and interest to be paid annually
2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Qualified Investors (Second tranche)	20 Huatai G3	163482.SH	2020-04-27	2020-04-29	2025-04-29	35	2.90	Principal to be paid upon expiration and interest to be paid annually
2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Qualified Investors (Third tranche)	20 Huatai G4	163558.SH	2020-05-19	2020-05-21	2025-05-21	30	3.20	Principal to be paid upon expiration and interest to be paid annually
2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Qualified Investors (Fourth tranche) (Type II)	20 Huatai G6	163670.SH	2020-06-16	2020-06-18	2023-06-18	32	3.10	Principal to be paid upon expiration and interest to be paid annually
2020 Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	20 Huatai C1	175409.SH	2020-11-11	2020-11-13	2025-11-13	50	4.48	Principal to be paid upon expiration and interest to be paid annually
2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche)	20 Huatai G7	175473.SH	2020-11-20	2020-11-24	2023-11-24	35	3.90	Principal to be paid upon expiration and interest to be paid annually
2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type I)	20 Huatai G8	175534.SH	2020-12-07	2020-12-09	2022-12-09	40	3.67	Principal to be paid upon expiration and interest to be paid annually
2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type II)	20 Huatai G9	175535.SH	2020-12-07	2020-12-09	2023-12-09	40	3.79	Principal to be paid upon expiration and interest to be paid annually
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) (Type I)	21 Huatai G1	175648.SH	2021-01-18	2021-01-20	2024-01-20	40	3.58	Principal to be paid upon expiration and interest to be paid annually
2021 Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	21 Huatai C1	175721.SH	2021-01-27	2021-01-29	2026-01-29	90	4.50	Principal to be paid upon expiration and interest to be paid annually
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche)	21 Huatai G3	188047.SH	2021-04-22	2021-04-26	2024-04-26	50	3.42	Principal to be paid upon expiration and interest to be paid annually

Name of bond	Abbreviation	Code	Issue date	Value date	Expiration date	Balance	Interest Rate (%)	Principal and interest payment method
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche)	21 Huatai G4	188106.SH	2021-05-13	2021-05-17	2026-05-17	60	3.71	Principal to be paid upon expiration and interest to be paid annually
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche) (Type I)	21 Huatai G5	188134.SH	2021-05-20	2021-05-24	2024-05-24	40	3.28	Principal to be paid upon expiration and interest to be paid annually
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche) (Type II)	21 Huatai G6	188140.SH	2021-05-20	2021-05-24	2026-05-24	20	3.63	Principal to be paid upon expiration and interest to be paid annually
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche) (Type I)	21 Huatai G7	188239.SH	2021-06-10	2021-06-15	2024-06-15	20	3.40	Principal to be paid upon expiration and interest to be paid annually
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type I)	21 Huatai 09	188282.SH	2021-06-17	2021-06-21	2024-06-21	25	3.45	Principal to be paid upon expiration and interest to be paid annually
2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) (Type II)	21 Huatai S2	163883.SH	2021-06-24	2021-06-28	2022-06-28	40	2.95	One-off payment of principal and interest upon expiration
2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) (Type II)	21 Huatai S4	163889.SH	2021-07-07	2021-07-09	2022-07-09	40	2.87	One-off payment of principal and interest upon expiration
2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche)	21 Huatai S5	163892.SH	2021-07-15	2021-07-19	2022-07-19	30	2.75	One-off payment of principal and interest upon expiration
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) (Type I)	21 Huatai 11	188324.SH	2021-09-03	2021-09-07	2024-09-07	15	3.03	Principal to be paid upon expiration and interest to be paid annually
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) (Type II)	21 Huatai 12	188325.SH	2021-09-03	2021-09-07	2031-09-07	27	3.78	Principal to be paid upon expiration and interest to be paid annually
2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	21 Huatai Y1	188785.SH	2021-09-15	2021-09-17	2026-09-17	30	3.85	Principal to be paid upon expiration and interest to be paid annually

Name of bond	Abbreviation	Code	Issue date	Value date	Expiration date	Balance	Interest Rate (%)	Principal and interest payment method
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type I)	21 Huatai 13	188874.SH	2021-10-14	2021-10-18	2024-10-18	21	3.25	Principal to be paid upon expiration and interest to be paid annually
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type II)	21 Huatai 14	188875.SH	2021-10-14	2021-10-18	2031-10-18	34	3.99	Principal to be paid upon expiration and interest to be paid annually
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type I)	21 Huatai 15	188926.SH	2021-10-21	2021-10-25	2024-10-25	22	3.22	Principal to be paid upon expiration and interest to be paid annually
2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type II)	21 Huatai 16	188927.SH	2021-10-21	2021-10-25	2031-10-25	11	3.94	Principal to be paid upon expiration and interest to be paid annually
2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche)	21 Huatai Y2	188942.SH	2021-10-26	2021-10-28	2026-10-28	50	4.00	Principal to be paid upon expiration and interest to be paid annually
2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche)	21 Huatai Y3	185019.SH	2021-11-16	2021-11-18	2026-11-18	20	3.80	Principal to be paid upon expiration and interest to be paid annually
2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) (Type I)	21 Huatai S9	185092.SH	2021-12-02	2021-12-06	2022-06-08	23	2.64	One-off payment of principal and interest upon expiration
2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) (Type II)	21 Hua S10	185101.SH	2021-12-02	2021-12-06	2022-11-25	27	2.70	One-off payment of principal and interest upon expiration
2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche)	21 Hua S11	185135.SH	2021-12-09	2021-12-13	2022-05-13	20	2.62	One-off payment of principal and interest upon expiration
2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type I)	21 Hua S12	185162.SH	2021-12-17	2021-12-21	2022-09-21	10	2.70	One-off payment of principal and interest upon expiration

Name of bond	Abbreviation	Code	Issue date	Value date	Expiration date	Balance	Interest Rate (%)	Principal and interest payment method
2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type II)	21 Hua S13	185158.SH	2021-12-17	2021-12-21	2022-12-21	40	2.75	One-off payment of principal and interest upon expiration
2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Tenth tranche)	21 Hua S14	185188.SH	2021-12-27	2021-12-29	2022-11-29	40	2.75	One-off payment of principal and interest upon expiration
2022 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	22 Huatai Y1	185337.SH	2022-01-24	2022-01-26	2027-01-26	27	3.49	Principal to be paid upon expiration and interest to be paid annually
2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche)	22 Huatai G1	185364.SH	2022-02-10	2022-02-14	2025-02-14	50	2.79	Principal to be paid upon expiration and interest to be paid annually

Note:

1. Arrangements for investors' appropriateness:

Targets of the issuance are professional investors who hold A share securities accounts of China Securities Depository and Clearing Corporation Limited, Shanghai Branch and are in compliance with the requirements of the Administrative Measures for Issuance and Trading of Corporate Bonds, the Administrative Measures of the Shanghai Stock Exchange for Eligibility of Investors in the Bond Market (《上海證券交易所債券市場投資者適當性管理辦法》), the Administrative Measures for the Eligibility of the Investors of Securities and Future (《證券期貨投資者適當性管理辦法》) and relevant laws and regulations (excluding purchasers subject to prohibition under laws and regulations). Investors shall not subscribe by illegal use of others' accounts or fund accounts, or illegally financing or financing for others. Investors subscribing for this tranche of bonds shall observe relevant laws and regulations and relevant provisions of the CSRC and assume corresponding legal responsibilities on their own.

2. The above corporate bonds are listed on the Shanghai Stock Exchange, which can be traded by bidding, quotation, enquiry and agreement, and there is no risk of termination of listing and trading.

3. During the Reporting Period, the Company had no overdue bonds.

2. Interest Payment for Bonds during the Reporting Period

Name of bond	Redemption and interest payment
16 Huatai G2	Redemption in full as scheduled
16 Huatai G4	Redemption in full as scheduled
18 Huatai G1	Redemption in full as scheduled
20 Huatai G5	Redemption in full as scheduled
20 Huatai S1	Redemption in full as scheduled
20 Huatai S2	Redemption in full as scheduled
20 Huatai S3	Redemption in full as scheduled
20 Huatai S4	Redemption in full as scheduled
21 Huatai S8	Redemption in full as scheduled
13 Huatai 02	Payment of interest in full as scheduled
18 Huatai G2	Payment of interest in full as scheduled

Name of bond	Redemption and interest payment
19 Huatai G1	Payment of interest in full as scheduled
19 Huatai G3	Payment of interest in full as scheduled
20 Huatai G1	Payment of interest in full as scheduled
20 Huatai G3	Payment of interest in full as scheduled
20 Huatai G4	Payment of interest in full as scheduled
20 Huatai G6	Payment of interest in full as scheduled
20 Huatai C1	Payment of interest in full as scheduled
20 Huatai G7	Payment of interest in full as scheduled
20 Huatai G8	Payment of interest in full as scheduled
20 Huatai G9	Payment of interest in full as scheduled

3. During the Reporting Period, there were no triggers and execution of issuer's or investor's option clauses or investor protection clauses

4. Intermediary Agency to Provide Services for Bond Issuance and Existing Business

Name of intermediary agency	Office address	Name of signatory accountant	Contact person	Contact number
KPMG Huazhen LLP	8/F, KPMG Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Beijing	Wang Guobei, Cheng Hailiang, Zhang Nan, Qian Ruwen, Zou Jun	Zhang Nan	021-22123075

Other intermediary agencies to provide services for the above bond issuance and existing business as blow:

Intermediary agency	Name	Office address
Lead Underwriter	Huatai United Securities Co., Ltd.	5/F, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing
	GF Securities Co., Ltd.	37/F, Taikang Insurance Tower, No. 429 North Nanquan Road, Pudong New Area, Shanghai
	Shenwan Hongyuan Securities Co., Ltd. (Note)	45/F, No. 989 Changle Road, Xuhui District, Shanghai,
	China International Capital Corporation Limited	China World Office, No. 1 Jianguomenwai Avenue, Beijing
	China Development Bank Securities Company Limited	1-9/F, No. 29 Fuchengmen Wai Avenue, Xicheng District, Beijing
	China Industrial Securities Co., Ltd. (興業證券股份有限公司)	Room 601-605, North Zone, No. 35 Jinshifang Street, Xicheng District, Beijing
	Kaiyuan Securities Co., Ltd. (開源證券股份有限公司)	5/F, Block B, City Gate, No. 1 Jinye Road, Gaoxin District, Xi'an, Shaanxi Province

Intermediary agency	Name	Office address
Entrusted manager of bonds	GF Securities Co., Ltd.	37/F, Taikang Insurance Tower, No. 429 North Nanquan Road, Pudong New Area, Shanghai
	Shenwan Hongyuan Securities Co., Ltd.	45/F, No. 989 Changle Road, Xuhui District, Shanghai
	China International Capital Corporation Limited	China World Office, No. 1 Jianguomenwai Avenue, Beijing
Credit rating agencies	China Lianhe Credit Rating Co., Ltd.	17/F, Tower 2, No. 2 Jianguomenwai Avenue, Chaoyang District, Beijing
	Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	14/F, Huasheng Mansion, No. 398 Hankou Road, Shanghai
Law Firm	Zhong Lun Law Firm	28, 31, 33, 36, 37/F, SK Tower, 6A Jianguomenwai Avenue, Chaoyang District, Beijing
	AllBright Law Offices	11/12/F, Shanghai Tower, No. 501 Middle Yincheng Road, Pudong New Area, Shanghai
	King & Wood Mallesons	17-18/F, East Tower, World Financial Center 1, No. 1 Middle East 3rd Ring Road, Chaoyang District, Beijing

Note:
1. During the Reporting Period, there was no change in the intermediary agencies.
2. Certain bond issuances were underwritten by Shenwan Hongyuan Financing Services Co., Ltd. (hereinafter referred to as "Shenwan Hongyuan Financing Services"), a subsidiary of Shenwan Hongyuan Securities Co., Ltd. (hereinafter referred to as "Securities Parent Company"). Due to changes in the business scope of Securities Parent Company, bond underwriting business, except for convertible bonds, of Shenwan Hongyuan Financing Services was included into the business scope of Securities Parent Company. For the above changes in business scope, relevant authorities had issued approval. Therefore, the rights and obligations under the agreement entered into by Shenwan Hongyuan Financing Services have succeeded to by Securities Parent Company.

5. Utilisation of funds raised as at the end of the Reporting Period

As at the end of the Reporting Period, the utilisation of funds raised from bonds in duration of the Company is as follows:

Unit: 100 million Yuan Currency: RMB

Name of bond	Total amount of funds raised	Utilised amount	Unutilised amount	Whether conform to the purpose, utilisation plan and other agreements as undertaken in the prospectus
13 Huatai 02	60.00	60.00	–	Yes
18 Huatai G2	10.00	10.00	–	Yes
19 Huatai G1	70.00	70.00	–	Yes
19 Huatai G3	50.00	50.00	–	Yes
20 Huatai G1	80.00	80.00	–	Yes
20 Huatai G3	35.00	35.00	–	Yes
20 Huatai G4	30.00	30.00	–	Yes

Name of bond	Total amount of funds raised	Utilised amount	Unutilised amount	Whether conform to the purpose, utilisation plan and other agreements as undertaken in the prospectus
20 Huatai G6	32.00	32.00	–	Yes
20 Huatai C1	50.00	50.00	–	Yes
20 Huatai G7	35.00	35.00	–	Yes
20 Huatai G8	40.00	40.00	–	Yes
20 Huatai G9	40.00	40.00	–	Yes
21 Huatai G1	40.00	40.00	–	Yes
21 Huatai C1	90.00	90.00	–	Yes
21 Huatai G3	50.00	50.00	–	Yes
21 Huatai G4	60.00	60.00	–	Yes
21 Huatai G5	40.00	40.00	–	Yes
21 Huatai G6	20.00	20.00	–	Yes
21 Huatai G7	20.00	20.00	–	Yes
21 Huatai 09	25.00	25.00	–	Yes
21 Huatai S2	40.00	40.00	–	Yes
21 Huatai S3	20.00	20.00	–	Yes
21 Huatai S4	40.00	40.00	–	Yes
21 Huatai S5	30.00	30.00	–	Yes
21 Huatai S6	40.00	40.00	–	Yes
21 Huatai S7	40.00	40.00	–	Yes
21 Huatai 11	15.00	15.00	–	Yes
21 Huatai 12	27.00	27.00	–	Yes
21 Huatai Y1	30.00	30.00	–	Yes
21 Huatai 13	21.00	21.00	–	Yes
21 Huatai 14	34.00	34.00	–	Yes
21 Huatai 15	22.00	22.00	–	Yes
21 Huatai 16	11.00	11.00	–	Yes
21 Huatai Y2	50.00	50.00	–	Yes
21 Huatai Y3	20.00	20.00	–	Yes
21 Huatai S9	23.00	23.00	–	Yes
21 Hua S10	27.00	27.00	–	Yes
21 Hua S11	20.00	20.00	–	Yes
21 Hua S12	10.00	10.00	–	Yes
21 Hua S13	40.00	40.00	–	Yes
21 Hua S14	40.00	40.00	–	Yes

According to the requirements of the Administrative Measures for Issuance and Trading of Corporate Bonds, in order to ensure that the utilisation of funds raised is consistent with the prospectus and to guarantee the legal rights of bondholders, the Company has set up a special account for the utilisation of funds raised in supervisory banks, which is subject to the supervision of the supervisory banks. As of the end of the Reporting Period, the funds raised from the above-mentioned corporate bonds have been fully utilised, which is consistent with the prospectus, and there is no violation regarding its utilisation.

6. During the Reporting Period, the rating agencies did not make any adjustments to the ratings.

7. Implementation and Changes of Guarantees, Settlement Plan and other Settlement Safeguards and their Impact during the Reporting Period

Current status	Implementation	Any change
The existing corporate bonds of the Company are issued unsecured and performed the settlement plan in accordance with the covenants in the prospectus for corporate bonds. According to the covenants in the prospectus for corporate bonds, the Company has settlement safeguards in place, including but are not limited to formulating the Rules for Meeting of Bondholders, entrusting bond manager, establishing a special working group for the settlement, strictly performing the obligations of information disclosure and setting up a special debt repayment account.	The Company strictly performed the covenants in the prospectus in relation to the settlement plan, paid the interest for the corporate bonds on time, and disclosed relevant information on the Company in a timely manner to protect the legal interest of investors.	No

(III) Non-financial corporate debt financing instruments in the inter-bank bond market

During the Reporting Period, the Company did not issue any non-financial corporate debt financing instruments in the inter-bank bond market.

(IV) During the Reporting Period, the Company did not record a loss in the consolidated statements exceeding 10% of the net assets at the end of the previous year

(V) Interest-bearing Debt (other than bonds) overdue at the end of the Reporting Period

The Company enjoyed a good reputation, and repaid matured debts and paid interests on time without any overdue debts during the Reporting Period.

(VI) The Impacts of Non-compliance in Laws and Regulations, the Articles of Association, the Management Measures for Information Disclosure and Violation of Relevant Covenants or Undertakings in the Prospectus for Bonds on the Interests of Bond Investors during the Reporting Period

During the Reporting Period, the Company complied with laws and regulations, the Articles of Association and the Management Measures for Information Disclosure, strictly performed its obligations of information disclosure and paid the interest for the bonds on time to protect the legal interest of investors. In addition, the Company strictly performed the relevant covenants or undertakings in the prospectus for corporate

bonds, and the usage of the proceeds was in line with the covenants in the prospectus. During the Reporting Period, the Company did not default on the redemption and interest payment of issued bonds, and operated stably with satisfactory earnings and there is no risk of the Company failing to make payments on time in the future.

(VII) Accounting Data and Financial Indicators of the Company for the Past Two Years Up to the end of the Reporting Period

Unit: Thousand Yuan Currency: RMB

Primary indicators	2021	2020	Year-on-year change (%)	Reason for change
Net profit after non-recurring profit or loss	13,191,627.76	10,619,159.69	24.22	Mainly due to the decrease in net cash flow from operating activities
Current ratio	1.41	1.38	2.17	
Quick ratio	1.41	1.38	2.17	
Gearing ratio (%)	76.93	77.20	Decrease of 0.27 percentage point	
EBITDA to total debt ratio (%)	7.54	7.25	Increase of 0.29 percentage point	
Times interest earned	2.58	2.72	(5.15)	
Times cash-interest earned	(5.28)	(0.54)	N/A	
Times interest earned of EBITDA	2.71	2.90	(6.55)	
Loan repayment ratio (%)	100	100		
Interest payment ratio (%)	100	100		

Note: Customer's funds are not included in the above indicators.

II. THE COMPANY HAD NO CONVERTIBLE CORPORATE BONDS

4 FINANCIAL REPORT AND DOCUMENTS FOR INSPECTION

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HUATAI SECURITIES

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Huatai Securities Co., Ltd.

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

Opinion

We have audited the consolidated financial statements of Huatai Securities Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 247 to 389, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessing the fair value of financial instruments

Refer to Note 61 to the consolidated financial statements and the accounting policies in Note 2(8).

The Key Audit Matter	How the matter was addressed in our audit
The valuation of the Group's financial instruments is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of certain level 2 and level 3 financial instruments, estimates need to be developed which can involve significant management judgement. We identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and because of the significant degree of judgement exercised by management in determining the inputs used in the valuation models.	Our audit procedures to assess the fair value of financial instruments included the following: • assessing the design, implementation and operating effectiveness of key internal controls over the valuation, independent price verification and valuation model approval for financial instruments; • assessing the fair values of all financial instruments traded in active markets by comparing the fair values applied by the Group with publicly available market data; • reading investment agreements entered into during the current year, for a sample of level 2 and level 3 financial instruments to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments; • engaging our internal valuation specialists to assist us in evaluating the valuation models used by the Group to value certain level 2 and level 3 financial instruments and to perform, on a sample basis, independent valuations of level 2 and level 3 financial instruments and compare these valuations with the Group's valuations. This included comparing the Group's valuation models with our knowledge of current market practice, testing inputs to the fair value calculations and establishing our own valuation models to perform revaluations; • assessing whether the disclosures in the consolidated financial statements reflected the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.

Loss allowances of financial assets measured at amortised cost

Refer to Note 14 to the consolidated financial statements and the accounting policies in Note 2(8).

The Key Audit Matter	How the matter was addressed in our audit
The determination of loss allowances using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default and discount rate, adjustments for forward-looking information and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions. In particular, the determination of the loss allowances is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The expected credit losses for financial assets measured at amortised cost are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience and other adjustment factors. Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the seniority of the claim and the existence and cooperativeness of other creditors. When listed stocks are involved as collateral, the loan balances to collateral ratio and the stock holding concentration of the borrower, the industry sector and the operation of the issuer, and the liquidity, restriction on sales and price volatility of the stock will also be taken into account in the judgement.	Our audit procedures to assess loss allowances of financial assets measured at amortised cost included the following: • understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of financial assets measured at amortised cost, the credit grading process and the measurement of loss allowances; • with the assistance of our internal specialists, assessing the reliability of the expected credit loss model used by management in determining loss allowances, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of loss stages, probability of default, loss given default, exposure at default, discount rate, adjustments for forward-looking information and other management adjustments; • assessing the completeness and accuracy of data used for the key parameters in the expected credit loss model. For key parameters derived from internal data relating to original agreements, we compared the total balance of the financial asset list used by management to assess the allowances for impairment with the general ledger, selecting samples and comparing investment information with the underlying agreements and other related documentation to assess the accuracy of compilation of the asset list. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with public resources;

Loss allowances of financial assets measured at amortised cost (continued)

Refer to Note 14 to the consolidated financial statements and the accounting policies in Note 2(8).

The Key Audit Matter	How the matter was addressed in our audit
We identified loss allowances of financial assets measured at amortised cost as a key audit matter because of the inherent uncertainty and management judgment involved and because of its significance to the financial results and capital of the Group.	• for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing to the Group's internal records. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development; • evaluating the validity of management's assessment on whether the credit risk of the financial assets has, or has not, increased significantly since initial recognition and whether the financial assets is credit-impaired by selecting risk-based samples. On a sample basis, we checked the financial assets overdue information, understanding the credit situation and the collateral to loan ratio of the borrowers, the industry sector and the operation of the stock issuer, and the liquidity, restriction on sales and price volatility of the stock; • for selected samples of the financial assets measured at amortised cost that are credit-impaired, evaluating management's assessment of the value of the collateral held. We also evaluated the forecast cash flows, challenged the viability of the Group's recovery plans and evaluated other credit enhancements that are integral to the contract terms; • recalculating the amount of credit loss allowance for 12 month and life time credit losses using the expected credit loss model based on the above parameters and assumptions for a sample of financial assets measured at amortised cost where the credit risk has not, or has, increased significantly since initial recognition, respectively; • evaluating whether the disclosures on impairment of financial assets measured at amortised cost meet the disclosure requirements of prevailing accounting standards.

Consolidation of structured entities

Refer to Note 56 to the consolidated financial statements and the accounting policies in Note 2(29)(vi).

The Key Audit Matter	How the matter was addressed in our audit
Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. The Group may acquire or retain an ownership interest in, or act as a sponsor of, a structured entity through issuing or acquiring an asset management scheme, a wealth management product, an investment fund, a trust scheme or an asset-backed security. In determining whether a structured entity is required to be consolidated by the Group, management is required to consider the power the Group is able to exercise over the activities of the entity and its exposure to and ability to influence its own returns from the entity. In certain circumstances the Group may be required to consolidate a structured entity even though it has no equity interest therein. The factors which management needs to consider when determining whether a structured entity should be consolidated or not are not purely quantitative and need to be considered collectively.	Our audit procedures to assess the consolidation of structured entities included the following: • making enquiries of management and inspecting relevant documents used by management relating to the judgement process over whether a structured entity is consolidated or not to assess whether the Group has a robust process in this regard; • selecting a sample of structured entities for each key product type and performing the following procedures for each item selected: - inspecting the related contracts and internal documents to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity; - evaluating the risk and reward structure of the structured entity including any capital or return guarantee, commission paid and distribution of the returns to assess management's judgement as to exposure, or rights, to variable returns from the Group's involvement in such an entity;

Consolidation of structured entities (continued)

Refer to Note 56 to the consolidated financial statements and the accounting policies in Note 2(29)(vi).

The Key Audit Matter	How the matter was addressed in our audit
We identified the consolidation of structured entities as a key audit matter because it involves significant management judgement in determining whether a structured entity is required to be consolidated by the Group or not and because the impact of consolidating a structured entity on the consolidated statement of financial position could be significant.	• selecting a sample of structured entities for each key product type and performing the following procedures for each item selected (continued): - evaluating management's analysis of the structured entity including qualitative analysis and calculations of the magnitude and variability associated with its economic interests in the structured entity to assess management's judgement over the Group's ability to influence its own returns from the structured entity; - evaluating management's judgement over whether the structured entity should be consolidated or not; • assessing the disclosures in the consolidated financial statements in relation to structured entities with reference to the requirements of the prevailing accounting standards.

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

• Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation..

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Huazhen LLP

Certified Public Accountants
8th Floor, KPMG Tower
Oriental Plaza
1 East Chang An Avenue
Beijing
China

30 March 2022

ANNUAL FINANCIAL REPORT

Consolidated statement of profit or loss

For the year ended 31 December 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

		Year ended 31 December	
	Note	***2021***	*2020*
Revenue			
Fee and commission income	4	**22,325,343**	18,457,811
Interest income	5	**14,741,059**	10,963,881
Net investment gains	6	**11,271,371**	10,159,587
Total revenue		**48,337,773**	39,581,279
Other income and gains	7	**3,588,631**	953,157
Total revenue and other income		**51,926,404**	40,534,436
Fee and commission expenses	8	**(5,652,709)**	(4,849,322)
Interest expenses	9	**(10,990,375)**	(8,358,703)
Staff costs	10	**(11,357,194)**	(10,403,649)
Depreciation and amortisation expenses	11	**(1,432,645)**	(1,341,384)
Tax and surcharges	12	**(239,895)**	(209,157)
Other operating expenses	13	**(8,062,817)**	(4,765,630)
Net provision for impairment loss on financial assets	14	**(548,188)**	(1,306,208)
Net reversal of impairment loss on other assets		**-**	346
Total expenses		**(38,283,823)**	(31,233,707)

The notes on pages 259 to 389 form part of these financial statements.

Consolidated statement of profit or loss (continued)

For the year ended 31 December 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December 2021	2020
Operating profit		**13,642,581**	9,300,729
Share of profit of associates and joint ventures		**2,629,981**	4,203,647
Profit before income tax		**16,272,562**	13,504,376
Income tax expense	15	**(2,671,669)**	(2,633,930)
Profit for the year		**13,600,893**	10,870,446
Attributable to:			
Shareholders of the Company		**13,346,106**	10,822,497
Non-controlling interests		**254,787**	47,949
		13,600,893	10,870,446
Basic earnings per share (in Renminbi per share)	19	**1.47**	1.20
Diluted earnings per share (in Renminbi per share)	19	**1.46**	1.19

The notes on pages 259 to 389 form part of these financial statements. Details of dividends payable to equity shareholders of attributable to the profit for the year are set out in Note 54(k).

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December 2021	2020
Profit for the year		**13,600,893**	10,870,446
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss:			
Equity investment at fair value through other comprehensive income			
- Net change in fair value		**(504,393)**	248,725
Income tax impact		**122,805**	(58,771)
Items that may be reclassified subsequently to profit or loss:			
Net gain from debt investment at fair value through other comprehensive income		**(49,215)**	77,974
Reserve from cash flow hedging instruments		**20,164**	(34,348)
Share of other comprehensive income of associates and joint ventures		**51,482**	(55,583)
Exchange differences on translation of financial statements in foreign currencies		**(263,031)**	(717,314)
Income tax impact		**(3,896)**	-
Total other comprehensive income for the year, net of tax	18	**(626,084)**	(539,317)
Total comprehensive income for the year		**12,974,809**	10,331,129
Attributable to:			
Shareholders of the Company		**12,760,128**	10,402,443
Non-controlling interests		**214,681**	(71,314)
Total		**12,974,809**	10,331,129

The notes on pages 259 to 389 form part of these financial statements.

Consolidated statement of financial position

As at 31 December 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	As at 31 December 2021	2020
Non-current assets			
Property and equipment	20	**5,178,222**	5,014,084
Investment properties	21	**294,008**	408,338
Goodwill	22	**2,836,429**	2,260,945
Land-use rights and other intangible assets	23	**6,790,673**	5,276,069
Interest in associates	25	**18,269,459**	17,691,161
Interest in joint ventures	26	**1,749,065**	1,641,846
Debt investment at amortised cost	27	**25,299,666**	19,230,660
Financial assets at fair value through other comprehensive income	28	**5,020,422**	14,401,106
Financial assets at fair value through profit or loss	30	**9,896,339**	9,229,523
Refundable deposits	31	**27,627,129**	24,763,790
Deferred tax assets	32	**654,651**	339,502
Other non-current assets	33	**282,227**	283,320
Total non-current assets		**103,898,290**	100,540,344
Current assets			
Accounts receivable	34	**10,287,174**	9,095,561
Other receivables and prepayments	35	**2,122,246**	1,131,408
Margin accounts receivable	36	**116,942,245**	102,574,007
Debt investment at amortised cost	27	**7,121,850**	11,180,848
Financial assets held under resale agreements	29	**11,751,970**	19,536,413
Financial assets at fair value through profit or loss	30	**345,362,833**	282,577,589
Financial assets at fair value through other comprehensive income	28	**4,457,415**	1,545,266
Derivative financial assets	37	**15,247,805**	7,295,357
Clearing settlement funds	38	**8,580,941**	6,988,396
Cash held on behalf of brokerage clients	39	**143,640,263**	124,635,007
Cash and bank balances	40	**37,237,801**	49,651,039
Total current assets		**702,752,543**	616,210,891
Total assets		**806,650,833**	716,751,235

The notes on pages 259 to 389 form part of these financial statements.

Consolidated statement of financial position

As at 31 December 2021 (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	As at 31 December 2021	2020
Current liabilities			
Short-term bank loans	42	**8,492,290**	11,299,859
Short-term debt instruments issued	43	**53,598,658**	43,951,388
Placements from other financial institutions	44	**14,018,721**	4,815,236
Accounts payable to brokerage clients	45	**147,501,833**	136,387,634
Employee benefits payable	46	**5,757,598**	4,156,895
Other payables and accruals	47	**106,620,755**	105,880,311
Contract liabilities	48	**265,637**	92,366
Current tax liabilities		**1,245,374**	1,275,589
Financial assets sold under repurchase agreements	49	**130,710,001**	139,899,968
Financial liabilities at fair value through profit or loss	50	**28,289,462**	12,196,234
Derivative financial liabilities	37	**10,643,222**	13,398,830
Long-term bonds due within one year	51	**35,372,308**	11,428,893
Total current liabilities		**542,515,859**	484,783,203
Net current assets		**160,236,684**	131,427,688
Total assets less current liabilities		**264,134,974**	231,968,032
Non-current liabilities			
Long-term bonds	52	**97,966,119**	85,624,295
Long-term bank loans	53	**722,816**	475,414
Non-current employee benefits payable	46	**7,057,339**	6,974,615
Deferred tax liabilities	32	**2,619,161**	2,545,647
Financial liabilities at fair value through profit or loss	50	**2,833,456**	3,185,296
Other payables and accruals	47	**900,299**	850,730
Total non-current liabilities		**112,099,190**	99,655,997
Net assets		**152,035,784**	132,312,035

The notes on pages 259 to 389 form part of these financial statements.

Consolidated statement of financial position

As at 31 December 2021 (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

		As at 31 December	
	Note	***2021***	*2020*
Equity			
Share capital	54	**9,076,650**	9,076,650
Other equity instruments	54	**9,996,425**	-
Treasury shares	54	**(1,231,547)**	(1,626,546)
Reserves	54	**95,021,503**	92,622,778
Retained profits	54	**35,559,779**	28,998,618
Total equity attributable to shareholders of the Company		**148,422,810**	129,071,500
Non-controlling interests		**3,612,974**	3,240,535
Total equity		**152,035,784**	132,312,035

Approved and authorised for issue by the board of directors on 30 March 2022.

Zhang Wei	Zhou Yi
Chairman of the Board,Director	Director,Chief Executive Officer,Chairman of the Executive Committee

The notes on pages 259 to 389 form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company												
				Reserves									
	Share capital (Note 54)	*Other equity instruments* (Note 54)	*Treasury shares* (Note 54)	*Capital reserve* (Note 54)	*Surplus reserve* (Note 54)	*General reserve* (Note 54)	*Fair value reserve* (Note 54)	*Cash flow hedges reserve* (Note 37)	*Translation reserve* (Note 54)	*Retained profits* (Note 54)	*Total*	*Non-controlling interests*	*Total equity*
As at 1 January 2021	9,076,650	-	(1,626,546)	70,750,052	5,711,067	15,792,946	605,917	(34,348)	(202,856)	28,998,618	129,071,500	3,240,535	132,312,035
Changes in equity for 2021													
Profit for the year	-	-	-	-	-	-	-	-	-	13,346,106	13,346,106	254,787	13,600,893
Other comprehensive income	-	-	-	-	-	-	(383,217)	20,164	(222,925)	-	(585,978)	(40,106)	(626,084)
Total comprehensive income	-	-	-	-	-	-	(383,217)	20,164	(222,925)	13,346,106	12,760,128	214,681	12,974,809
Issue of perpetual bonds	-	9,996,425	-	-	-	-	-	-	-	-	9,996,425	-	9,996,425
Equity-settled share-based payments	-	-	443,963	(235,027)	-	-	-	-	-	-	208,936	43,893	252,829
Capital injection by non-controlling shareholders	-	-	-	47,327	-	-	-	-	-	-	47,327	113,865	161,192
Acquisition of treasury shares	-	-	(48,964)	-	-	-	-	-	-	-	(48,964)	-	(48,964)
Appropriation to surplus reserve	-	-	-	-	858,855	-	-	-	-	(858,855)	-	-	-
Appropriation to general reserve	-	-	-	-	-	2,313,098	-	-	-	(2,313,098)	-	-	-
Dividends declared for the year	-	-	-	-	-	-	-	-	-	(3,612,549)	(3,612,549)	-	(3,612,549)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	-	-	443	-	-	(443)	-	-	-
Others	-	-	-	7	-	-	-	-	-	-	7	-	7
As at 31 December 2021	9,076,650	9,996,425	(1,231,547)	70,562,359	6,569,922	18,106,044	223,143	(14,184)	(425,781)	35,559,779	148,422,810	3,612,974	152,035,784

The notes on pages 259 to 389 form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2021 (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	Attributable to shareholders of the Company											
			Reserves									
	Share capital (Note 54)	*Treasury shares* (Note 54)	*Capital reserve* (Note 54)	*Surplus reserve* (Note 54)	*General reserve* (Note 54)	*Fair value reserve* (Note 54)	*Cash flow hedges reserve* (Note 37)	*Translation reserve* (Note 54)	*Retained profits* (Note 54)	*Total*	*Non-controlling interests*	*Total equity*
As at 1 January 2020	9,076,650	-	70,290,533	5,118,691	14,084,427	393,572	-	395,195	23,178,411	122,537,479	3,117,229	125,654,708
Changes in equity for 2020												
Profit for the year	-	-	-	-	-	-	-	-	10,822,497	10,822,497	47,949	10,870,446
Other comprehensive income	-	-	-	-	-	212,345	(34,348)	(598,051)	-	(420,054)	(119,263)	(539,317)
Total comprehensive income	-	-	-	-	-	212,345	(34,348)	(598,051)	10,822,497	10,402,443	(71,314)	10,331,129
Equity-settled share-based payments	-	-	459,514	-	-	-	-	-	-	459,514	194,620	654,134
Acquisition of treasury shares	-	(1,626,546)	-	-	-	-	-	-	-	(1,626,546)	-	(1,626,546)
Appropriation to surplus reserve	-	-	-	592,376	-	-	-	-	(592,376)	-	-	-
Appropriation to general reserve	-	-	-	-	1,708,519	-	-	-	(1,708,519)	-	-	-
Dividends declared for the year	-	-	-	-	-	-	-	-	(2,701,395)	(2,701,395)	-	(2,701,395)
Others	-	-	5	-	-	-	-	-	-	5	-	5
As at 31 December 2020	9,076,650	(1,626,546)	70,750,052	5,711,067	15,792,946	605,917	(34,348)	(202,856)	28,998,618	129,071,500	3,240,535	132,312,035

The notes on pages 259 to 389 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2021

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December 2021	2020
Cash flows from operating activities:			
Profit before income tax		**16,272,562**	13,504,376
Adjustments for:			
Interest expenses		**10,990,375**	8,358,703
Share of profit of associates and joint ventures		**(2,629,981)**	(4,203,647)
Depreciation and amortisation expenses		**1,432,645**	1,341,384
Net provision for impairment loss		**548,188**	1,305,862
Expenses recognised from equity-settled share-based payment		**243,690**	654,134
Net gains on disposal of property and equipment and intangible assets		**(296)**	(1,455)
Foreign exchange losses		**282,024**	821,223
Dividend income and interest income from financial assets through other comprehensive income and debt investment at amortised cost		**(1,883,646)**	(1,125,358)
Net losses arising from derecognition of financial assets at fair value through other comprehensive income		**100,557**	10,601
Net gains arising from derecognition of debt investment at amortised cost		**(46,269)**	(3,567)
Unrealised fair value changes in financial instruments through profit or loss		**8,694,589**	(4,678,762)
Unrealised fair value changes in derivatives		**(10,147,672)**	6,371,886
Excess of interest in the fair value of investee's identifiable net assets over investment costs of associates venture acquired		**-**	(60,073)
Operating cash flows before movements in working capital		**23,856,766**	22,295,307

The notes on pages 259 to 389 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2021 (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December 2021	2020
Cash flows from operating activities (continued):			
Increase in refundable deposits		**(2,863,339)**	(12,110,250)
Increase in margin accounts receivable		**(14,814,298)**	(34,923,307)
Increase in accounts receivable, other receivables and prepayments		**(2,284,276)**	(3,729,127)
Increase in financial assets held under resale agreements		**(1,578,867)**	(444,591)
Increase in financial instruments at fair value through profit or loss		**(59,417,653)**	(30,161,539)
Decrease in restricted bank deposits		**4,986,351**	1,817,601
Increase in cash held on behalf of brokerage clients		**(18,973,439)**	(41,567,511)
Increase in accounts payable to brokerage clients		**11,114,199**	46,569,714
Increase in other payables and accruals		**1,361,311**	18,416,886
Increase in employee benefits payable and other non-current liabilities		**1,683,427**	2,197,123
(Decrease) / increase in financial assets sold under repurchase agreements		**(9,189,967)**	30,180,923
Increase / (decrease) in placements from other financial institutions		**9,201,319**	(6,536,368)
Cash used in from operations		**(56,918,466)**	(7,995,139)
Income taxes paid		**(2,894,184)**	(1,961,778)
Interest paid		**(5,524,444)**	(3,912,007)
Net cash used in operating activities		**(65,337,094)**	(13,868,924)

The notes on pages 259 to 389 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2021 (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December 2021	2020
Cash flows from investing activities:			
Proceeds on disposal of property and equipment		**5,914**	12,391
Dividends received from associates		**1,124,363**	767,576
Dividend income and interest income from financial assets through other comprehensive income and debt investment at amortised cost		**1,883,646**	1,125,358
Net losses arising from derecognition of financial assets at fair value through other comprehensive income		**(100,557)**	(10,601)
Net gains arising from derecognition of debt investment at amortised cost		**46,269**	3,567
Purchases of property and equipment, investment properties, land-use rights and other intangible assets and other non-current assets		**(2,953,175)**	(1,007,100)
Cash paid for acquisition of a subsidiary, net of cash and bank balances acquired		**(803,430)**	(117,832)
Acquisition of interests in associates, joint ventures and other investments		**(412,745)**	(1,730,752)
Divestments of associates and joint ventures		**1,195,428**	1,523,872
Purchase of debt investment at amortised cost		**(1,997,103)**	(10,693,105)
Disposal / (purchase) of financial assets at fair value through other comprehensive income		**1,749,348**	(3,324,919)
Net cash used in investing activities		**(262,042)**	(13,451,545)

The notes on pages 259 to 389 form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2021 (continued)

(Expressed in thousands of Renminbi, unless otherwise stated)

	Note	Year ended 31 December 2021	2020
Cash flows from financing activities:			
Proceeds from issuance of short-term debt instruments		**129,076,996**	147,192,346
Proceeds from issuance of long-term bonds		**56,580,701**	47,079,773
Proceeds from issuance of perpetual bonds		**9,996,425**	-
Proceeds from / (repayment) of long-term bank loans		**247,402**	(371,748)
(Repayment of) / proceeds from short-term bank loans		**(2,795,165)**	5,564,492
Repayment of debt securities issued		**(140,777,597)**	(164,042,119)
Short-term bank loans interest paid		**(126,999)**	(28,235)
Long-term bank loans interest paid		**(22,956)**	(38,130)
Short-term debt instruments interest paid		**(827,947)**	(769,501)
Long-term bonds interest paid		**(3,435,757)**	(2,988,523)
Dividends paid		**(3,612,549)**	(2,701,395)
Payment of lease liabilities		**(462,158)**	(420,344)
Payment of acquisition of treasury shares		**(48,964)**	(1,626,546)
Cash received from Restricted Share Incentive Scheme of A Shares		**413,941**	-
Net cash generated from financing activities	41(b)	**44,205,373**	26,850,070
Net decrease in cash and cash equivalents		**(21,393,763)**	(470,399)
Cash and cash equivalents at the beginning of the year		**67,646,413**	69,198,778
Effect of foreign exchange rate changes		**(351,288)**	(1,081,966)
Cash and cash equivalents at the end of the year	41(a)	**45,901,362**	67,646,413

The notes on pages 259 to 389 form part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021
(Expressed in thousands of Renminbi, unless otherwise stated)

1 General information

Huatai Securities Co., Ltd. (the "Company"), formerly known as Jiangsu Securities Company, was approved by the People's Bank of China ("PBOC"), and registered with the Administration for Industry and Commerce of Jiangsu Province on 9 April 1991, with a registered capital of RMB10 million. The Company was renamed as Huatai Securities Limited Liability Company on 21 December 1999 and then renamed as Huatai Securities Co., Ltd. on 7 December 2007 as a result of the conversion into a joint stock limited liability company.

The Company publicly issued RMB784,561,275 ordinary shares (the "A shares") in February 2010, and was listed on the Shanghai Stock Exchange on 26 February 2010.

In June 2015, the Company issued RMB1,562,768,800 H shares, which were listed on the main board of the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

In July 2018, the Company issued RMB1,088,731,200 A shares through private placement.

In June 2019, the Company issued 82,515,000 Global Deposits Receipts (the "GDRs"), representing 825,150,000 new A shares, and was listed on the London Stock Exchange plc (the "London Stock Exchange").

As at 31 December 2021, the Company's registered capital was RMB9,076,650,000 and the Company has a total of 9,076,650,000 issued shares of RMB1 each.

The Company and its subsidiaries (the "Group") principally engaged in securities brokerage, securities proprietary trading, securities underwriting and sponsorship, securities investment advisory, asset management, margin financing and securities lending, agency sale of financial products, intermediary introduction business for the futures companies, agency sale and custody of securities investment fund, mutual fund management, brokerage of spot contracts for precious metal such as gold, proprietary trading of spot contract for gold, direct investment business, alternative investment business, stock option market making, futures brokerage business and other business activities as approved by the China Securities Regulatory Commission("the CSRC").

2 Significant accounting policies

(1) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes International Accounting Standards and related interpretations promulgated by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules"). A summary of the significant accounting policies adopted by the Group are set out below.

The IASB has issued a number of new and revised IFRSs that are first effective for the current accounting period of the Group. Note 2(3) provides information on any change in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period ended 31 December 2021 are set out in Note 64.

(2) Basis of preparation of the financial statements

The financial statements have been prepared on the historical cost basis except that the following assets and liabilities are measured at their fair value: financial derivatives, non-derivative financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income. The methods used to measure fair value are discussed further in Note 2(8).

The financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company. All financial information presented in RMB has been rounded to the nearest thousand, except when otherwise indicated. The Group translates the financial statements of subsidiaries from their respective functional currencies into the Group's functional currency if the subsidiaries' functional currencies are not the same as that of the Group.

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 2(29).

(3) Changes in accounting policies

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

• Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest Rate Benchmark Reform – Phase 2

• Amendment to IFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021

A number of other new standards are also effective from 1 January 2021, but they do not have a material effect on the Group's financial statements. Impacts of the adoption of the aforementioned amended IFRSs are discussed below:

(i) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest Rate Benchmark Reform – Phase 2

The amendments provide targeted reliefs from accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates.

(ii) Amendment to IFRS 16, COVID-19-Related Rent Concessions

The Group previously applied the practical expedient in IFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022.

The Group has early adopted the amendment in this financial year. With the extended time limit, certain rent concessions that were previously ineligible for the practical expedient because of the original time limit, become eligible. Accordingly, these rent concessions, which were previously accounted for as lease modifications, are now accounted for as negative variable lease payments, and are recognised in profit or loss in the period in which the event or condition that triggers those payments occurred.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(4) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 2(4)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

(ii) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised gains arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meet the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the reporting period between non-controlling interests and the shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(8)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see Note 2(4)(iii)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(15)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) or applied the exemption from the requirement to apply equity accounting method and measured the investment at fair value through profit or loss. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair value of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Note 2(15)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of

the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Insteadly, the investment continues to be accounted for under the equity method.

When an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund and similar entities, such investment is measured at fair value through profit or loss in the Group's consolidated statement of financial position.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(8)).

In the Company's statement of financial position, investments in associates and joint venture of the Company are accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) or applied the exemption from the requirement to apply equity accounting method and measured the investment at fair value through profit or loss.

(5) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 2(15)).

On disposal of a CGU during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(6) Foreign currency

When the Group receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rate on the date of receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates on the dates of the transactions.

A spot exchange rate is an exchange rate quoted by the PBOC, the State Administrative of Foreign Exchange or a cross rate determined based on quoted exchange rates. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, normally the average exchange rate of the current period.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the end of the reporting period. The resulting exchange differences are recognised in profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to RMB using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the resulting exchange differences are recognised in profit or loss, except for the differences arising from the translation of equity securities investment designated as at fair value through other comprehensive income (FVOCI) (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss), which are recognised as OCI in reserve.

The assets and liabilities of foreign operation are translated to RMB at the spot exchange rate at the end of reporting period. The equity items, excluding "retained profits", are translated to RMB at the spot exchange rates at the transaction dates. The income and expenses of foreign operation are translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. Upon disposal of a foreign operation, the cumulative amount of the translation differences recognised in shareholders' equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments, which are readily convertible into known amounts of cash and are subject to insignificant risk of change in value.

(8) Financial instruments

(i) Recognition and initial measurement

Financial instruments are recognised/derecognised on the date the Group commits to purchase/sell the investment. Financial instruments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVTPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 2(8)(iv). Financial instruments are subsequently accounted for as follows, depending on their classification.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise..

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable-rate features;

– prepayment and extension features; and

– terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. The fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's credit risk is to be recognised in OCI (without reclassification to profit or loss). Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) impairment

The Group recognises loss allowances for Expected Credit Losses (ECLs) on:

– financial assets measured at amortised cost;

– debt investments measured at FVOCI; and

– contract assets.

Debt investment at fair value, FVTPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for accounts receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

– debt securities that are determined to have low credit risk at the reporting date; and

– other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Significant increases in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;

– a breach of contract such as a default;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the borrower will enter bankruptcy or other financial reorganisations; or

– the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written-off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(iv) Fair value measurement

If there is an active market for a financial asset or financial liability, the quoted market price without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability. For a financial asset held or a financial liability to be assumed, the quoted price is the current bid price. For a financial asset to be acquired or a financial liability assumed, the quoted price is the current asking price. Quoted prices from an active market are prices that are readily and regularly available from an exchange, dealer, broker, industry group or pricing service agency, and represent actual and regularly occurring market transactions on an arm's length basis.

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of the reporting period. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

In estimating the fair value of a financial asset and financial liability, the Group considers all factors including, but not limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset and financial liability.

The Group obtains market data from the same market where the financial instrument was originated or purchased.

(v) Derecognition of financial assets and financial liabilities

Financial assets (or a part of a financial asset or group of financial assets) are derecognised when the financial assets meet one of the following conditions:

– the contractual rights to the cash flows from the financial asset expire; or

– the Group transfers substantially all the risks and rewards of ownership of the financial assets or where substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the control over that asset is relinquished.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but retains control, the Group continues to recognise the financial asset and relevant liability to the extent of its continuing involvement in the financial asset.

The financial liability (or part of it) is derecognised only when the underlying present obligation (or part of it) specified in the contracts is discharged, cancelled or expired. An agreement between the Group and an existing lender to replace the original financial liability with a new financial liability with substantially different terms, or a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. The difference between the carrying amount of the derecognised financial liability and the consideration paid is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis, or by realising the asset and settling the liability simultaneously.

(vii) Equity instruments

An equity instrument is a contract that proves the ownership interest of the residual assets after deducting all liabilities of the Group. Considerations received from issuance of equity instruments net of transaction costs are recognised in equity. Considerations and transaction costs paid by the Group for repurchasing its own equity instruments are deducted from equity.

(viii) Perpetual bonds

At initial recognition, the Group classifies the perpetual bonds issued as financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial liabilities and equity instruments.

Perpetual bonds issued that should be classified as equity instruments are recognised in equity based on the actual amount received. Any distribution of dividends or interests during the instruments' duration is treated as profit appropriation. When the perpetual bonds are redeemed according to the contractual terms, the redemption price is charged to equity.

(ix) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(x) Hedge accounting

At the inception of a hedging relationship, the Group formally designates the hedge instruments and the hedged items, and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to meet the hedge effectiveness in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to analyse the sources of hedge ineffectiveness which are expected to affect the hedging relationship in remaining hedging period. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group would rebalance the hedging relationship.

The Group designates such hedged items as debt securities issued with floating interest that expose the Group to the risk of variability of its cash flows.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting and are therefore treated as derivatives held for trading with fair value gains or losses recognised in profit or loss. Hedges which meet the strict criteria for hedge accounting are accounted for in accordance with the Group's accounting policy as set out below.

Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or unrecognised firm commitment, that is attributable to a particular risk and could affect the profit or loss or other comprehensive income. Among them, the circumstances affecting other comprehensive income are limited to the hedging for the risk exposure from fair value change of non-trading equity investment designated as at FVOCI. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and the gains and losses from both are taken to profit or loss or other comprehensive income.

For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item and the face value is amortised over the remaining term of the original hedge using the effective interest rate method.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting when the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised. If the hedged items are derecognised, the unamortised fair value is recorded in profit or loss.

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, a highly probable forecast transaction or a component of any such item, and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognised directly in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in profit or loss.

When the hedged cash flow affects profit or loss, the gain or loss on the hedging instrument recognised directly in other comprehensive income is recycled in the corresponding income or expense line of the statement of profit or loss. When the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income until the hedged forecast transaction ultimately occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to profit or loss.

Net investment hedges

Net investment hedge is a hedge of the currency risk of a net investment in a foreign institution operation.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in other comprehensive income; the gain or loss relating to the ineffective portion is recognised in profit or loss immediately. Gains and losses accumulated in other comprehensive income are included in profit or loss when the foreign operation is disposed of as part of the gain or loss on the disposal.

(9) Margin financing and securities lending

Margin financing and securities lending refer to the lending of funds by the Group to customers for purchase of securities,

or lending of securities by the Group to customers for securities selling, for which the customers provide the Group with collateral.

The classification, subsequent measurement and impairment of margin financing receivables is based on policies in Note 2(8). Securities lent are not derecognised when the risk and rewards are not transferred, and interest income from margin financing receivables and securities lent is recognised using the effective interest rate method.

The collateral is not recognised on the statement of financial position, the transfer of the collateral from counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred.

Securities trading on behalf of margin financing or securities lending customers are accounted for as securities brokerage business.

(10) Financial assets held under resale and sold under repurchase agreements

Financial assets held under resale agreements are transactions where the Group acquires financial assets which will be resold at a predetermined price at a future date under resale agreements. Financial assets sold under repurchase agreements are transactions where the Group sells financial assets which will be repurchased at a predetermined price at a future date under repurchase agreements.

The cash advanced or received is recognised as amounts held under resale or sold under repurchase agreements in the consolidated statement of financial position. Assets held under resale agreements are recorded in memorandum accounts as off-balance sheet items. Assets sold under repurchase agreements continue to be recognised in the consolidated statement of financial position.

The difference between the purchase and resale consideration, and that between the sale and repurchase consideration, is amortised over the period of the respective transaction using the effective interest method and is included in interest income and interest expenses, respectively.

(11) Investments in subsidiaries

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the principles described in Note 2(4).

In the Company's statement of financial position, investments in subsidiaries are accounted for using the cost method. The investment is stated at cost less impairment loss (Note 2(15)) in the statements of financial position. Except for declared but not yet distributed cash dividends or profits distribution that have been included in the price or consideration paid in obtaining the investments, the Group recognises its share of the cash dividends or profit distribution declared by the investees as investment income.

(12) Property and equipment and construction in progress

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(15)). Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

– the cost of materials and direct labour;

– any other costs directly attributable to bringing the assets to a working condition for their intended use;

– when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and

– capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds

from disposal and the carrying amount of the item) is recognised in profit or loss.

Costs of construction in progress are determined based on the actual expenditures incurred which include all necessary expenditures incurred during the construction period, borrowing costs eligible for capitalisation and other costs incurred to bring the asset to its intended use.

Items classified as construction in progress are transferred to property and equipment when such assets are ready for their intended use.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write-off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

Types of assets	*Estimated useful lives*	*Estimated residual values*	*Depreciation rates*
Buildings	30 - 35 years	3%	2.77% - 3.23%
Motor vehicles	5 - 8 years	3%	12.13% - 19.40%
Electronic equipment	5 years	3%	19.40%
Furniture and fixtures	5 years	3%	19.40%

No depreciation is provided in respect of construction in progress. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is accounted for using the cost model and stated in the financial statements at cost less accumulated depreciation, and impairment losses (see Note 2(15)). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale.

	Estimated useful lives	*Estimated residual values*	*Depreciation rates*
Investment property	30 - 35 years	3%	2.77% - 3.23%

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

(14) Land-use rights and other intangible assets

Intangible assets are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment loss (see Note 2(15)). For an intangible asset with finite useful life, its cost less impairment loss is amortised on the straight-line method over its estimated useful life.

The respective amortisation periods for intangible assets are as follows:

Types of assets	*Estimated useful lives*
Existing relationships with broker-dealers	Indefinite
Enterprise distribution channel customer relationships	Indefinite
Land-use rights	40 - 50 years
Trade names	11 - 20 years
Software and others	2 - 20 years

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

(15) Impairment of non-financial assets

The carrying amounts of the following assets are reviewed at each reporting date to determine whether there is any indication of impairment:

– property and equipment

– construction in progress

– investment property

– right-of-use asset

– land-use rights and other intangible assets

– equity investment in subsidiaries, associates and joint ventures

– goodwill

– leasehold improvements and long-term deferred expenses

If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(16) Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. Contract assets are assessed for ECL in accordance with the policy set out in Note 2(8)(iii) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(17) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds, which have a credit rating of at least AA from rating agency, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(18) Share-based payments

(i) Accounting treatment of cash-settled share-based payments

Where the Group receives services from employees by incurring a liability to deliver cash or other assets for amounts that are determined based on the price of shares or other equity instruments, the service received from employees is measured at the fair value of the liability incurred. If a cash-settled share-based payment do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises costs or expenses as services are received, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting. Until the liability is settled, the Group will remeasure the fair value of the liability

at each balance sheet date and at the date of settlement, with changes recongised in profit or loss for the current period.

When the Group receives services and has the obligation to settle the transaction, but the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group classifies the transaction as cash-settled.

(ii) Accounting treatment of equity-settled share-based payments

Where the Group uses shares or other equity instruments as consideration for services received from the employees, the payment is measured at the fair value of the equity instruments granted to the employees at the grant date. If the equity instruments granted do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises an amount at each balance sheet date during the vesting period based on the best estimate of the number of equity instruments expected to vest according to the newly obtained subsequent information of the changes of the number of the employees expected to vest the equity instruments. The Group measures the services received at the grant-date fair value of the equity instruments and recognises the costs or expenses as the services are received, with a corresponding increase in capital reserve.

When the Group receives services, but the Group has no obligation to settle the transaction because the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group also classifies the transaction as equity-settled.

(19) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

– temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent

that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(20) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it

will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'other payables and accruals' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see Note 2(15)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income and gains'.

(21) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(22) Fiduciary activities

The Group acts in a fiduciary activity as a manager, a custodian, or an agent for customers. Assets held by the Group and the related undertakings to return such assets to customers are recorded as off-balance sheet items as the risks and rewards of the assets reside with customers.

(23) Revenue recognition

Income is classified by the Group as revenue when it arises from the provision of services in the ordinary course of the Group's business.

Revenue is recognised when control over a service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer and includes in the transaction price some or all of the variable consideration estimated, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Commission income from brokerage business

Brokerage commission income is recognised on a trade date basis when the relevant transactions are executed. Handling and settlement fee income arising from brokerage business is recognised when the related services are rendered.

(ii) Underwriting and sponsor fees

Underwriting fee is recognised when the Group has fulfilled its obligations under the underwriting contract.

Depending on contract terms, sponsor fees are recognised progressively over time using a method that depicts the Group's performance, or at a point in time when the service is completed.

(iii) Advisory fees

Depending on the nature of the advisory services and the contract terms, advisory fees are recognised progressively over time using a method that depicts the Group's performance, or at a point in time when the advisory service is completed.

(iv) Asset management fees

Asset management fees include periodic management fees calculated based on assets under management and performance-based fees. The fees are recognised progressively over time using a method that depicts the Group's performance, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

(v) Other income

Other income is recognised on an accrual basis.

(24) Expenses recognition

(i) Commission expenses

Commission expenses relate mainly to transactions, which are recognised as expenses when the services are received.

(ii) Interest expenses

Interest expenses are recognised based on the principal outstanding and at the effective interest rate applicable.

(iii) Other expenses

Other expenses are recognised on an accrual basis.

(25) Dividend distribution

Dividends or profit distributions proposed in the profit appropriation plan, which will be authorised and declared after the end of the reporting period, are not recognised as a liability at the end of the reporting period but disclosed in the notes to the financial statements separately.

(26) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

(27) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

(1) has control or joint control over the Group;

(2) has significant influence over the Group; or

(3) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

(1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(3) Both entities are joint ventures of the same third party.

(4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(6) The entity is controlled or jointly controlled by a person identified in (i).

(7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(28) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose financial performance are regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance, and for which financial information regarding financial position, financial performance and cash flows is available.

Two or more operating segments may be aggregated into a single operating segment if the segments have same or

similar economic characteristics and are similar in respect of the nature of each products and service, the nature of production processes, the type or class of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

(29) Significant accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(i) Fair value of financial instruments

As indicated in Note 2(8)(i), financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value at the end of the year and it is usually possible to determine their fair values within a reasonable range of estimates.

For part of the above financial instruments, quoted market prices are readily available. However, the determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in Note 2(8)(iv). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(ii) Measurement of ECL

The following significant judgements are required in applying the accounting requirements for measuring the ECL.

Significant increase of credit risk

As explained in Note 2(8)(iii), ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Assets move from 12-month to lifetime ECLs when there is a significant increase in credit risk, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used

The Group uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Forward-looking information

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default (PD)

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss given default (LGD)

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Loss ratio (LR)

LR represents the Group's expectation of the likelihood and extent of loss on exposure based on the relevant loan to collateral ratio. The Group uses historical loss rates based on publicly available information and assesses their appropriateness.

(iii) Impairment of non-financial assets

Non-financial assets are reviewed regularly to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is provided.

Since the market price of an asset (the asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably. In assessing the present value of future cash flows, significant judgements are exercised over the asset's selling price, related operating expenses and discounting rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the selling price and related operating expenses based on reasonable and supportable assumption.

(iv) Depreciation and amortisation

Property and equipment, investment property, intangible assets, leasehold improvements and long-term deferred expenses are depreciated and amortised using the straight-line method over their estimated useful lives after taking into account residual values. The estimated useful lives are regularly reviewed to determine the depreciation and amortisation costs charged in the reporting period. The estimated useful lives are determined based on historical experiences of similar assets and the estimated technical changes. If there is an indication that there has been a change in the factors used to determine the depreciation or amortisation, the amount of depreciation or amortisation will be revised.

(v) Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

(vi) Determination scope of consolidation

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as an investor, controls the investee. The principle of control includes three elements: (i) power over the investee; (ii) exposure, or rights, to variable returns from involvement with the investee; and (iii) the ability to use power over the investee to affect the amount of investors' returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

For asset management schemes where the Group involves as the manager or investment consultant, the Group assesses whether the combination of investments it holds, if any, together with its remuneration creates exposure to variability of returns from the activities of the asset management schemes that is of such significance indicating that the Group is a principal. The asset management scheme shall be consolidated if the Group acts in the role of principal.

3 Taxation

The Group's main applicable taxes and tax rates are as follows:

Tax type	*Tax basis*	*Tax rate*
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period.	3% - 13%
City maintenance and construction tax	Based on value added tax paid	1% - 7%
Education surcharge	Based on value added tax paid	2% - 3%
Local Education surcharge	Based on value added tax paid	1% - 2%
Income tax	Based on taxable profits	25%[(i)]

(i) The income tax rate applicable to the Company and its subsidiaries in the Mainland China is 25% (2020: 25%). The income tax rate applicable to subsidiaries in Hong Kong is 16.5% (2020: 16.5%). The corporate income tax rate applicable to subsidiaries in the United States is 21% (2020: 21%). Taxes of other overseas subsidiaries are charged at the relevant local rates.

4 Fee and commission income

	Year ended 31 December	
	2021	*2020*
Income from securities brokerage and advisory business	**10,783,673**	9,198,734
Income from asset management business	**5,092,913**	4,091,547
Income from underwriting and sponsorship business	**4,053,693**	3,351,882
Income from futures brokerage business	**1,710,672**	1,268,196
Income from financial advisory business	**504,953**	422,499
Other commission income	**179,439**	124,953
Total	**22,325,343**	18,457,811

5 Interest income

	Year ended 31 December	
	2021	2020
Interest income from margin financing and securities lending	**9,079,183**	6,149,310
Interest income from financial institutions	**3,874,504**	3,243,487
Interest income from debt instruments at amortised cost	**966,185**	851,854
Interest income from securities-backed lending	**330,323**	248,120
Interest income from debt instruments at fair value through other comprehensive income	**298,591**	272,184
Interest income from other financial assets held under resale agreements	**186,004**	190,757
Others	**6,269**	8,169
Total	**14,741,059**	10,963,881

6 Net investment gains

	Year ended 31 December	
	2021	2020
Dividend income and interest income from financial instruments at fair value through profit or loss	**9,332,733**	8,695,327
Dividend income from financial assets at fair value through other comprehensive income	**618,870**	1,320
Net realised losses from disposal of derivative financial instruments	**(17,553,798)**	(10,441,578)
Net realised gains from disposal of financial instruments at fair value through profit or loss	**18,618,785**	14,659,676
Net realised losses from disposal of financial instruments at fair value through other comprehensive income	**(100,557)**	(10,601)
Net gains arising from derecognition of debt investment at amortised cost[(i)]	**46,269**	3,567
Unrealised fair value changes of derivative financial instruments	**9,003,658**	(7,426,886)
Unrealised fair value changes of financial instruments at fair value through profit or loss	**(8,694,589)**	4,678,762
Total	**11,271,371**	10,159,587

(i) For the year ended 31 December 2021 and 31 December 2020, the Group sold certain investment securities measured at amortised cost. These sales were made because the financial assets no longer met the Group's investment policy due to a deterioration in their credit risk.

7 Other income and gains

	Year ended 31 December	
	2021	2020
Income from commodity sales	**3,415,908**	1,206,870
Government grants[(i)]	**270,709**	273,423
Rental income	**44,481**	69,746
Gains on disposal of property and equipment	**296**	1,455
Excess of interest in the fair value of investee's identifiable net assets over investment costs of associates venture acquired	**-**	60,073
Foreign exchange losses	**(282,024)**	(821,223)
Others	**139,261**	162,813
Total	**3,588,631**	953,157

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

8 Fee and commission expenses

	Year ended 31 December	
	2021	2020
Expenses for securities brokerage and advisory business	**3,401,888**	2,922,867
Expenses for futures brokerage business	**1,051,770**	857,101
Expenses for asset management business	**983,217**	936,597
Expenses for underwriting and sponsorship business	**213,002**	128,992
Expenses for financial advisory business	**1,484**	1,462
Other commission expenses	**1,348**	2,303
Total	**5,652,709**	4,849,322

9 Interest expenses

	Year ended 31 December	
	2021	2020
Interest expenses on long-term bonds	**4,450,296**	2,912,479
Interest expenses on financial assets sold under repurchase agreements	**2,922,914**	2,863,130
Interest expenses on placements	**1,788,534**	737,949
Interest expenses on short-term debt instruments issued	**865,817**	903,219
Interest expenses of accounts payable to brokerage clients	**664,432**	528,517
Interest expenses on short-term bank loans	**114,595**	230,169
Interest expenses on lease liabilities	**48,242**	39,470
Interest expenses on long-term bank loans	**22,956**	34,295
Others	**112,589**	109,475
Total	**10,990,375**	8,358,703

10 Staff costs

		Year ended 31 December	
	Note	**2021**	2020
Salaries, bonuses and allowances		**9,371,929**	8,225,010
Contribution to pension schemes		**960,397**	863,813
Equity-settled share-based payment expenses	62	**243,690**	654,134
Other social welfare		**781,178**	660,692
Total		**11,357,194**	10,403,649

The domestic employees of the Group in the PRC participate in social welfare plans, including pension, medical, housing, and other welfare benefits, organised and administered by the governmental authorities. The Group also operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance. According to the relevant regulations, the premiums and welfare benefits contributions that should be borne by the Group are calculated on regular basis and paid to the labour and social welfare authorities. The contributions to the social security plans are expensed as incurred.

The Group provides its full-time employees in Mainland China and certain countries or jurisdictions outside Mainland China with relevant pension plans as required by the governments or by local labour laws, including the basic pension plan in Mainland China, the Mandatory Provident Funds in Hong Kong and other statutory plans in certain countries outside Mainland China. The Group did not have any forfeited contributions under these pension plans.

The Group also provides an enterprise annuity plan to employees in Mainland China. According to the plan, when an employee resigns, part of the contributed amount may be returned to the Company's enterprise annuity account based on his/her actual working time. Such returned contributions had no impact on the level of annuity contributions for existing employees. The Group did not utilise any of such forfeited contributions to reduce the existing level of contributions.

11 Depreciation and amortisation on expenses

	Year ended 31 December	
	2021	2020
Amortisation of land-use rights and other intangible assets	**477,161**	523,708
Depreciation of property and equipment	**851,616**	709,705
- Right-of-use assets	**462,505**	374,309
- Other property and equipment	**389,111**	335,396
Amortisation of leasehold improvements and long-term deferred expenses	**88,859**	88,173
Depreciation of investment properties	**15,009**	19,798
Total	**1,432,645**	1,341,384

12 Tax and surcharges

	Year ended 31 December	
	2021	2020
City maintenance and construction tax	**109,041**	97,179
Education surcharges	**79,544**	67,986
Others	**51,310**	43,992
Total	**239,895**	209,157

13 Other operating expenses

	Year ended 31 December	
	2021	2020
Cost of commodity sales	**3,424,414**	1,178,340
IT expenses	**1,398,190**	597,426
Marketing, advertising and promotion expenses	**642,662**	428,571
Consulting fees	**396,277**	257,685
Stock exchange fees	**383,240**	280,004
Postal and communication expenses	**263,386**	231,806
Products distribution expenses	**130,332**	208,705
Securities investor protection funds	**126,481**	102,376
Utilities	**53,575**	43,336
Auditors' remuneration	**12,823**	13,278
Rental expenses	**41,020**	77,792
Others	**1,190,417**	1,346,311
Total	**8,062,817**	4,765,630

14 Net provision for impairment loss on financial assets

	Year ended 31 December	
	2021	2020
Reversal of impairment losses against cash and bank balances	**(273)**	(9,749)
Provision for impairment losses against margin accounts receivable	**446,060**	1,355,580
Reversal of impairment losses against other receivables and prepayments	**(28,750)**	(149,505)
(Reversal of) / provision for impairment losses against debt investment at amortised cost	**(12,906)**	21,355
Provision for impairment losses against financial assets at fair value through other comprehensive income	**29,105**	63,220
Provision for /(reversal of) impairment losses against financial assets held under resale agreements	**80,513**	(18,138)
Provision for impairment losses against accounts receivable	**34,439**	43,445
Total	**548,188**	1,306,208

15 Income tax expense

(a) Taxation in the consolidated income statements represents:

	Year ended 31 December	
	2021	*2020*
Current income tax		
- Mainland China	**2,591,351**	2,728,349
- Hong Kong	**108,545**	-
- Overseas	**147,852**	124,325
	2,847,748	2,852,674
Adjustment in respect of prior years		
- Mainland China	**7,302**	(3,460)
- Hong Kong	**8,919**	-
- Overseas	**-**	-
	16,221	(3,460)
Deferred tax		
Origination and reversal of temporary differences	**(192,300)**	(215,284)
Total	**2,671,669**	2,633,930

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

(2) Hong Kong profit tax has been provided at the rate of 16.5% on the estimated assessable profits. The federal income tax of subsidiaries in the United States were provided at the rate of 21%, whereas the states' income tax are charged at the applicable local tax rates.

(b) Reconciliation between income tax expense and accounting profit at applicable tax rate:

	Year ended 31 December	
	2021	*2020*
Profit before income tax	**16,272,562**	13,504,376
Notional tax calculated using the PRC statutory tax rate	**4,068,141**	3,376,094
Tax effect of non-deductible expenses	**421,300**	148,308
Tax effect of non-taxable income	**(1,687,773)**	(844,011)
Tax effect of unused tax losses not recognised	**26,676**	21,523
Effect of using the deductible tax losses for which no deferred tax asset was recognised in previous period	**(12,400)**	(86,544)
Effect of different tax rates of the subsidiaries	**(153,277)**	19,327
Adjustment for prior years	**16,221**	(3,460)
Others	**(7,219)**	2,693
Actual income tax expense	**2,671,669**	2,633,930

16 Directors' and supervisors' remuneration

The remuneration of directors and supervisors who held office during the reporting period is as follows:

	Year ended 31 December 2021						
Name	*Directors' fees*	*Salaries, allowances and benefits in kind*	*Contribution to pension schemes*	*Discretionary bonuses*	*Annuity plan*	*Share-based payments*	*Total*
Executive directors							
Zhang Wei	-	422	38	1,349	176	-	1,985
Zhou Yi	-	1,315	38	3,248	178	1,589	6,368
Zhu Xuebo	-	-	-	-	-	-	-
Non-executive directors							
Ding Feng[(1)]	-	-	-	-	-	-	-
Chen Yongbing[(1)]	-	-	-	-	-	-	-
Ke Xiang[(1)(2)]	-	-	-	-	-	-	-
Xu Qing[(1)(3)]	-	-	-	-	-	-	-
Hu Xiao[(1)]	-	-	-	-	-	-	-
Wang Tao[(1)]	-	-	-	-	-	-	-
Independent non-executive directors							
Chen Chuanming	240	-	-	-	-	-	240
Liu Hongzhong[(4)]	-	-	-	-	-	-	-
Lee Chi Ming[(5)]	120	-	-	-	-	-	120
Liu Yan	240	-	-	-	-	-	240
Chen Zhibin	240	-	-	-	-	-	240
Wang Jianwen[(6)]	240	-	-	-	-	-	240
Au King Chi[(7)]	140	-	-	-	-	-	140
Supervisors							
Zhai Jun[(8)]	-	511	32	4,332	124	-	4,999
Zhang Ming[(1)]	-	-	-	-	-	-	-
Yu Lanying[(1)]	-	-	-	-	-	-	-
Zhang Xiaohong[(1)]	-	-	-	-	-	-	-
Fan Chunyan[(1)]	-	-	-	-	-	-	-
Gu Chengzhong[(9)]	-	856	38	4,375	122	-	5,391
Wang Ying	-	856	38	2,920	95	-	3,909
Wang Juan[(10)]	-	532	38	450	84	-	1,104
Total	1,220	4,492	222	16,674	779	1,589	24,976

	Year ended 31 December 2020						
Name	*Directors' fees*	*Salaries, allowances and benefits in kind*	*Contribution to pension schemes*	*Discretionary bonuses*	*Annuity plan*	*Share-based payments*	*Total*
Executive directors							
Zhang Wei	-	371	28	388	134	-	921
Zhou Yi	-	1,152	28	1,260	143	-	2,583
Zhu Xuebo	-	305	25	586	142	-	1,058
Non-executive directors							
Ding Feng[(1)]	-	-	-	-	-	-	-
Chen Yongbing[(1)]	-	-	-	-	-	-	-
Xu Qing[(1)(3)]	-	-	-	-	-	-	-
Hu Xiao[(1)]	-	-	-	-	-	-	-
Wang Tao[(1)]	-	-	-	-	-	-	-
Independent non-executive directors							
Chen Chuanming	240	-	-	-	-	-	240
Liu Hongzhong[(4)]	120	-	-	-	-	-	120
Lee Chi Ming[(5)]	240	-	-	-	-	-	240
Liu Yan	240	-	-	-	-	-	240
Chen Zhibin	240	-	-	-	-	-	240
Wang Jianwen[(6)]	140	-	-	-	-	-	140
Supervisors							
Zhai Jun[(8)]	-	848	51	2,670	98	-	3,667
Zhang Ming[(1)]	-	-	-	-	-	-	-
Yu Lanying[(1)]	-	-	-	-	-	-	-
Zhang Xiaohong[(1)]	-	-	-	-	-	-	-
Fan Chunyan[(1)]	-	-	-	-	-	-	-
Gu Chengzhong [(9)]	-	828	28	2,661	97	-	3,614
Wang Ying	-	772	28	1,725	76	-	2,601
Total	1,220	4,276	188	9,290	690	-	15,664

(1) The remunerations of these non-executive directors and supervisors of the Company were borne by its shareholders and other related parties including Jiangsu Guoxin Investment Group Limited, Jiangsu Communications Holding Company Limited, CMB Wealth Management Company Limited and Jiangsu Govtor Capital Group Co., Ltd.,etc. No allocation of the remunerations between these shareholders and the Group has been made during the reporting period.

(2) Appointed as non-executive director on 8 February 2021.

(3) Resigned as non-executive director on 8 February 2021.

(4) Resigned as independent non-executive director on 19 June 2020.

(5) Resigned as independent non-executive director on 22 June 2021.

(6) Appointed as independent non-executive director on 18 June 2020.

(7) Appointed as independent non-executive director on 22 June 2021.

(8) Resigned as chairman of the supervisory board on 29 October 2021.

(9) Appointed as chairman of the supervisory board on 29 October 2021.

(10) Appointed as supervisor on 29 October 2021.

There were no amounts paid during the reporting period to the directors and supervisors in connection with their retirement from employment or compensation for loss of office with the Company, or inducement to join. During the year, there was no arrangement under which a director or a supervisor who had resigned waived or agreed to waive any remuneration.

17 Individuals with highest emoluments

Of the five individuals with the highest emoluments, none are directors or supervisors whose emoluments are disclosed in Note 16. The aggregate of the emoluments are as follows:

	Year ended 31 December	
	2021	*2020*
Salaries and allowances	**18,198**	14,764
Discretionary bonuses	**42,830**	35,138
Employer's contribution to pension schemes	**458**	462
Share-based payments	**56,525**	108,130
Total	**118,011**	158,494

The emoluments with the highest emoluments are within the following bands:

	Year ended 31 December	
	2021	*2020*
	Number of individuals	*Number of individuals*
HKD9,500,001 to HKD10,000,000	**-**	-
HKD10,000,001 to HKD15,000,000	**-**	-
HKD15,000,001 to HKD20,000,000	**1**	2
HKD20,000,001 to HKD25,000,000	**1**	-
Over HKD25,000,000	**3**	3
Total	**5**	5

No emoluments are paid or payable to these individuals as retirement from employment or as an inducement to join or upon joining the Company or as compensation for loss of office during the reporting period.

18 Other comprehensive income

	Year ended 31 December 2021		
	Before tax	*Tax expense*	*Net of tax*
Net gain from debt investments at FVOCI	**(49,215)**	**(3,896)**	**(53,111)**
Equity investments at FVOCI:			
- Net movement in fair value reserve (non-recycling)	**(504,393)**	**122,805**	**(381,588)**
Reserve from cash flow hedging instruments	**20,164**	**-**	**20,164**
Share of other comprehensive income of associates and joint ventures	**51,482**	**-**	**51,482**
Exchange differences on translation of financial statements in foreign currencies	**(263,031)**	**-**	**(263,031)**
Total	**(744,993)**	**118,909**	**(626,084)**

	Year ended 31 December 2020		
	Before tax	*Tax expense*	*Net of tax*
Net gain from debt investments at FVOCI	77,974	-	77,974
Equity investments at FVOCI:			
- Net movement in fair value reserve (non-recycling)	248,725	(58,771)	189,954
Reserve from cash flow hedging instruments	(34,348)	-	(34,348)
Share of other comprehensive income of associates and joint ventures	(55,583)	-	(55,583)
Exchange differences on translation of financial statements in foreign currencies	(717,314)	-	(717,314)
Total	(480,546)	(58,771)	(539,317)

19 Basic and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

		Year ended 31 December	
	Note	***2021***	*2020*
Consolidated net profit attributable to ordinary shareholders of the Company (in RMB thousands)	19(1)(a)	**13,249,590**	10,822,497
Weighted average number of ordinary shares (in thousands)	19(1)(b)	**8,985,942**	9,027,078
Basic earnings per share attributable to ordinary shareholders (in RMB per share)		**1.47**	1.20

(a) Consolidated net profit attributable to ordinary shareholders of the Company (in RMB thousands)

	Year ended 31 December	
	2021	*2020*
Consolidated net profit attributable to equity shareholders of the Company	**13,346,106**	10,822,497
Dividends declared under Restricted Share Incentive Scheme of A Shares	**(18,195)**	-
Profit attributable to perpetual subordinated bonds holders of the Company (i)	**(78,321)**	-
Consolidated net profit attributable to ordinary shareholders of the Company	**13,249,590**	10,822,497

(i) For the purpose of calculating basic earnings per ordinary share in respect of the year ended 31 December 2021, RMB78 million (2020: Not applicable) attributable to perpetual subordinated bonds were deducted from profits attributable to equity holders of the Company.

(b) Weighted average number of ordinary shares (in thousands)

	Year ended 31 December	
	2021	*2020*
Number of ordinary shares as at 1 January	**9,076,650**	9,076,650
Decrease in weighted average number of ordinary shares	**(90,708)**	(49,572)
Weighted average number of ordinary shares	**8,985,942**	9,027,078

(2) Diluted earnings per share

Diluted earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company (diluted) by the weighted average number of ordinary shares outstanding:

		Year ended 31 December	
	Note	***2021***	*2020*
Consolidated net profit attributable to ordinary shareholders of the Company (diluted)	19(2)(a)	**13,110,739**	10,744,913
Weighted average number of ordinary shares outstanding (in thousands)		**8,985,942**	9,027,078
Diluted earnings per share attributable to ordinary shareholders (in Renminbi per share)		**1.46**	1.19

(a) Consolidated net profit attributable to ordinary shareholders of the Company (diluted) is calculated as follows:

	Year ended 31 December	
	2021	*2020*
Consolidated net profit attributable to ordinary shareholders of the Company	**13,249,590**	10,822,497
Diluted adjustments:		
Effect of conversion of convertible bonds from the associate of the Company[(i)]	**(138,059)**	(77,584)
Assumed vesting of shares granted to employees of a subsidiary[(ii)]	**(792)**	-
Consolidated net profit attributable to ordinary shareholders of the Company (diluted)	**13,110,739**	10,744,913

(i) Bank of Jiangsu Co., Ltd. ("Bank of Jiangsu"), the associate of the Company issued convertible bonds in March 2019. Diluted earnings per share takes into account the potential dilutive impact on the Group's share of profits of this associate due to the potential full conversion of bonds to shares.

(ii) The dilutive effect is due to the stock options and restricted stock units issued by AssetMark Financial Holdings, Inc. .

(iii) During 2021, the Company granted Restricted Stock Incentive Scheme of A shares to certain employees. Diluted earnings per share should take into account both the impact of the cash dividend of the current period distributed to the holders of restricted shares who are expected to reach the unlocking conditions and estimate number of restricted shares will be unlocked. After considering the abovementioned impacts, the Restricted Stock Incentive Scheme has an anti-diluted effect and excluded from the calculation of diluted earnings per share for the year ended 31 December 2021. For the year ended 31 December 2020, the Company had no potentially dilutive shares outstanding.

20 Property and equipment

	Buildings	*Motor vehicles*	*Electric equipment*	*Furniture and fixtures*	*Construction in progress*	*Right-of-use assets*	*Total*
Cost							
As at 1 January 2021	3,778,317	153,956	1,393,319	288,254	36,551	1,797,496	7,447,893
Additions	-	1,640	394,584	66,158	141,329	425,077	1,028,788
Transfer during the year (Note 33(b))	-	-	959	3,529	(81,821)	-	(77,333)
Transfer in from investment properties(Note 21)	142,890	-	-	-	-	-	142,890
Disposals	-	(4,394)	(77,825)	(9,425)	-	(167,983)	(259,627)
Transfer to investment properties (Note 21)	(10,758)	-	-	-	-	-	(10,758)
As at 31 December 2021	3,910,449	151,202	1,711,037	348,516	96,059	2,054,590	8,271,853
Accumulated depreciation							
As at 1 January 2021	(871,680)	(106,561)	(663,130)	(193,919)	-	(598,519)	(2,433,809)
Charge for the year	(109,919)	(7,901)	(214,463)	(56,828)	-	(462,505)	(851,616)
Transfer in from investment properties (Note 21)	(38,154)	-	-	-	-	-	(38,154)
Disposals	-	4,264	73,825	7,641	-	138,875	224,605
Transfer to investment properties (Note 21)	5,343	-	-	-	-	-	5,343
As at 31 December 2021	(1,014,410)	(110,198)	(803,768)	(243,106)	-	(922,149)	(3,093,631)
Carrying amount							
As at 31 December 2021	2,896,039	41,004	907,269	105,410	96,059	1,132,441	5,178,222

	Buildings	*Motor vehicles*	*Electric equipment*	*Furniture and fixtures*	*Construction in progress*	*Right-of-use assets*	*Total*
Cost							
As at 1 January 2020	3,655,708	155,821	1,148,900	271,929	29,969	1,252,706	6,515,033
Additions	-	6,449	318,220	25,517	87,013	636,051	1,073,250
Transfer during the year (Note 33(b))	357	-	2,680	3,569	(80,431)	-	(73,825)
Transfer in from investment properties (Note 21)	124,454	-	-	-	-	-	124,454
Disposals	(2,202)	(8,314)	(76,481)	(12,761)	-	(91,261)	(191,019)
As at 31 December 2020	3,778,317	153,956	1,393,319	288,254	36,551	1,797,496	7,447,893
Accumulated depreciation							
As at 1 January 2020	(742,695)	(106,512)	(541,368)	(172,641)	-	(283,701)	(1,846,917)
Charge for the year	(103,792)	(8,115)	(193,600)	(29,889)	-	(374,309)	(709,705)
Transfer in from investment properties (Note 21)	(25,618)	-	-	-	-	-	(25,618)
Disposals	425	8,066	71,838	8,611	-	59,491	148,431
As at 31 December 2020	(871,680)	(106,561)	(663,130)	(193,919)	-	(598,519)	(2,433,809)
Carrying amount							
As at 31 December 2020	2,906,637	47,395	730,189	94,335	36,551	1,198,977	5,014,084

As at 31 December 2021 and 31 December 2020, included in buildings, there is a carrying amount of RMB44.40 million and RMB6.56 million, respectively, for which the Group has yet to obtain the relevant land or building certificates.

21 Investment properties

	As at 31 December	
	2021	2020
Cost		
As at 1 January	**644,786**	769,459
Additions	**-**	-
Transfer to property and equipment (Note 20)	**(142,890)**	(124,454)
Transfer in from property and equipment (Note 20)	**10,758**	-
Disposals	**-**	(219)
As at 31 December	**512,654**	644,786
Accumulated depreciation		
As at 1 January	**(231,901)**	(237,823)
Charge for the year	**(15,009)**	(19,798)
Transfer in from property and equipment (Note 20)	**(5,343)**	-
Transfer to property and equipment (Note 20)	**38,154**	25,618
Disposals	**-**	102
As at 31 December	**(214,099)**	(231,901)
Impairment		
As at 1 January	**(4,547)**	(4,547)
Impairment losses for the year	**-**	-
As at 31 December	**(4,547)**	(4,547)
Carrying amount	**294,008**	408,338

As at 31 December 2021 and 31 December 2020, included in investment properties, there is a carrying amount of RMB5.19 million and RMB46.06 million, respectively, for which the Group has yet to obtain the relevant land or building certificates.

22 Goodwill

Cost	
As at 1 January 2021	2,260,945
Acquisition through business combination	633,975
Effect of movements in exchange rates	(58,491)
As at 31 December 2021	2,836,429
Impairment losses	
As at 1 January 2021	-
Impairment losses	-
As at 31 December 2021	-
Carrying amounts	
As at 1 January 2021	2,260,945
As at 31 December 2021	2,836,429

The Group acquired the investment banking business together with the relevant assets and liabilities, and the interest in Huatai United Securities Co., Ltd. in 2006. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the investment banking CGU.

The Group acquired the futures brokerage business together with the relevant assets and liabilities, and the interest in Huatai Futures Co., Ltd. (previously known as Great Wall Futures Co., Ltd.) in 2006. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the futures brokerage CGU.

The Group acquired the overseas asset management business together with the relevant assets and liabilities, and the interest in AssetMark Financial Holdings, Inc. in 2016. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the overseas asset management CGU.

AssetMark Financial Holdings, Inc. acquired 100% of the equity of Global Financial Private Capital, Inc. in April 2019. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the addition goodwill of the overseas asset management CGU.

AssetMark Financial Holdings, Inc. acquired 100% of the equity of WBI OBS Financial, Inc. in Feburary 2020. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the addition goodwill of the overseas asset management CGU. In 2021, the Group adjusts its organizational structrure. AssetMark Financial Holdings, Inc.'s subsidiary, AssetMark, Inc., merged WBI OBS Financial, LLC. Considering this is a combination under the same control, the goodwill remains unchanged.

AssetMark Financial Holdings, Inc. acquired 100% of the equity of Voyant, Inc. in July 2021. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the addition goodwill of the overseas asset management CGU.

Impairment testing on goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to operating segment as follows:

	As at 31 December	
	2021	2020
Investment banking	**51,090**	51,090
Futures brokerage	**252**	252
Overseas asset management	**2,785,087**	2,209,603
Total	**2,836,429**	2,260,945

For the investment banking and futures brokerage CGU, the cash flows generated from each subsidiary acquired are independent. Therefore, each of these acquired subsidiaries is a separate CGU. For the overseas asset management CGU, the Group considered that the primary business of Global Financial Private Capital, Inc. acquired in 2019, WBI OBS Financial, Inc. acquired in 2020 and Voyant, Inc. acquired in 2021 are the same as AssetMark Financial Holdings, Inc., and they can bring synergies to overseas asset management business. The Group assessed that there was only one CGU within AssetMark Financial Holdings, Inc.. The Group performed the impairment test for the goodwill generated from each CGU.

(1) Investment banking and futures brokerage CGU

The recoverable amounts of each CGU are determined based on value-in-use calculations, respectively. These calculations use cash flow projections with reference to financial budgets approved by management covering certain period. Cash-flows beyond the certain period are extrapolated using an estimated weighted average growth rate, which does not exceed the long-term average growth rate. As at 31 December 2021, the discount rate used by the investment banking and futures brokerage CGUs were 20% and 18%, respectively (20% and 18%, respectively, as at 31 December 2020), and the weighted average growth rate were 5% and 6.6%, respectively (5% and 6.6%, respectively, as at 31 December 2020). The discount rate and weighted average growth rate reflected the risks and growth expectations of the relevant CGUs. Other major assumptions for the recoverable amount estimation relate to the estimation of cash inflows / outflows which include budgeted income and profit margins. Such estimation is based on the CGU's past performance and management's expectations for the market development.

(2) Overseas asset management CGU

The recoverable amount of the CGU has been determined based on fair value less costs of disposal based on the stock price of AssetMark Financial Holdings, Inc. in New York Stock Exchange as at 31 December 2021.

As at 31 December 2021, the Group performed its annual goodwill impairment test. No impairments were recognised for the goodwill related to investment banking CGU, futures brokerage CGU and overseas asset management CGU. The Group believes that appropriate assumptions have been made based on available information. The key assumptions based on the cash flow projections of the asset groups may change, which may cause the recoverable amounts to be over or below its book value.

23 Land-use rights and other intangible assets

	Land use rights	*Existing relationships with broker-dealers*	*Enterprise distribution channel customer relationships*	*Trade names*	*Software and others*	*Total*
Cost						
As at 1 January 2021	362,281	3,738,930	-	300,370	2,846,622	7,248,203
Acquisition of subsidiaries	-	-	207,716	20,707	167,596	396,019
Additions	1,406,049	-	-	-	324,973	1,731,022
Disposals	-	-	-	-	(1,667)	(1,667)
Exchange differences	-	(102,733)	(5,707)	(8,253)	(39,037)	(155,730)
As at 31 December 2021	1,768,330	3,636,197	202,009	312,824	3,298,487	9,217,847
Accumulated amortisation						
As at 1 January 2021	(92,622)	-	-	(87,012)	(1,792,500)	(1,972,134)
Charge for the year	(24,492)	-	-	(46,907)	(405,762)	(477,161)
Disposals	-	-	-	-	1,666	1,666
Exchange differences	-	-	-	2,457	17,998	20,455
As at 31 December 2021	(117,114)	-	-	(131,462)	(2,178,598)	(2,427,174)
Carrying amount						
As at 31 December 2021	1,651,216	3,636,197	202,009	181,362	1,119,889	6,790,673

	Land use rights	*Existing relationships with broker-dealers*	*Trade names*	*Software and others*	*Total*
Cost					
As at 1 January 2020	362,281	3,979,783	319,719	2,530,698	7,192,481
Acquisition of subsidiaries	-	-	-	66,563	66,563
Additions	-	-	-	326,147	326,147
Disposals	-	-	-	(94)	(94)
Exchange differences	-	(240,853)	(19,349)	(76,692)	(336,894)
As at 31 December 2020	362,281	3,738,930	300,370	2,846,622	7,248,203
Accumulated amortisation					
As at 1 January 2020	(85,362)	-	(53,653)	(1,342,009)	(1,481,024)
Charge for the year	(7,260)	-	(36,645)	(479,803)	(523,708)
Disposals	-	-	-	94	94
Exchange differences	-	-	3,286	29,218	32,504
As at 31 December 2020	(92,622)	-	(87,012)	(1,792,500)	(1,972,134)
Carrying amount					
As at 31 December 2020	269,659	3,738,930	213,358	1,054,122	5,276,069

Existing relationships with brokers-dealers and enterprise distribution channel customer are regarded as having an indefinite useful life and are not amortised because there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

As at 31 December 2021, the Group performed its impairment test on the relationships with brokers-dealers based on the judgment of whether the recoverable amounts of the above individual intangible assets can be reliably estimated. The recoverable amounts are determined based on value-in-use calculation. The Group uses cash flow projections with reference to Assetmark Financial Holdings, Inc.'s financial budget approved by management covering a 9-year period and the discount rate of 15.6%. The current rate has reflected the specific risks of the underlying assets. The cash flows for the years beyond the financial budget are estimated at the long-term average growth rate of 3.5%.

As at 31 December 2021, the Group performed its impairment test on the Enterprise distribution channel customer relationships based on the judgment of whether the recoverable amounts of the above individual intangible assets can be reliably estimated. The recoverable amounts are determined based on value-in-use calculation. The Group uses cash flow projections with reference to Voyant, Inc.'s financial budget approved by management covering a 10 year period and the discount rate of 14.5%. The current rate has reflected the specific risks of the underlying assets. The cash flows for the years beyond the financial budget are estimated at the long-term average growth rate of 2.5%.

Based on management's impairment assessment of the Group, no impairment loss was recognised for the year ended 31 December 2021 (31 December 2020: Nil).

24 Investments in subsidiaries

(a) Details of principal subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. Unless otherwise stated, the class of shares hold is ordinary, and the issued and fully paid-up capital is expressed in Renminbi Yuan:

Name of company	*Place and date of incorporation / establishment and business*	*Issued and fully paid-up capital*	*Equity interest held by the Company as at 31 December*		*Principal activity*	*Auditor[1] GAAP*	
			2021	*2020*		***2021***	*2020*
Huatai United Securities Co., Ltd. [4]	PRC 5 September 1997	RMB 997,480,000	**99.92%**	99.92%	Investment banking	**KPMG PRC PRC GAAP**	KPMG PRC PRC GAAP
Huatai Futures Co., Ltd. [4]	PRC 10 July 1995	RMB 1,609,000,000	**60.00%**	60.00%	Futures brokerage	**KPMG PRC PRC GAAP**	KPMG PRC PRC GAAP
Huatai Purple Gold Investment Co., Ltd. [4]	PRC 12 August 2008	RMB 5,200,000,000	**100.00%**	100.00%	Equity investment	**KPMG PRC PRC GAAP**	KPMG PRC PRC GAAP
Huatai Financial Holdings (Hong Kong) Limited[2]	Hong Kong 23 November 2006	HKD 8,800,000,000	**100.00%**	100.00%	Securities and futures brokerage	**KPMG HKFRSs**	KPMG HKFRSs
Huatai International Financial Holdings Co., Ltd.	Hong Kong 5 April 2017	HKD 10,200,000,002	**100.00%**	100.00%	Holding company	**KPMG HKFRSs**	KPMG HKFRSs
Huatai Innovative Investment Co., Ltd. [4]	PRC 21 November 2013	RMB 2,300,000,000	**100.00%**	100.00%	Alternative investment	**KPMG PRC PRC GAAP**	KPMG PRC PRC GAAP
Huatai Securities (Shanghai) Assets Management Co., Ltd. [4]	PRC 16 October 2014	RMB 2,600,000,000	**100.00%**	100.00%	Asset management	**KPMG PRC PRC GAAP**	KPMG PRC PRC GAAP
Shenzhen Huatai Ruilin Equity Management (Limited Partnership) [2][3][5]	PRC 28 September 2014	RMB -	**31.00%**	31.00%	Equity investment	**KPMG PRC PRC GAAP**	KPMG PRC PRC GAAP
Beijing Huatai Ruihe Medical Industry Investment (Limited Partnership) [2][3][5]	PRC 1 June 2015	RMB 276,615,840	**45.00%**	45.00%	Equity investment	**KPMG PRC PRC GAAP**	KPMG PRC PRC GAAP

Name of company	*Place and date of Incorporation / establishment and business*	*Issued and fully paid-up capital*	*Equity interest held by the Company as at 31 December*		*Principal activity*	*Auditor[1] GAAP*	
			2021	*2020*		***2021***	*2020*
Yili Suxin Investment Fund (Limited Partnership) [2][3][5]	PRC 19 February 2016	RMB 1,810,000,000	**24.73%**	24.73%	Equity investment	**KPMG PRC PRC GAAP**	KPMG PRC PRC GAAP
AssetMark Financial Holdings, Inc[2]	US 1 January 1996	USD 73,563	**69.16%**	70.27%	Asset management	**KPMG LLP US GAAP**	KPMG LLP US GAAP
Huatai Great Wall Capital Management Co., Ltd.[2][4]	PRC 6 December 2013	RMB 650,000,000	**100.00%**	100.00%	Spread trading and commodity warrant trading	**KPMG PRC PRC GAAP**	KPMG PRC PRC GAAP
Huatai Great Wall Investment Management Co., Ltd.[2][4]	PRC 3 August 2017	RMB 550,000,000	**100.00%**	100.00%	Investment management	**KPMG PRC PRC GAAP**	KPMG PRC PRC GAAP

(1) Auditors of the respective subsidiaries of the Group are as follows:

- KPMG PRC represents KPMG Huazhen LLP, a firm of certified public accountants registered in PRC;
- KPMG represents KPMG in Hong Kong, a firm of certified public accountants registered in Hong Kong; and
- KPMG LLP represents KPMG in the United States, a firm of certified public accountants registered in the United States.

(2) These subsidiaries are indirectly controlled by the Company.

(3) As at 31 December 2021, the Company indirectly held less than 50% of the equity of Shenzhen Huatai Ruilin Equity Management (Limited Partnership), Beijing Huatai Ruihe Medical Industry Investment (Limited Partnership) and Yili Suxin Investment Fund (Limited Partnership). According to the articles of partnership agreement, the Company has the power to control these funds and has the ability to use the power to affect the Company's variable return amount. Therefore, they are included in the scope of the consolidated financial statements.

(4) Company with limited liability in Mainland China.

(5) Limited partnership in Mainland China.

(b) Partially-owned subsidiaries with material non-controlling interests

The following tables list out the information relating to Huatai Futures Co., Ltd. and AssetMark Financial Holdings, Inc., the subsidiaries of the Group which have material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination:

	Huatai Futures Co., Ltd.		*AssetMark Financial Holdings, Inc.*	
	2021	*2020*	***2021***	*2020*
NCI percentage	**40%**	40%	**30.84%**	29.73%
Assets	**52,230,734**	42,842,627	**8,926,805**	7,983,789
Liabilities	**(48,889,111)**	(39,867,604)	**(2,552,832)**	(2,078,279)
Net assets	**3,341,623**	2,975,023	**6,373,973**	5,905,510
Carrying amount of NCI	**1,336,649**	1,189,665	**1,965,733**	1,755,703
Revenue	**4,037,439**	2,232,482	**2,438,905**	3,003,554
Profit / (loss) for the year	**367,502**	220,572	**310,176**	(355,513)
Other comprehensive income	**(1,081)**	(3,613)	**-**	-
Total comprehensive income	**366,421**	216,959	**310,176**	(355,513)
Profit / (loss) allocated to NCI	**146,569**	88,229	**95,658**	(106,361)
Dividend paid to NCI	**-**	-	**-**	-
Cash flows from operating activities	**2,937,683**	10,104,878	**832,095**	534,889
Cash flows from investing activities	**(261,122)**	359,050	**(1,038,588)**	(347,361)
Cash flows from financing activities	**(41,002)**	(46,819)	**258,673**	(352,429)

(c) Acquisition of subsidiary

Voyant, Inc.

In 2021, the Company's subsidiary AssetMark Financial Holdings, Inc. acquired all of the issued and outstanding equity interests of Voyant, Inc. and its subsidiaries. Voyant, Inc. and its subsidiaries are Software-as-a-Service-based financial planning, wellness and client digital engagement solutions companies that was originally formed in Texas on 29 December 2005 and was converted to a Delaware corporation on 21 November 2008. The Company closed the acquisition and paid a final purchase price of USD157.10 million (RMB1,016.56 million) with USD132.19 million (RMB855.37 million) cash on hand and the remaining USD24.91 million (RMB161.19 million) consideration is paid using 994,028 shares of AssetMark Financial Holdings, Inc.. The equity interest held by the Group is 100% after the acquisition in 2021 July. The Group recognised the excess of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill.

The fair values of the identifiable assets and liabilities of Voyant, Inc. as at the date of acquisition were as follows:

	Fair value recognised as at the date of acquisition
Cash and bank balances	51,939
Land-use rights and other intangible assets	396,019
Other receivables and prepayments	18,737
Other payables and accruals	(13,006)
Deferred tax liability	(71,102)
Total identifiable net assets at fair value	382,587
Goodwill arising from acquisition	633,975
Consideration transferred	1,016,562
Less: fair value of net assets acquired	(382,587)
Carrying amount of goodwill	633,975

Goodwill arose from the acquisition because the cost of the acquisition included a control premium. In addition, the consideration paid for the acquisition effectively included amounts in relation to the benefit of expected synergies, revenue growth, and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Since the acquisition, Voyant, Inc. contributed RMB44.54 million to the Group's revenue and RMB6.65 million losses to the consolidated profit for the year ended 31 December 2021.

25 Interest in associates

	As at 31 December	
	2021	2020
Share of net assets	**18,269,459**	17,691,161

As at 31 December 2021 and 31 December 2020, the Group has pledged the shares of interest in associates with a total book value of RMB4,133 million and nil to China Securities Finance Corporation Limited ("CSF") for the purpose of replacement, respectively.

The following list contains only the particulars of material associates, all of which (except that Bank of Jiangsu has been listed on the Shanghai Stock Exchange) are unlisted corporate entities whose quoted market price is not available:

			Proportion of ownership interest			
Name of associate	Registered place	Registered capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Bank of Jiangsu[(i)]	Nanjing	14,769,628	5.63%	5.63%	-	Commercial banking
China Southern Asset Management Co., Ltd.	Shenzhen	361,720	41.16%	41.16%	-	Fund management
Nanjing Huatai Ruilian NO.1 Funds Mergers (Limited Partnership)[(ii)]	Nanjing	5,442,000	48.27%	-	48.27%	Equity investment

All the above associates are accounted for using the equity method in the consolidated financial statements.

(i) For the year ended 31 December 2021, the Company has appointed one director in the board of directors of Bank of Jiangsu. The Company formulated certain specific implementation measures on the finance and operation policy-making of Bank of Jiangsu that had a significant influence over it. As of 31 December 2021, Bank of Jiangsu has converted 95,112 shares convertible bonds, accounting for 0.0008% of the total number of ordinary shares issued by Bank of Jiangsu before the conversion. The equity ratio of Bank of Jiangsu held by the Company was changed from 5.63319% to 5.63318%.

(ii) As at 31 December 2021, the Group holds 48.27% equity interest of Nanjing Huatai Ruilian No.1 Funds Mergers (Limited Partnership) ("No.1 Funds Mergers"). Pursuant to the limited partnership agreement, the Group is the co-manager of the fund, which has a significant influence over the fund. Therefore, it is accounted as an associate of the Group.

Summarised financial information of Bank of Jiangsu, China Southern Asset Management Co., Ltd. and NO. 1 Funds Mergers which are individually significant associates to the Group, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

Bank of Jiangsu

	2021	*2020*
Gross amounts of the associate		
Assets	**2,618,390,000**	2,337,893,000
Liabilities	**(2,421,256,731)**	(2,155,755,443)
Net assets	**197,133,269**	182,137,557
Revenue	**63,771,000**	52,026,000
Profit for the year	**20,558,735**	15,522,021
Other comprehensive income	**965,864**	(372,384)
Total comprehensive income	**21,524,599**	15,149,637
Dividend received from the associate	**262,912**	177,920
Reconciled to the Group's interest in the associate:		
Net assets of the associate attributable to the parent company	**149,464,135**	135,275,105
The Group's effective interest	**5.63%**	5.63%
The Group's share of net assets of the associate	**8,387,646**	7,588,140
Carrying amount in the consolidated financial statements	**8,387,646**	7,588,140

China Southern Asset Management Co., Ltd.

	2021	*2020*
Gross amounts of the associate		
Assets	**14,159,044**	12,009,246
Liabilities	**(5,502,501)**	(4,168,198)
Net assets	**8,656,543**	7,841,048
Revenue	**7,606,612**	5,629,639
Profit for the year	**2,162,975**	1,484,107
Other comprehensive income	**(10,689)**	(24,743)
Total comprehensive income	**2,152,286**	1,459,364
Dividend received from the associate	**530,548**	277,864
Reconciled to the Group's interest in the associate:		
Net assets of the associate attributable to the parent company	**8,417,301**	7,625,332
The Group's effective interest	**41.16%**	41.16%
The Group's share of net assets of the associate	**3,464,561**	3,138,587
Carrying amount in the consolidated financial statements	**3,464,561**	3,138,587

NO.1 Funds Mergers

	2021	2020
Gross amounts of the associate		
Assets	**5,870,306**	8,561,102
Liabilities	**(4,282)**	-
Net assets	**5,866,024**	8,561,102
Revenue	**270,252**	3,227,169
Profit for the year	**340,154**	3,133,644
Other comprehensive income	**-**	-
Total comprehensive income	**340,154**	3,133,644
Dividend received from the associate	**74,479**	45,506
Reconciled to the Group's interest in the associate:		
Net assets of the associate attributable to the parent company	**5,866,024**	8,561,102
The Group's effective interest	**48.27%**	48.27%
The Group's share of net assets of the associate	**2,831,530**	4,132,152
Other adjustment	**(141,442)**	(100,201)
Carrying amount in the consolidated financial statements	**2,690,088**	4,031,951

Aggregate information of associates that are not individually material:

	2021	2020
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**3,727,164**	2,932,483
Aggregate amounts of the Group's share of those associates' gains	**668,310**	1,249,837
Other comprehensive income	**-**	(502)
Total comprehensive income	**668,310**	1,249,335

26 Interest in joint ventures

	As at 31 December	
	2021	2020
Unlisted investment in a joint venture at fair value through profit or loss [(i)]	**823,289**	888,195
Unlisted investment in a joint venture	**925,776**	753,651
Total	**1,749,065**	1,641,846

(i) The Group elected to measure its investment in Huatai International Greater Bay Area Investment Fund, L.P. of RMB823.29 million held through Huatai Financial Holdings (Hong Kong) Limited, a directly wholly-owned subsidiary, at fair value through profit or loss as management measured the performance of this joint venture on a fair value basis as at 31 December 2021.

The following list contains only the particulars of unlisted joint venture, which is accounted for using the equity method in the consolidated financial statements is as follow:

			Proportion of ownership interest			
Name of joint venture	*Registered place*	*Registered capital*	*Group's effective interest*	*Held by the Company*	*Held by a subsidiary*	*Principal activity*
Huatai Merchants (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership) [(i)]	Nanjing	10,001,000	10.00%	-	10.00%	Equity investment

(i) As at 31 December 2021, the Group held 10.00% equity interest of Huatai Merchant (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership). Pursuant to the limited partnership agreement, the Group and the third party contractually agree to share control of the fund and have rights to the net assets of the fund. The directors of the Group consider the fund is jointly controlled by the Group and the third party, and it is therefore accounted for as joint venture of the Group.

27 Debt investment at amortised cost

(a) Analysed by nature:

Non-current

	As at 31 December	
	2021	2020
Debt securities	**25,302,591**	19,244,156
Less: impairment losses	**(2,925)**	(13,496)
Total	**25,299,666**	19,230,660
Analysed as:		
Listed outside Hong Kong	**10,987,272**	6,342,628
Listed inside Hong Kong	**123,799**	189,025
Unlisted	**14,188,595**	12,699,007
Total	**25,299,666**	19,230,660

Current

	As at 31 December	
	2021	2020
Debt securities	**7,134,040**	11,195,920
Less: impairment losses	**(12,190)**	(15,072)
Total	**7,121,850**	11,180,848
Analysed as:		
Listed outside Hong Kong	**3,904,501**	3,699,647
Listed inside Hong Kong	**-**	19,356
Unlisted	**3,217,349**	7,461,845
Total	**7,121,850**	11,180,848

As at 31 December 2021, the Group has pledged debt investment at amortised cost with a total fair value of RMB25,841 million and carrying amount of RMB25,565 million for the purpose of repurchase agreement business (as at 31 December 2020: a total fair value of RMB25,218 million and carrying amount of RMB25,167 million). The fair value of these securities have taken into account the relevant features including the restrictions.

(b) Analysis of the movement of provision for impairment losses:

	As at 31 December	
	2021	2020
At the beginning of the year	**28,568**	7,213
Charge for the year	**65,042**	31,922
Reversal of impairment	**(77,948)**	(10,567)
Written-off	**(547)**	-
At the end of the year	**15,115**	28,568

28 Financial assets at fair value through other comprehensive income

(a) Analysed by nature:

Non-current

	As at 31 December	
	2021	2020
Equity investment		
Equity securities designated at FVOCI		
- Unlisted equity securities	**163,138**	190,143
- Other unlisted equity investment	**-**	10,488,274
	163,138	10,678,417
Debt investment		
Debt securities	**4,576,580**	3,253,698
Loan and advances	**280,704**	468,991
Total	**5,020,422**	14,401,106
Analysed as:		
Unlisted	**2,716,726**	11,180,101
Listed inside Hong Kong	**1,346,510**	2,319,766
Listed outside Hong Kong	**957,186**	901,239
Total	**5,020,422**	14,401,106

Current

	As at 31 December	
	2021	*2020*
Debt investment		
Debt securities	**3,828,594**	1,137,014
Loan and advances	**628,821**	408,252
Total	**4,457,415**	1,545,266
Analysed as:		
Unlisted	**661,390**	474,435
Listed inside Hong Kong	**858,805**	604,646
Listed outside Hong Kong	**2,937,220**	466,185
Total	**4,457,415**	1,545,266

For the period ended 31 December 2021, the Group disposed some of the financial assets at fair value through other comprehensive income, as a result of adjustments in its strategy. The accumulated net realised loss of the financial asset disposed of was RMB443 thousand (for the period ended 31 December 2020: nil).

As at 31 December 2021, the Group has pledged financial assets at fair value through other comprehensive income with a total fair value of RMB3,396 million to CSF for the purpose of replacement (as at 31 December 2020: nil). The fair value of these securities have taken into account the relevant features including the restrictions.

As at 31 December 2021, the Group has pledged financial assets at fair value through other comprehensive income with a total fair value of RMB2,408 million for the purpose of repurchase agreement business (as at 31 December 2020: nil). The fair values of these securities have taken into account the relevant features including the restrictions.

29 Financial assets held under resale agreements

(a) Analysed by collateral type:

Current

	As at 31 December	
	2021	2020
Debt securities	**6,489,324**	13,883,007
Equity securities	**6,381,423**	6,692,818
Less: impairment losses	**(1,118,777)**	(1,039,412)
Total	**11,751,970**	19,536,413

(b) Analysed by market:

Current

	As at 31 December	
	2021	2020
Inter-bank market	**2,807,218**	840,974
Shenzhen stock exchange	**5,079,673**	8,716,535
Shanghai stock exchange	**2,311,925**	10,616,150
Others	**2,671,931**	402,166
Less: impairment losses	**(1,118,777)**	(1,039,412)
Total	**11,751,970**	19,536,413

(c) Analysis of the movement of provision for impairment losses:

	As at 31 December	
	2021	2020
At the beginning of the year	**1,039,412**	1,057,550
Charge for the year	**296,954**	268,519
Reversal of impairment	**(216,441)**	(286,657)
Written-off	**(1,148)**	-
At the end of the year	**1,118,777**	1,039,412

(d) Analysed by remaining contractual maturities of securities-backed lendings:

	As at 31 December	
	2021	2020
Within 1 month	**1,357,437**	1,631,622
1 to 3 months	**836,464**	688,997
3 months to 1 year	**4,187,522**	4,372,199
Less: impairment losses	**(1,069,179)**	(1,039,412)
Total	**5,312,244**	5,653,406

(e) Analysed by the stage of ECL of securities-backed lendings:

	As at 31 December 2021			
	12-month ECL	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Amortised cost	**5,250,484**	**-**	**1,130,939**	**6,381,423**
Impairment losses	**(12,440)**	**-**	**(1,056,739)**	**(1,069,179)**
Carrying amount	**5,238,044**	**-**	**74,200**	**5,312,244**
Collateral	**20,081,029**	**-**	**786,652**	**20,867,681**

	As at 31 December 2020			
	12-month ECL	*Lifetime ECL-not credit impaired*	*Lifetime ECL-credit impaired*	*Total*
Amortised cost	5,047,694	13,510	1,631,614	6,692,818
Impairment losses	(11,996)	(135)	(1,027,281)	(1,039,412)
Carrying amount	5,035,698	13,375	604,333	5,653,406
Collateral	16,323,423	17,414	2,039,804	18,380,641

30 Financial assets at fair value through profit or loss

Non-current

(a) Analysed by type:

	As at 31 December	
	2021	2020
Equity securities	**6,487,136**	6,019,789
Debt securities	**219,793**	355,484
Funds	**177,098**	39,988
Wealth management products	**96,888**	60,123
Loan and advances	**2,915,424**	2,754,139
Total	**9,896,339**	9,229,523

(b) Analysed as:

	As at 31 December	
	2021	2020
Listed outside Hong Kong	**822,231**	1,358,266
Unlisted	**9,074,108**	7,871,257
Total	**9,896,339**	9,229,523

Current

(a) Analysed by type:

	As at 31 December	
	2021	2020
Equity securities	**115,635,048**	57,688,801
Debt securities	**160,377,098**	187,981,318
Funds	**49,457,647**	24,369,887
Wealth management products	**19,197,235**	11,241,881
Loan and advances	**695,805**	1,295,702
Total	**345,362,833**	282,577,589

(b) Analysed as:

	As at 31 December	
	2021	*2020*
Listed outside Hong Kong	**162,578,038**	138,088,905
Listed inside Hong Kong	**35,365,407**	18,995,576
Unlisted	**147,419,388**	125,493,108
Total	**345,362,833**	282,577,589

As at 31 December 2021 and 31 December 2020, the fund investments with lock-up periods in its investment portfolio held by the Group are RMB177 million and RMB55 million, respectively. The fair value of these funds have taken into account the relevant features including the restrictions.

As at 31 December 2021 and 31 December 2020, the listed equity securities held by the Group included approximately RMB3,967 million and RMB2,447 million of restricted shares, respectively. The restricted shares are listed in the PRC with a legally enforceable restriction on these securities that prevents the Group to dispose of within the specified period. The fair value of these securities have taken into account the relevant features including the restrictions.

The equity interest in unlisted securities held by the Group are issued by private companies. The value of the securities is measured by comparing with comparable companies that are listed and in the same sector or measured by using other valuation techniques.

Non-current financial assets at fair value through profit or loss investments are expected to be realised or restricted for sale beyond one year from the end of the respective reporting periods. The fair value of the Group's investments in unlisted funds, which mainly invest in publicly traded equities listed in the PRC, are valued based on the net asset values of the funds calculated by the respective fund managers by reference to their underlying assets and liabilities' fair values.

The fair value of the Group's investments in equity securities without restriction, exchange-listed funds and debt securities are determined with reference to their quoted prices as at reporting date.

As at 31 December 2021 and 31 December 2020, the Group has entered into securities lending arrangement with clients that resulted in the transfer of financial assets at fair value through profit or loss investments with total fair value of RMB5,156 million and RMB5,426 million to external clients, respectively, which did not result in derecognition of the financial assets. The fair value of collaterals for the securities lending business is analysed in Note 36(c) together with the fair value of collaterals of margin financing business.

As at 31 December 2021 and 31 December 2020, the Group has pledged financial assets at fair value through profit or loss investments with a total fair value of RMB856 million and RMB1,890 million to CSF for the purpose of replacement, respectively. The fair value of these securities have taken into account the relevant features including the restrictions.

As at 31 December 2021 and 31 December 2020, the Group has pledged financial assets at fair value through profit or loss investments with a total fair value of RMB110,282 million and RMB113,003 million for the purpose of repurchase agreement business, bond lending business and derivative business, respectively. The fair values of these securities have taken into account the relevant features including the restrictions.

As at 31 December 2021 and 31 December 2020, the wealth management products held by the Group included approximately RMB105 million and RMB233 million of restricted products, respectively. The restricted products are subscribed by the Group as the fund manager with a legally enforceable restriction on these products that prevents the Group to dispose of within the specified period.

31 Refundable deposits

	As at 31 December	
	2021	2020
Deposits with stock exchanges		
- China Securities Depository and Clearing Corporation Limited	**954,971**	1,197,346
- Hong Kong Exchanges and Clearing Limited	**1,226**	-
- Hong Kong Securities Clearing Company Limited	**60,334**	44,638
- Hong Kong Stock Exchange	**1,495**	926
	1,018,026	1,242,910
Deposits with futures and commodity exchanges		
- China Financial Futures Exchange	**12,116,762**	10,042,875
- Shanghai Futures Exchange	**3,523,566**	2,352,019
- Dalian Commodity Exchange	**2,955,805**	2,737,945
- Zhengzhou Commodity Exchange	**2,210,118**	1,685,852
- Shanghai International Energy Exchange	**503,373**	386,069
- Overseas commodity exchange	**34,945**	50,918
	21,344,569	17,255,678
Deposits with other institutions		
- China Securities Finance Corporation Limited	**1,626,444**	4,784,580
- Shanghai Clearing House	**456,280**	360,142
- Shanghai Gold Exchange	**400**	400
- Others financial institutions	**3,181,410**	1,120,080
	5,264,534	6,265,202
Total	**27,627,129**	24,763,790

32 Deferred taxation

(a) The components of deferred tax assets / (liabilities) recognised in the consolidated statements of financial position and the movements during the year are as follows:

Deferred tax arising from:	*Provision for impairment losses*	*Employee benefits payable*	*Changes in fair value of financial instruments measured at FVTPL*	*Changes in fair value of derivative financial instruments*	*Changes in fair value of financial instruments measured at FVOCI*	*Intangible assets recognised in the acquisition*	*Others*	*Total*
As at 1 January 2021	857,752	1,782,677	(1,283,850)	181,924	(153,312)	(1,174,738)	(2,416,598)	(2,206,145)
Recognised in profit or loss	123,894	28,356	102,227	58,455	-	64,722	(185,354)	192,300
Acquisition of subsidiary	-	-	-	-	-	(71,102)	-	(71,102)
Recognised in reserves	(155)	-	-	-	119,064	-	1,528	120,437
As at 31 December 2021	981,491	1,811,033	(1,181,623)	240,379	(34,248)	(1,181,118)	(2,600,424)	(1,964,510)
As at 1 January 2020	548,666	1,648,863	(1,232,786)	(78,052)	(94,541)	(1,250,141)	(1,905,984)	(2,363,975)
Recognised in profit or loss	309,086	133,814	(51,064)	259,976	-	75,403	(511,931)	215,284
Acquisition of subsidiaries	-	-	-	-	-	-	1,317	1,317
Recognised in reserves	-	-	-	-	(58,771)	-	-	(58,771)
As at 31 December 2020	857,752	1,782,677	(1,283,850)	181,924	(153,312)	(1,174,738)	(2,416,598)	(2,206,145)

(b) Reconciliation to the consolidated statement of financial position

	As at 31 December	
	2021	2020
Net deferred tax assets recognised in the consolidated statement of financial position	**654,651**	339,502
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(2,619,161)**	(2,545,647)
Total	**(1,964,510)**	(2,206,145)

(c) Deferred tax assets not recognised

As at 31 December 2021 and 31 December 2020, in accordance with the accounting policy set out in Note 2(19)(ii), the Group has not recognised unused tax losses of RMB935 million and RMB878 million, respectively, as deferred tax assets, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Most of the tax losses will not expire under current tax legislation.

33 Other non-current assets

(a) Analysed by nature:

	As at 31 December	
	2021	2020
Leasehold improvements and long-term deferred expenses	**282,227**	283,320

(b) The movements of leasehold improvements and long-term deferred expenses are as below:

	As at 31 December	
	2021	2020
At the beginning of the year	**283,320**	260,669
Additions	**41,363**	36,999
Transfer in from property and equipment (Note 20)	**77,333**	73,825
Amortisation	**(88,859)**	(88,173)
Other decrease	**(30,930)**	-
At the end of the year	**282,227**	283,320

34 Accounts receivable

(a) Analysed by nature:

	As at 31 December	
	2021	2020
Accounts receivable of:		
- Return swap and OTC options	**5,988,041**	4,385,953
- Fee and commission	**1,859,488**	910,563
- Redemption of open-ended fund	**1,007,777**	940,017
- Brokers, dealers and clearing house	**991,861**	2,564,670
- Settlement	**444,084**	168,810
- Subscription receivable	**1,646**	112,018
- Others	**92,016**	76,830
Less: impairment losses	**(97,739)**	(63,300)
Total	**10,287,174**	9,095,561

(b) Analysed by ageing:

As at the end of the reporting period, the ageing analysis of accounts receivable, based on the trade date, is as follows:

	As at 31 December	
	2021	2020
Within 1 month	**4,894,477**	6,109,005
1 to 3 months	**711,876**	1,774,958
Over 3 months	**4,680,821**	1,211,598
Total	**10,287,174**	9,095,561

(c) Analysis of the movement of provision for impairment losses:

	As at 31 December	
	2021	2020
At the beginning of the year	**63,300**	19,855
Charge for the year	**55,689**	46,245
Reversal	**(21,250)**	(2,800)
At the end of the year	**97,739**	63,300

(d) Accounts receivable that is not impaired

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

The receivables from securities-backed lendings business are not included in accounts receivable.

35 Other receivables and prepayments

(a) Analysed by nature:

	As at 31 December	
	2021	2020
Prepayments	**822,411**	206,754
Other receivables[1]	**488,998**	310,993
Interest receivable[2]	**180,664**	161,663
Deductable VAT	**76,308**	56,165
Deferred expenses	**25,211**	19,425
Dividends receivable	**23,217**	15,469
Tax refund	**-**	63,074
Others	**505,437**	297,865
Total	**2,122,246**	1,131,408

(1) Other receivables:

	As at 31 December	
	2021	2020
Other receivables	**1,254,107**	1,109,046
Less: impairment losses	**(765,109)**	(798,053)
Total	**488,998**	310,993

The balance of others mainly represents the amount due from non-controlling shareholders of Huatai United Securities Co., Ltd., rental deposit, and sundry receivables arising from normal course of business.

Analysis of the movement of provision for other receivables impairment losses:

	As at 31 December	
	2021	2020
At the beginning of the year	**798,053**	906,380
Charge for the year	**108,789**	313,481
Reversal of impairment	**(140,202)**	(421,808)
Written-off	**(1,531)**	-
At the end of the year	**765,109**	798,053

(2) Interest receivable:

	As at 31 December	
	2021	*2020*
Interest receivable	**217,610**	195,946
Less: impairment losses	**(36,946)**	(34,283)
Total	**180,664**	161,663

Analysis of the movement of provision for impairment losses of interest receivable:

	As at 31 December	
	2021	*2020*
At the beginning of the year	**34,283**	75,461
Charge for the year	**11,013**	25,683
Reversal of impairment	**(8,350)**	(66,861)
At the end of the year	**36,946**	34,283

36 Margin accounts receivable

(a) Analysed by nature:

	As at 31 December	
	2021	2020
Individuals	**107,203,947**	92,398,831
Institutions	**11,652,609**	11,643,427
Less: impairment losses	**(1,914,311)**	(1,468,251)
Total	**116,942,245**	102,574,007

(b) Analysis of the movement of provision for impairment losses:

	As at 31 December	
	2021	2020
At the beginning of the year	**1,468,251**	112,671
Charge for the year	**1,371,400**	1,377,835
Reversal of impairment	**(925,340)**	(22,255)
At the end of the year	**1,914,311**	1,468,251

(c) The fair value of collaterals for margin financing and securities lending business is analysed as followings:

	As at 31 December	
	2021	2020
Fair value of collaterals:		
- Equity securities	**409,894,030**	345,971,252
- Funds	**38,617,145**	30,090,346
- Cash	**17,893,342**	15,637,131
- Debt securities	**1,103,497**	1,578,121
Total	**467,508,014**	393,276,850

The Group evaluates the collectability of receivable from margin clients based on management's assessment on the credit rating, collateral value and the past collection history of each margin client.

37 Derivative financial instruments

	As at 31 December 2021		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	672,114,240	90,322	(1,337,816)
Currency derivatives	53,868,333	479,737	(868,927)
Equity derivatives	593,376,992	13,054,672	(10,585,895)
Credit derivatives	3,648,567	410,318	(68)
Others	88,218,718	1,242,478	(809,954)
Total	1,411,226,850	15,277,527	(13,602,660)
Less: settlement		(29,722)	2,959,438
Net position		15,247,805	(10,643,222)

	As at 31 December 2020		
	Notional amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	483,283,684	41,333	(1,165,435)
Currency derivatives	69,388,949	173,507	(227,347)
Equity derivatives	238,259,561	6,724,106	(13,243,909)
Credit derivatives	436,626	202	(10,745)
Others	110,314,868	395,648	(576,535)
Total	901,683,688	7,334,796	(15,223,971)
Less: settlement		(39,439)	1,825,141
Net position		7,295,357	(13,398,830)

Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in interest rate swap contracts settled in with Shanghai Clearing House, stock index futures, and treasury futures settled in China Financial Future Exchanges and certain commodity futures traded through futures companies, were settled daily and the corresponding receipts and payments were included in "clearing settlement funds". Accordingly, the net position of the above contracts was nil as at 31 December 2021 and 31 December 2020.

Cash flow hedges

The Group's cash flow hedges consist of interest swap contracts that are used to protect against exposures to variability of future cash flows.

Among the above derivative financial instruments, those designated hedging instruments in cash flow hedges are set out below:

As at 31 December 2021

	Notional amount					*Fair value*	
	Within 3 months	*Over 3 months but within 1 year*	*Over 1 year but within 5 years*	*Over 5 years*	*Total*	*Assets*	*Liabilities*
Interest rate derivatives	-	-	1,275,160	-	1,275,160	-	(14,184)

As at 31 December 2020

	Notional amount					*Fair value*	
	Within 3 months	*Over 3 months but within 1 year*	*Over 1 year but within 5 years*	*Over 5 years*	*Total*	*Assets*	*Liabilities*
Interest rate derivatives	-	-	1,304,980	-	1,304,980	-	(34,348)

Details of the Group's hedged risk exposures in cash flow hedges and the corresponding effect on equities are as follows:

As at 31 December 2021

	Carrying amount of hedged items		*Effect of hedging instruments on other comprehensive income during the year*	*Accumulated effect of hedging instruments on other comprehensive income*	*Line items in the statement of financial position*
	Assets	*Liabilities*			
Bonds	-	(2,552,586)	20,164	(14,184)	Long-term bonds

As at 31 December 2020

	Carrying amount of hedged items		*Effect of hedging instruments on other comprehensive income during the year*	*Accumulated effect of hedging instruments on other comprehensive income*	*Line items in the statement of financial position*
	Assets	*Liabilities*			
Bonds	-	(2,611,554)	(34,348)	(34,348)	Long-term bonds

38 Clearing settlement funds

	As at 31 December	
	2021	2020
Deposits with stock exchanges		
- China Securities Depository and Clearing Corporation Limited	**8,118,615**	6,253,766
- Hong Kong Securities Clearing Company Limited	**200,287**	600,201
Deposits with other institutions	**262,039**	134,429
Total	**8,580,941**	6,988,396

39 Cash held on behalf of brokerage clients

The Group maintains segregated deposit accounts with banks and authorised institutions to hold clients' monies arising from its normal course of business. The Group has classified the brokerage clients' monies as cash held on behalf of brokerage clients under the current assets section of the consolidated statement of financial position, and recognised the corresponding accounts payable to the respective brokerage clients on the grounds that they are liable for any loss or misappropriation of their brokerage clients' monies. In the Mainland China, the use of cash held on behalf of brokerage clients for their transaction and settlement funds is restricted and governed by the relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the use of cash held on behalf of brokerage clients is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

40 Cash and Bank balances

(a) Analysed by nature:

	As at 31 December	
	2021	2020
Cash on hand	**208**	201
Bank balances	**37,238,750**	49,652,268
Less: impairment losses	**(1,157)**	(1,430)
Total	**37,237,801**	49,651,039

Bank balances comprise time and demand deposits which bear interest at the prevailing market rates.

(b) Analysis of the movement of provision for impairment losses:

	As at 31 December	
	2021	2020
At the beginning of the year	**1,430**	11,179
Charge for the year	**6,264**	1,268
Reversal of impairment	**(6,537)**	(11,017)
At the end of the year	**1,157**	1,430

41 Cash and cash equivalents

(a) Cash and cash equivalents comprise:

	As at 31 December	
	2021	*2020*
Cash on hand	**208**	201
Bank balances	**37,203,291**	49,570,987
Clearing settlement funds	**8,580,920**	6,988,285
Financial assets held under resale agreements within 3 months original maturity	**4,191,977**	13,474,774
Bond investment within 3 months original maturity	**388,187**	7,061,738
Less: restricted bank deposits	**(4,463,221)**	(9,449,572)
Total	**45,901,362**	67,646,413

The restricted bank deposits include bank deposits with original maturity of more than three months held by the Group, deposits reserved for VAT payable of asset management plans, minimum liquid capital restriction deposits, risk reserve deposits and securities underwriting brokerage deposits.

(b) Reconciliation of liabilities arising from financing activities:

The following table details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

	Short-term debt instruments	*Long-term bonds*	*Short-term bank loans*	*Long-term bank loans*	*Lease liabilities*	*Share capital*	*Other equity instruments*	*Treasury shares*	*Capital reserve*	*Retained profits*	*Non-controlling interests*	*Total*
At 1 January 2021	43,951,388	97,053,188	11,299,859	475,414	1,248,799	9,076,650	-	(1,626,546)	70,750,052	28,998,618	3,240,535	264,467,957
Changes from financing cash flows												
Proceeds from issuance	129,076,996	56,580,701	-	247,402	-	-	9,996,425	-	-	-	-	195,901,524
Repayment of borrowings	(119,467,596)	(21,310,001)	(2,795,165)	-	-	-	-	-	-	-	-	(143,572,762)
Interest paid	(827,947)	(3,435,757)	(126,999)	(22,956)	-	-	-	-	-	-	-	(4,413,659)
Payment of lease liabilities	-	-	-	-	(462,158)	-	-	-	-	-	-	(462,158)
Dividend paid	-	-	-	-	-	-	-	-	-	(3,612,549)	-	(3,612,549)
Acquisition of treasury shares	-	-	-	-	-	-	-	(48,964)	-	-	-	(48,964)
Restricted Share Incentive Scheme of A Shares	-	-	-	-	-	-	-	413,941	-	-	-	413,941
Total changes from financing cash flows	8,781,453	31,834,943	(2,922,164)	224,446	(462,158)	-	9,996,425	364,977	-	(3,612,549)	-	44,205,373
Other changes												
Interest expenses	865,817	4,450,296	114,595	22,956	48,242	-	-	-	-	-	-	5,501,906
New leases	-	-	-	-	395,672	-	-	-	-	-	-	395,672
Total liability-related other changes	865,817	4,450,296	114,595	22,956	443,914	-	-	-	-	-	-	5,897,578
Total equity-related other changes	-	-	-	-	-	-	-	30,022	(187,693)	10,173,710	372,439	10,388,478
At 31 December 2021	53,598,658	133,338,427	8,492,290	722,816	1,230,555	9,076,650	9,996,425	(1,231,547)	70,562,359	35,559,779	3,612,974	324,959,386

	Short-term debt instruments	*Long-term bonds*	*Short-term bank loans*	*Long-term bank loans*	*Lease liabilities*	*Share capital*	*Treasury shares*	*Capital reserve*	*Retained profits*	*Non-controlling interests*	*Total*
At 1 January 2020	46,425,196	64,616,358	5,724,131	850,997	962,441	9,076,650	-	70,290,533	23,178,411	3,117,229	224,241,946
Changes from financing cash flows											
Proceeds from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Proceeds from partially disposal of a subsidiary without losing control	-	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance	147,192,346	47,079,773	5,564,492	-	-	-	-	-	-	-	199,836,611
Repayment of borrowings	(149,724,988)	(14,317,131)	-	(371,748)	-	-	-	-	-	-	(164,413,867)
Interest paid	(769,501)	(2,988,523)	(28,235)	(38,130)	-	-	-	-	-	-	(3,824,389)
Payment of lease liabilities	-	-	-	-	(420,344)	-	-	-	-	-	(420,344)
Dividend paid	-	-	-	-	-	-	-	-	(2,701,395)	-	(2,701,395)
Acquisition of treasury shares	-	-	-	-	-	-	(1,626,546)	-	-	-	(1,626,546)
Total changes from financing cash flows	(3,302,143)	29,774,119	5,536,257	(409,878)	(420,344)	-	(1,626,546)	-	(2,701,395)	-	26,850,070
Other changes											
Interest expenses	903,219	2,912,479	230,169	34,295	39,470	-	-	-	-	-	4,119,632
New leases	-	-	-	-	667,232	-	-	-	-	-	667,232
Others	(74,884)	(249,768)	(190,698)	-	-	-	-	-	-	-	(515,350)
Total liability-related other changes	828,335	2,662,711	39,471	34,295	706,702	-	-	-	-	-	4,271,514
Total equity-related other changes	-	-	-	-	-	-	-	459,519	8,521,602	123,306	9,104,427
At 31 December 2020	43,951,388	97,053,188	11,299,859	475,414	1,248,799	9,076,650	(1,626,546)	70,750,052	28,998,618	3,240,535	264,467,957

42 Short-term bank loans

	As at 31 December	
	2021	2020
Credit loans	8,492,290	11,194,654
Pledged loans	-	105,205
Total	8,492,290	11,299,859

As of 31 December 2021, the interest rates for short-term loans were in the range of 0.8% - 1.35% per annum (as of 31 December 2020: 1.28% - 1.92% per annum).

43 Short-term debt instruments issued

As at 31 December 2021

Name	Par value	Issuance date	Due date	Issue amount	Nominal interest rate
	Original currency			Original currency	
20 HUATAI G5	RMB2,300,000	18/06/2020	18/06/2021	RMB2,300,000	2.58%
20 HUATAI S1	RMB5,500,000	31/08/2020	31/08/2021	RMB5,500,000	3.10%
20 HUATAI S2	RMB1,500,000	31/08/2020	28/05/2021	RMB1,500,000	3.05%
20 HUATAI S3	RMB5,000,000	11/09/2020	11/08/2021	RMB5,000,000	3.20%
20 HUATAI S4	RMB4,000,000	17/09/2020	17/04/2021	RMB4,000,000	3.15%
20 HUATAI CP010	RMB5,000,000	15/12/2020	15/03/2021	RMB4,000,000	2.94%
21 HUATAI CP001	RMB3,000,000	25/01/2021	25/04/2021	RMB3,000,000	2.48%
21 HUATAI CP002	RMB3,000,000	27/01/2021	27/04/2021	RMB3,000,000	2.42%
21 HUATAI CP003	RMB3,000,000	09/03/2021	07/06/2021	RMB3,000,000	2.68%
21 HUATAI CP004	RMB4,000,000	25/06/2021	23/09/2021	RMB4,000,000	2.40%
21 HUATAI CP005	RMB4,000,000	15/07/2021	13/10/2021	RMB4,000,000	2.15%
21 HUATAI CP006	RMB3,000,000	22/07/2021	20/10/2021	RMB3,000,000	2.15%
21 HUATAI S2	RMB4,000,000	28/06/2021	26/09/2021	RMB4,000,000	2.95%
21 HUATAI S3	RMB2,000,000	09/07/2021	22/02/2022	RMB2,000,000	2.75%
21 HUATAI S4	RMB4,000,000	09/07/2021	09/07/2022	RMB4,000,000	2.87%
21 HUATAI S5	RMB3,000,000	19/07/2021	19/07/2022	RMB3,000,000	2.75%
21 HUATAI S6	RMB4,000,000	09/08/2021	11/02/2022	RMB4,000,000	2.55%
21 HUATAI S7	RMB4,000,000	16/08/2021	20/01/2022	RMB4,000,000	2.51%
21 HUATAI S8	RMB3,000,000	26/08/2021	09/11/2021	RMB3,000,000	2.40%
21 HUATAI S9	RMB2,300,000	06/12/2021	08/06/2022	RMB2,300,000	2.64%
21 HUA S10	RMB2,700,000	06/12/2021	25/11/2022	RMB2,700,000	2.70%
21 HUA S11	RMB2,000,000	13/12/2021	13/05/2022	RMB2,000,000	2.62%
21 HUA S12	RMB1,000,000	21/12/2021	21/09/2022	RMB1,000,000	2.70%
21 HUA S13	RMB4,000,000	21/12/2021	21/12/2022	RMB4,000,000	2.75%
21 HUA S14	RMB4,000,000	29/12/2021	29/11/2022	RMB4,000,000	2.75%
HUATAI B2111	USD50,000	27/11/2020	26/11/2021	USD50,000	0.50%
HUATAI B2112	USD60,000	03/02/2021	28/12/2021	USD60,000	1.35%
HUATAI B2108a	USD20,000	10/02/2021	10/08/2021	USD20,000	1.23%
HUATAI B2203	USD100,000	23/03/2021	21/03/2022	USD100,000	0.35%
HUATAI B2108b	USD35,000	12/05/2021	12/08/2021	USD35,000	0.50%
HUATAI B2112b	USD100,000	02/06/2021	02/12/2021	USD100,000	0.60%

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
HUATAI B2206	USD100,000	11/06/2021	09/06/2022	USD100,000	0.70%
HUATAI B2111b	HKD300,000	27/08/2021	26/11/2021	HKD300,000	0.50%
HUATAI B2203b	HKD300,000	07/12/2021	10/03/2022	HKD300,000	0.55%
HUATAI B2203c	USD30,000	29/12/2021	29/03/2022	USD30,000	0.65%
Structured notes [1]	RMB14,605,615	Note (1)	Note (1)	RMB14,605,615	Note (1)

Name	*Book value as at 1 January 2021*	*Increase*	*Decrease*	*Book value as at 31 December 2021*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
20 HUATAI G5	2,331,813	27,527	(2,359,340)	-
20 HUATAI S1	5,557,300	113,208	(5,670,508)	-
20 HUATAI S2	1,515,375	18,937	(1,534,312)	-
20 HUATAI S3	5,053,333	97,634	(5,150,967)	-
20 HUATAI S4	4,042,000	37,100	(4,079,100)	-
20 HUATAI CP010	5,006,847	29,400	(5,036,247)	-
21 HUATAI CP001	-	3,018,345	(3,018,345)	-
21 HUATAI CP002	-	3,017,901	(3,017,901)	-
21 HUATAI CP003	-	3,019,825	(3,019,825)	-
21 HUATAI CP004	-	4,023,671	(4,023,671)	-
21 HUATAI CP005	-	4,021,205	(4,021,205)	-
21 HUATAI CP006	-	3,015,904	(3,015,904)	-
21 HUATAI S2	-	4,059,983	-	4,059,983
21 HUATAI S3	-	2,026,317	-	2,026,317
21 HUATAI S4	-	4,054,931	-	4,054,931
21 HUATAI S5	-	3,037,258	-	3,037,258
21 HUATAI S6	-	4,040,306	-	4,040,306
21 HUATAI S7	-	4,037,785	-	4,037,785
21 HUATAI S8	-	3,014,761	(3,014,761)	-
21 HUATAI S9	-	2,304,244	-	2,304,244
21 HUA S10	-	2,705,095	-	2,705,095
21 HUA S11	-	2,002,676	-	2,002,676
21 HUA S12	-	1,000,798	-	1,000,798
21 HUA S13	-	4,003,253	-	4,003,253
21 HUA S14	-	4,000,887	-	4,000,887
HUATAI B2111	323,745	1,434	(325,179)	-
HUATAI B2112	-	386,378	(386,378)	-
HUATAI B2108a	-	128,025	(128,025)	-
HUATAI B2203	-	636,859	-	636,859
HUATAI B2108b	-	223,308	(223,308)	-
HUATAI B2112b	-	638,159	(638,159)	-
HUATAI B2206	-	639,724	-	639,724
HUATAI B2111b	-	245,586	(245,586)	-
HUATAI B2203b	-	245,294	-	245,294
HUATAI B2203c	-	191,212	-	191,212
Structured notes [1]	20,120,975	65,875,960	(71,384,899)	14,612,036
Total	43,951,388	129,940,890	(120,293,620)	53,598,658

As at 31 December 2020

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			Original currency	
19 HUATAI CP005	RMB5,000,000	11/10/2019	09/01/2020	RMB5,000,000	2.83%
19 HUATAI CP006	RMB5,000,000	14/11/2019	12/02/2020	RMB5,000,000	3.05%
19 HUATAI CP007	RMB5,000,000	06/12/2019	05/03/2020	RMB5,000,000	3.02%
20 HUATAI CP001	RMB6,000,000	06/01/2020	05/04/2020	RMB6,000,000	2.80%
20 HUATAI CP002	RMB5,000,000	10/02/2020	10/05/2020	RMB5,000,000	2.65%
20 HUATAI CP003	RMB3,000,000	27/02/2020	27/05/2020	RMB3,000,000	2.39%
20 HUATAI CP004	RMB4,000,000	06/03/2020	04/06/2020	RMB4,000,000	2.31%
20 HUATAI CP005	RMB4,000,000	09/06/2020	28/08/2020	RMB4,000,000	1.90%
20 HUATAI CP006	RMB4,000,000	16/06/2020	14/09/2020	RMB4,000,000	2.20%
20 HUATAI CP007	RMB4,000,000	15/07/2020	13/10/2020	RMB4,000,000	2.55%
20 HUATAI CP008	RMB3,000,000	14/08/2020	12/11/2020	RMB3,000,000	2.62%
20 HUATAI CP009	RMB4,000,000	15/09/2020	14/12/2020	RMB4,000,000	2.70%
20 HUATAI CP010	RMB5,000,000	15/12/2020	15/03/2021	RMB5,000,000	2.94%
20 HUATAI G5	RMB2,300,000	18/06/2020	18/06/2021	RMB2,300,000	2.58%
20 HUATAI S1	RMB5,500,000	31/08/2020	31/08/2021	RMB5,500,000	3.10%
20 HUATAI S2	RMB1,500,000	31/08/2020	28/05/2021	RMB1,500,000	3.05%
20 HUATAI S3	RMB5,000,000	11/09/2020	11/08/2021	RMB5,000,000	3.20%
20 HUATAI S4	RMB4,000,000	17/09/2020	17/04/2021	RMB4,000,000	3.15%
HUATAI B2111	USD50,000	27/11/2020	26/11/2021	USD50,000	0.50%
Structured notes [(1)]	RMB20,070,414	Note (1)	Note (1)	RMB20,070,414	Note (1)

Name	*Book value as at 1 January 2020*	*Increase*	*Decrease*	*Book value as at 31 December 2020*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
19 HUATAI CP005	5,031,401	3,394	(5,034,795)	-
19 HUATAI CP006	5,019,637	17,863	(5,037,500)	-
19 HUATAI CP007	5,011,043	26,088	(5,037,131)	-
20 HUATAI CP001	-	6,039,475	(6,039,475)	-
20 HUATAI CP002	-	5,032,582	(5,032,582)	-
20 HUATAI CP003	-	3,012,538	(3,012,538)	-
20 HUATAI CP004	-	4,022,784	(4,022,784)	-
20 HUATAI CP005	-	4,011,036	(4,011,036)	-
20 HUATAI CP006	-	4,021,699	(4,021,699)	-
20 HUATAI CP007	-	4,021,797	(4,021,797)	-
20 HUATAI CP008	-	3,017,012	(3,017,012)	-
20 HUATAI CP009	-	4,022,784	(4,022,784)	-
20 HUATAI CP010	-	5,006,847	-	5,006,847
20 HUATAI G5	-	2,331,813	-	2,331,813
20 HUATAI S1	-	5,557,300	-	5,557,300
20 HUATAI S2	-	1,515,375	-	1,515,375
20 HUATAI S3	-	5,053,333	-	5,053,333
20 HUATAI S4	-	4,042,000	-	4,042,000
HUATAI B2111	-	323,745	-	323,745
Structured notes [(1)]	31,363,115	86,941,216	(98,183,356)	20,120,975
Total	46,425,196	148,020,681	(150,494,489)	43,951,388

(1) In 2021, the Company has issued 3,849 tranches (2020: 3,712 tranches) of structured notes, bearing interest ranging from 2.00% to 6.58% per annum (2020: 2.40% to 6.58% per annum), repayable within 1 year. Structured notes repayable more than 1 year are classified as "Long-term bonds" (Note 52).

44 Placements from other financial institutions

Current

	As at 31 December	
	2021	2020
Placements from banks	**14,018,721**	4,815,236

As at 31 December 2021, the placements from banks are unsecured, bearing interest of 0.25% - 3.10% per annum, with maturities within 132 days (as at 31 December 2020: bearing interest of 0.50% - 3.15% per annum, with maturities within 76 days).

45 Accounts payable to brokerage clients

Current

	As at 31 December	
	2021	2020
Clients' deposits for brokerage trading	**127,624,066**	118,432,619
Clients' deposits for margin financing and securities lending	**19,877,767**	17,955,015
Total	**147,501,833**	136,387,634

Accounts payable to brokerage clients represent the monies received from and repayable to brokerage clients, which are mainly held at banks and at clearing houses by the Group. Accounts payable to brokerage clients are interest-bearing at the prevailing interest rate.

The majority of the accounts payable balances are repayable on demand except where certain accounts payable to brokerage clients represent monies received from clients for their margin financing activities under normal course of business, such as margin financing and securities lending. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

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

46 Employee benefits payable

Non-current

	As at 31 December	
	2021	2020
Salaries, bonuses and allowance	**7,057,339**	6,974,615

Current

	As at 31 December	
	2021	2020
Salaries, bonuses and allowance	**5,330,529**	3,838,638
Contribution to pension scheme	**3,371**	2,445
Other social welfare	**423,698**	315,812
Total	**5,757,598**	4,156,895

47 Other payables and accruals

Non-current

	As at 31 December	
	2021	2020
Lease liabilities	900,299	850,730

(1) During the year of 2021, in accordance with the accounting policy set out in Note 2(20)(i), the Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, which amounted to RMB41 million (2020: RMB78 million).

(2) As at 31 December 2021, the cash flows of lease contracts signed by the Group but lease not yet commenced are insignificant.

Current

	As at 31 December	
	2021	2020
Trade payable	84,166,271	36,314,244
Payable to brokers, dealers and clearing house	13,443,598	5,131,183
Payable to open-ended funds	5,441,731	1,810,719
Other tax payable	790,446	674,394
Restrictive repurchase obligation	395,746	-
Dividend payable of pledged exchangeable bond	372,768	1,178,430
Lease liabilities	330,256	398,069
Fee and commission payable	253,680	260,483
Futures risk reserve	178,120	144,622
Payable to outsourcing service	120,474	87,655
Payable to the securities investor protection fund	68,238	57,173
Payable to interest holders of consolidated structured entities [1]	44,954	59,032,383
Funds payable to securities issuers	38,747	70,930
Payable for office building construction	35,315	56,571
Redemption payables	26,761	27,215
Dividend payable	13,097	28,192
Others [2]	900,553	608,048
Total	106,620,755	105,880,311

(1) The financial liabilities arising from the consolidated structured entities with underlying investments in money market and fixed income instruments are classified as other payables and accruals in these consolidated financial statements. It is because the Group has an obligation to pay other investors upon maturity dates of the structured entities based on the net book value and related terms of those consolidated asset management schemes. As at 31 December 2021, the decrease of payables to interest holders of consolidated structured entities mainly results from the decrease of the total assets of the structured entities consolidated. (See Note 56(a)).

(2) The balance of others mainly represents payable to brokerage agents and sundry payables arising from normal course of business.

48 Contract liabilities

	As at 31 December	
	2021	2020
Advance consideration received from customers	**265,637**	92,366

49 Financial assets sold under repurchase agreements

(a) Analysed by collateral type:

	As at 31 December	
	2021	2020
Debt securities	**104,067,070**	111,403,580
Equity securities	**17,565,523**	9,631,494
Precious metal	**9,077,408**	18,564,573
Margin loans receivable backed repurchase	**-**	300,321
Total	**130,710,001**	139,899,968

As at 31 December 2021, the Group's pledged collateral in connection with financial assets sold under repurchase agreements amounted to RMB144,064 million (as at 31 December 2020: RMB158,284 million).

(b) Analysed by market:

	As at 31 December	
	2021	2020
Shanghai stock exchange	**26,817,766**	47,838,283
Inter-bank market	**60,896,105**	45,930,433
Over-the-counter	**36,936,138**	37,114,141
Shenzhen stock exchange	**6,059,992**	9,017,111
Total	**130,710,001**	139,899,968

50 Financial liabilities at fair value through profit or loss

Non-current

	As at 31 December	
	2021	2020
Financial liabilities designated at fair value through profit or loss	**2,833,456**	3,185,296

Current

	As at 31 December	
	2021	2020
Financial liabilities held for trading	**27,171,191**	11,469,173
Financial liabilities designated at fair value through profit or loss	**1,118,271**	727,061
Total	**28,289,462**	12,196,234

In the consolidated financial statements, the financial liabilities arising from consolidation of structured entities and private funds with the underlying investments related to listed equity investments in active markets and unlisted equity investments are designated at fair value through profit or loss by the Group, as the Group has the obligation to pay other investors or limited partners upon maturity dates of the structured entities based on net book value and related terms of those consolidated asset management schemes or private equity funds.

As at 31 December 2021 and 31 December 2020, there were no significant fair value changes related to the changes in the credit risk of the Group, respectively.

51 Long-term bonds due within one year

As at 31 December 2021

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
16 HUATAI G2	RMB2,500,000	06/12/2016	06/12/2021	RMB2,500,000	3.78%
16 HUATAI G4	RMB3,000,000	14/12/2016	14/12/2021	RMB3,000,000	3.97%
18 HUATAI C2	RMB2,800,000	10/05/2018	10/05/2021	RMB2,800,000	5.20%
18 HUATAI G1	RMB3,000,000	26/11/2018	26/11/2021	RMB3,000,000	3.88%
19 HUATAI G1	RMB7,000,000	19/03/2019	19/03/2022	RMB7,000,000	3.68%
19 HUATAI G3	RMB5,000,000	22/04/2019	22/04/2022	RMB5,000,000	3.80%
19 HUATAI 02	RMB5,000,000	27/05/2019	27/05/2022	RMB5,000,000	3.94%
19 HUATAI 03	RMB4,000,000	24/10/2019	24/10/2022	RMB4,000,000	3.68%
19 Finance 01	RMB6,000,000	21/08/2019	21/08/2022	RMB6,000,000	3.40%
20 HUATAI G8	RMB4,000,000	09/12/2020	09/12/2022	RMB4,000,000	3.67%
HUATAI B2205	USD500,000	16/05/2019	16/05/2022	USD500,000	3.38%
Structured notes [1]	RMB613,940	Note (1)	Note (1)	RMB613,940	Note (1)

Name	*Book value as at 1 January 2021*	*Increase*	*Decrease*	*Book value as at 31 December 2021*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
16 HUATAI G2	2,508,601	84,497	(2,593,098)	-
16 HUATAI G4	3,006,354	108,368	(3,114,722)	-
18 HUATAI C2	2,893,742	48,335	(2,942,077)	-
18 HUATAI G1	3,010,179	98,057	(3,108,236)	-
19 HUATAI G1	-	7,459,426	(257,600)	7,201,826
19 HUATAI G3	-	5,320,878	(190,000)	5,130,878
19 HUATAI 02	-	5,313,891	(197,000)	5,116,891
19 HUATAI 03	-	4,173,848	(147,200)	4,026,648
19 Finance 01	-	6,277,407	(204,000)	6,073,407
20 HUATAI G8	-	4,155,505	(146,800)	4,008,705
HUATAI B2205	-	3,285,482	(86,888)	3,198,594
Structured notes [1]	10,017	615,686	(10,344)	615,359
Total	11,428,893	36,941,380	(12,997,965)	35,372,308

As at 31 December 2020

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
16 HUATAI G2	RMB2,500,000	06/12/2016	06/12/2021	RMB2,500,000	3.78%
16 HUATAI G4	RMB3,000,000	14/12/2016	14/12/2021	RMB3,000,000	3.97%
17 HUATAI 02	RMB2,000,000	24/02/2017	24/02/2020	RMB2,000,000	4.65%
17 HUATAI 04	RMB6,000,000	15/05/2017	15/05/2020	RMB6,000,000	5.25%
17 HUATAI C2	RMB5,000,000	27/07/2017	27/07/2020	RMB5,000,000	4.95%
18 HUATAI C1	RMB1,000,000	15/03/2018	15/03/2020	RMB1,000,000	5.65%
18 HUATAI C2	RMB2,800,000	10/05/2018	10/05/2021	RMB2,800,000	5.20%
18 HUATAI G1	RMB3,000,000	26/11/2018	26/11/2021	RMB3,000,000	3.88%
HUATAI B2006	USD14,757	30/05/2019	02/06/2020	USD14,757	4.00%
Structured notes [1]	RMB190,360	Note (1)	Note (1)	RMB190,360	Note (1)

Name	*Book value as at 1 January 2020*	*Increase*	*Decrease*	*Book value as at 31 December 2020*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
16 HUATAI G2	-	2,603,101	(94,500)	2,508,601
16 HUATAI G4	-	3,125,454	(119,100)	3,006,354
17 HUATAI 02	2,078,732	7,750	(2,086,482)	-
17 HUATAI 04	6,198,493	105,000	(6,303,493)	-
17 HUATAI C2	5,107,815	123,750	(5,231,565)	-
18 HUATAI C1	1,044,090	9,497	(1,053,587)	-
18 HUATAI C2	-	3,039,342	(145,600)	2,893,742
18 HUATAI G1	-	3,126,579	(116,400)	3,010,179
HUATAI B2006	105,345	3,305	(108,650)	-
Structured notes [1]	182,058	11,448	(183,489)	10,017
Total	14,716,533	12,155,226	(15,442,866)	11,428,893

(1) As at 31 December 2021, RMB615.36 million of structured notes would mature within one year (as at 31 December 2020: RMB10.02 million).

52 Long-term bonds

As at 31 December 2021

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
13 HUATAI 02	RMB6,000,000	05/06/2013	05/06/2023	RMB6,000,000	5.10%
18 HUATAI G2	RMB1,000,000	26/11/2018	26/11/2023	RMB1,000,000	4.17%
19 HUATAI G1	RMB7,000,000	19/03/2019	19/03/2022	RMB7,000,000	3.68%
19 HUATAI G3	RMB5,000,000	22/04/2019	22/04/2022	RMB5,000,000	3.80%
19 HUATAI 02	RMB5,000,000	27/05/2019	27/05/2022	RMB5,000,000	3.94%
19 HUATAI 03	RMB4,000,000	24/10/2019	24/10/2022	RMB4,000,000	3.68%
19 Finance 01	RMB6,000,000	21/08/2019	21/08/2022	RMB6,000,000	3.40%
20 HUATAI G1	RMB8,000,000	26/03/2020	26/03/2023	RMB8,000,000	2.99%
20 HUATAI G3	RMB3,500,000	29/04/2020	29/04/2025	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	21/05/2020	21/05/2025	RMB3,000,000	3.20%
20 HUATAI G6	RMB3,200,000	18/06/2020	18/06/2023	RMB3,200,000	3.10%
20 HUATAI G7	RMB3,500,000	24/11/2020	24/11/2023	RMB3,500,000	3.90%
20 HUATAI G8	RMB4,000,000	09/12/2020	09/12/2022	RMB4,000,000	3.67%
20 HUATAI G9	RMB4,000,000	09/12/2020	09/12/2023	RMB4,000,000	3.79%
20 HUATAI 02	RMB10,000,000	24/07/2020	24/07/2022	RMB10,000,000	3.20%
20 HUATAI C1	RMB5,000,000	13/11/2020	13/11/2025	RMB5,000,000	4.48%
21 HUATAI G1	RMB4,000,000	20/01/2021	20/01/2024	RMB4,000,000	3.58%
21 HUATAI G3	RMB5,000,000	26/04/2021	26/04/2024	RMB5,000,000	3.42%
21 HUATAI G4	RMB6,000,000	17/05/2021	17/05/2026	RMB6,000,000	3.71%
21 HUATAI G5	RMB4,000,000	24/05/2021	24/05/2024	RMB4,000,000	3.28%
21 HUATAI G6	RMB2,000,000	24/05/2021	24/05/2026	RMB2,000,000	3.63%
21 HUATAI G7	RMB2,000,000	15/06/2021	15/06/2024	RMB2,000,000	3.40%
21 HUATAI 09	RMB2,500,000	21/06/2021	21/06/2024	RMB2,500,000	3.45%
21 HUATAI C1	RMB9,000,000	29/01/2021	29/01/2026	RMB9,000,000	4.50%
21 HUATAI 11	RMB1,500,000	07/09/2021	07/09/2024	RMB1,500,000	3.03%
21 HUATAI 12	RMB2,700,000	07/09/2021	07/09/2031	RMB2,700,000	3.78%
21 HUATAI 13	RMB2,100,000	18/10/2021	18/10/2024	RMB2,100,000	3.25%
21 HUATAI 14	RMB3,400,000	18/10/2021	18/10/2031	RMB3,400,000	3.99%
21 HUATAI 15	RMB2,200,000	25/10/2021	25/10/2024	RMB2,200,000	3.22%
21 HUATAI 16	RMB1,100,000	25/10/2021	25/10/2031	RMB1,100,000	3.94%
HUATAIB2205	USD500,000	16/05/2019	16/05/2022	USD500,000	3.38%
HUATAIB2302	USD400,000	12/02/2020	12/02/2023	USD400,000	LIBOR+0.95%
HUATAIB2404	USD900,000	09/04/2021	09/04/2024	USD900,000	1.30%
HUATAIB2604	USD500,000	09/04/2021	09/04/2026	USD500,000	2.00%
Structured notes [(1)]	RMB143,400	Note (1)	Note (1)	RMB143,400	Note (1)

Name	*Book value as at 1 January 2021*	*Increase*	*Decrease*	*Book value as at 31 December 2021*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
13 HUATAI 02	6,171,490	310,785	(306,000)	6,176,275
18 HUATAI G2	1,003,413	41,961	(41,700)	1,003,674
19 HUATAI G1	7,199,048	-	(7,199,048)	-
19 HUATAI G3	5,129,536	-	(5,129,536)	-
19 HUATAI 02	5,115,539	-	(5,115,539)	-
19 HUATAI 03	4,025,007	-	(4,025,007)	-
19 Finance 01	6,072,453	-	(6,072,453)	-
20 HUATAI G1	8,177,637	241,673	(239,200)	8,180,110
20 HUATAI G3	3,565,376	102,129	(101,500)	3,566,005
20 HUATAI G4	3,056,359	96,611	(96,076)	3,056,894
20 HUATAI G6	3,250,725	99,540	(99,200)	3,251,065
20 HUATAI G7	3,512,736	137,090	(136,500)	3,513,326
20 HUATAI G8	4,008,066	-	(4,008,066)	-
20 HUATAI G9	4,008,443	152,019	(151,600)	4,008,862
20 HUATAI 02	10,132,432	160,618	(10,293,050)	-
20 HUATAI C1	5,025,058	225,933	(224,000)	5,026,991
21 HUATAI G1	-	4,137,065	(3,860)	4,133,205
21 HUATAI G3	-	5,117,432	(4,825)	5,112,607
21 HUATAI G4	-	6,139,497	(5,791)	6,133,706
21 HUATAI G5	-	4,080,108	(3,860)	4,076,248
21 HUATAI G6	-	2,044,128	(1,930)	2,042,198
21 HUATAI G7	-	2,037,360	(1,930)	2,035,430
21 HUATAI 09	-	2,545,931	(2,413)	2,543,518
21 HUATAI C1	-	9,376,680	(9,382)	9,367,298
21 HUATAI 11	-	1,514,497	(1,027)	1,513,470
21 HUATAI 12	-	2,732,368	(1,849)	2,730,519
21 HUATAI 13	-	2,113,972	(436)	2,113,536
21 HUATAI 14	-	3,427,728	(706)	3,427,022
21 HUATAI 15	-	2,213,167	(457)	2,212,710
21 HUATAI 16	-	1,108,042	(228)	1,107,814
HUATAIB2205	3,274,424	-	(3,274,424)	-
HUATAIB2302	2,611,554	4,635	(63,603)	2,552,586
HUATAIB2404	-	5,780,545	(37,298)	5,743,247
HUATAIB2604	-	3,226,282	(31,879)	3,194,403
Structured notes [1]	284,999	140,401	(282,000)	143,400
Total	85,624,295	59,308,197	(46,966,373)	97,966,119

As at 31 December 2020

Name	*Par value*	*Issuance date*	*Due date*	*Issue amount*	*Nominal interest rate*
	Original currency			*Original currency*	
13 HUATAI 02	RMB6,000,000	05/06/2013	05/06/2023	RMB6,000,000	5.10%
16 HUATAI G2	RMB2,500,000	06/12/2016	06/12/2021	RMB2,500,000	3.78%
16 HUATAI G4	RMB3,000,000	14/12/2016	14/12/2021	RMB3,000,000	3.97%
18 HUATAI C2	RMB2,800,000	10/05/2018	10/05/2021	RMB2,800,000	5.20%
18 HUATAI G1	RMB3,000,000	26/11/2018	26/11/2021	RMB3,000,000	3.88%
18 HUATAI G2	RMB1,000,000	26/11/2018	26/11/2023	RMB1,000,000	4.17%
19 HUATAI G1	RMB7,000,000	19/03/2019	19/03/2022	RMB7,000,000	3.68%
19 HUATAI G3	RMB5,000,000	22/04/2019	22/04/2022	RMB5,000,000	3.80%
19 HUATAI 02	RMB5,000,000	27/05/2019	27/05/2022	RMB5,000,000	3.94%
19 HUATAI 03	RMB4,000,000	24/10/2019	24/10/2022	RMB4,000,000	3.68%
19 Finance 01	RMB6,000,000	21/08/2019	21/08/2022	RMB6,000,000	3.40%
20 HUATAI C1	RMB5,000,000	13/11/2020	13/11/2025	RMB5,000,000	4.48%
20 HUATAI G1	RMB8,000,000	26/03/2020	26/03/2023	RMB8,000,000	2.99%
20 HUATAI G3	RMB3,500,000	29/04/2020	29/04/2025	RMB3,500,000	2.90%
20 HUATAI G4	RMB3,000,000	21/05/2020	21/05/2025	RMB3,000,000	3.20%
20 HUATAI G6	RMB3,200,000	18/06/2020	18/06/2023	RMB3,200,000	3.10%
20 HUATAI G7	RMB3,500,000	24/11/2020	24/11/2023	RMB3,500,000	3.90%
20 HUATAI G8	RMB4,000,000	09/12/2020	09/12/2022	RMB4,000,000	3.67%
20 HUATAI G9	RMB4,000,000	09/12/2020	09/12/2023	RMB4,000,000	3.79%
20 HUATAI 02	RMB10,000,000	24/07/2020	24/07/2022	RMB10,000,000	3.20%
HUATAIB2205	USD500,000	16/05/2019	16/05/2022	USD500,000	3.38%
HUATAIB2302	USD400,000	12/02/2020	12/02/2023	USD400,000	LIBOR+0.95%
Structured notes [(1)]	RMB312,000	Note (1)	Note (1)	RMB312,000	Note (1)

Name	*Book value as at 1 January 2020*	*Increase*	*Decrease*	*Book value as at 31 December 2020*
	RMB equivalent	RMB equivalent	RMB equivalent	RMB equivalent
13 HUATAI 02	6,170,097	307,393	(306,000)	6,171,490
16 HUATAI G2	2,507,113	-	(2,507,113)	-
16 HUATAI G4	3,006,353	-	(3,006,353)	-
18 HUATAI C2	2,892,934	-	(2,892,934)	-
18 HUATAI G1	3,009,336	-	(3,009,336)	-
18 HUATAI G2	1,003,252	41,861	(41,700)	1,003,413
19 HUATAI G1	7,196,883	259,765	(257,600)	7,199,048
19 HUATAI G3	5,128,000	191,536	(190,000)	5,129,536
19 HUATAI 02	5,114,007	198,532	(197,000)	5,115,539
19 HUATAI 03	4,023,800	148,407	(147,200)	4,025,007
19 Finance 01	6,071,533	204,920	(204,000)	6,072,453
20 HUATAI C1	-	5,029,728	(4,670)	5,025,058
20 HUATAI G1	-	8,185,109	(7,472)	8,177,637
20 HUATAI G3	-	3,568,645	(3,269)	3,565,376
20 HUATAI G4	-	3,059,161	(2,802)	3,056,359
20 HUATAI G6	-	3,253,475	(2,750)	3,250,725
20 HUATAI G7	-	3,513,826	(1,090)	3,512,736
20 HUATAI G8	-	4,008,844	(778)	4,008,066
20 HUATAI G9	-	4,009,221	(778)	4,008,443
20 HUATAI 02	-	10,140,808	(8,376)	10,132,432
HUATAIB2205	3,497,217	12,183	(234,976)	3,274,424
HUATAIB2302	-	2,831,582	(220,028)	2,611,554
Structured notes [1]	279,300	38,000	(32,301)	284,999
Total	49,899,825	49,002,996	(13,278,526)	85,624,295

(1) The Company has issued 30 tranches of long-term structured notes for the year ended 31 December 2021 (as at 31 December 2020: 4 tranches). As at 31 December 2021, 14 tranches of long-term structured notes due within one year are classified as "Long-term bonds due within one year" (as at 31 December 2020: 2 tranches) (Note 51).

53 Long-term bank loans

(a) Analysed by nature:

	As at 31 December	
	2021	2020
Credit bank loans	**722,816**	475,414
Less: credit bank loans due within one year	**-**	-
Total	**722,816**	475,414

(b) Analysed by maturity:

	As at 31 December	
	2021	2020
Maturity within five years	**722,816**	475,414
Maturity over five years	**-**	-
Total	**722,816**	475,414

54 Share capital, reserves and retained profits

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

					Reserves						
	Note	*Share capital*	*Other equity instruments*	*Treasury shares*	*Capital reserve*	*Surplus reserve*	*General reserve*	*Fair value reserve*	*Translation reserve*	*Retained profits*	*Total*
As at 1 January 2021		9,076,650	-	(1,626,546)	69,229,342	5,711,067	11,634,395	323,174	18,981	17,604,448	111,971,511
Changes in equity for 2021											
Profit for the year		-	-	-	-	-	-	-	-	8,588,552	8,588,552
Other comprehensive income		-	-	-	-	-	-	(303,036)	-	-	(303,036)
Total comprehensive income		-	-	-	-	-	-	(303,036)	-	8,588,552	8,285,516
Issue of perpetual bonds		-	9,989,057	-	-	-	-	-	-	-	9,989,057
Equity-settled share-based payments		-	-	443,963	(326,459)	-	-	-	-	-	117,504
Acquisition of treasury shares		-	-	(48,964)	-	-	-	-	-	-	(48,964)
Appropriation to surplus reserve		-	-	-	-	858,855	-	-	-	(858,855)	-
Appropriation to general reserve		-	-	-	-	-	1,718,064	-	-	(1,718,064)	-
Dividends declared for the year		-	-	-	-	-	-	-	-	(3,612,549)	(3,612,549)
Others		-	-	-	7	-	-	-	-	-	7
As at 31 December 2021	63	9,076,650	9,989,057	(1,231,547)	68,902,890	6,569,922	13,352,459	20,138	18,981	20,003,532	126,702,082

	Note	Share capital	Treasury shares	Reserves					Retained profits	Total
				Capital reserve	Surplus reserve	General reserve	Fair value reserve	Translation reserve		
As at 1 January 2020		9,076,650	-	69,229,337	5,118,691	10,449,289	203,556	18,981	16,159,562	110,256,066
Changes in equity for 2020										
Profit for the year		-	-	-	-	-	-	-	5,923,763	5,923,763
Other comprehensive income		-	-	-	-	-	119,618	-	-	119,618
Total comprehensive income		-	-	-	-	-	119,618	5,923,763	5,923,763	6,043,381
Acquisition of treasury shares		-	(1,626,546)	-	-	-	-	-	-	(1,626,546)
Appropriation to surplus reserve		-	-	-	592,376	-	-	-	(592,376)	-
Appropriation to general reserve		-	-	-	-	1,185,106	-	-	(1,185,106)	-
Dividends declared for the year		-	-	-	-	-	-	-	(2,701,395)	(2,701,395)
Others		-	-	5	-	-	-	-	-	5
As at 31 December 2020	63	9,076,650	(1,626,546)	69,229,342	5,711,067	11,634,395	323,174	18,981	17,604,448	111,971,511

(b) Share capital

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

	As at 31 December 2021		As at 31 December 2020	
	Number of shares	Nominal value	Number of shares	Nominal value
	(Thousand)		(Thousand)	
Registered, issued and fully paid:				
A shares of RMB1 each	**7,357,604**	**7,357,604**	7,357,604	7,357,604
H shares of RMB1 each	**1,719,046**	**1,719,046**	1,719,046	1,719,046
Total	**9,076,650**	**9,076,650**	9,076,650	9,076,650

On 1 June 2015, the Company completed its initial public offering of 1,400,000,000 H shares on the Main Board of the Hong Kong Stock Exchange. On 19 June 2015, the Company partially exercised the over-allotment option and issued 162,768,800 H shares.

According to the relevant requirements of PRC regulators, existing shareholders of the state-owned shares of the Company have transferred an aggregate number of 156,276,880 state-owned shares of the Company to the National Social Security Fund of the PRC, and such shares were then converted into H shares on a one-for-one basis.

In July 2018, the Company completed private placement of issuance of 1,088,731,200 new A shares.

On 20 June 2019, the Company completed its issuance of 75,013,636 GDRs, representing 750,136,360 underlying A shares, and listed on the London Stock Exchange. On 27 June 2019, the Company exercised the over-allotment option and issued additional 7,501,364 GDRs, representing 75,013,640 underlying A shares. In total, the Company has issued 82,515,000 GDRs, representing 825,150,000 new A shares with nominal value of RMB1.00 each. The total paid-up share capital of the Company after the change is RMB9,076,650,000.

The H shares and GDRs representing A shares rank pari passu in all respects with the existing A shares including the right to receive all dividends and distributions declared or made.

(c) Other equity instruments

	As at 31 December	
	2021	2020
Perpetual subordinated bonds	**9,996,425**	-

As approved by the CSRC, the Company issued three batches of perpetual subordinated bonds ("21 Huatai Y1", "21 Huatai Y2" and "21 Huatai Y3") with an initial interest rate of 3.85%, 4.00%, 3.80% on 15 September 2021, 26 October 2021 and 16 November 2021, respectively. The perpetual subordinated bonds have no fixed maturity dates and the Company has an option to redeem the bonds at principal amounts plus any accrued interest on the fifth interest payment date or any interest payment date afterwards.

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

The issuer has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Of which, mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital. As of 31 December 2021, the Company does not recognise any interest payable to the perpetual subordinated bonds in dividend payable.

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

(d) Treasury shares

	As at 1 January 2021	*Increase for the year*	*Decrease for the year*	*As at 31 December 2021*
Share repurchase	1,626,546	48,964	(839,708)	835,802
Restricted Share Incentive Scheme of A Shares	-	413,941	(18,196)	395,745
Total	1,626,546	462,905	(857,904)	1,231,547

On 30 March 2020, the fifth meeting of the fifth session of the Board of the Company approved the Resolution on Repurchase of A Shares through Centralized Price Bidding, planned to repurchase no less than 45,383,250 A shares and no more than 90,766,500 A shares in the next 12 months, which will be used for Restricted Share Incentive Scheme of A Shares. On 8 January 2021, the Company completed the repurchase. During the repurchase period, the Company has accumulatively made an actual repurchase of 90,766,495 A Shares of the Company.

On 23 March 2021, the Company convened the fourteenth meeting of the fifth session of the Board and the eighth meeting of the fifth session of the Supervisory Committee, at which the Resolution on Adjustment to the Matters Pertaining to the Restricted Share Incentive Scheme of A Shares of the Company and the Resolution on Granting Restricted A Shares to Incentive Participants were considered and approved to set out the Grant Date on 29 March 2021, when 45,488,000 restricted A Shares were granted to 810 eligible Incentive Participants at the Grant Price of RMB9.10 per share. On 30 March 2021, the Company received RMB414 million subscription funds paid by 810 incentive participants. The funds have been verified by an accounting firm and a capital verification report has been issued.

On 22 June 2021, pursuant to the resolution of the 2020 Annual General Meeting of Shareholders, cash dividend of RMB4.00 (tax included) per 10 shares was distributed based on 9,076,650,000 shares deducting the actual number of shares entitled to the dividend distribution (exclusive of A shares of the Company in the repurchased securities account). The total amount of RMB18 million cash dividends was distributed to 810 incentive participants. According to the Restricted Share Incentive Scheme of A Shares Plan, before the restricted shares unlocked, the incentive participants are eligible to receive the cash dividend (after tax). If the conditions for unlocking are not satisfied, the Company has the obligation to repurchase the shares. Due to the dividend is revocable, once the unlocking conditions are not met, the incentive participants need to return the cash dividend which they have received in waiting period. Therefore, the share repurchase's obligation is reduced accordingly by RMB18 million.

(e) Capital reserve

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

(f) Surplus reserve

Pursuant to the Company Law of the PRC, the Company is required to appropriate 10% of its net profit to the statutory surplus reserve until the balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory reserve may be used to offset accumulated losses, or converted into capital of provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before the capitalisation.

(g) General reserve

General reserve includes general risk reserve and transaction risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company appropriates 10% of its annual net profit to the general risk reserve.

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

In accordance with the requirements of the CSRC No. 94 Provisional Measures on Supervision and Administration of Risk Provision of Public Offering of Securities Investment Funds, the Company appropriates 2.5% from its fund custody fee income to the general risk reserve.

The Company's subsidiaries appropriate their profits to the general reserve according to the applicable local regulations.

(h) Fair value reserve

The fair value reserve comprises:

- The cumulative net change in the fair value of equity securities designated at FVOCI; and

- The cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

(i) Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the gain or loss on the hedging instrument.

(j) Translation reserve

The translation reserve mainly comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

(k) Dividends

Pursuant to the resolution of the general meeting of the shareholders dated 22 June 2021, on 6 August 2021, the Company distributed cash dividends of RMB4.00 (tax inclusive) per 10 shares, totalling RMB3,613 million based on 9,031,371,505 shares, the actual number of shares entitled to the dividend distribution (exclusive of A shares of the Company in the repurchased securities account).

55 Commitments

(a) Capital commitments

Capital commitments outstanding at 31 December 2021 and 31 December 2020 not provided for in the consolidated financial statements were as follows:

	As at 31 December	
	2021	2020
Contracted, but not provided for	**2,469,201**	1,888,359

The aforementioned capital commitments mainly represent the securities underwriting commitments of the Group.

56 Interests in structured entities

(a) Interests in structured entities consolidated by the Group

Structured entities consolidated by the Group mainly stand for the asset management schemes where the Group involves as manager or investment consultant and also as investor. The Group assesses whether the combination of investments it holds together with its remuneration creates exposure to variability of returns from the activities of the asset management schemes to a level of such significance that it indicates that the Group is a principal.

As at 31 December 2021 and 31 December 2020, the Group consolidates 34 and 47 structured entities respectively, which are mainly asset management schemes. As at 31 December 2021 and 31 December 2020, the total assets of the consolidated structured entities are RMB 29,375 million and RMB96,479 million, respectively, and the carrying amount of interests held by the Group in the consolidated structured entities are RMB 28,329 million and RMB34,831 million, respectively.

(b) Interests in structured entities sponsored by the Group but not consolidated

Structured entities for which the Group served as general partner or manager, therefore has power over them during the reporting periods are asset management schemes. Except for the structured entities that the Group has consolidated as set out in Note 56(a) , the Group's exposure to the variable returns in the remaining structured entities in which the Group has interest are not significant. The Group therefore did not consolidate these structured entities.

As at 31 December 2021 and 31 December 2020, the total assets of these unconsolidated structured entities managed by the Group amounted to RMB521,972 million and RMB542,764 million, respectively. As at 31 December 2021 and 31 December 2020, the carrying amount of interests held by the Group in these unconsolidated structured entities are RMB3,403 million and RMB1,809 million, respectively.

During the year ended 31 December 2021 and 31 December 2020, income derived from these unconsolidated structured entities held by the Group amounted to RMB1,458 million and RMB999 million, respectively.

(c) Interests in structured entities sponsored by third party institutions

The types of structured entities sponsored by third party institutions that the Group does not consolidate but in which it holds interests include funds, asset management schemes, trust schemes, and wealth management products issued by banks or other financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of units to investors.

The carrying amount of the related accounts in the consolidated statements of financial position is equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by third party institutions as at 31 December 2021 and 31 December 2020, which are listed as below:

	As at 31 December 2021		
	Financial assets at FVTPL	*Financial assets at FVOCI*	*Total*
Funds	**49,197,876**	**-**	**49,197,876**
Wealth management products	**16,478,377**	**74,532**	**16,552,909**
Total	**65,676,253**	**74,532**	**65,750,785**

	As at 31 December 2020		
	Financial assets at FVTPL	*Financial assets at FVOCI*	*Total*
Funds	23,800,198	-	23,800,198
Wealth management products	10,102,553	10,586,865	20,689,418
Total	33,902,751	10,586,865	44,489,616

57 Outstanding litigations

From time to time in the ordinary course of business, the Group is subject to claims and are parties to legal and regulatory proceedings. As at 31 December 2021 and 31 December 2020, based on the court rulings, advices from legal representatives and management judgement, no provision had been made to the claim amounts. The Group is of the opinion the final court judgement will not have a significant impact on the Group's financial position or operations. As at 31 December 2021, the major legal actions of the Group as the defendant are listed below:

During the year of 2021, the Company, received the arbitration document from Shanghai International Economic and Trade Arbitration Commission in 2021. Everbright Securities Co., Ltd. carried out 4 bond-pledge agreement repurchase transactions with HNA Group Finance Co., Ltd.("HNA Finance") in December 2018. After the repurchase transaction expired in June 2019, HNA Finance failed to fulfill its repurchase obligation and applied for arbitration, requiring the Company, the broker of the bond pledge agreement repurchase, to repay the relevant financing, interest and liquidated damages. The total claim amount is RMB240.15 million. At the date of approval of this report, the first instance was held to hear the case on 29 October 2021, and no verdict has been reached as of the date of this report. According to the opinion of the legal representative and the judgment of the management, the Group has not accrued any estimated liabilities for the claim amount.

During the year of 2020, the Group's subsidiary Huatai United Securities Co., Ltd. ("Huatai United Securities") received the Notice of Legal Action and relevant litigation materials sent by the court. The plaintiffs, China Foreign Economy and Trade Trust Co., Ltd., Shenzhen Rongtong Capital Management Co., Ltd. and CITIC Trust Co., Ltd., who failed to fully cash its investment in "2015 public issuance of corporate bonds of Bright Oceans Group Co., Ltd. to qualified investors with no more than RMB2.5 billion", sued to the Court to require the lead underwriter of the bond (the first defendant) and Huatai United Securities, the co-lead underwriter of the bond (the second defendant), to bear joint and several liability for compensation. The claim amount was RMB23.54 million. At the date of this report, the first instance ruled that Huatai United Securities won the case and the plaintiff appealed. The second instance was held on 21 January 2022, and no judgment has been made as of the date of this report. According to the opinion of the legal representative and the judgment of the management, the Group has not accrued any estimated liabilities for the claim amount.

During the year of 2020, the Group's subsidiary Huatai United Securities received the Notice of Legal Action and relevant litigation materials sent by Shanghai Financial Court. The plaintiff, Postal Savings Bank of China Co., Ltd., failed to fully cash its investment in "Huatai Magnate Light Asset-backed Securities", sued to the Court to require the manager (the first defendant), the legal adviser (the second defendant), the rating agency (the third defendant), the issuer (the fourth defendant) and Huatai United Securities, the financial adviser (the fifth defendant), to bear joint and several liability for compensation. The claim amount was RMB 598 million. At the date of approval of this report, the first instance was held three times to hear the case, and no judgment has been made as of the date of this report. According to the opinion of the legal representative and the judgment of the management, the Group has not accrued any estimated liabilities for the claim amount.

58 Related party relationships and transactions

(a) Relationship of related parties

(i) Major shareholders

The detailed information of the transactions and balances with Group's major shareholders and their subsidiaries is set out in Note 58(b)(i).

(ii) Subsidiaries of the Group

The detailed information of the Group's subsidiaries is set out in Note 24.

(iii) Associates of the Group

The detailed information of the Group's associates is set out in Note 25.

(iv) Joint ventures of the Group

The detailed information of the Group's joint ventures is set out in Note 26.

(v) Other related parties

Other related parties can be individuals or enterprises, which include members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals.

(b) Related parties transactions and balances

(i) Transactions between the Group and major shareholders and their subsidiaries:

	As at 31 December	
	2021	*2020*
Balances at the end of the year:		
Financial assets at FVTPL	**72,975**	341,337
Debt investment at amortised cost	**-**	62,039
Accounts payable to brokerage clients	**50,018**	43,407
Other payables and accruals	**3,211**	3,211
Accounts receivable	**598**	-

	Year ended 31 December	
	2021	*2020*
Transactions during the year:		
Fee and commission income	**21,663**	9,075
Net investment gains	**29,134**	16,992
Interest income	**780**	5,011
Interest expenses	**-**	1,181

During the year of 2021 and 2020, the Group has subscribed the bonds issued by major shareholders amounting to RMB40 million and RMB100 million, respectively.

During the year of 2021 and 2020, the Group has redeemed the bonds issued by major shareholders amounting to RMB363 million and RMB 235 million, respectively.

During the year of 2021 and 2020, the Group has taken placements from other financial institutions with major shareholders and their subsidiaries for the total amounts of RMB nil and RMB2,500 million, respectively.

(ii) Transactions between the Group and associates:

	As at 31 December	
	2021	*2020*
Balances at the end of the year:		
Cash and bank balances	**467,782**	277,361
Right-of-use assets	**92,992**	130,112
Accounts receivable	**271,617**	138,386
Other receivables and prepayments	**1,053**	368
Financial assets at FVTPL	**9,523**	8,681
Accounts payable to brokerage clients	**49,609**	12,553
Placements from other financial institutions	**1,500,330**	500,211
Short-term debt instruments issued	**-**	1,154,502
Lease liabilities	**103,195**	137,850
Contract liabilities	**-**	643

	Year ended 31 December	
	2021	2020
Transactions during the year:		
Fee and commission income	**425,218**	237,706
Interest income	**7,943**	7,764
Net investment losses	**(11,842)**	(31,993)
Fee and commission expenses	**-**	2,077
Other income and gains	**3,238**	7,601
Interest expenses	**20,931**	14,396

During the year of 2021 and 2020, the Group has redeemed the bonds issued by associates for RMB nil and RMB245 million, respectively.

During the year of 2021 and 2020, the associates have subscribed the short-term debt instruments issued by the Group for RMB 454 million and RMB340 million, respectively. The associates have redeemed the short-term debt instruments issued by the Group for RMB 1,604 million and RMB 62 million, respectively.

During the year of 2021 and 2020, the capital injection made by the Group into the associates are RMB413 million and RMB889 million, respectively. During the year of 2021 and 2020, the divestment made by the Group from the associates are RMB1,137 million and RMB1,516 million, respectively.

During the year of 2021 and 2020, the Group has made repurchase agreements with associates for the total amount of RMB108,865 million and RMB130,925 million, respectively.

During the year of 2021 and 2020, the Group has taken placements from other financial institutions with associates for the total amount of RMB 89,400 million and RMB98,200 million, respectively.

During the year of 2021 and 2020, the Group has received dividends from associates for the total amounts of RMB1,124 million and RMB768 million, respectively.

During the year of 2021 and 2020, the Group has paid rental fee to associates for the total amounts of RMB51 million and RMB32 million, respectively.

(iii) Transactions between the Group and joint ventures:

	As at 31 December	
	2021	2020
Balances at the end of the year:		
Other receivables and prepayments	**1,514**	1,514
Accounts receivable	**24,000**	-

	Year ended 31 December	
	2021	2020
Transactions during the year:		
Fee and commission income	**19,811**	19,811

During the year of 2021, the capital divestment made by the Group from the joint ventures are RMB58 million. During the year of 2020, the capital divestment made by the Group from the joint ventures are RMB8 million.

(iv) Transactions between the Group and other related parties:

	As at 31 December	
	2021	2020
Balances at the end of the year:		
Accounts payable to brokerage clients	**41,311**	2,817

	Year ended 31 December	
	2021	2020
Transactions during the year:		
Fee and commission income	**100**	49

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in Note 16, is as follows:

	Year ended 31 December	
	2021	2020
Short-term employee benefits		
- Fees, salaries, allowances and bonuses	**53,115**	34,619
Post-employment benefits		
- Contribution to pension scheme	**2,529**	2,025
Share-based payments	**11,521**	-
Total	**67,165**	36,644

Total remuneration is included in "staff costs" (see Note 10).

(d) Applicability of the Listing Rules relating to connected transactions

The related party transactions set out in Note 58(b) which constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.76(1) and 14A.93.

59 Segment reporting

Management manages the business operations by the following segments in accordance with the nature of the operations and the services provided:

- The wealth management segment engages in the trading of stocks, funds, bonds and futures on behalf of clients, to provide customers with a variety of financial products sales services and asset allocation services. Moreover, the activities of providing margin financing, securities lending, securities-backed lendings and sell financial products are included in this segment.

- The institutional services segment mainly provides investment banking business to clients, research and institutional sales, equity securities investments and transactions, fixed income investments and transactions, OTC financial products

and transactions.

- The investment management segment mainly consists of asset management, private equity investment, alternative investments and commodities trading and arbitrage.

- The international business segment mainly includes the overseas business of overseas subsidiaries.

- Other segments include other operations of head office, mainly including interest income, share of profit of associates and joint ventures, interest expenses of working capitals, and costs and expenses of middle offices and back offices.

(a) Business segments

For the year ended 31 December 2021

	Wealth management	*Institutional services*	*Investment management*	*International business*	*Others*	*Total*
Revenue						
- External	23,397,410	12,379,608	3,886,118	7,138,825	1,535,812	48,337,773
- Inter-segment	114,272	17,653	-	-	65,973	197,898
Other income and gains	2,648,147	98,090	276,044	753,570	(122,423)	3,653,428
Segment revenue and other income	26,159,829	12,495,351	4,162,162	7,892,395	1,479,362	52,189,099
Segment expenses	(18,549,453)	(7,574,761)	(1,290,760)	(6,463,785)	(4,657,685)	(38,536,444)
Segment operating profit/(loss)	7,610,376	4,920,590	2,871,402	1,428,610	(3,178,323)	13,652,655
Share of profit of associates and joint ventures	-	9,831	548,695	1,499	2,069,956	2,629,981
Profit before income tax	7,610,376	4,930,421	3,420,097	1,430,109	(1,108,367)	16,282,636
Interest income	11,868,074	567,861	462,760	537,284	1,335,082	14,771,061
Interest expenses	(5,436,940)	(2,969,267)	(323,473)	(576,712)	(1,751,410)	(11,057,802)
Depreciation and amortisation expenses	(511,596)	(127,809)	(75,196)	(380,062)	(347,797)	(1,442,460)
Net (provision for) / reversal of impairment loss on financial assets	(496,097)	61,305	(1,502)	(85,964)	(25,930)	(548,188)
Segment assets	288,840,978	302,178,205	34,903,726	141,457,908	138,156,490	905,537,307
Additions to non-current segment assets during the year	226,085	1,194,803	11,436	272,466	1,280,635	2,985,425
Segment liabilities	(285,063,892)	(301,729,678)	(14,441,230)	(128,171,610)	(24,095,113)	(753,501,523)

For the year ended 31 December 2020

	Wealth management	*Institutional services*	*Investment management*	*International business*	*Others*	*Total*
Revenue						
- External	17,965,074	10,421,451	3,759,466	5,842,220	1,593,068	39,581,279
- Inter-segment	218,956	37,766	-	-	43,070	299,792
Other income and gains	1,293,403	65,494	310,631	(291,613)	(367,073)	1,010,842
Segment revenue and other income	19,477,433	10,524,711	4,070,097	5,550,607	1,269,065	40,891,913
Segment expenses	(14,213,154)	(6,426,891)	(1,756,231)	(5,290,461)	(3,896,320)	(31,583,057)
Segment operating profit/(loss)	5,264,279	4,097,820	2,313,866	260,146	(2,627,255)	9,308,856
Share of profit of associates and joint ventures	-	11,986	2,675,170	(63)	1,516,554	4,203,647
Profit before income tax	5,264,279	4,109,806	4,989,036	260,083	(1,110,701)	13,512,503
Interest income	8,439,428	450,740	406,838	616,903	1,093,043	11,006,952
Interest expenses	(3,216,307)	(2,831,617)	(402,861)	(653,087)	(1,314,483)	(8,418,355)
Depreciation and amortisation expenses	(394,151)	(112,249)	(66,568)	(322,105)	(490,605)	(1,385,678)
Net reversal of impairment loss on other assets	346	-	-	-	-	346
Net (provision for) / reversal of impairment loss on financial assets	(1,324,705)	126,317	18,170	(86,540)	(39,450)	(1,306,208)
Segment assets	256,640,781	216,306,068	103,238,486	94,398,197	113,821,676	784,405,208
Additions to non-current segment assets during the year	227,944	62,686	33,801	1,048,830	474,918	1,848,179
Segment liabilities	(254,171,513)	(214,585,003)	(67,898,374)	(83,388,407)	(32,049,876)	(652,093,173)

Reconciliations of segment revenues, profit or loss, assets and liabilities:

	Year ended 31 December	
	2021	*2020*
Revenue		
Total revenue and other income for segments	**52,189,099**	40,891,913
Elimination of inter-segment revenue	**(262,695)**	(357,477)
Consolidated revenue and other income	**51,926,404**	40,534,436
Profit		
Total profit before income tax for segments	**16,282,636**	13,512,503
Elimination of inter-segment profit	**(10,074)**	(8,127)
Consolidated profit before income tax	**16,272,562**	13,504,376

	As at 31 December	
	2021	*2020*
Assets		
Total assets for segments	**905,537,307**	784,405,208
Elimination of inter-segment assets	**(98,886,474)**	(67,653,973)
Consolidated total assets	**806,650,833**	716,751,235
Liabilities		
Total liabilities for segments	**(753,501,523)**	(652,093,173)
Elimination of inter-segment liabilities	**98,886,474**	67,653,973
Consolidated total liabilities	**(654,615,049)**	(584,439,200)

For the year ended 31 December 2021 and 31 December 2020, the Group's customer base is diversified and no customer had transactions which exceeded 10% of the Group's revenue.

(b) Geographical segments

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property and equipment, investment properties, goodwill, land-use rights and other intangible assets, interest in associates, interest in joint ventures and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property and equipment and other non-current assets, the location of the operation to which they are allocated, in the case of goodwill, land-use rights and other intangible assets, and the location of operations, in the case of interest in associates and interest in joint ventures.

	Year ended 31 December 2021			*Year ended 31 December 2020*		
	Mainland China	***Overseas***	***Total***	*Mainland China*	*Overseas*	*Total*
Segment Revenue						
Revenue from external customers	**41,197,449**	**7,140,324**	**48,337,773**	33,739,122	5,842,157	39,581,279
Other income and gains	**2,835,061**	**753,570**	**3,588,631**	1,244,770	(291,613)	953,157
Total	**44,032,510**	**7,893,894**	**51,926,404**	34,983,892	5,550,544	40,534,436

	Year ended 31 December 2021			*Year ended 31 December 2020*		
	Mainland China	***Overseas***	***Total***	*Mainland China*	*Overseas*	*Total*
Specified non-current assets	**26,426,848**	**8,973,237**	**35,400,085**	24,545,028	8,237,489	32,782,517

60 Financial instruments and risk management

(a) Risk management policies and structure

(i) Risk management policies

In order to enhance the Group's scientific, standardised and effective management and operation, strengthen the capability of defending against risks and ensure the continuous, stable and rapid development of the Group's businesses, the Group had formulated the Basic System for Risk Management which had been deliberated and approved by the Board of Directors in accordance with the Securities Law of the People's Republic of China, the Rules on Supervision over Securities Companies, the Guidelines on the Internal Control of Securities Companies, the Regulation on Comprehensive Risk Management of Securities Companies and other relevant regulations in combination with the business operation and business management. This has clarified the risk management objectives and principles, the risk appetite and risk tolerance level of the Company as a whole and for different risk types, the risk management procedures, and the relevant resource assurance and appraisal mechanisms. In terms of operation management, the Group had formulated and issued various professional risk management guidelines to clearly establish the management processes and measures, risk indicators and limits for various types of risks; in addition, the Group had also formulated policies such as the Administration Measures for Risk Control Indicators, the Rules on the Risk Management of Subsidiaries (Trial Implementation) and the Implementation Plan and Detailed Implementation Rules for Stress Test at the operation level. In the specific business level, the Group had established business risk management system or risk management manual based on the risk points of different business areas and business management lines.

The principal types of risk faced by the Group in daily operation mainly include credit risk, liquidity risk, market risk, operational risk, reputational risk, information technology risk, compliance risk and modelling risk. The Group had formulated corresponding policies and procedures to identify and analyse these risks, and set up risk indicators, risk limits and internal risk control processes in combination with the actual circumstances with a view to continuously manage the above risks through the support of information systems and effective mechanisms.

Risk management is a shared responsibility of all the Group's employees. The Group continuously enhances the risk management awareness and risk sensitivity of all its employees through training and assessment to cultivate the risk management culture.

(ii) Risk governance structure

The risk management structure of the Company covers five major parts: The Board and its Compliance and Risk Management Committee, Board of Supervisors, Business Operation Management and Risk Control Committee, Risk Management Department and various professional risk management departments as well as other departments, branches and subsidiaries.

The board of directors is the highest decision-making body for risk management and assumes ultimate responsibility for the effectiveness of the Company's comprehensive risk management system. The Compliance and Risk Management Committee is set up by the Board to review and make recommendations on the overall risk management targets, fundamental policies and risk assessment reports; and evaluate and make recommendations on the risks of major decisions which require the Board's review as well as the solutions to these major risks. The Board of Supervisors is responsible for the supervision of overall risk management, supervising and examining the Board and the management on the performance of their risk management duties and urging them to make rectifications. Based on the authorisation and approval of the Board and in combination with the operational targets of the Company, the management is specifically responsible for the implementation of risk management activities, with the Risk Control Committee established under it. The Chief Risk Officer of the Company is responsible for leading the overall risk management initiatives. The Risk Management Department is charged with comprehensive risk management duties, it reports to the management and is responsible for managing the overall risks of the Company, taking the lead in managing market risk, credit risk and operational risk. Relevant functional departments of the Company are responsible for taking the lead in managing other types of risks according to their responsibilities and positioning; other departments, branches and subsidiaries of the Company are responsible for the management of risks in respective lines, implementing policies, procedures and measures formulated by the Company and risk management departments, accepting the guidance from risk management departments and the decomposition of risk management and implementation responsibilities by the risk management departments. The Audit Department is responsible for the review and evaluation of the effectiveness and implementation of the risk

management procedures of the Company and taking the lead in evaluating the overall risk management system of the Company.

(b) Credit risk management

Credit risk refers to the risk of asset loss of the Company resulting from the default of a product or bond issuer or counterparty (customer). The Company has established a credit risk management system covering self-owned capital and entrusted funding business. The system is applied to all subsidiaries domestic or overseas, and also to the sub-subsidiaries managed with reference to the subsidiary's management approach, thereby achieving full credit risk management coverage.

The Group mainly faced four types of credit risks, namely (i) the risks of suffering from loss in respect of the financing bills and interests lent out due to customer's default in financing business; (ii) the risks caused by default of the bond issuer in bond investment business; (iii) the risks of assets suffering from loss due to the default by the counterparty; (iv) the risks of loss suffered by the Group arising from payment made on customer's behalf due to insufficient fund of the customer in guarantee settlement business.

With respect to financing business, the Group adopted full-process control measures such as stringent customer and underlying assets management, dynamic monitoring and timely risk mitigation to control the credit risk. During the reporting period, the market was buoyant and the Company's margin financing and securities lending business continued to grow. The Company implemented stringent risk control processes, conducted special risk inspections on margin financing and securities lending business, strengthened the counter-cyclical management mechanism, and improved the standard of differentiated customers management. The amount to be recovered remains at a relatively low level.

With respect to bond investment business, the Company established a unified management system for issuers. During the reporting period, the Company revised and reconstructed the bottom-line control over credit bond investment in key industries, continued to promote the systematic construction of issuers' credit risk management modules, and enhanced the efficiency and pertinence of risk management. At the same time, it also continuously promoted the construction of implementation of the access mechanism and restriction rules which are linked to rating results of the credit analysis management system (CAMS system) to improve the consistency of the internal assessment system and enhance the Group's overall risk identification and control capabilities.

With respect to counterparty management, the Company promoted the construction of the unified management system for counterparty, further expanded the coverage of the unified management of counterparty credit line at group level and built a full counterparty list system in order to strictly control its business risk exposures. At the same time, the Company continued to promote the systematic construction of counterparty credit risk management, and gradually realised the platformisation of counterparty management and related processes.

With respect to guarantee settlement business, the Group incorporated it into the counterparty system for unified management, and at the same time explored ways to enhance the management system and access threshold for customer qualifications, continued to improve the front-end control of risk indicator design and promoted the establishment of systematic measures, as well as strengthened its risk event handling and risk transmission control capabilities.

At the same time, the Company promoted the establishment of a unified customer background penetration management system within the Group. The Company comprehensively collated and released Key Guidelines for Control of Credit Risk in Business Operation, and collated the bottom-line measures for strengthening the control of credit risk points. The Company also continuously refined and improved customer ESG risk management mechanism in accordance with changes in the external environment, consolidated the unified management system for credit risk, improved the capability to address the complex external credit business environment, and provided robust risk management control support for the development of various credit businesses.

The Group provided credit loss allowances for securities-backed lending of financial assets sold under repurchase agreements. The Group assessed the continuous repayment, solvency and the collateral to loan ratios of the borrowers to analyse the risk factors and identified the three stages of credit loss allowances of the securities-backed lending assets. The details are as below:

Description	Stage of credit loss allowances	
Collateral to loan ratios above the force liquidation thresholds, with no past due days	12-month ECL	Stage I
Collateral to loan ratios above the force liquidation thresholds, with less than 90 days past due on its contractual payments	Lifetime ECL-not credit impaired	Stage II
Collateral to loan ratios below the force liquidation thresholds but above 100%, with no past due days		
Collateral to loan ratios below the force liquidation thresholds but above 100%, with less than 90 days past due on its contractual payments		
Collateral to loan ratios below 100%	Lifetime ECL- credit impaired	Stage III
Collateral to loan ratios above 100%, with more than 90 days past due on its contractual payments		
Borrowers in default or lawsuit		
Borrowers in significant financial difficulties or about to bankruptcy or undertaking a financial restructuring		

The Group set different force liquidation thresholds, normally no less than 130%, for different borrowers and assets.

For assets classified under Stage I and II, the Group assessed credit loss allowances using the risk parameters modeling approach that incorporated key parameters inclusive of collateral to loan ratios and past due days. The credit loss rate is 0.25% and 1%-4% for assets classified under Stage I and II, respectively.

For credit impaired assets classified under Stage III, the Group assessed credit loss allowances taking into account the collateral securities under each contract and the financial situation of the borrower. The factors which the Group considered when assessing the credit loss allowances included but not limited to: the industry sector of the borrower, the stock price of the collateral securities, the average daily trading volume of the stock, the percentage of goodwill of the stock issuer, significant risk parameters of the securities, whether the borrowers are the holding shareholders, the liquidity and restriction on sales, the history of blacklist or defaults of the borrower, the total market pledged ratios of the stock, the collateral situation, and the credit enhancement measures implemented by the borrower. The Group assessed the above factors as well as collateral to loan ratios and past due days to evaluate and provide credit loss allowances, ranging from 10% to 100%.

(i) Maximum exposure to credit risk

Maximum exposure to credit risk of the Group without taking account of any collateral and other credit enhancements:

	As at 31 December	
	2021	*2020*
Debt investment at amortised cost	**32,421,516**	30,411,508
Refundable deposits	**27,627,129**	24,763,790
Accounts receivable	**10,287,174**	9,095,561
Other receivables and prepayments	**669,662**	472,655
Margin accounts receivable	**116,942,245**	102,574,007
Financial assets at fair value through other comprehensive income	**9,314,699**	5,267,955
Financial assets held under resale agreements	**11,751,970**	19,536,413
Financial assets at fair value through profit or loss	**169,364,439**	197,813,082
Derivative financial assets	**15,247,805**	7,295,357
Clearing settlement funds	**8,580,941**	6,988,396
Cash held on behalf of brokerage clients	**143,640,263**	124,635,007
Bank balances	**37,237,593**	49,650,839
Total maximum credit risk exposure	**583,085,436**	578,504,570

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

	As at 31 December 2021			
Impairment and loss allowance	***12-month ECL***	***Lifetime ECL- not credit impaired***	***Lifetime ECL- credit impaired***	***Total***
Bank balances	**1,157**	**-**	**-**	**1,157**
Margin accounts receivable	**780,028**	**1,042,276**	**92,007**	**1,914,311**
Financial assets held under resale agreements	**12,440**	**-**	**1,106,337**	**1,118,777**
Accounts receivable	**-**	**97,739**	**-**	**97,739**
Debt investment measured at amortised cost	**3,480**	**11,635**	**-**	**15,115**
Financial assets at fair value through other comprehensive income	**47,736**	**-**	**49,374**	**97,110**
Other receivables and prepayments	**-**	**24,565**	**777,490**	**802,055**
Total	**844,841**	**1,176,215**	**2,025,208**	**4,046,264**

	As at 31 December 2020			
Impairment and loss allowance	*12-month ECL*	*Lifetime ECL- not credit impaired*	*Lifetime ECL- credit impaired*	*Total*
Bank balances	1,430	-	-	1,430
Margin accounts receivable	355,422	996,449	116,380	1,468,251
Financial assets held under resale agreements	11,996	135	1,027,281	1,039,412
Accounts receivable	-	63,300	-	63,300
Debt investment measured at amortised cost	2,911	25,657	-	28,568
Financial assets at fair value through other comprehensive income	68,019	-	-	68,019
Other receivables and prepayments	-	25,972	806,364	832,336
Total	439,778	1,111,513	1,950,025	3,501,316

(ii) Risk concentrations

The Group's maximum credit risk exposure without taking account of any collateral and other credit enhancements, as categorised by geographical area:

	By geographical area		
	Mainland China	*Outside Mainland China*	*Total*
31 December 2021			
Debt investment at amortised cost	**32,192,280**	**229,236**	**32,421,516**
Refundable deposits	**24,549,150**	**3,077,979**	**27,627,129**
Accounts receivable	**8,818,900**	**1,468,274**	**10,287,174**
Other receivables and prepayments	**497,259**	**172,403**	**669,662**
Margin accounts receivable	**115,449,652**	**1,492,593**	**116,942,245**
Financial assets at fair value through other comprehensive income	**5,668,616**	**3,646,083**	**9,314,699**
Financial assets held under resale agreements	**9,129,894**	**2,622,076**	**11,751,970**
Financial assets at fair value through profit or loss	**141,200,472**	**28,163,967**	**169,364,439**
Derivative financial assets	**10,086,591**	**5,161,214**	**15,247,805**
Clearing settlement funds	**8,380,654**	**200,287**	**8,580,941**
Cash held on behalf of brokerage clients	**139,395,629**	**4,244,634**	**143,640,263**
Bank balances	**24,254,221**	**12,983,372**	**37,237,593**
Total maximum credit risk exposure	**519,623,318**	**63,462,118**	**583,085,436**

	By geographical area		
	Mainland China	*Outside Mainland China*	*Total*
31 December 2020			
Debt investment at amortised cost	30,120,021	291,487	30,411,508
Refundable deposits	23,696,138	1,067,652	24,763,790
Accounts receivable	5,960,725	3,134,836	9,095,561
Other receivables and prepayments	318,079	154,576	472,655
Margin accounts receivable	100,819,185	1,754,822	102,574,007
Financial assets at fair value through other comprehensive income	-	5,267,955	5,267,955
Financial assets held under resale agreements	19,134,247	402,166	19,536,413
Financial assets at fair value through profit or loss	142,528,247	55,284,835	197,813,082
Derivative financial assets	1,454,555	5,840,802	7,295,357
Clearing settlement funds	6,388,195	600,201	6,988,396
Cash held on behalf of brokerage clients	120,060,010	4,574,997	124,635,007
Bank balances	42,460,402	7,190,437	49,650,839
Total maximum credit risk exposure	492,939,804	85,564,766	578,504,570

(iii) Credit rating analysis of financial assets

With respect to bond investment business, the Company established a unified management system for issuers for the aggregated monitoring of the total investment amount of the same issuer for different business units within the Group through the system and implemented bottom-line control over credit bond investment in key industries. At the same time, it also continuously promoted the construction of implementation of the access mechanism and restriction rules which are linked to rating results of the CAMS system to improve the consistency of the internal assessment system and enhance the Group's overall risk identification and control capabilities.

(c) Liquidity risk management

Liquidity risk refers to the risk of the Company not being able to obtain sufficient funds at a reasonable cost in time to meet due debts, perform payment obligations and meet the capital requirements of normal businesses. The Company established a fully functional liquidity risk management system to identify, measure, monitor, control and report on its overall liquidity risk to improve the informatisation of liquidity risk management, enhance the capabilities in the identification, measurement and monitoring of liquidity risk, and strengthen the Company's ability in addressing liquidity risk. In addition, the Company also established a right-sized liquidity assets reserves based on the risk appetite and maintained sufficient liquidity assets with high quality to ensure the satisfaction of liquidity needs under stressful scenarios in a timely manner.

The following tables show the details of the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivate financial liabilities. Analysis of non-derivative financial liabilities are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	As at 31 December 2021								
Financial Liabilities	*Carrying amount*	*Overdue/ repayable on demand*	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Undated*	*Total*
Short-term bank loans	8,492,290	-	3,677,352	4,824,071	-	-	-	-	8,501,423
Short-term debt instruments issued	53,598,658	-	11,887,249	10,933,249	31,316,916	-	-	-	54,137,414
Placements from other financial institutions	14,018,721	-	13,645,668	236,091	140,547	-	-	-	14,022,306
Accounts payable to brokerage clients	147,501,833	147,501,833	-	-	-	-	-	-	147,501,833
Other payables and accruals	106,541,835	104,129,946	811,668	56,313	280,156	1,338,650	1,545	-	106,618,278
Financial assets sold under repurchase agreements	130,710,001	-	106,860,905	12,815,426	11,174,143	-	-	-	130,850,474
Derivative financial liabilities	10,643,222	-	1,699,025	1,217,800	6,382,623	1,343,774	-	-	10,643,222
Financial liabilities at fair value through profit or loss	31,122,918	5,558,208	2,272,315	1,577,020	6,353,157	12,740,818	2,621,400	-	31,122,918
Long-term bonds	133,338,427	-	548,200	7,521,028	31,312,783	97,280,227	8,605,300	-	145,267,538
Long-term bank loans	722,816	-	-	3,723	11,168	752,596	-	-	767,487
Total	636,690,721	257,189,987	141,402,382	39,184,721	86,971,493	113,456,065	11,228,245	-	649,432,893

	As at 31 December 2020								
Financial Liabilities	*Carrying amount*	*Overdue/ repayable on demand*	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Undated*	*Total*
Short-term bank loans	11,299,859	-	6,748,444	3,458,889	1,110,698	-	-	-	11,318,031
Short-term debt instruments issued	43,951,388	-	8,563,804	12,381,730	23,365,612	-	-	-	44,311,146
Placements from other financial institutions	4,815,236	-	3,948,126	869,006	-	-	-	-	4,817,132
Accounts payable to brokerage clients	136,387,634	134,493,228	464,729	480,622	958,017	-	-	-	136,396,596
Other payables and accruals	105,900,966	102,865,940	655,526	86,245	275,905	2,031,340	96,326	-	106,011,282
Financial assets sold under repurchase agreements	139,899,968	-	118,207,484	6,765,142	15,296,680	-	-	-	140,269,306
Derivative financial liabilities	13,398,830	-	86,923	2,252,398	1,544,147	9,515,362	-	-	13,398,830
Financial liabilities at fair value through profit or loss	15,381,530	1,176,256	307,786	1,200,000	3,815,036	6,849,314	2,033,138	-	15,381,530
Long-term bonds	97,053,188	-	-	521,595	14,257,552	89,641,107	-	-	104,420,254
Long-term bank loans	475,414	-	-	2,674	8,023	507,504	-	-	518,201
Total	568,564,013	238,535,424	138,982,822	28,018,301	60,631,670	108,544,627	2,129,464	-	576,842,308

(d) Market risk management

Market risk refers to the risk resulting from the movements in market prices such as exchange rates, interest rates and stock prices, which could have an impact on the income of the Group or the value of financial instruments held by the Group. The objective of market risk management is to manage and control the market risk within the acceptable range and to maximise the risk adjusted return.

(i) Interest rate risk

Interest rate risk refers to the risk that movements in market interest rate will cause fluctuation in the Company's financial position and cash flow. The Company's interest-bearing assets mainly include bank balances, clearing settlement funds, margin accounts receivable, financial assets purchased under resale agreements, refundable deposits and bond investments; interest-bearing liabilities mainly include short-term bank loans, short-term debt instruments issued, placements from other financial institutions, financial assets sold under repurchase agreements, accounts payable to brokerage clients, long-term bonds and long-term bank loans, amongst others.

For financial instruments held on the balance sheet date that expose the Group to fair value interest rate risk, the Group adopts sensitivity analysis as the primary instrument for monitoring interest rate risk. Sensitivity analysis measures the effect of any reasonable and potential changes to the interest rate on the net profits and shareholders' equity under the assumption that all the other variables remain constant.

The following tables indicate the assets and liabilities as at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on which is earlier:

	As at 31 December 2021						
Financial assets	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Investment in a joint venture at fair value through profit or loss	-	-	-	-	-	823,289	823,289
Debt investment at amortised cost	299,958	1,259,997	5,437,854	15,681,423	9,220,654	521,630	32,421,516
Financial assets at fair value through other comprehensive income	336,207	667,300	3,655,158	3,768,350	741,439	309,383	9,477,837
Financial assets held under resale agreements	6,525,631	837,184	4,353,459	-	-	35,696	11,751,970
Refundable deposits	3,235,263	-	-	-	-	24,391,866	27,627,129
Accounts receivable	-	-	-	-	-	10,287,174	10,287,174
Other receivables and prepayments	-	-	-	-	-	669,662	669,662
Margin accounts receivable	8,002,716	27,380,854	77,263,453	-	-	4,295,222	116,942,245
Financial assets at fair value through profit or loss	3,705,934	4,895,760	52,754,191	65,670,791	35,017,149	193,215,347	355,259,172
Derivative financial assets	90,322	-	-	-	-	15,157,483	15,247,805
Clearing settlement funds	8,580,920	-	-	-	-	21	8,580,941
Cash held on behalf of brokerage clients	143,459,329	-	-	-	-	180,934	143,640,263
Cash and bank balances	34,407,577	509,395	2,285,162	-	-	35,667	37,237,801
Total	208,643,857	35,550,490	145,749,277	85,120,564	44,979,242	249,923,374	769,966,804

	As at 31 December 2021						
Financial assets	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Short-term bank loans	(3,673,889)	(4,813,735)	-	-	-	(4,666)	(8,492,290)
Short-term debt instruments issued	(11,837,978)	(10,843,375)	(30,637,351)	-	-	(279,954)	(53,598,658)
Placements from other financial institutions	(13,638,785)	(235,901)	(140,265)	-	-	(3,770)	(14,018,721)
Accounts payable to brokerage clients	(147,489,797)	-	-	-	-	(12,036)	(147,501,833)
Other payables and accruals	(22,155)	(48,904)	(258,354)	(899,687)	(1,456)	(105,311,279)	(106,541,835)
Financial assets sold under repurchase agreements	(106,689,609)	(12,765,354)	(11,025,524)	-	-	(229,514)	(130,710,001)
Derivative financial liabilities	(95,196)	-	-	-	-	(10,548,026)	(10,643,222)
Financial liabilities at fair value through profit or loss	(6,962,429)	(1,577,020)	(5,579,759)	(12,217,046)	(311,096)	(4,475,568)	(31,122,918)
Long-term bonds	-	(7,000,000)	(27,801,790)	(89,119,660)	(7,200,000)	(2,216,977)	(133,338,427)
Long-term bank loans	-	-	-	(722,816)	-	-	(722,816)
Total	(290,409,838)	(37,284,289)	(75,443,043)	(102,959,209)	(7,512,552)	(123,081,790)	(636,690,721)
Net interest rate risk exposure	(81,765,981)	(1,733,799)	70,306,234	(17,838,645)	37,466,690	126,841,584	133,276,083

	As at 31 December 2020						
Financial assets	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Investment in a joint venture at fair value through profit or loss	-	-	-	-	-	888,195	888,195
Debt investment at amortised cost	830,000	1,076,858	9,111,486	14,531,827	4,458,530	402,807	30,411,508
Financial assets at fair value through other comprehensive income	41,253	437,390	1,042,922	3,368,486	297,106	10,759,215	15,946,372
Financial assets held under resale agreements	14,079,115	887,843	4,542,121	-	-	27,334	19,536,413
Refundable deposits	8,036,970	-	-	-	-	16,726,820	24,763,790
Accounts receivable	-	-	-	-	-	9,095,561	9,095,561
Other receivables and prepayments	-	-	-	-	-	472,655	472,655
Margin accounts receivable	5,913,898	21,191,268	71,987,533	-	-	3,481,308	102,574,007
Financial assets at fair value through profit or loss	15,104,737	25,378,016	61,180,681	66,486,061	16,343,392	107,314,225	291,807,112
Derivative financial assets	9,701	-	-	-	-	7,285,656	7,295,357
Clearing settlement funds	6,988,285	-	-	-	-	111	6,988,396
Cash held on behalf of brokerage clients	123,054,069	478,888	952,933	-	-	149,117	124,635,007
Cash and bank balances	40,455,931	8,126,624	987,002	-	-	81,482	49,651,039
Total	214,513,959	57,576,887	149,804,678	84,386,374	21,099,028	156,684,486	684,065,412

	As at 31 December 2020						
Financial liabilities	*Less than 1 month*	*More than 1 month but less than 3 months*	*More than 3 months but less than 1 year*	*More than 1 year but less than 5 years*	*More than 5 years*	*Non-interest bearing*	*Total*
Short-term bank loans	(6,735,226)	(3,444,926)	(1,102,637)	-	-	(17,070)	(11,299,859)
Short-term debt instruments issued	(8,518,234)	(12,320,750)	(22,855,245)	-	-	(257,159)	(43,951,388)
Placements from other financial institutions	(3,945,820)	(867,812)	-	-	-	(1,604)	(4,815,236)
Accounts payable to brokerage clients	(134,937,770)	(478,888)	(952,933)	-	-	(18,043)	(136,387,634)
Other payables and accruals	(47,570)	(85,388)	(265,110)	(771,860)	(78,870)	(104,652,168)	(105,900,966)
Financial assets sold under repurchase agreements	(118,061,442)	(6,595,357)	(14,911,087)	-	-	(332,082)	(139,899,968)
Derivative financial liabilities	(54,708)	-	-	-	-	(13,344,122)	(13,398,830)
Financial liabilities at fair value through profit or loss	(517,302)	(1,200,001)	(3,815,037)	(5,696,683)	-	(4,152,507)	(15,381,530)
Long-term bonds	-	-	(11,310,000)	(84,384,410)	-	(1,358,778)	(97,053,188)
Long-term bank loans	-	-	-	(475,414)	-	-	(475,414)
Total	(272,818,072)	(24,993,122)	(55,212,049)	(91,328,367)	(78,870)	(124,133,533)	(568,564,013)
Net interest rate risk exposure	(58,304,113)	32,583,765	94,592,629	(6,941,993)	21,020,158	32,550,953	115,501,399

Sensitivity analysis

For those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period, the Group adopts sensitivity analysis to measure the potential effect of changes in interest rates on the Group's net profit and equity. Assuming all other variables remain constant and without taking into consideration of the management's activities to reduce interest rate risk, interest rate sensitivity analysis is as follows:

	Sensitivity of net profit	
	As at 31 December	
Move in yield curve	***2021***	*2020*
Up 100 basis points	**(2,135,979)**	(1,611,464)
Down 100 basis points	**2,261,148**	1,685,736

	Sensitivity of net equity	
	As at 31 December	
Move in yield curve	***2021***	*2020*
Up 100 basis points	**(2,203,921)**	(1,678,900)
Down 100 basis points	**2,331,929**	1,753,171

The sensitivity analysis above indicates the instantaneous change in the Group's net profit and equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates.

(ii) Currency risk

Currency risk is the risk arising from foreign exchange business of the Group, which is attributable to the fluctuation of foreign exchange rates. Apart from the assets and liabilities held by the Group's overseas subsidiaries which use Hong Kong dollars or U.S. dollars as their functional currency, other assets and liabilities denominated in foreign currencies mainly represent foreign currency cash and bank balances held by domestic enterprises, foreign currency financial assets and liabilities arising from cross-border business, as well as foreign currency financial assets acquired by subsidiaries. In respect of assets and liabilities denominated in foreign currencies such as cash and bank balances, clearing settlement funds, refundable deposits, accounts receivable, cash held on behalf of brokerage clients, accounts payable and long-term bonds that are not accounted for with their functional currency, the Group has ensured that their net risk exposure are maintained at an acceptable level by buying or selling foreign currencies at market exchange rates where necessary to address the short-term imbalances.

Assuming all other risk variables remained constant and without consideration of risk management measures undertaken by the Group, a 10% strengthening of the RMB against USD and HKD at the reporting date would have increased / (decreased) the Group's equity and net profit by the amount shown below, whose effect is in RMB and translated using the spot rate at the reporting date:

	Sensitivity of net profit	
	As at 31 December	
Currency	***2021***	*2020*
USD	**1,375,888**	98,163
HKD	**(594,038)**	(500,808)

	Sensitivity of net equity	
	As at 31 December	
Currency	***2021***	*2020*
USD	**495,930**	(853,351)
HKD	**(699,986)**	(611,490)

A 10% weakening of the RMB against the USD and HKD at balance date would have had the equal but opposite effect on them to the amounts shown above, on the basis that all other variables remained constant.

Due to the above assumptions, the result of sensitivity analysis on exchange rate changes may be different, compared with the actual changes in the Group's net profit and equity of may arise with this.

(iii) Price risks

The Group is exposed to equity price changes arising from equity investments concluded in financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income. Price risk the Group facing is mainly the proportionate fluctuation in the Group's net profits due to the price fluctuation of the financial instruments at fair value through profit or loss and the proportionate fluctuation in the Group's equity due to the price fluctuation of the financial instruments measured at fair value.

Sensitivity analysis

The analysis below is performed to show the impact on Group's net profit and equity due to change in the prices of equity securities by 10% with all other variables held constant.

	Sensitivity of net profit	
	As at 31 December	
	2021	2020
Increase by 10%	**5,980,478**	3,409,244
Decrease by 10%	**(5,980,478)**	(3,409,244)

	Sensitivity of net equity	
	As at 31 December	
	2021	2020
Increase by 10%	**5,993,347**	4,210,964
Decrease by 10%	**(5,993,347)**	(4,210,964)

The sensitivity analysis indicates the instantaneous change in the Group's net profit and equity that would arise assuming that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, and that all other variables remain constant. The analysis is performed on the same basis for 2021 and 2020.

(e) Operational risk management

Operational risk refers to the risk on the Company's losses caused by inadequate or problematic internal procedures, staff, system or external events, which lead to inefficient internal procedures, mistakes of staff in operation or failure to strictly enforce the established procedures. The Risk Management Department takes the lead in managing the operational risk of the Company. Each risk management departments, business departments and support departments perform operational risk management in their respective business and management areas according to their segregation of functions. The Company adopts technological measures to prevent the emergence of operational risks in different business and management procedures as well as key segments, whilst at the same time strengthens process controls, to ensure effective implementation of operational risk management policies and systems. The Company carries out self-assessment of risk and control, monitoring of key risk indicators and gathering of loss data as additional approaches to strengthen the management of operational risks.

Based on the Basic Standard for Enterprise Internal Control jointly issued by the Ministry of Finance, the CSRC, the National Audit Office, the China Banking Regulatory Commission and the China Insurance Regulatory Commission as well as its supporting guidelines and the relevant requirements of the regulatory authorities and the Company, the Company has developed the risk-based internal control standards and carried out relevant continuous improvement initiatives. It has combined the self-assessment of operational risk with the self-assessment of internal controls; comprehensively sorted out and evaluated the inherent risks and control activities in various business processes; tested the effectiveness of control design and implementation; rectified the internal control weaknesses; comprehensively sorted out and optimised various business segments, systems and processes of the Company; whilst at the same time supplemented and improved the risk control matrix and internal control manual; recorded the risk points, key control activities and major business flow charts in order to ensure that the Company's internal control measures are properly in place and the effectiveness of risk management. In addition, the Company has also integrated the management of operational risk and internal controls into daily operation; participated in the design of system, procedures and plan for new business throughout the entire process; fully identified and comprehensively evaluated the operational risks; and performed various pre-, middle- and post management measures such as setting up front-end controls, standardising business processes, creating risk-discovery indicators and conducting training and inspection in order to implement internal controls at key risk points.

(f) Capital management

The Group's objectives of capital management are:

(i) To safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders;

(ii) To support the Group's stability and growth;

(iii) To maintain a strong capital base to support the development of their business; and

(iv) To comply with the capital requirements under the PRC, Hong Kong and the United States regulations.

On 23 January 2020 and 16 June 2020, the revised Rules on Standards for the Calculation of Risk Control Indicators of Securities Companies and the revised Administrative Measures for Risk Control Indicators of Securities Companies were issued by the CSRC ("Revised Administrative Measures"). The Company is required to meet the following standards for risk control indicators on a continual basis from 1 June 2020:

(i) The ratio of net capital divided by the sum of its various risk capital provisions shall be no less than 100% ("Ratio 1");

(ii) The ratio of net capital divided by net assets shall be no less than 20% ("Ratio 2");

(iii) The ratio of net capital divided by liabilities shall be no less than 8% ("Ratio 3");

(iv) The ratio of net assets divided by liabilities shall be no less than 10% ("Ratio 4");

(v) The ratio of the value of equity securities and derivatives held divided by net capital shall not exceed 100% ("Ratio 5");

(vi) The ratio of the value of non-equity securities and derivatives held divided by net capital shall not exceed 500% ("Ratio 6");

(vii) The ratio of core net capital divided by on balance sheet and off balance sheet assets shall be no less than 8% ("Ratio 7");

(viii) The ratio of high quality liquidity assets divided by net cash outflows for the next 30 days shall be no less than 100% ("Ratio 8");

(ix) The ratio of available stable funds divided by required stable funds shall be no less than 100% ("Ratio 9"); and

(x) The ratio of margin financing (including securities lending) divided by net capital shall not exceed 400% ("Ratio 10").

Net capital refers to net assets minus risk adjustments on certain types of assets as defined in the Revised Administrative Measures.

As at 31 December 2021 and 31 December 2020, the Company maintained net capital and the above ratios as follows:

	Year ended 31 December	
	2021	*2020*
Net Capital	**82,314,070**	67,909,921
Ratio 1	**246.45%**	236.68%
Ratio 2	**64.97%**	60.65%
Ratio 3	**21.42%**	21.86%
Ratio 4	**32.97%**	36.04%
Ratio 5	**49.80%**	49.91%
Ratio 6	**291.29%**	296.70%
Ratio 7	**15.99%**	21.08%
Ratio 8	**169.68%**	230.31%
Ratio 9	**126.98%**	130.22%
Ratio 10	**175.89%**	194.19%

Similar to the Company, certain subsidiaries of the Group are also subject to capital requirements under the Mainland China, Hong Kong and the United States regulatory requirements, respectively. These subsidiaries comply with the capital requirements during the year ended 31 December 2021 and 31 December 2020.

(g) Transfer of financial assets

The Group transferred financial assets to certain counterparties through repurchase agreements and securities lending. These securities and margin accounts receivable are not derecognised from the consolidated statement of financial position because the Group retains substantially all the risks and rewards of these securities and margin accounts receivable.

The Group entered into repurchase agreements with certain counterparties to sell debt securities classified as financial assets at fair value through profit or loss, debt investment at amortised cost and margin accounts receivable. Sales and repurchase agreements are transactions in which the Group sell a security, rights and interests in a margin accounts receivable and agree to repurchase it at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of those securities and rights and interests sold. These securities and margin accounts receivable are not derecognised from the consolidated statement of financial position because the Group retains substantially all the risks and rewards of these financial assets.

The Group entered into securities lending agreements with clients to lend out its equity securities and exchange-traded funds classified as financial assets at fair value through profit or loss. As stipulated in the securities lending agreements, the legal ownership of these equity securities and exchange-traded funds is transferred to the clients. Although the clients are allowed to sell these securities during the covered period, they have obligations to return these securities to the Group at specified future dates. The Group has determined that it retains substantially all the risks and interests of these securities and therefore has not derecognised these securities in the consolidated statement of financial position.

The following tables provide a summary of carrying amounts and fair values of the transferred financial assets that are not derecognised in their entirety and the associated liabilities:

As at 31 December 2021

	Financial assets at fair value through profit or loss		*Margin accounts receivable*	*Debt investment at amortised cost*	*Total*
	Sales and repurchase agreements	*Securities lending*	*Margin loans receivable backed repurchase*	*Sales and repurchase agreements*	
Carrying amount of transferred assets	5,014,218	5,156,319	-	1,097,169	11,267,706
Carrying amount of associated liabilities	(4,635,158)	-	-	(1,019,936)	(5,655,094)
Net position	379,060	5,156,319	-	77,233	5,612,612

As at 31 December 2020

	Financial assets at fair value through profit or loss		*Margin accounts receivable*	*Debt investment at amortised cost*	*Total*
	Sales and repurchase agreements	*Securities lending*	*Margin loans receivable backed repurchase*	*Sales and repurchase agreements*	
Carrying amount of transferred assets	2,649,170	5,426,439	311,411	317,882	8,704,902
Carrying amount of associated liabilities	(2,484,314)	-	(300,321)	(294,586)	(3,079,221)
Net position	164,856	5,426,439	11,090	23,296	5,625,681

61 Fair value information

(a) Fair value of financial instruments

The Group adopts the following methods and assumptions when evaluating fair value:

(i) Financial assets including cash and bank balances, cash held on behalf of brokerage clients, clearing settlement funds, financial assets held under resale agreements, current debt investment at amortised cost and financial liabilities including placements from other financial institutions, short-term debt instruments issued, short-term bank loans and financial assets sold under repurchase agreements are mainly short-term financing or floating interest rate instruments. Accordingly, the carrying amounts approximate the fair value.

(ii) Financial instruments at fair value through profit or loss, derivatives and financial assets at fair value through other comprehensive income are stated at fair value unless the fair value cannot be reliably measured. For the financial instruments traded in active open markets, the Group uses market prices or market rates as the best estimate for their fair value. For the financial instruments without any market price or market rate, the Group determines the fair value of these financial assets and financial liabilities by discounted cash flow or other valuation methods.

(iii) The fair value of non-current debt investment at amortised cost investments and long-term bonds are determined with reference to the available market prices or quotes from brokers or agents. If there is no quoted market price in an active market, the Group refers to the yield of financial instruments with similar characteristics such as credit risk and maturity, to estimate the fair value using pricing models or discounted cash flow.

(iv) Accounts receivable, margin accounts receivable, and accounts payable to brokerage clients are within one year. Accordingly, the carrying amounts approximate the fair value.

(b) Fair value of other financial instruments (carried at other than fair value)

The carrying amount and fair value of debt investment at amortised cost investment, short-term debt instruments issued and long-term bonds which are not presented at fair value are listed as below:

Carrying amount

	As at 31 December	
	2021	*2020*
Financial assets		
- Debt investment at amortised cost	**32,421,516**	30,411,508
Total	**32,421,516**	30,411,508
Financial liabilities		
- Short-term debt instruments issued	**(53,598,658)**	(43,951,388)
- Long-term bonds	**(133,338,427)**	(97,053,188)
Total	**(186,937,085)**	(141,004,576)

Fair value

	As at 31 December 2021			
	Level I	*Level II*	*Level III*	*Total*
Financial assets				
- Debt investment at amortised cost	-	32,781,490	-	32,781,490
Total	-	32,781,490	-	32,781,490
Financial liabilities				
- Short-term debt instruments issued	37,277,709	-	16,325,123	53,602,832
- Long-term bonds	112,667,024	6,100,632	15,447,590	134,215,246
Total	149,944,733	6,100,632	31,772,713	187,818,078

	As at 31 December 2020			
	Level I	*Level II*	*Level III*	*Total*
Financial assets				
- Debt investment at amortised cost	9,917,696	20,490,979	-	30,408,675
Total	9,917,696	20,490,979	-	30,408,675
Financial liabilities				
- Short-term debt instruments issued	18,490,590	5,009,910	20,444,719	43,945,219
- Long-term bonds	84,601,075	6,085,902	6,180,994	96,867,971
Total	103,091,665	11,095,812	26,625,713	140,813,190

The fair value of the financial assets and financial liabilities included in the level II and III categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Except for the above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost less impairment in the Group's consolidated statements of financial position approximate their fair value.

(c) Fair value hierarchy

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	As at 31 December 2021			
	Level I	*Level II*	*Level III*	*Total*
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	1,478,884	158,618,052	499,955	160,596,891
- Equity securities	111,833,214	6,166,907	4,122,063	122,122,184
- Funds	48,717,822	916,923	-	49,634,745
- Wealth management products	-	19,294,123	-	19,294,123
- Loan and advances	-	-	3,611,229	3,611,229
Financial assets at fair value through other comprehensive income				
- Debt securities	-	8,405,174	-	8,405,174
- Equity securities	-	74,532	88,606	163,138
- Loan and advances	-	-	909,525	909,525
Other investment				
- Unlisted investment in a joint venture	-	-	823,289	823,289
Derivative financial assets	72,207	12,495,885	2,679,713	15,247,805
Total	162,102,127	205,971,596	12,734,380	380,808,103
Liabilities				
Financial liabilities at fair value through profit or loss				
- Financial liabilities held for trading	(523,841)	(26,647,350)	-	(27,171,191)
- Financial liabilities designated at fair value through profit or loss	(249,712)	(95,161)	(3,606,854)	(3,951,727)
Derivative financial liabilities	(79,678)	(8,411,922)	(2,151,622)	(10,643,222)
Total	(853,231)	(35,154,433)	(5,758,476)	(41,766,140)

	As at 31 December 2020			
	Level I	*Level II*	*Level III*	*Total*
Assets				
Financial assets at fair value through profit or loss				
- Debt securities	27,242,316	160,410,227	684,259	188,336,802
- Equity securities	56,248,721	3,653,328	3,806,541	63,708,590
- Funds	23,690,715	719,160	-	24,409,875
- Wealth management products	-	7,499,053	3,802,951	11,302,004
- Loan and advances	-	-	4,049,841	4,049,841
Financial assets at fair value through other comprehensive income				
- Debt securities	-	4,390,712	-	4,390,712
- Equity securities	-	10,586,865	91,552	10,678,417
- Loan and advances	-	-	877,243	877,243
Other investment				
- Unlisted investment in a joint venture	-	-	888,195	888,195
Derivative financial assets	117,320	6,775,882	402,155	7,295,357
Total	107,299,072	194,035,227	14,602,737	315,937,036
Liabilities				
Financial liabilities at fair value through profit or loss				
- Financial liabilities held for trading	(240,151)	(11,229,022)	-	(11,469,173)
- Financial liabilities designated at fair value through profit or loss	(571,186)	(157,153)	(3,184,018)	(3,912,357)
Derivative financial liabilities	(253,515)	(11,636,722)	(1,508,593)	(13,398,830)
Total	(1,064,852)	(23,022,897)	(4,692,611)	(28,780,360)

For the year ended 31 December 2021 and year ended 31 December 2020, there was a transfer of amount RMB2,509 and RMB761 million from Level II to Level I due to its lifting of restricted stocks, respectively. For the year ended 31 December 2021 and year ended 31 December 2020, the transfers into or out of Level III fair value measurements were resulted from the changes of inputs in fair value measurements.

(i) Financial instruments in Level I

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price within bid-ask spread. These instruments are included in Level I. Instruments included in Level I comprise primarily securities traded on the Shanghai Stock Exchange and the Shenzhen Stock Exchange classified as financial assets at fair value through profit or loss and the corresponding liabilities of the securities.

(ii) Financial instruments in Level II and Level III

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level II.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level III.

(iii) Valuation methods for specific investments

As at 31 December 2021 and 31 December 2020, the Group's valuation methods for specific investments are as follows:

(1) For exchange-listed equity securities, fair value is determined based on the closing price of the equity securities as at the reporting date within bid-ask spread. For those which has no quoted market price or those with lock-up periods as at the reporting date, valuation techniques are used to determine the fair value.

(2) For exchange-listed investment funds, fair value is determined based on the closing price within bid-ask spread as at the reporting date or the most recent trading date. For open-end funds and wealth management products, fair value is determined by trading price which is based on the net asset value as at the reporting date.

(3) For debt securities listed through exchanges, fair value is determined based on the closing price within bid-ask spread of the debt securities at the date of statements of financial position.

(4) For debt securities traded through the inter-bank bond market and OTC market, fair value is determined using valuation techniques.

(5) For unlisted equity securities, wealth management products without quoted bid price in an active market, loan and advances, gold leasing and OTC derivative financial instruments, fair value is determined using valuation techniques.

(iv) Financial instruments in Level III

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level III of the fair value hierarchy:

	Financial assets at fair value through profit or loss	*Other investment*	*Financial assets at fair value through other comprehensive income*	*Derivative financial assets*	*Financial liabilities at fair value through profit or loss*	*Derivative financial liabilities*	*Total*
As at 1 January 2021	12,343,592	888,195	968,795	402,155	(3,184,018)	(1,508,593)	9,910,126
Gains or losses for the year	(1,537,609)	(64,906)	10,357	756,736	(563,382)	(2,026,714)	(3,425,518)
Changes in fair value recognised in other comprehensive income	-	-	(9,757)	-	-	20,164	10,407
Purchases	6,628,925	-	566,508	294,056	-	(344,153)	7,145,336
Sales and settlements	(9,201,661)	-	(537,772)	1,226,766	140,546	1,707,674	(6,664,447)
As at 31 December 2021	8,233,247	823,289	998,131	2,679,713	(3,606,854)	(2,151,622)	6,975,904
Total gains or losses for the period included in profit or loss for assets/ liability held at the end of the reporting period	(1,809,940)	(64,906)	-	2,182,267	(165,692)	(882,112)	(740,383)

	Financial assets at fair value through profit or loss	*Other investment*	*Financial assets at fair value through other comprehensive income*	*Derivative financial assets*	*Financial liabilities at fair value through profit or loss*	*Derivative financial liabilities*	*Total*
As at 1 January 2020	7,799,347	-	1,088,061	775,442	(2,690,563)	(542,972)	6,429,315
Gains or losses for the year	503,144	46,555	158,545	237,494	(695,601)	(2,511,145)	(2,261,008)
Changes in fair value recognised in other comprehensive income	-	-	(2,871)	-	-	(34,348)	(37,219)
Purchases	8,083,217	841,640	856,485	157,209	-	398,369	10,336,920
Sales and settlements	(4,042,116)	-	(1,131,425)	(767,990)	202,146	1,181,503	(4,557,882)
As at 31 December 2020	12,343,592	888,195	968,795	402,155	(3,184,018)	(1,508,593)	9,910,126
Total gains or losses for the period included in profit or loss for assets/ liability held at the end of the reporting period	211,830	46,555	-	539,665	(592,401)	(1,377,622)	(1,171,973)

For financial instruments in Level III, prices are determined using valuation methodologies such as discounted cash flow models and other similar techniques. Determinations to classify fair value measures within Level III of the valuation hierarchy are generally based on the significance of the unobservable inputs to the overall fair value measurement. The following table presents the related valuation techniques and inputs of the major financial instruments in Level III.

Financial assets and liabilities	*Fair value hierarchy*	*Valuation technique(s) and key input(s)*	*Significant unobservable input(s)*	*Relationship of unobservable input(s) to fair value*
Wealth management products, loan and advances and private placement bonds	Level III	Discounted cash flow model	Risk adjusted discount rate	The higher the risk adjusted discount rate, the lower the fair value
Unlisted equity investment	Level III	Market comparable companies	Discount for lack of marketability	The higher the discount, the lower the fair value
Financial liabilities arising from consolidation of private equity funds	Level III	Market comparable companies of the underlying portfolios	Discount for lack of marketability	The higher the discount, the lower the fair value
Over-the-counter derivatives	Level III	Black-Scholes option pricing model	Price volatility of underlying assets	The higher the price volatility,the greater the impact on the fair value
		Monte-Carlo option pricing model	Price volatility of underlying assets	The higher the price volatility,the greater the impact on the fair value

The fair value of the financial instruments in Level III is not significantly sensitive to a reasonable change in these unobservable inputs.

62 Equity-settled share-based transactions

	Note	*As at 1 January 2021*	*Accrued for the year*	*Decrease for the year*	*As at 31 December 2021*
Restricted Share Incentive Scheme of A Shares	(a)	-	98,209	-	98,209
Share-based payments of an overseas subsidiary	(b)	1,004,839	145,481	-	1,150,320
Total		1,004,839	243,690	-	1,248,529

(a) Restricted share incentive scheme of A shares

The Company carried out a Restricted Share Incentive Scheme of A Shares whereby the Company grant restricted A shares to the Incentive Participants in return for their services. Details of the shares of the scheme as at 31 December 2021 are set out below:

	As at 31 December 2021
Granted during the year	45,488,000
Exercised / unlocked during the year	-
Forfeited during the year	(1,024,973)

As at 31 December 2021, cumulative amount of RMB98.21 million was recognised in the capital reserve of the Company. The total expenses recognised for the year ended 31 December 2021 was RMB98.21 million.

The fair value of services received in return for restricted share Incentive scheme is measured by reference to the fair value of shares. The estimate of the fair value of restricted shares granted is measured based on the closing price of shares at grant date, which is RMB17.24 per share.

(b) Share-based payments of an overseas subsidiary

On 3 July 2019, AssetMark Financial Holdings, Inc. granted the equity incentive plan ("the 2019 Equity Incentive Plan"). The 2019 Equity Incentive Plan was effective on 17 July 2019, i.e. the effective date of the S-1 registration form of the Initial Public Offering ("IPO").

(i) Restricted Stock Awards (RSAs)

On 17 July 2019, AssetMark Financial Holdings, Inc. granted the original holders of Class C Common Unites Restricted Stock Awards equal to 6,309,049 shares of AssetMark Financial Holdings, Inc. common stock. The Restricted Stock Awards are subject to the same vesting schedule as the Class C Common Units of AssetMark Holdings, LLC.

(ii) Stock Options

In connection with the IPO, AssetMark Financial Holdings, Inc. issued options to certain officers to acquire an aggregate of 918,981 shares of the common stock, with an exercise price of USD22 per share. Each of these options is scheduled to vest and become exercisable in substantially equal installments on each of the first three anniversaries of 18 July 2019. AssetMark Financial Holdings, Inc. uses the Black-Scholes options pricing model to estimate the fair value of Stock Options.

(iii) Restricted Stock Units (RSUs)

In connection with the IPO, AssetMark Financial Holdings, Inc. issued Restricted Stock Units to certain officers covering an aggregate of 85,737 shares of the common stock. Each of these Restricted Stock Units is scheduled to vest in substantially equal installments on each of the first three anniversaries of 18 July 2019. During 2020 and 2021 AssetMark Financial Holdings, Inc. issued RSUs to all officers, certain employees and independent directors of the board, respectively. Most of these RSUs are scheduled to vest in substantially equal installments on each of the first four anniversaries of the date of grant.

(iv) Stock Appreciation Rights (SARs)

On 9 June 2020, AssetMark Financial Holdings, Inc. issued stock appreciation to certain officers with respect to 831,902 shares of its common stock under the 2019 Equity Incentive Plan. Each SAR has a strike price equal to the fair market value of the common stock of AssetMark Financial Holdings, Inc. on the date of grant and is scheduled to vest and become exercisable insubstantially equal installments on each of the first four anniversaries of 9 June 2020. Upon exercise, each of these SARs will be settled in shares of AssetMark Financial Holdings, Inc. common stock with a value equal to the excess, if any, of the fair market value of its common stock measured on the exercise date over the strike price. In July 2021, the Company issued SARs to certain officers. Each SAR has a strike price equal to the excess, if any, of the fair market value of its common stock measured on the exercise date over the strike price and is scheduled to vest and become exercisable in substantially equal installments on each of the first four anniversaries of the date of grant.

63 Company-level statement of financial position

	Note	As at 31 December 2021	2020
Non-current assets			
Property and equipment		**3,615,505**	3,427,464
Investment properties		**1,076,056**	1,216,252
Land-use rights and other intangible assets		**703,870**	490,003
Investments in subsidiaries		**19,374,962**	19,374,962
Interest in associates		**14,340,539**	11,317,184
Debt investment at amortised cost		**25,070,430**	18,959,784
Financial assets at fair value through other comprehensive income		**3,045,464**	10,540,968
Financial assets at fair value through profit or loss		**413,575**	973,587
Refundable deposits		**11,592,545**	9,876,632
Deferred tax assets		**95,545**	-
Other non-current assets		**236,102**	254,168
Total non-current assets		**79,564,593**	76,431,004
Current assets			
Accounts receivable		**11,111,192**	6,872,139
Other receivables and prepayments		**6,808,866**	6,001,078
Margin accounts receivable		**115,449,652**	100,819,185
Debt investment at amortised cost		**7,121,850**	11,160,237
Financial assets at fair value through other comprehensive income		**2,675,847**	-
Financial assets held under resale agreements		**7,626,638**	9,983,827
Financial assets at fair value through profit or loss		**244,323,460**	182,706,227
Derivative financial assets		**12,156,185**	7,583,195
Clearing settlement funds		**12,162,040**	9,535,564
Cash held on behalf of brokerage clients		**113,995,438**	101,415,279
Cash and bank balances		**13,174,219**	11,830,586
Total current assets		**546,605,387**	447,907,317
Total assets		**626,169,980**	524,338,321

	Note	As at 31 December 2021	2020
Current liabilities			
Short-term debt instruments issued		**51,885,570**	43,720,163
Placements from other financial institutions		**14,018,721**	4,815,236
Accounts payable to brokerage clients		**109,926,597**	100,723,551
Employee benefits payable		**2,492,361**	1,832,973
Other payables and accruals		**79,333,190**	35,725,842
Current tax liabilities		**340,426**	853,166
Financial assets sold under repurchase agreements		**102,461,714**	120,402,891
Financial liabilities at fair value through profit or loss		**3,345,837**	-
Derivative financial liabilities		**11,156,741**	6,906,379
Long-term bonds due within one year		**32,173,714**	11,419,059
Total current liabilities		**407,134,871**	326,399,260
Net current assets		**139,470,516**	121,508,057
Total assets less current liabilities		**219,035,109**	197,939,061
Non-current liabilities			
Long-term bonds		**86,457,372**	79,734,524
Non-current employee benefits payable		**5,405,693**	5,619,040
Deferred tax liabilities		**-**	150,743
Other payable and accruals		**469,962**	463,243
Total non-current liabilities		**92,333,027**	85,967,550
Net assets		**126,702,082**	111,971,511

	Note	As at 31 December 2021	2020
Equity			
Share capital	54(b)	**9,076,650**	9,076,650
Other equity instruments		**9,989,057**	-
Treasury shares		**(1,231,547)**	(1,626,546)
Reserves		**88,864,390**	86,916,959
Retained profits		**20,003,532**	17,604,448
Total equity		**126,702,082**	111,971,511

Approved and authorised for issue by the board of directors on 30 March 2022.

Zhang Wei

Chairman of the Board,Director

Zhou Yi

Director,Chief Executive Officer,

Chairman of the Executive Committee

64 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2021

Up to date of issue of these financial statements, the IASB has issued a number of amendments, and a new standard, IFRS 17, insurance contracts, which are not yet effective for the year ended 31 December 2021 and have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 3, Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16, Property, Plant and Equipment Proceeds before Intended Use	1 January 2022
Amendments to IAS 37, Onerous Contracts —— Costing of Fulfiling a Contract	1 January 2022
Annual Improvements to IFRSs 2018-2020 Cycle	1 January 2022
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts and Amendments to IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023
Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Available for optional adoption

The Group is in the process of making an assessment what the impact of these amendments is expected to be in the period of initial application. So far it has been concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

65 Events after the reporting date

(a) Issuance of bonds

On 17 January 2022, the Company has publicly issued 1+1 year corporate bond with a nominal amount of RMB4 billion, bearing interest at 2.75% per annum to qualified investors.

On 14 February 2022, the Company has publicly issued 3-year corporate bond with a nominal amount of RMB5 billion, bearing interest at 2.79% per annum to qualified investors.

On 3 March 2022, Pioneer Reward Limited, a subsidiary of Huatai International Financial Holdings Limited, a wholly-owned subsidiary of the Group, has publicly issued 3-year corporate bond with a nominal amount of USD1 billion, bearing interest at 2.375% per annum.

On 24 March 2022, Huatai International Finance Limited, a subsidiary of Huatai International Financial Holdings Limited, has issued four Medium Term Notes, with maturities between 6-month to 9-month, with a total nominal amount of USD300 million, bearing interest of 1.00% to 1.65% per annum.

On 25 March 2022, Huatai International Finance Limited, a subsidiary of Huatai International Financial Holdings Limited, has issued 6-month Medium Term Note with a total nominal amount of USD50 million, bearing interest at 0.95% per annum.

(b) Issuance of perpetual subordinated bond

On 26 January 2022, the Company issued the perpetual subordinated bond ("22 Huatai Y1) amounting to RMB2.7 billion with an initial interest rate of 3.49%. The perpetual subordinated bonds have no fixed maturity dates and the Company has an option to redeem the bonds at principal amounts plus any accrued interest on the fifth interest payment date or any interest payment date afterwards.

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

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

(c) Provision of debt guarantees for contingent liabilities formed and financial implications after accounting periods

In March 2022, the Company, as guarantor, entered into a guarantee agreement with Citi International Limited (as trustee) to provide an unconditional and irrevocable guarantee for the USD1 billion Bonds issued by Pioneer Reward Limited, a subsidiary of the Group. The amount of the guarantee shall not exceed the principal, interest and other related expenses of the above bonds.

(d) Profit distribution plan after accounting periods

On 30 March 2022, based on the total ordinary shares of 9,076,650,000 of the Company deducting 45,278,495 shares deposited in the Company's special securities account for repurchase and 1,060,973 A shares to be repurchased and cancelled (i.e. on the basis of 9,030,310,532 shares), the Board proposed cash dividends of RMB4.50 (tax inclusive) per 10 ordinary shares, with total cash dividend amounting to RMB4,063 million (tax inclusive). The total amount of the actual dividend distribution will be calculated based on the total number of A shares entitled to dividend distribution on the registration date of A share shareholders. The proposal is pending for the approval of the general meeting of the shareholders. The cash dividends are not recognised as a liability as at 31 December 2021.

INDEX OF DOCUMENTS FOR INSPECTION

Index of Documents for Inspection	Financial statements carrying the signature and seal of the Company's legal representative, person in charge of accounting and head of accounting department
	Audit report carrying the seal of the accounting firm and the signature and seal of the certified public accountant
	Original copies of all documents and announcements of the Company publicly disclosed during the Reporting Period
	Articles of Association

Chairman of the Board: Zhang Wei

Date of Submission as Approved by the Board of Directors: March 30, 2022

INFORMATION DISCLOSURE OF SECURITIES COMPANIES

I.MAJOR ADMINISTRATIVE APPROVALS OF THE COMPANY

1. Reply on Opinions Regarding Conducting Commodity Futures Market Making Business by Huatai Securities (Ji Gou Bu Han [2021] No. 177) dated January 18, 2021;

2. Approval for Restricted Share Incentive Scheme of A Shares of Huatai Futures (Draft) (Su Cai Jin [2021] No. 12) dated January 29, 2021;

3. Approval for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds to Professional Investors by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2021] No. 2918) dated September 6, 2021;

4. Letter on the Proposed Capital Increase by Huatai Securities Co., Ltd. to Hong Kong Subsidiary (Ji Gou Bu Han [2021] No. 3320) dated October 28, 2021;

5. Regulatory Opinions on Application for Conducting Pilot Business of Account Management Function Optimization by Huatai Securities Co., Ltd. (Ji Gou Bu Han [2021] No. 3756) dated November 30, 2021.

II. RESULTS OF CLASSIFICATION BY REGULATORY AUTHORITIES

1. In 2019, the Company was rated Class AA under Category A according to the classification of securities companies.

2. In 2020, the Company was rated Class AA under Category A according to the classification of securities companies.

3. In 2021, the Company was rated Class AA under Category A according to the classification of securities companies.

APPENDIX

I. MAIN BUSINESS QUALIFICATIONS

The Company was entitled to become the members of the Shanghai Stock Exchange, the Shenzhen Stock Exchange and Beijing Stock Exchange, and Securities Association of China, to engage in the clearing of warrants of China Securities Depository and Clearing Corporation Limited and to participate in the clearing of China Securities Depository and Clearing Corporation Limited. Besides, the Company also has the following main business qualifications:

No.	Type of License	Approval Department	Years
1	National interbank market access qualification	PBOC	January 2000
2	Qualification for online entrusted securities brokerage business	CSRC	May 2001
3	Qualification for distributing open-end securities investment funds	CSRC	February 2003
4	Qualification for entrusted investment management business	CSRC	March 2003
5	Value-added telecommunications business license	Jiangsu Communications Administration	July 2004
6	Pilot securities firm for relevant innovative activities	Securities Association of China	March 2005
7	Qualification for underwriting short-term financing bills	PBOC	August 2005
8	License for foreign exchange operation in the securities business	State Administration of Foreign Exchange	November 2006
9	Foreign exchange registration certificate for overseas investment	Jiangsu Provincial Bureau of SAFE	December 2006
10	Qualification for agency business of stock transfer	Securities Association of China	June 2007
11	Qualification of tier-1 dealer on the integrated e-platform for fixed income securities	Shanghai Stock Exchange	August 2007
12	Qualified domestic institutional investor (QDII) qualification for overseas securities investment management business	CSRC	December 2007
13	Qualification to provide intermediary introduction business for Great Wall Weiye Futures Co., Ltd.	CSRC	April 2008
14	Qualified investor qualification in block trade system	Shanghai Stock Exchange	June 2008
15	Qualification to incorporate wholly-owned specialized subsidiaries to engage in direct investment business	CSRC	July 2008
16	Obtain a stock index futures trading code and a hedging limit	China Financial Futures Exchange	June 2010
17	Pilot program of securities margin trading	CSRC	June 2010
18	Qualification of the dealer for credit risk mitigation tools and creator for credit risk mitigation certificates	National Association of Financial Market Institutional Investors	December 2010
19	Change the securities brokerage business (the business in Jiangsu, Shanghai, Zhejiang, Anhui, Shandong, Heilongjiang, Jilin, Liaoning, Beijing, Tianjin, Hebei, Henan, Shaanxi, Shanxi, Ningxia, Inner Mongolia, Gansu, Xinjiang, Qinghai only) within the original business scope to securities brokerage business, change the securities underwriting and sponsorship business (the relevant business on the Shanghai Stock Exchange only) to securities underwriting business (the underwriting of government bonds, debt financing instruments of non-financial enterprises only), and reduce the financial advisory business relating to securities trading and securities investment activities	CSRC	August 2011
20	Provide trading seats to insurance institutional investors	China Insurance Regulatory Commission	January 2012
21	Pilot program of bonds collateralized quotation repurchase business	CSRC	January 2012
22	Bonds collateralized quotation repurchase business	Shanghai Stock Exchange	February 2012
23	CSI 300ETF liquidity service provider	Shanghai Stock Exchange	May 2012
24	Innovative brokerage deposit business	CSRC	June 2012
25	Participate in interest rate swap trading by using the Company's proprietary funds	Jiangsu Securities Regulatory Bureau	August 2012
26	Pilot program of margin refinancing	China Securities Finance Corporation Limited	August 2012
27	Pilot program of agreed repurchase type securities trading	CSRC	September 2012
28	Lead underwriting business for non-financial enterprises debt financing instruments in the interbank market	National Association of Financial Market Institutional Investors	November 2012
29	Qualification and transaction code for conducting arbitrage and speculative trading of CSI 300 index-futures	China Financial Futures Exchange	December 2012
30	Agency sale of financial products	Jiangsu Securities Regulatory Bureau	January 2013

No.	Type of License	Approval Department	Years
31	Qualification for the agreed repurchase type securities trading business	Shenzhen Stock Exchange	January 2013
32	Pilot comprehensive custody business for private funds, which can provide comprehensive custody services, such as asset custody, settlement, computation of net value, investment control, custody report and etc.,for private securities investment funds (limited partnership)	Institutional Supervision Department of the CSRC	February 2013
33	Qualification of margin refinancing business	China Securities Finance Corporation Limited	February 2013
34	Insurance fund investment manager	China Insurance Regulatory Commission	March 2013
35	Operate recommendation and brokerage business on the National Equities Exchange and Quotations as the lead securities firm	National Equities Exchange and Quotations Company Limited	March 2013
36	Qualification to submit filing materials for witnessing the opening of customers' securities accounts	China Securities Depository and Clearing Corporation Limited	April 2013
37	Qualification of financial bonds (including policy finance bonds) underwriting business	Jiangsu Securities Regulatory Bureau	June 2013
38	Conducting stock pledge-style repo transaction business for securities listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange	Shanghai Stock Exchange and Shenzhen Stock Exchange	June 2013
39	Treasury bonds futures business	Jiangsu Securities Regulatory Bureau	September 2013
40	Qualification to conduct treasury bonds futures arbitrage and hedging businesses	CSRC and China Financial Futures Exchange	September 2013
41	Qualification to conduct asset management share transfer business	Shenzhen Stock Exchange	September 2013
42	Qualification to carry out equity return swaps business	Securities Association of China	September 2013
43	Qualification to conduct pre-issuance of treasury bonds	Shanghai Stock Exchange	October 2013
44	Pass the on-site inspection on stock options	Shanghai Stock Exchange	June 2014
45	Operate market-making business on the National Equities Exchange and Quotations as a market maker, namely market-making qualification on the National Equities Exchange and Quotations	National Equities Exchange and Quotations Company Limited	July 2014
46	Trial market maker on the interbank market	National Inter-Bank Funding Center	July 2014
47	Pilot program of financing by exercising the share incentive scheme business	Shenzhen Stock Exchange	August 2014
48	Qualification of capital payment services for clients that could provide various payment services for investors such as deposits collection, mobile recharging, online store consumption, sales return, water fee and credit card payment	Securities Fund Supervision Department of the CSRC	August 2014
49	Qualification of custodian for securities investment funds	CSRC	September 2014
50	Qualification for pilot operations of Internet-based securities business	Securities Association of China	September 2014
51	OTC qualification	Securities Association of China	September 2014
52	Qualification to conduct Southbound trading under A Shares trading seats	Shanghai Stock Exchange	October 2014
53	Pilot program on the OTC market	Securities Association of China	October 2014
54	Pilot program of restricted securities lending under share incentive schemes of listed companies	Shenzhen Stock Exchange	December 2014
55	Qualification of practicing on an authentic basis and brokerage business for stock option businesses	Shenzhen Stock Exchange	December 2014
56	Qualification for stock option trading participant,stock option brokerage and proprietary business trading	Shanghai Stock Exchange	January 2015
57	Qualification for stock options market making business	CSRC	January 2015
58	Main market maker of SSE 50ETF option contracts	Shanghai Stock Exchange	January 2015
59	Qualification of standard interest rate swap and forward centralized settlement of standard bonds	Shanghai Clearing House	April 2015
60	Qualification of participating in the net settlement of bond trade	Shanghai Clearing House	April 2015
61	Provide private equity with valuation and calculation service, share registration service, sales backstage service support and other outsourcing services, as well as other value-added services derived from the above services	Asset Management Association of China	April 2015
62	Qualification of pilot innovative business for one-way video verification of investors' identities	China Securities Depository and Clearing Corporation Limited	June 2015
63	Permission to conduct Southbound trading under Shenzhen-Hong Kong stock connect	Shenzhen Stock Exchange	November 2016
64	Agency qualification for subscription, purchasing and redeeming of gold ETF in spot	Shanghai Gold Exchange	June 2017
65	Pilot program of cross-border business	CSRC	December 2017
66	Qualification of tier-1 dealer on OTC options	CSRC	July 2018
67	Carry out credit derivatives business	CSRC	December 2018
68	Qualification of main market maker of funds listed on the SSE	Shanghai Stock Exchange	January 2019
69	Conducting credit protection contract business	Shanghai Stock Exchange	February 2019
70	Conducting market making business of treasury bond futures	CSRC	May 2019
71	Pilot Program of Foreign Exchange Settlement and Sales Business	State Administration of Foreign Exchange	August 2019

No.	Type of License	Approval Department	Years
72	Conducting credit protection certificate business	Shanghai Stock Exchange	December 2019
73	Conducting market making business of commodity options	CSRC	December 2019
74	Conducting market making business of stock index options	CSRC	December 2019
75	Conducting pilot fund investment advisory business	CSRC	February 2020
76	Conducting agency for trading of foreign exchange Business	State Administration of Foreign Exchange	July 2020
	In 2021, the individual business qualifications obtained by the Company mainly include		
1	Conducting market making business of commodity futures	CSRC	January 2021
2	Conducting pilot business of account management function optimization	CSRC	November 2021
3	Engaging in "Southbound Trading" business	PBOC	December 2021

II. LIST OF BRANCH OFFICES AND SECURITIES BRANCHES

1.Establishment of Branch Offices of the Company

As of the end of the Reporting Period, the basic information of the establishment of branch offices of the Company is as follows:

Unit: Ten Thousand Yuan Currency: RMB

No	Name	Address	Date of establishment	Registered capital (or working capital)	Zip code	Person in charge	Contact number	Business scope
1	Anhui Branch	6 &7F, Block A, Feilishidai Square Commercial Complex, No. 310 Suixi Road, Luyang District, Hefei	August 25, 2014	10,000	230011	Chen Zhijun	0551-64297088	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products.
2	Beijing Branch	Room 1501, 15/F, Block 28, Fengsheng Hutong, Xicheng District, Beijing	May 28, 2010	500	100032	Zhou Erli	010-63211377	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products.
3	Changzhou Branch	No. 9, North Heping Road, Changzhou	April 16, 2014	2,000	213003	Yuan Hongbin	0519-81006688	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products.
4	Fujian Branch	Unit 10D, Block A, Tefang Portman Wealth Center, No.81 Zhanhong Road, Siming District, Xiamen	September 18, 2014	2,000	361004	Chu Rentang	0592-2997899	Securities brokerage; securities investment consulting; agency sale of securities investment funds; margin financing and securities lending business; agency sale of financial products; securities underwriting (limited to ancillary works such as project contracting, project information transmission and recommendation and customer relationship maintenance of underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only).

Unit: Ten Thousand Yuan Currency: RMB

No	Name	Address	Date of establishment	Registered capital (or working capital)	Zip code	Person in charge	Contact number	Business scope
5	Guangdong Branch	Unit 02, 03, 36/F, No. 10 Huaxia Road, Tianhe District, Guangzhou	May 19, 2012	500	510620	Liu Yong	020-88830128	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products.
6	Henan Branch	No. 16, Nongye Road East, Jinshui District, Zhengzhou	April 16, 2014	2,000	450008	Tao Mingqing	0371-89998299	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
7	Heilongjiang Branch	3/F, Block B, Aocheng International, No. 239 Xuanhua Street, Nangang District, Harbin, Heilongjiang Province	May 28, 2010	500	150001	Wang Haibin	0451-51994000	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products; management of local business departments.
8	Hubei Branch	24/F, Unit 6, Building 6-7, Wuhan 1818 Center (Phase 2), No. 109 Zhongbei Road, Shuiguohu Street, Wuchang District, Wuhan	March 19, 2012	500	430070	Min Jie	027-87739318	Securities brokerage; securities investment consulting; securities underwriting (limited to ancillary works such as project contracting, project information transmission and recommendation and customer relationship maintenance of underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products; management of securities branches at Hubei of Huatai Securities Co., Ltd.
9	Hunan Branch	Rooms 1301-1305, 1313-1316, Building 4 and 5, Huayuanhua Center, No 36, Section 2, Middle Xiangjiang Road, Tianxin District, Changsha, Hunan Province	May 27, 2014	500	410015	Deng Jing	0731-85120568	Securities brokerage; securities investment consulting; agency sale of securities investment funds; margin financing and securities lending business; agency sale of financial products; securities underwriting and sponsoring (limited to ancillary works such as project contracting, project information transmission and recommendation and customer relationship maintenance).

Unit: Ten Thousand Yuan Currency: RMB

No	Name	Address	Date of establishment	Registered capital (or working capital)	Zip code	Person in charge	Contact number	Business scope
10	Jiangxi Branch	No. 1416, Jinggangshan Avenue, Xihu District, Nanchang, Jiangxi Province	November 3, 2014	500	330002	Wan Bin	0791-86600577	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; intermediary introduction business for the futures companies; agency sale of financial products; management of securities branches at Jiangxi.
11	Liaoning Branch	Units 1, 2, 3 and 4, 15/F, Block B, Enterprise Square, No. 125 Qingnian Street, Shenhe District, Shenyang City, Liaoning Province	June 3, 2011	500	110004	Chen Min	024-31881777	Securities brokerage; securities investment consulting; margin financing and securities lending business; agency sale of securities investment funds; intermediary introduction business for the futures companies; agency sale of financial products; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only).
12	Nanjing Branch	No. 90 Zhongshan Road East, Qinhuai District, Nanjing	April 9, 2010	2,000	210002	Wang Yansheng	025-84791077	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
13	Nantong Branch	Fangtian Building, No. 6 Yaogang Road, Nantong, Jiangsu Province	May 28, 2010	500	226000	Ren Qiaojian	0513-85529888	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
14	Shandong Branch	Rooms 2101 & 2104, 21/F, Block A, Yinfeng Fortune Plaza, No. 1 West Long'ao Road, Lixia District, Jinan City	April 16, 2014	2,000	250061	Li Gang	0531-55686555	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.

Unit: Ten Thousand Yuan Currency: RMB

No	Name	Address	Date of establishment	Registered capital (or working capital)	Zip code	Person in charge	Contact number	Business scope
15	Shanghai Branch	Room 2201, No. 18 Dongfang Road, China (Shanghai) Pilot Free Trade Zone	May 28, 2010	500	200120	Lu Chunguang	021-28972296	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
16	Shenzhen Branch	8A, Fund Mansion, No. 5999, Yitian Road, Lianhua Street, Futian District, Shenzhen	March 19, 2012	500	518048	Wang Lianfen	0755-82492098	Securities brokerage; securities underwriting (limited to contracting); securities investment consulting; margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
17	Sichuan Branch	Rooms 2503, 2504, 2505, 2506, 2507 and 2508, 25/F, Unit 1, Building 1, China Overseas Chinese Financial Center, No. 33, Jiaozi Avenue, Hitech Zone, Chengdu, China (Sichuan) Pilot Free Trade Zone	May 19, 2012	500	610091	Li Hui	028-8125398	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
18	Suzhou Branch	4/F and 5/F, No. 102 Xinshi Road, Canglang District, Suzhou	May 28, 2010	500	215000	Liu Xiaobing	0512-67579666	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
19	Taizhou Branch	No. 22, Yingchun Road West, Hailing District, Taizhou, Jiangsu Province	August 4, 2014	2,000	225300	Wang Yujie	0523-86234237	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
20	Tianjin Branch	Block HI on 1/F, and Block E-I on 5/F, North Finance Building, No. 5 Youyi Avenue, Hexi District, Tianjin	May 28, 2010	500	300211	Li Yijun	022-59657718	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.

Unit: Ten Thousand Yuan Currency: RMB

No	Name	Address	Date of establishment	Registered capital (or working capital)	Zip code	Person in charge	Contact number	Business scope
21	Wuxi Branch	No. 325, Jiefang Road West, Wuxi, Jiangsu Province	June 11, 2014	2,000	214000	Lu Rong	0510-82723020	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
22	Northwest Branch	Room 21401, Unit 2, Building 2, CROSS Wanxianghui, No. 21 Gaoxin Six Road, Zhangba Sub-district Office, High – Tech Zone, Xi'an, Shaanxi Province	August 5, 2019	–	710000	Gao Hong	029-87897055	Securities brokerage; securities investment consulting; agency sale of securities investment funds; margin financing and securities lending; agency sale of financial products; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy financial bonds) only).
23	Xuzhou Branch	No. 104, Block B, 3/F, Block B, Baolong Square, West side of the Government seat of Yunlong District, North side of Heping Ave, Yunlong District, Xuzhou	April 16, 2014	2,000	221001	Wang Minsheng	0516-85602988	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
24	Yancheng Branch	Room 201, Building 6, Financial City, No. 5 Century Avenue, Yancheng City	March 24, 2014	2,000	224002	Zhang Tingwen	0515-88216888	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
25	Yangzhou Branch	No. 406, Wenchang Middle Road, Guangling District, Yangzhou	August 4, 2014	2,000	225001	Ji Chunbo	0514-82196688	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.
26	Yunnan Branch	6/F, Block C, Dushi Mingyuan Community, Middle Renmin Road, Kunming, Yunnan Province	February 25, 2014	500	650021	Yin Tianshui	0871-65951973	Securities brokerage; securities investment consulting; agency sale of securities investment funds; margin financing and securities lending business; agency sale of financial products; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only).

Unit: Ten Thousand Yuan Currency: RMB

No	Name	Address	Date of establishment	Registered capital (or working capital)	Zip code	Person in charge	Contact number	Business scope
27	Zhejiang Branch	Rooms 2302, 2304, 2305, 2306 and 2404, Block 1, Sunyard International Creative Center Building, No. 1750, Jianghong Road, Binjiang District, Hangzhou, Zhejiang Province	March 25, 2013	500	310052	Wang Jie	0571-86698700	Securities brokerage; securities investment consulting; agency sale of securities investment funds; margin financing and securities lending business; agency sale of financial products; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only).
28	Zhenjiang Branch	Rooms 101, 201 and 301, Building 1, Huangshan Yaju, No. 6 Huangshan South Road, Zhenjiang, Jiangsu Province	March 24, 2014	2,000	212000	Dong Kaisong	0511-85037099	Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products.

2. Number and distribution of Securities Branches

As of the end of the Reporting Period, the number and distribution of securities branches of the Company are as follows:

No	Province	City	Name	Address	Zip code	Person in charge of securities branches	Contact number of person in charge
1	Anhui 5	Hefei	Securities Branch in Huaining Road, Hefei	Rooms 1104 and 1211-1213, Block C, Landmark Plaza, No. 288, Huaining Road, Zhengwu District, Hefei City	230022	Fan Huijuan	0551-65175008
2			Securities Branch in Chuangxin Road, Hefei	4F, Block C, Chuangxin Department, No. 2760, Chuangxin Road, High-tech District, Hefei City, Anhui Province	230088	Hu Longqi	0551-62686969
3		Ma'anshan	Securities Branch in Hudong Middle Road, Ma'anshan	No. 1046, Hudong Middle Road, Huashan District, Ma'anshan City	243000	Gao Guosheng	0555-2963619
4		Chuzhou	Securities Branch in Fengle Avenue, Chuzhou	Nos. 1112 & 1114, Commercial Block S3, No. 1118 Fengle Avenue (Yutianxia South Garden), Chuzhou City, Anhui Province	239001	Lu Rudong	0550-3019976
5		Tongling	Securities Branch in Huaihe Avenue, Tongling	Shop 142, 1/F, No. 230A, 2/F, Huijin Building, Tongling Trade Building, Middle Section of Huaihe Avenue, Tongguan District, Tongling City,	244000	Hu Jing	0562-2801988
6	Beijing 6	Beijing	Securities Branch in Dongsanhuan North Road, Beijing	Inner Flat 01, No. 102, 1/F (01), Block 27, Dongsanhuan North Road, Chaoyang District, Beijing	100062	Wei Na	010-59725337
7			Securities Branch in Suzhou Street, Beijing	Room 901-903, 9/F Weiya Building, Block 18, No. 29 Suzhou Street, Haidian District, Beijing	100080	Li Shuai	010-62523799
8			Securities Branch in International Finance and Economy Center, Xisanhuan, Beijing	Room 403, 4/F, No. 87 Xisanhuan North Road, Haidian District, Beijing	100048	Chen Xi	010-68733708
9			Securities Branch in Yonghe Temple, Beijing	Room 501, 5/F, Block F, Room 116, 1/F,	100007	Zhao Youqiang	010-84273989
10			Securities Branch in Yuetan South Street, Beijing	& Room 216, 2/F, Block D, No. 28 Andingmen East Street, Dongcheng District, Beijing	100045	Yang Junpeng	010-68058688
11			Securities Branch in Xueyuan South Road, Beijing	3/F Wanfeng Yihe Business Club, No. 12A Yuetan South Street, Xicheng District, Beijing	100081	Liu Zhifeng	010-82263313
12	Inner Mongolia 3	Baotou	Securities Branch in Huanghe Street, Baotou	No. 87, Huanghe Street, Xitu High-tech Zone, Baotou City, Inner Mongolia Autonomous Region	014040	Yin Tao	0472-4136027
13			Securities Branch in Gangtie Street, Baotou	2/F, No. 15 Gangtie Street, Qingshan District, Baotou City, Inner Mongolia Autonomous Region	014010	Ma Xiaoju	0472-6867886
14		Hohhot	Securities Branch in Xinhua East Street, Saihan District, Hohhot	Room 1707, 17/F, Block A, Wanda Plaza Complex, No. 26, Xinhua East Street, Saihan District, Hohhot City, Inner Mongolia Autonomous Region	010010	Qi Hong	0471-3251997
15	Hebei 1	Shijiazhuang	Securities Branch in Ziqiang Road, Shijiazhuang	Unit 0-103A, Commercial Podium of Office Building (1/F), Zhongjiao Fortune Center T1/T2, No. 118 Ziqiang Road, Qiaoxi District, Shijiazhuang City, Hebei Province	050051	Han Jiancai	0311-66788203
16	Fujian 4	Fuzhou	Securities Branch in North Wuyi Road, Fuzhou	19/F, Block 3, Zhengxiang Center, No. 153 North Wuyi Road, Shuibu Street, Gulou District, Fuzhou City	350009	Liu Biqing	0591-88037887
17		Quanzhou	Securities Branch in Jiuyi Street, Quanzhou	4/F, Baiyuan Building, Jiuyi Street, Licheng District, Quanzhou City	362000	Chen Mingfeng	0595-22187188
18		Xiamen	Securities Branch in Xiahe Road, Xiamen	Rooms 201 & 202, Block B, Unit One, Haiyi Building, No. 668 Xiahe Road, Siming District, Xiamen City	361004	Cai Hao	0592-2997888

No	Province	City	Name	Address	Zip code	Person in charge of securities branches	Contact number of person in charge
19	Fujian 4	Zhangzhou	Securities Branch in Shuixian Avenue, Zhangzhou	Room 101, Room 403, Room 404, Building B, No. 88 Shuixian Street, Longwen District, Zhangzhou City, Fujian Province	363000	Liu Huafeng	0596-2900350
20	Guangdong 23	Foshan	Securities Branch in Denghu East Road, Foshan	Flat A, actually 26/F (nominally 29/F), Block 2, Youbang Financial Centre, No. 1, Denghu East Road, Guicheng Street, Nanhai District, Foshan City	528200	Yang Siyu	0757-29808978
21		Guangzhou	Securities Branch in Zhujiang West Avenue, Guangzhou	17/F (self-edited rooms 05, 06 and 07), No. 15 Zhujiang West Avenue, Tianhe District, Guangzhou City	510000	Zheng Chengbin	020-37279969
22			Securities Branch in Wanda Plaza, Panyu District, Guangzhou	Rooms 103, 105, 107, 109, Huizhi 3rd Road, Nancun County, Panyu District, Guangzhou City	510440	Zhu Daoming	020-39213388
23			Securities Branch in Middle Guangzhou Avenue, Guangzhou	Rooms 103, 3205 and 3206, No. 307 Middle Guangzhou Avenue, Yuexiu District, Guangzhou City	510220	Luo Fanglin	020-84133637
24			Securities Branch in Huanshi East Road, Guangzhou	Rooms S1201, 1218-23, 12/F, South Tower, No. 371-375 Huanshi East Road, Yuexiu District, Guangzhou City, Guangdong Province	510060	Cheng Feng	020-83853823
25			Securities Branch in Xingmin Road, Guangzhou	Rooms 906-911, No. 222-3, Xingmin Road, Tianhe District, Guangzhou	510620	Lin Hao	020-89286707
26			Securities Branch in Tianhecheng, Guangzhou	Rooms 3605, 3606, 3607, 36/F, Yuehai Tianhecheng Building (namely, Tianhecheng East Tower), No. 208 Tianhe Road, Tianhe District, Guangzhou City	510620	Tang Jia	020-22031389
27			Securities Branch in Yuncheng West Road, Guangzhou	Rooms 4002, 4003, 4004, No. 888 Yuncheng West Road, Baiyun District, Guangzhou City	510420	Li Yong	020-86273767
28		Zhongshan	Securities Branch in Zhongshan Fifth Road, Zhongshan	No. 2 of Unit 01, 1/F, Block 3, Zima Benteng Square, No. 2 Zhongshan Fifth Road, Eastern District, Zhongshan City	528403	Liao Xiwu	0760-89823338
29		Shantou	Securities Branch in Changping Road, Shantou	Rooms 103 and 202, North Tower, China Resources Building, No. 95 Changping Road, Longhu District, Shantou City, Guangdong Province	515041	Chen Yu	0754-89898179
30		Shenzhen	Securities Branch in Qianhai, Shenzhen	Rooms 101, 102, 201, 202, 301 and 402, Building B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan Fifth Road, Nanshan Sub-district, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen City	518031	Cheng Tao	0755-25889919
31			Securities Branch in Caitian Road, Shenzhen	1/F, 2/F, Block 3, Fuyuan Building, No. 2014-9 Caitian Road, Futain District, Shenzhen City	518026	Ma Jianmin	0755-82993655
32			Securities Branch in China Resources Building, Keyuan South Road, Shenzhen	Rooms L1805 and L1806, China Resources Building, No. 2666 Keyuan South Road, Haizhu Community, Yuehai Sub-district, Nanshan District, Shenzhen	518059	Xiao Kang	0755-23819115
33			Securities Branch in Longgang Avenue, Shenzhen	102S, Block 2, Vanke Times Square, Shangjing Community, Longcheng Sub-district, Longgang District, Shenzhen City (at the junction of Longgang Avenue and Longcheng Avenue)	518172	Gao Jian	0755-85205902
34			Securities Branch in Baidu International Building, Keyuan Road, Shenzhen	33/F, East Tower, Baidu International Building, Xuefu Road East, Yuehai Street, Nanshan District, Shenzhen City	518040	Wang Shaolian	0755-82531008

No	Province	City	Name	Address	Zip code	Person in charge of securities branches	Contact number of person in charge
35	Guangdong 23	Shenzhen	Securities Branch in Shennan Avenue, Shenzhen	Room 2501A, Block B, Phase I Donghai International Center, No. 7888 Shennan Road, Donghai Community, Xiangmihu Street, Futian District, Shenzhen City	518040	Li Chendong	0755-82719339
36			Securities Branch in China Resources Land Building, Shennan Avenue, Shenzhen	Rooms 2904, 2905 and 2906, Block D, China Resources Land Building, No. 19 Kefa Road, Dachong Community, Yuehai Sub-district, Nanshan District, Shenzhen	518057	Song Tao	0755-25870808
37			Securities Branch in Hongli Road, Shenzhen	No. BC, 9/F, Block A, CIS Commercial Center, No. 1061 Xiangmei Road, Xiangmihu Street, Futian District, Shenzhen City	518000	Li Xiaoshan	0755-82080300
38			Securities Branch in Fund Building, Shennan Avenue, Shenzhen	8B, Fund Building, No. 5999 Yitian Road, Lianhua Street, Futian District, Shenzhen City	518053	Cao Mengming	0755-26626388
39			Securities Branch in Rongchao Business Center, Yitian Road, Shenzhen	2201-2212, Building A, Rongchao Business Center, No. 6003 Yitian Road, Fuxin Community, Lianhua Street, Futian District, Shenzhen City	518026	Wu Sheng	0755-83767319
40			Securities Branch in Yitian Road, Shenzhen	Flats 02, 03, 04, 17/F, China Travel Service HK Building, No. 4011 Shennan Avenue, Futian District, Shenzhen City	518048	Yang Dongyang	0755-82766226
41			Securities Branch in Zhuzilin 4th Road, Shenzhen	Flats 10H, 10I, 10J, China Economy and Trading Building, No. 18 Zizhu 7th Road, Zhulin Community, Xiangmihu Street, Futian District, Shenzhen City	518041	Gu Guoxu	0755-82027636
42			Securities Branch in Zhongxin Road, Houhai, Shenzhen	Units 1203, 1205 and 1206, Xizhilang Building, No. 3033 Zhongxin Road, Weilan Coast Community, Yuehai Street, Nanshan District, Shenzhen	518048	Chen Shun	0755-27247971
43	Guangxi 2	Nanning	Securities Branch in Minzu Avenue, Nanning	Rooms 702-704, 7/F, South Office Building, Nanning China Resources Center, No. 136-5, Minzu Avenue, Qingxiu District, Nanning	530029	Li Guangyi	0771-5570013
44		Wuzhou	Securities Branch in Xidi 3rd Road, Wuzhou	No. 1 of 1/F and Rooms 2801-2809 of 28/F, No. 19 Xidi 3rd Road, Wuzhou City	543002	Qin Shumin	0774-3862288
45	Hainan 2	Haikou	Securities Branch in Guoxing Road, Haikou	Room 3807, 38/F, New Hainan Building, No. 5 Guoxing Road, Meilan District, Haikou City, Hainan Province	570102	He Ruijin	0898-66202789
46		Sanya	Securities Branch in Yingbin Road, Sanya	Unit 1201, Yangguang Financial Square, No. 360-1 Yingbin Road, Jiyang District, Sanya City, Hainan Province	572021	Zhao Yang	0898-88211669
47	Shanxi 1	Taiyuan	Securities Branch in Tiyu Road, Taiyuan	No. 58, Tiyu Road, Xiaodian District, Taiyuan City	030001	Wang Guoqi	0351-7775553
48	Henan 3	Zhengzhou	Securities Branch in Jingsan Road, Zhengzhou	Guanghui Building, No. 15, Jingsan Road, Jinshui District, Zhengzhou City	450003	Shi Qianjin	0371-65585005
49			Securities Branch in Nongye Road, Zhengzhou	No. 101, Floors 1-2, Building 1, No. 16, East Nongye Road, Jinshui District, Zhengzhou City	450000	Zhou Rui	0371-60958371
50			Securities Branch in Zijingshan Road, Zhengzhou	18/F (whole floor), Building 2, Zhengzhou Zhengshang Lanhai Plaza, Erligang, Zijingshan Road, Guancheng District, Zhengzhou City	450008	Xia Mengfei	0371-58670567

No	Province	City	Name	Address	Zip code	Person in charge of securities branches	Contact number of person in charge
51	Heilongjiang 5	Harbin	Securities Branch in West 16th Street, Harbin	No. 15, West 16th Street, Daoli District, Harbin City, Heilongjiang Province	150010	Song Fei	0451-51531366
52			Securities Branch in Xuanhua Street, Harbin	Floors 1-2, Block B, Aocheng International, No. 239, Xuanhua Street, Nangang District, Harbin City	150001	Wang Jixiang	0451-51998768
53		Mudanjiang	Securities Branch in Xiyitiao Road, Mudanjiang	No. 236, Xiyitiao Road, Xi'an District, Mudanjiang City, Heilongjiang Province	157001	Ma Xiuhui	0453-8111898
54		Suihua	Securities Branch in Zhengyang Street, Zhaodong, Suihua	2/F Office, ICBC Zhaodong Branch, Zhengyang South 10th Street, No. 3, Zhaodong, Suihua City, Heilongjiang Province	151100	Sun Peng	0455-8182228
55		Daqing	Securities Branch in Xinchao Street, Daqing	S10, Commercial Service Building, Phase I Xinchao Jiayuan Community, Ranghulu District, Daqing City, Heilongjiang Province	163400	Zheng Ye	0459-8971477
56	Jilin 3	Changchun	Securities Branch in Minkang Road, Changchun	No. 855, Minkang Road, Nanguan District, Changchun City	130041	Cheng Bo	0431-81910599
57			Securities Branch in Ziyou Avenue, Changchun	No. 1000, Ziyou Avenue, Chaoyang District, Changchun City	130021	Guo Jiayin	0431-81919187
58		Jilin	Securities Branch in Jiefang East Road, Jilin City	No. 7 Branch, No. 2 Dongchang Complex Building, No. 62 Jiefang East Road, Changyi District, Jilin City, Jilin Province	132001	Zhou Laiying	0432-65128799
59	Hubei 29	Xiaogan	Securities Branch in Zijin Road, Anlu	No. 1, Zijin Road, Anlu City, Hubei Province	432600	Zou Yizhao	0712-5231718
60			Securities Branch in Xiyue Avenue, Dawu	Xiyue Avenue, Dawu County, Hubei Province	432800	Chen Junhong	0712-7226466
61			Securities Branch in Xiannv Avenue, Hanchuan	No. 215, Xiannv Avenue, Hanchuan City, Hubei Province	431600	Li Zhihua	0712-8296358
62			Securities Branch in Changzheng Road, Xiaogan	No. 29, Changzheng Road, Xiaogan City, Hubei Province	432000	Zhang Hongkai	0712-2326827
63			Securities Branch in West Main Street, Yingcheng	No. 22, Building 1 of Gucheng Xindu, West Main Street, Yingcheng City	432400	Pan Jianping	0712-3226017
64			Securities Branch in Chaoyang Road, Yunmeng	No. 1, Chaoyang Road, Yunmeng County, Hubei Province	432500	Long Nina	0712-4338338
65		Enshi	Securities Branch in Jingui Avenue, Enshi	No. 15, Jingui Avenue, Enshi City, Hubei Province	445000	Feng Bo	0718-8237528
66			Securities Branch in Yezhou Avenue, Jianshi	No. 109, Yezhou Avenue, Yezhou Town, Jianshi County	445300	Chen Yan	0718-3230098
67			Securities Branch in Chutian Road, Badong	No. 5 Chutian Road, Badong County, Enshi Tujia and Miao Autonomous Prefecture, Hubei Province	444300	Wang Xinmao	0718-4332133
68			Securities Branch in Fengxiang Avenue, Laifeng	No. 87, Fengxiang Avenue, Laifeng County	445700	Si Guoyao	0718-6288118
69			Securities Branch in Nanbin Avenue, Lichuan	Rooms 106 and 107, Block 8, Nanbin Garden, No. 66 Nanbin Avenue, Group 1, Wangjiawan Village, Dongcheng Sub-district Office, Lichuan City	445400	Qin Xiqiong	0718-7283339
70		Jingzhou	Securities Branch in Middle Jiangjin Road, Jingzhou	No. 14, Floor 1-2, Building 2, Xiangxie Lidu, Middle Jiangjin Road, Shashi District, Jingzhou City	434000	Yu Yanhua	0716-8249551
71			Securities Branch in Bijiashan Road, Shishou	No. 88, Bijiashan Road, Xiulin Agency, Shishou City	434400	Zuo Feng	0716-7282593
72		Shiyan	Securities Branch in Chaoyang Middle Road, Shiyan	No. 29, Chaoyang Middle Road, Maojian District, Shiyan City	442000	Xu Jian	0719-8688188

No	Province	City	Name	Address	Zip code	Person in charge of securities branches	Contact number of person in charge
73	Hubei 29	Shennongjia Forestry District	Securities Branch in Shennong Avenue, Shennongjia	No. 225, Shennong Avenue, Songbai Town, Shennongjia Forestry District	442400	Liu Chao	0719-3336276
74		Wuhan	Securities Branch in Minzu Avenue, Wuhan	No. 1 Minzu Avenue, Hongshan District, Wuhan City	430074	Xu Hui	027-87575660
75			Securities Branch in Zhujiang Road, CBD, Wuhan	Room 4, 26/F, Building 5, Fanhai International SOHO City, Wangjiadun CBD, Jianghan District, Wuhan City	430032	Wang Lin	027-83632286
76			Securities Branch in Youyi Avenue, Wuhan	Rooms 03 and 04, 1/F, Unit 3, Building 1, Vanke Jinyu Huafu, No. 29 Fangji Road, Yangyuan Street, Wuchang District, Wuhan City	430080	Liu Hongyan	027-86880966
77			Securities Branch in Shouyi Road, Wuhan	No. 115, Shouyi Road, Wuchang District, Wuhan City	430060	Li Pan	027-88133377
78			Securities Branch in Wuluo Road, Wuhan	Room 1F-21 on 1/F and Room 5-13 on 15/F, Building 3, Disiman International Center, No. 421, Wuluo Road, Wuchang District, Wuhan City	430070	Wang Kai	027-87816068
79			Securities Branch in Xinhua Road, Wuhan	No. 296, Xinhua Street, Jianghan District, Wuhan City	430015	Zhang Feng	027-85558889
80		Xiangyang	Securities Branch in Changhong North Road, Xiangyang	No. 19, Changhong North Road, High-tech Zone, Xiangyang City	441000	Zhang Suicui	0710-3278298
81		Huanggang	Securities Branch in Dongmen Road, Huanggang	Shop 101, 102, 1/F and No. 201, 2/F, Building 8, No. 91-36 Dongmen Road, Huangzhou District, Huanggang City, Hubei Province	438000	Ning Yi	0713-8613915
82			Securities Branch in Minzhu Road, Wuxue	Shops 101-104 and 201-203, Building 3, Guoding Mansion, No. 138-17 Minzhu Road, Wuxue City, Hubei Province	435400	Li Zhongrun	0713-6758589
83			Securities Branch in Ronghui Road, Macheng	No. 33, Ronghui Road, Macheng City, Hubei Province	438300	Zou Rui	0713-2772385
84		Yichang	Securities Branch in Zilong Road, Dangyang	No. 59, Zilong Road, Dangyang City, Hubei Province	444100	Zhang Xingxin	0717-3252238
85			Securities Branch in Xiling First Road, Yichang	No. 10, Xiling First Road, Yichang City	443000	You Jianghua	0717-6229898
86			Securities Branch in Changjiang Avenue, Yidu	No. 167, Changjiang Avenue, Lucheng, Yidu City	443300	Hu Dewen	0717-4836899
87			Securities Branch in Park Road, Zhijiang	The junction of Tuanjie Road and Park Road, Majiadian, Zhijiang City	443200	Wang Zhenpeng	0718-4200539
88	Hunan 3	Changsha	Securities Branch in Furong Middle Road, Changsha	Unit 30028-30032, Fuxing Commercial Plaza, No. 303, Section 1, Furong Middle Road, Kaifu District, Changsha City, Hunan Province	410007	Tang Jingyu	0731-85561098
89		Yueyang	Securities Branch in Tianyue Avenue, Pingjiang, Yueyang	Beside to the Local Tax Bureau, Tianyue Avenue, Pingjiang County, Yueyang City	414500	Chen Muyuan	0730-6297006
90			Securities Branch in Wulipai, Yueyang	3/F, Jiamei Building, Wulipai, Yueyang City	414000	Chen Siyuan	0730-8240599
91	Jiangxi 3	Nanchang	Securities Branch in Supu Road, Nanchang	No. 111, Supu Road, Donghu District, Nanchang City, Jiangxi Province	330006	Han Tao	0791-86270340
92			Securities Branch in Fenghe Middle Avenue, Nanchang	North side of Room 104 and Room 204, No. 2 Commerce Building, Xinghehui Business Center, No. 1333 Fenghe Middle Avenue, Honggutan New District, Nanchang City, Jiangxi Province	330100	Wu Di	0791-83751699
93		Ganzhou	Securities Branch in M&A Fund Park, Ganzhou	Shops 1-1, 1-10, 2-1 and 2-10, Building 1, Yangming International Center, Zhangjiang New Zone, Zhanggong District, Ganzhou City, Jiangxi Province	341000	Liu Jingwei	0797-5886858

No	Province	City	Name	Address	Zip code	Person in charge of securities branches	Contact number of person in charge
94	Jiangsu 95	Changzhou	Securities Branch in Dongheng Street, Changzhou	No. 2, Dongheng Street, Changzhou City	213003	Yang Lu	18106123792
95			Securities Branch in Heping North Road, Changzhou	No. 9, Heping North Road	213000	Liang Qiuming	0519-86618298
96			Securities Branch in Taihu East Road, Changzhou	Nos. 1-10, 11, 12, 26, 27 and 28, Fuchen Park, Taihu East Road, Xinbei District, Changzhou City	213000	Yao Haitang	0519-86921660
97			Securities Branch in Middle Yanzheng Avenue, Changzhou	No. 16, Middle Yanzheng Avenue, Wujin District, Changzhou City	213159	Zou Wenjuan	0519-81000818
98			Securities Branch in Nanhuan First Road, Jintan	Nos. 109, 110, 111 and 112, Building 1, Binhe Xingcheng, Jintan District, Changzhou City	213200	Gu Zhun	0519-82696969
99			Securities Branch in South Street, Liyang	No. 91, South Street, Liyang City	213300	Shi Yuefeng	18961106969
100		Huaian	Securities Branch in East Huahai Road, Huaian	Shops 1004-1006, and Rooms 801-814, Building 1, Huifeng Central Plaza, Huaian City	223301	Wei Xiang	0517-83907001
101			Securities Branch in Chengde North Road, Huaiyin, Huaian	Rooms 2, 3, 4, Building 2, Chengde Mansion, Huaiyin District, Huaian City	223300	Yu Le	0517-84908988
102			Securities Branch in Hongri Avenue, Lianshui, Huaian	Room 104, Building Z02, Xin Lian Yi Pin, Zhong Lian One City, Lianshui County, Huaian	223400	Hu Xi	0517-82660908
103			Securities Branch in Xiangyu Avenue, Huai'an District, Huaian	No. 1007 Xiangyu Avenue, Huaian District, Huaian City	223200	Shen Zhongqin	0517-85198077
104			Securities Branch in Huaihe East Road, Xuyi, Huaian	No. 45, Huaihe East Road, Xucheng Town, Xuyi County, Huaian City, Jiangsu Province	211700	Kang Le	0517-88219875
105		Nanjing	Securities Branch in Zhenzhu South Road, Lishui	Room 6, Building 109, Guangcheng Oriental City, No. 99 Zhenzhu South Road, Yongyang Town, Lishui District, Nanjing City, Jiangsu Province	211200	Li Guangxiang	025-56235323
106			Securities Branch in Qingliangmen Street, Nanjing	Room 1901, No. 39 Qingliangmen, Gulou District, Nanjing City	210036	Li Guoping	025-86586116
107			Securities Branch in Changjiang Road, Nanjing	1/F and 2/F, No. 99 Changjiang Road, Nanjing City	210005	Tian Yu	025-84798478
108			Securities Branch in Baota Road, Gaochun, Nanjing	No. 158-8, Baota Road, Chunxi Town, Gaochun District, Nanjing City, Jiangsu Province	211300	Xing Jiabin	025-56816718
109			Securities Branch in Wenlan Road, Nanjing	No. 6, Wenlan Road, Xianlin University Town, Qixia District, Nanjing	210024	Li Boyang	025-58010075
110			Securities Branch in Lushan Road, Nanjing	No. 168, Lushan Road, Jianye District, Nanjing City	210029	Jiang Xianming	025-83539789
111			Securities Branch in Minzhi Road, Nanjing	12/F, Block N, Nanjing Zendai Hima Centre, No. 2 Minzhi Road, Yuhuatai District, Nanjing	210002	Dai Yang	025-86895618
112			Securities Branch in Tianyuan East Road, Jiangning, Nanjing	Rooms 801-805, Building 8, Fortune Plaza II, No. 228 Tianyuan East Road, Chunhua Street, Jiangning, Nanjing City	211100	Li Ying	025-87189130
113			Securities Branch in Daguang Road, Nanjing	Room 202A, Guanghua Building, No. 39 Daguang Road, Qinhuai District, Nanjing City	210016	Zhang Anzhong	025-84620977
114			Securities Branch in Xiongzhou West Road, Liuhe, Nanjing	9/F, Building 1, No. 12 Xiongzhou West Road, Xiongzhou Street, Liuhe District, Nanjing City	211500	Xie Xiangshun	025-57115051
115			Securities Branch in Ningshuang Road, Nanjing	12/F, Building A, Yunmi City, No. 19 Ningshuang Road, Yuhuatai District, Nanjing City, Jiangsu Province	210007	Xu Minfeng	025-84480958
116			Securities Branch in Yushi Street, Nanjing	No. 96, Yushi Street, Nanjing City, Jiangsu Province	210008	Yang Haikun	025-84701234
117			Securities Branch in Zhimaying, Nanjing	No. 26, Zhimaying, Nanjing City	210004	Chu Dongbing	025-52210618

No	Province	City	Name	Address	Zip code	Person in charge of securities branches	Contact number of person in charge
118	Jiangsu 95	Nanjing	Securities Branch in Zhonghua Road, Nanjing	No. 255, Zhonghua Road, Nanjing City, Jiangsu Province	210001	Wang Huan	025-52230208
119			Securities Branch in Huatai Securities Building, East Zhongshan Road, Nanjing	25/F, No. 90 East Zhongshan Road, Qinhuai District, Nanjing	210009	Geng Kun	025-84718112
120			Securities Branch in Zhenghe Middle Road, Nanjing	Room 902, 9/F, Building D, Nanjing Yangtze River International Shipping Center, No. 118, Zhenghe Middle Road; No. 3-15 – 2, Yongning Street, Gulou District, Nanjing	210003	Zhang Xiaodi	025-83539281
121			The Third Securities Branch in Zhongyang Road, Nanjing	Block 6, No. 399, Zhongyang Road, Nanjing City, Jiangsu Province	210037	Xing Qin	025-83581188
122			Securities Branch in Pusi Road, Nanjing	No. 8-2, Pusi Road, High-tech Industrial Development Zone, Nanjing City, Jiangsu Province	210032	Xu Kangze	025-86334012
123		Nan Tong	Securities Branch in Changjiang Road, Haimen	No. 231, Changjiang Road, Haimen Town, Haimen City, Jiangsu Province	226100	Zhu Bing	0513-82227766
124			Securities Branch in Middle Changjiang Road, Hai'an, Nantong	No. 93, Middle Changjiang Road, Hai'an Town, Hai'an County, Nantong City, Jiangsu Province	226600	Zhai Jiping	0513-88856678
125			Securities Branch in Gongnong Road, Nantong	Rooms 2404-2405, South Building, Harmony City, No. 57 Gongnong Road, Nantong City	226000	Sha Fei	0513-85126758
126			Securities Branch in Middle Renmin Road, Nantong	Mezzanine floor, East Jinxin Building, No. 79, Middle Renmin Road, Chongchuan District, Nantong City	226001	Fan Ying	0513-85123188
127			Securities Branch in Jianghai Road, Rudong, Nantong	Southern section of the 4/F, Room 101, Zhongyang Plaza, No. 2 East Jianghai Road, Chengzhong Street, Rudong County	226400	Chen Xiaojun	0513-84883333
128			Securities Branch in Shanghai East Road, Nantong	Room 101, Block 2, Jinhaiyuan, Development Zone, Nantong City	226009	Zhu Bing	0513-85895597
129			Securities Branch in New Century Avenue, Tongzhou, Nantong	01B-2 Office, No. 170, New Century Avenue, High-tech Zone, Nantong	226300	Ji Xi	0513-81692959
130			Securities Branch in Yaogang Road, Nantong	No. 6, Yaogang Road, Nantong City, Jiangsu Province	226006	Xu Ke	0513-85580999
131			Securities Branch in Middle Renmin Road, Qidong	No. 505, Middle Renmin Road, Huilong Town, Qidong City, Jiangsu Province	226200	Yao Liang	0513-83652208
132			Securities Branch in Fushou Road, Rugao	Rooms 2-1 & 2-2, Complex Building, Chengjian Jiayuan Phase III, Rucheng Town, Rugao City, Jiangsu Province	226500	Wang Yongsheng	0513-87335888
133		Suzhou	Securities Branch in Jinshajiang Road, Changshu	No. 18, Jinshajiang Road, Changshu City, Jiangsu Province	215500	Pan Yi	0512-52895998
134			Securities Branch in Heilongjiang North Road, Kunshan	3/F, Building 3, No. 8 Heilongjiang North Road, Kunshan Development Zone, Jiangsu Province	215300	Liu Xinglin	0512-55219166
135			Securities Branch in Ganjiang West Road, Suzhou	No. 1359, Ganjiang West Road, Suzhou City, Jiangsu Province	215004	Lu Renyan	0512-68270515
136			Securities Branch in Heshan Road, Suzhou	2/F, Building 2, Jinri Jiayuan (No. 56, Heshan Road), Hightech Zone, Suzhou City	215000	Liu Xiao	0512-68785488
137			Securities Branch in Renmin Road, Suzhou	No. 1925, Renmin Road, Suzhou City, Jiangsu Province	215001	Zhang Zhen	0512-67579766
138			Securities Branch in East Suzhou Avenue, Suzhou	29A, Modern Media Plaza, No. 265 East Suzhou Avenue, Suzhou Industrial Park	215028	Guo Hengxi	0512-67248873

No	Province	City	Name	Address	Zip code	Person in charge of securities branches	Contact number of person in charge
139	Jiangsu 95	Suzhou	Securities Branch in Xinshi Road, Suzhou	No. 102, Xinshi Road, Canglang District, Suzhou City, Jiangsu Province	215007	Yu Lin	0512-65729996
140			Securities Branch in Taiping South Road, Taicang	No. 36-1, Taiping South Road, Chengxiang Town, Taicang City, Jiangsu Province	215400	Liu Lihong	0512-53589559
141			Securities Branch in Guangzhou Road, Shengze Town, Wujiang	Room 107, Huiying Mansion, Financial Business Center, North Side of Chenjiaqiao Village Road, Xincheng District, Shengze Town, Wujiang District, Suzhou City	215228	Fan Xiaofeng	0512-63910061
142			Securities Branch in Middle Changjiang Road, Jingang Town, Zhangjiagang	No. 251, Middle Changjiang Road, Jingang Town, Zhangjiagang City, Jiangsu Province	215633	Zhang Lin	0512-56767800
143			Securities Branch in Yangshe East Road, Zhangjiagang	No. 2, Yangshe Road East, Zhangjiagang City, Jiangsu Province	215600	Han Zongxu	0512-58220333
144			Securities Branch in Wuzhong Avenue, Suzhou	2/F, Wuzhong Commercial Center, Building 1, No. 198 Su Street, Yuexi Sub-district, Wuzhong Economic Development Zone, Suzhou	215104	Sun Qiang	0512-66021886
145			Securities Branch in Gaoxin Road, Wujiang District, Suzhou	Nos. 946 and 948, Gaoxin Road, Songling Town, Wujiang District, Suzhou City	215200	Zhao Yang	0512-63956208
146		Taizhou	Securities Branch in East Street, Jiangyan	No. 23, East Avenue, Luotang Street, Jiangyan District, Taizhou City, Jiangsu Province	225500	Miao Genping	0523-88209518
147			Securities Branch in Middle Renmin Road, Jingjiang	No. 150-3, Middle Renmin Road, Jingjiang City, Jiangsu Province	214500	Dong Jun	0523-89101088
148			Securities Branch in Guoqing West Road, Taixing	D106 and D206, Hotel Building 4, Qingyun Garden, Taixing City, Jiangsu Province	225400	Tao Jin	0523-87095597
149			Securities Branch in Jingang South Road, Gaogang, Taizhou	Room 02, Building 6, Dushi Jiayuan Phase I, Jingang South Road, Gaogang District, Taizhou City, Jiangsu Province	225300	Zhang Zhan	0523-86985597
150			Securities Branch in Middle Yingwu Road, Xinghua, Taizhou	No. 198, Middle Yingwu Road, Xinghua City, Jiangsu province	225700	Cai Li'ang	0523-83256333
151		Wuxi	Securities Branch in Futai Road, Jiangyin	5/F, New Baiye Square, No. 8 Futai Road, Jiangyin City	214421	Yu Bo	0510-86837528
152			Securities Branch in Huandong Road, Huashi Town, Jiangyin	No. 680, Huandong Road, Huashi Town, Jiangyin City	214421	Chen Dongdong	0510-81662778
153			Securities Branch in West Avenue, Zhouzhuang Town, Jiangyin	No. 318, West Avenue, Zhouzhuang Town, Jiangyin City	214423	Yan Ming	0510-81660193
154			Securities Branch in Hongqiao North Road, Changjing Town, Jiangyin	No. 10, Hongqiao North Road, Changjing Town, Jiangyin City	214411	Zhou Junning	0510-81662758
155			Securities Branch in Yingxiu Road, Qingyang Town, Jiangyin	No. 111, Yingxiu Road, Qingyang Town, Jiangyin City	214401	Liu Chaohui	0510-86817241
156			Securities Branch in Shenpu Road, Lingang, Jiangyin	No. 108, Shenpu Road, Lingang Sub-district, Jiangyin City	214443	Huang Yaqiu	0510-81666278
157			Securities Branch in Liangqing Road, Wuxi	1/F, Jiangong Building, No. 56 Liangqing Road, Wuxi City, Jiangsu Province	214000	Wan Lei	0510-82768155
158			Securities Branch in Jiefang West Road, Wuxi	No. 327, Jiefang West Road, Wuxi City	214000	Zhang Ye	0510-82722975
159			Securities Branch in Financial First Street, Wuxi	Unit 01B, First Floor, No. 11, Financial First Street, Taihu New City, Binhu District, Wuxi City	214123	Tang Kai	0510-85065672
160			Securities Branch in Yongle Road, Wuxi	1/F, Shuili Building, No. 12 Nanhebang, Yongle Road, Nanchang District, Wuxi City, Jiangsu Province	214021	You Lingyan	0510-85045101

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161	Jiangsu 95	Wuxi	Securities Branch in Jiefang East Road, Yixing	No. 177, Jiefang East Road, Yicheng Sub-district, Yixing City, Jiangsu Province	214299	Liu Hui	0510-80793526
162		Lianyungang	Securities Branch in Tongguan South Road, Lianyungang	No. 69, Tongguan South Road, Haizhou District, Lianyungang City, Jiangsu Province	222001	Liu Lei	0518-85519068
163		Suqian	Securities Branch in Beijing North Road, Shuyang	No. 17 (on the first floor of CCB), Beijing North Road, Shucheng Town, Shuyang County	223600	Feng Lingtong	0527-87880259
164			Securities Branch in Hongze Lake Road, Suqian	No. 581, Hongze Lake Road, Suqian City	223800	Zhang Yang	0527-84390068
165			Securities Branch in Tiyu North Road, Sihong, Suqian	Room 103, Building 23, Fuyuan Tianjun, Tiyu North Road, Qingyang Town, Sihong County, Jiangsu Province (Sihong County Economic Development Zone, Jiangsu Province)	223900	Zheng Hai	0527-89889601
166			Securities Branch in Middle Beijing Road, Siyang, Suqian	No. 1 Middle Beijing Road, Zhongxing Town, Siyang County	223700	Wu Yi	0527-85181112
167		Xuzhou	Securities Branch in Science Park, Xuzhou	Room 103, 1/F & Rooms 306, 307 and 308, 3/F, Technology Building, Technology Avenue, Quanshan District, Xuzhou City	221006	Zhou Xuehong	0516-85850911
168			Securities Branch in Tangmu Road, Pei County, Xuzhou	No. 2, Tangmu Road, Pei County, Xuzhou City, Jiangsu Province	221600	Luo Wei	0516-81202066
169			Securities Branch in Huaihai East Road, Xuzhou	No. 165, 1/F and Rooms 2102-2105, Unit A, Suning Plaza, No. 29 Huaihai East Road, Gulou District, Xuzhou City	221000	Jiao Shuai	0516-83718027
170			Securities Branch in Renmin East Road, Suining, Xuzhou	Rooms 104, 205, 206, 214 and 215, Unit 1, Building 1, Hongrui Jiadi, Renmin East Road, Suicheng Town, Suining County	221200	Zhang Lei	0516-81307121
171			Securities Branch in Heping Road, Xuzhou	101-2, Wenyuan Building, No. 59 Heping Road, Yunlong District, Xuzhou City	221116	Wang Guihang	0516-83538896
172			Securities Branch in Jianguo West Road, Xuzhou	Room 109, 1/F & Room 205, 2/F, Block 1A, Fortune Plaza, No. 75 Jianguo West Road, Xuzhou City	221000	Zhang Hongxing	0516-85803998
173			Securities Branch in Daqiao West Road, Xinyi	No. 8, Daqiao West Road, Xinyi, Xuzhou City, Jiangsu Province	221400	Wang Lei	0516-88989808
174			Securities Branch in Zhongyang Avenue, Feng County, Xuzhou	(Shops 2-10, Mingshi Garden), No. 5101 Zhongyang Avenue, Feng County, Xuzhou City, Jiangsu Province	221700	Chen Yanzhi	0516-66650130
175		Yancheng	Securities Branch in Renmin South Road, Dafeng, Yancheng	Rooms 102, 103 and 104, Building B, Yangguang Mall, Dafeng District, Yancheng	224100	Yang Fei	0515-83928806
176			Securities Branch in Middle Hailing Road, Dongtai	Rooms 8017& 8018, Building 3, Shangye New Village, No. 78 Middle Hailing Road, Dongtai	224200	Xi Jing	0515-85105761
177			Securities Branch in Chenghe Road, Funing, Yancheng	No. 63(C), Chenghe Road, Funing County	224400	Fu Yacheng	0515-87875111
178			Securities Branch in South Hongxing Alley, Binhai, Yancheng	Room 15-103 and Room 15-104, No. 15 Commercial and Residential Building, No. 16 Commercial and Office Building, Lvdu Jiayuan, No. 29 South Hongxing Alley, Dongkan Street, Binhai County	224500	Zhou Dehong	0515-87021988
179		Yangzhou	Securities Branch in Pinghuai Road, Gaoyou, Yangzhou	No. 37, Pinghuai Road, Gaoyou	225600	Guan Yizhi	0514-84666552
180			Securities Branch in Yeting East Road, Baoying, Yangzhou	No. 10, Yeting East Road, Baoying County	225800	Zuo Enlin	0514-88230488

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181	Jiangsu 95	Yangzhou	Securities Branch in South Longchuan Road, Jiangdu, Yangzhou	Nos. 220, 222 and 226, Business Buildings, Longchuan Road, Zhongyuan Europe City, Xiannv Town, Jiangdu District, Yangzhou City	225200	Wang Hongmei	0514-86534998
182			Securities Branch in Wenchang West Road, Yangzhou	(Park International Building) No. 56, Wenchang West Road, Yangzhou City, Jiangsu Province	225000	Cheng Li	0514-85863888
183			Securities Branch in Wenchang Middle Road, Yangzhou	No. 406, Wenchang Middle Road, Yangzhou City, Jiangsu Province	225001	Zhang Jingbao	0514-87055888
184			Securities Branch in Zhenzhou East Road, Yizheng, Yangzhou	No. 101, Zhenzhou East Road, Zhenzhou Town, Yizheng City, Jiangsu Province	211400	Lu Zaiyan	0514-83962098
185		Zhenjiang	Securities Branch in Cuizhu South Road, Yangzhong	No. 235, Cuizhu South Road, Sanmao Sub-district, Yangzhong City	212200	Ling Qi	0511-88399933
186			Securities Branch in Guyang Avenue, Dantu, Zhenjiang	Rooms 101-102, Building 56, Shengdiyage, Dantu District, Zhenjiang City	212000	Xu Rui	0511-85115898
187			Securities Branch in Fenghuang Road, Danyang, Zhenjiang	Nos. 16-1 to 16-3, Fenghuang Road, Development Zone, Danyang	212300	Hou Yeping	0511-86699772
188			Securities Branch in Huayang North Road, Jurong, Zhenjiang	No. 8-2, Huayang North Road, Huayang Town, Jurong City	212400	Xu Kai	0511-85979998
189	Liaoning 7	Dalian	Securities Branch in Shengli East Road, Dalian	Nos. 2-1, 2-2 and 2-3, Unit 1, No. 227 Market Street; Nos. 223 and 231, Market Street, Xigang District, Dalian City, Liaoning Province	116013	Tang Wei	0411-82815866
190			Securities Branch in Lianhe Road, Dalian	No. 4, Meiduyuan, Shahekou District, Dalian City, Liaoning Province	116021	Jia Jing	0411-84342688
191		Panjin	Securities Branch in Shiyou Street, Panjin	Jiguanwei, Shiyou Street, Xinglongtai District, Panjin City	124010	Wang Fan	0427-3257500
192		Shenyang	Securities Branch in Daxi Road, Shenyang	No. 187, Daxi Road, Shenhe District, Shenyang City, Liaoning Province	110014	Wang Hui	024-31976665
193			Securities Branch in Guangrong Street, Shenyang	Floors 2-5, No. 23, Guangrong Street, Heping District, Shenyang City, Liaoning Province	110003	Liu Xiaoqing	024-31883577
194			Securities Branch in Qingnian Street, Shenyang	No. 320 (Building group 201), Qingnian Street, Heping District, Shenyang City, Liaoning Province	110004	Zhang Sai	024-31883388
195		Yingkou	Securities Branch in Bohai Street, Yingkou	No. 16-A-1, Bohai Street East, Zhanqian District	115000	Wang Ran	0417-3350961
196	Shandong 7	Jinan	Securities Branch in Jingqi Road, Jinan	West Hall, 1F, Runheng Building, No. 83, Jingqi Road, Shizhong District, Jinan City	250000	Zhang Qinlei	18660186343
197			Securities Branch in Jingshi Road, Jinan	Rooms C106 & C108, Zone C, 1F and Rooms B200, B202 & 206, Zone B, 2F, Huate Plaza, No. 17703, Jingshi Road, Lixia District, Jinan City	250061	Wang Qiang	0531-82318318
198			Securities Branch in Jiefang Road, Jinan	1/F, East Dongyuan Building, No. 30 Jiefang Road, Lixia District, Jinan City	250013	Cheng Gaofeng	0531-85829568
199		Yantai	Securities Branch in Changshan Road, Laiyang	No. 32, Changshan Road, Laiyang City, Shandong Province	265200	Zhang Baigang	0535-7999111
200			Securities Branch in Jinhua Street, Yantai	No. 85, Jinhua Street, Zhifu District, Yantai City, Shandong Province	264000	Wang Xiaodong	0535-2150055
201		Qingdao	Securities Branch in West Hong Kong Road, Qingdao	No. 79, West Hong Kong Road, Shinan District, Qingdao, Shandong Province	266071	Cui Junfeng	0532-85713938

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202	Shandong 7	Linyi	Securities Branch in Jinqueshan Road, Linyi	Room 101, Block B, Weite Tianyuan Square, Jinqueshan Road, Lanshan District, Linyi City, Shandong Province	276000	Jing Jianfei	0539-7030698
203	Shanghai 16	Shanghai	Securities Branch in Jiangning Road, Putuo District, Shanghai	Room 901, No. 1158, Jiangning Road, Putuo District, Shanghai	200060	Huang Weiqing	021-33532200
204			Securities Branch in Gonghe New Road, Shanghai	Zones A, B, C, 15/F, No. 5199, Gonghe New Road, Baoshan District, Shanghai	200435	Xie Feng	021-56761987
205			Securities Branch in Guobin Road, Yangpu District, Shanghai	Rooms 1801-1804, No. 36, Guobin Road, Yangpu District, Shanghai	200433	Qi Lili	021-33621855
206			Securities Branch in Huanghe Road, Shanghai	4/F, No. 333, Huanghe Road, Huangpu District, Shanghai	200003	He Wei	021-63181398
207			Securities Branch in Raffles Square, Huangpu District, Shanghai	Room 5003-05 (actual room numbers are 4403A, 4403B, 4404), No. 268, Central Tibet Road, Huangpu District, Shanghai	200042	Ruan Jing	021-63550001
208			Securities Branch in Weihai Road, Jing'an District, Shanghai	Room 1305, No. 511, Weihai Road, Jing'an District, Shanghai	200041	Xu Yixuan	021-62678287
209			Securities Branch in Mudanjiang Road, Shanghai	5/F, No. 1508, Mudanjiang Road, Baoshan District, Shanghai	201999	Duan Baodong	021-56106616
210			Securities Branch in Wangyuan South Road, Fengxian District, Shanghai	Nos. 46, 47, 48 and 49, Miaojing New Village, Fengxian District, Shanghai	201400	Yang Junjie	021-67136006
211			Securities Branch in Fushan Road, Pudong New District, Shanghai	Rooms 03B-05A, 26/F (actual floor number: 23/F), No. 388, Fushan Road, China (Shanghai) Pilot Free Trade Zone	200120	Wang Yuehao	021-20773068
212			Securities Branch in Tianyaoqiao Road, Xuhui District, Shanghai	Rooms 1103, 1105, 1107 and 1109, No. 329, Tianyaoqiao Road, Xuhui District, Shanghai	200030	Zhang Renrong	021-54254885
213			Securities Branch in Xianxia Road, Changning District, Shanghai	No. 1398-1, Xianxia Road, Changning District, Shanghai (Temporary)	200336	Li Zhongyi	021-52983009
214			Securities Branch in Wuding Road, Shanghai	6/F, 7/F, No. 1088, Wuding Road, Jing'an District, Shanghai	200040	Xu Shan	021-62566063
215			Securities Branch in South Huangpi Road, Huangpu District, Shanghai	Units 01B, 02, 03, 05, 06, 3/F, Building A, Block 4, No. 1, Lane 838, South Huangpi Road, Huangpu District, Shanghai	200011	Shi Cao	021-63356099
216			Securities Branch in Miaojing Road, Pudong New District, Shanghai	1-3/F, No. 642, Miaojing Road, Pudong New District, Shanghai	201299	Miao Cong	021-33825017
217			Securities Branch in Century Avenue, Pudong New District, Shanghai	Unit 05, 1/F, No. 1229 Century Avenue, China (Shanghai) Pilot Free Trade Zone	200120	Huang Wei	021-58392077
218			Securities Branch in Dongfang Road, Pudong New District, Shanghai	Rooms 03 and 04, 15/F (actually Rooms 03 and 04, 12/F), No. 18 Dongfang Road, China (Shanghai) Pilot Free Trade Zone	201120	Luo Yihong	021-28972315
219	Sichuan 7	Chengdu	Securities Branch in Jinhui West 2nd Street, Chengdu	Room 2103, 21/F, Unit 1, Building 10, Tianfu Xingu, No. 399, West Section, Fucheng Avenue, Hitech Zone, Chengdu, China (Sichuan) Pilot Free Trade Zone	610000	Yang Rui	028-87448096
220			The Second Securities Branch in South First Ring Road, Chengdu	5/F, BOC Building, No. 45 South Third	610041	Gao Xiongwei	028-85512252
221			Securities Branch in Renmin South Road, Chengdu	Rooms 703, 7/F, Unit 1, Building 1, Xinxiwang Building, No. 45, Renmin Road South Section IV, Wuhou District, Chengdu City	610031	Li Huiying	028-85590880

No	Province	City	Name	Address	Zip code	Person in charge of securities branches	Contact number of person in charge
222	Sichuan 7	Chengdu	Securities Branch in Shujin Road, Chengdu	Rooms 301, 302, 410, 411 and 412, Block C, Jinsha Wanrui Center, No. 1 Shujin Road, Qingyang District, Chengdu City	610091	Li Xiao	028-61505176
223			Securities Branch in Zhengdong Central Street, Tianfu New District, Chengdu	Nos. 240, 242, 244 and 246, Zhengdong Central Street, Huayang Sub-district, Tianfu New District, Chengdu City, Sichuan Province	610213	Wang Hongtao	028-85640443
224			Securities Branch in Shixili, Xipu, Chengdu	Annexes 13 and 14 of No. 68 Yuanlin Road, Xipu Town, Pidu District, Chengdu City	611731	Liu Feng	028-87843269
225		Deyang	Securities Branch in Diamond Plaza, Changjiang West Road, Deyang	A2, A3, A4, A5 and A6, 5/F, Building 1, Diamond Plaza, No. 29, Section 2, Changjiang West Road, Deyang, Sichuan Province	618100	Shang Guang	0838-7201167
226	Guizhou 1	Guiyang	Securities Branch in Zhonghua North Road, Guiyang	No. 3, Postal Communications Production Building, No. 2, Zhonghua Road North, Yunyan District, Guiyang City, Guuizhou Province	550001	Xiong Lihan	0851-84109471
227	Chongqing 1	Chongqing	Securities Branch in Jiangbeizui, Chongqing	Rooms 1502 and 1503, 15/F, Unit 2, No. 9 Huixianyan Square, Jiangbei District, Chongqing	400084	He Xiaoping	023-68901837
228	Tianjin 4	Tianjin	Securities Branch in Baidi Road, Tianjin	No. 240, Baidi Road, Nankai District	300192	Zhang Haiyan	022-87893469
229			Securities Branch in Erwei Road, Dongli Development Zone, Tianjin	Rooms 209-211, 2/F, Caizhi Building, No. 9, Erwei Road, Dongli Development Zone, Tianjin City	300399	Liu Yongjun	022-84373801
230			Securities Branch in Qinjian Road, Tianjin	Bottom Floor (Business Area), Yunhan Building, No. 185, Qinjian Road, Hongqiao District	300130	Xu Jianguo	022-26532286
231			Securities Branch in Huachang Road, Tianjin	Units 07, 08, 09 and 10, 2/F, Building 1, No. 40, Huachang Road, Hedong District, Tianjin City	300151	Zhang Feng	022-58811908
232	Gansu 1	Lanzhou	Securities Branch in Donggang West Road, Lanzhou	4/F, Changye Golden Villa, No. 621 Donggang West Road, Chengguan District, Lanzhou City, Gansu Province	730000	Fu Jie	0931-8106511
233	Shaanxi 2	Xi'an	Securities Branch in Wenyi North Road, Xi'an	1/F and 6/F, Western Culture Plaza, No. 11, Wenyi North Road, Beilin District, Xi'an City, Shaanxi Province	710054	Jia Gang	029-87889991
234			Securities Branch in Zhangba East Road, Xi'an	1/F, Jintai Holiday Flower City, Zhangba East Road, Yanta District, Xi'an City	710065	Hu Kai	029-85587020
235	Qinghai 1	Xining	Securities Branch in Xinning Road, Xining	Room 59-147, 3/F, Building 5, Hexin Center, No. 23, Xinning Road, Chengxi District, Xining City, Qinghai Province	810000	Liang Xu	0971-6368338
236	Xinjiang 1	Yining	Securities Branch in Jiefang West Road, Yining City	8/F, Jinrong Building, No. 243, Jiefang West Road, Yining City	835000	Wang Hui	0999-8986569
237	Ningxia 1	Yinchuan	Securities Branch in Yinjiaqu North Street, Yinchuan	Room 101, Commercial Building No. 1, Jinhai Mingyue Garden, No. 65 Yinjiaqu North Street, Jinfeng District, Yinchuan City, Ningxia Hui Autonomous Region	750004	Liu Ming	0951-6019666
238	Zhejiang 8	Hangzhou	Securities Branch in Jiefang East Road, Hangzhou	Room 901, Dikai Yinzuo, No. 29, Jiefang East Road, Jianggan District, Hangzhou City, Zhejiang Province	310004	Wang Qianwen	0571-28002220
239			Securities Branch in Qiushi Road, Hangzhou	Rooms 501B and 805, North Tower, Gongyuan Building, No. 8 Qiushi Road, Xihu District, Hangzhou City, Zhejiang Province	310007	Zhu Weizhou	0571-87756088

No	Province	City	Name	Address	Zip code	Person in charge of securities branches	Contact number of person in charge
240	Zhejiang 8	Ningbo	Securities Branch in Liuting Street, Ningbo	3/F, Office Building, No. 230, Liuting Street, Haishu District, Ningbo City, Zhejiang Province	315010	Ren Xin	0574-87023678
241		Shaoxing	Securities Branch in Fushan, Shaoxing	No. 213 (101 & 102), No. 215 (101 & 102) and No. 217 (233, 234 & 236-241), Huancheng West Road, Shaoxing City, Zhejiang Province	312000	Zhang Zhengxing	0575-85222916
242		Wenzhou	Securities Branch in Yangguang Avenue, Yongjia	No. 8-13, 1/F, Yangguang Building, Xinqiao Village, Jiangbei Sub-district, Yongjia County, Zhejiang Province	325102	Liu Jiexing	0577-66992188
243		Zhoushan	Securities Branch in Jiefang East Road, Zhoushan	Rooms 802 & 803, No. 166-1, No. 118, Jiefang East Road, Dinghai District, Zhoushan City, Zhejiang Province	316100	Zhang Mingfeng	0580-3066008
244		Taizhou	Securities Branch in Zhongxin Avenue, Taizhou	Northeast Section, Room 104, Donggang Complex Office Building, No. 183, Zhongxin Avenue, Taizhou City, Zhejiang Province	318000	Chen Huang	0576-89811389
245		Jiaxing	Securities Branch in Fanggong Road, Jiaxing	No. 1115, No. 1119, Fanggong Road, Nanhu District, Jiaxing City, Zhejiang Province	314000	Jing Wei	0573-82862312

III. INFORMATION DISCLOSURES INDEX

1. During the Reporting Period, the Company disclosed the following matters on China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily and on the website of the Shanghai Stock Exchange (www.sse.com.cn):

No	Date	Announcement
1	2021-01-04	Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eleventh Meeting of the Fifth Session of the Board, Independent Opinions of Independent Directors of Huatai Securities Co., Ltd. on Nomination of Candidates for Non-executive Directors of the Company, Announcement by Huatai Securities Co., Ltd. on the Summary of the Restricted Share Incentive Scheme of A Shares (Draft), Independent Opinions of Independent Directors of Huatai Securities Co., Ltd. on the Restricted Share Incentive Scheme of A Shares (Draft) of Huatai Securities Co., Ltd. and Relevant Matters, Verification Opinions of the Board of Supervisors of Huatai Securities Co., Ltd. on the Restricted Share Incentive Scheme of A Shares (Draft) of Huatai Securities Co., Ltd. and Relevant Matters, Administration Measures for the Evaluation on the Implementation of the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Administration Measures for the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Restricted Share Incentive Scheme of A Shares (Draft) of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Sixth Meeting of the Fifth Session of the Supervisory Committee
2	2021-01-06	Announcement by Huatai Securities Co., Ltd. on the Progress of Repurchase of A Shares of the Company through Centralized Price Bidding
3	2021-01-07	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended December 31, 2020)
4	2021-01-08	Announcement by Huatai Securities Co., Ltd. on Public Solicitation of Voting Rights by Independent Directors, Notice of 2021 First Extraordinary General Meeting of Huatai Securities Co., Ltd., Legal Opinions from King & Wood Mallesons (Nanjing) on the Restricted Share Incentive Scheme of A Shares (Draft) of Huatai Securities Co., Ltd., Document of 2021 First Extraordinary General Meeting of Huatai Securities Co., Ltd.
5	2021-01-09	H Share Announcement of HTSC (Next Day Disclosure Return)
6	2021-01-12	Announcement by Huatai Securities Co., Ltd. on Results of the Implementation of the Repurchase of A Shares and Changes in Shares
7	2021-01-21	Announcement by Huatai Securities Co., Ltd. on Receiving Reply from the CSRC on Conducting Market Making Business on Commodities Futures
8	2021-01-27	Announcement by Huatai Securities Co., Ltd. on Issuance Results for 2021 Short-term Debentures (First Tranche)
9	2021-01-29	Announcement by Huatai Securities Co., Ltd. on Issuance Results for 2021 Short-term Debentures (Second Tranche)
10	2021-01-30	Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Twelfth Meeting of the Fifth Session of the Board, Indicative Announcement by Huatai Securities Co., Ltd. on Notes on Attending the 2021 First Extraordinary General Meeting during the Prevention of the COVID-19 Pandemic, H Share Announcement of HTSC (Connected Transaction – Establishment of a Partnership)
11	2021-02-03	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended January 31, 2021), Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Seventh Meeting of the Fifth Session of the Supervisory Committee, Explanations to the Publicity of and Verification Opinions of the Board of Supervisors of Huatai Securities Co., Ltd. on the List of Incentive Participants under the Restricted Share Incentive Scheme of A Shares, List of Incentive Participants under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Announcement on the Approval of the Restricted Share Incentive Scheme of A Shares
12	2021-02-09	Self-inspection Report of Huatai Securities Co., Ltd. on Dealing the Stocks of the Company by Insiders under the Restricted Share Incentive Scheme of A Shares, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the 2021 First Extraordinary General Meeting, Legal Opinions from King & Wood Mallesons on the 2021 First Extraordinary General Meeting of Huatai Securities Co., Ltd., Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Administration Measures for the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Administration Measures for the Evaluation on the Implementation of the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Rules of Procedures for General Meetings of Huatai Securities Co., Ltd. (Revised in 2021), Announcement by Huatai Securities Co., Ltd. on Approval of Qualification as Director, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Thirteenth Meeting of the Fifth Session of the Board
13	2021-02-10	Announcement by Huatai Securities Co., Ltd. on Accumulative Increase of New Borrowings in Current Year Exceeding Net Assets at the End of Previous Year by 20%
14	2021-03-04	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended February 28, 2021)
15	2021-03-12	Announcement by Huatai Securities Co., Ltd. on the Results of the Issuance of the 2021 Short-term Debentures (Third Tranche), H Share Announcement of HTSC (Date of Board Meeting)
16	2021-03-18	Announcement by Huatai Securities Co., Ltd. on the Briefing on the Annual Results of 2020

No	Date	Announcement
17	2021-03-24	2020 Annual Report of Huatai Securities Co., Ltd., 2020 Annual Report Summary of Huatai Securities Co., Ltd., Annual Internal Control Evaluation Report of Huatai Securities Co., Ltd. in 2020, Independent Opinion of Independent Directors of Huatai Securities Co., Ltd. on Matters Concerning 2020 Annual Report of the Company, 2020 Annual Audit Report of Huatai Securities Co., Ltd., Special Explanation of Huatai Securities Co., Ltd. on Occupation of Non-operating Funds and Transaction of Other Associated Funds for 2020, Report on Performance of Duties of Independent Directors of Huatai Securities Co., Ltd. in 2020, Corporate Social Responsibility Report of Huatai Securities Co., Ltd. for 2020, Annual Internal Control Audit Report of Huatai Securities Co., Ltd. in 2020, Report on Performance of Duties of Audit Committee under the Board of Huatai Securities Co., Ltd. in 2020, Announcement by Huatai Securities Co., Ltd. in Relation to the Grant of the Restricted A Shares to Incentive Participants under the Restricted Share Incentive Scheme of A Shares, Legal Opinions from King & Wood Mallesons (Nanjing) on Adjustment to Relevant Matters on the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. and the Grant, List of Incentive Participants under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Verification Opinions of the Board of Supervisors of Huatai Securities Co., Ltd. on Adjustment to Relevant Matters on the Restricted Share Incentive Scheme of A Shares and the Grant, Announcement by Huatai Securities Co., Ltd. on Adjustment to Relevant Matters of the Restricted Share Incentive Scheme of A Shares, Independent Opinions of Independent Directors of Huatai Securities Co., Ltd. on Adjustment to Relevant Matters of the Restricted Share Incentive Scheme of A Shares and the Grant, Announcement by Huatai Securities Co., Ltd. in Relation to Provision for Impairment of Assets, Independent Opinions of Independent Directors of Huatai Securities Co., Ltd. on Provision for Impairment of Assets, Announcement on the Re-appointment of the Accounting Firm by Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Anticipation of Ordinary Transactions with Related Parties in 2021, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Fourteenth Meeting of the Fifth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eighth Meeting of the Fifth Session of the Supervisory Committee, Announcement on Annual Profit Distribution Plan of Huatai Securities Co., Ltd. in 2020
18	2021-04-01	Summary Report by Huaan Securities and Huatai United Securities on the Continuous Listing of Overseas Listing of AssetMark under HTSC
19	2021-04-06	Announcement by Huatai Securities Co., Ltd. on the Completion of Changes to the Nature of Shares and the Progress of the Granting of the Restricted Share Incentive Scheme of A Shares
20	2021-04-08	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended March 31, 2021), Announcement by Huatai Securities Co., Ltd. in Relation to Results of the Grant under the Restricted Share Incentive Scheme of A Shares
21	2021-04-13	Announcement by Huatai Securities Co., Ltd. on the Listing of Offshore Bonds on The Stock Exchange of Hong Kong Limited, Announcement by Huatai Securities Co., Ltd. on Providing Guarantee for the Issuance of Dollar Bonds of Wholly-owned Offshore Subsidiaries
22	2021-04-20	H Share Announcement of HTSC (Date of Board Meeting)
23	2021-04-22	Announcement by Huatai Securities Co., Ltd. on Providing Guarantee for the Issuance of Dollar Bonds of Wholly-owned Offshore Subsidiaries, Announcement by Huatai Securities Co., Ltd. on the Listing of Offshore Bonds on The Stock Exchange of Hong Kong Limited
24	2021-04-30	First Quarterly Report of 2021 of Huatai Securities Co., Ltd., Text of First Quarterly Report of 2021 of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Fifteenth Meeting of the Fifth Session of the Board
25	2021-05-07	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended April 30, 2021)
26	2021-05-21	Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Sixteenth Meeting of the Fifth Session of the Board, Independent Opinion of Independent Directors of Huatai Securities Co., Ltd. on Nomination of Candidates for Independent Non-executive Directors of the Company, Statements of Nominators of Independent Directors of Huatai Securities Co., Ltd., Statements of Candidates for Independent Directors of Huatai Securities Co., Ltd., Notice of 2020 Annual General Meeting of Huatai Securities Co., Ltd., Document of 2020 Annual General Meeting of Huatai Securities Co., Ltd.
27	2021-06-04	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended May 31, 2021)
28	2021-06-11	Indicative Announcement by Huatai Securities Co., Ltd. on Notes on Attending the 2020 Annual General Meeting during the Prevention of the COVID-19 Pandemic
29	2021-06-23	Announcement by Huatai Securities Co., Ltd. on Resolutions of 2020 Annual General Meeting, Legal Opinions from King & Wood Mallesons on the 2020 Annual General Meeting of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Approval of Qualification as Independent Non-executive Director
30	2021-06-29	Announcement on Issuance Results for 2021 Short-term Debentures of Huatai Securities Co., Ltd. (Fourth Tranche)
31	2021-06-30	Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Seventeenth Meeting of the Fifth Session of the Board
32	2021-07-03	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended June 30, 2021)
33	2021-07-07	Announcement by Huatai Securities Co., Ltd. on Jiangsu Guoxin Investment Group Limited Increase its Holding of Shares of the Company
34	2021-07-09	Update Announcement by Huatai Securities Co., Ltd. on Jiangsu Guoxin Investment Group Limited Increase its Holding of Shares
35	2021-07-17	Announcement by Huatai Securities Co., Ltd. on Issuance Results for 2021 Short-term Debentures (Fifth Tranche)
36	2021-07-24	Announcement by Huatai Securities Co., Ltd. on Issuance Results for 2021 Short-term Debentures (Sixth Tranche)
37	2021-07-31	Announcement by Huatai Securities Co., Ltd. on Implementation of Equity Distribution for 2020, Special Legal Opinions from King & Wood Mallesons (Nanjing) on Differentiated Distribution of Dividends of Huatai Securities Co., Ltd. in 2020
38	2021-08-06	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended July 31, 2021)
39	2021-08-18	H Share Announcement of HTSC (Date of Board Meeting)
40	2021-08-21	Announcement by Huatai Securities Co., Ltd. on Convening of 2021 Interim Results Briefing
41	2021-08-28	2021 Interim Report of Huatai Securities Co., Ltd., 2021 Interim Report Summary of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eighteenth Meeting of the Fifth Session of the Board
42	2021-09-07	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended August 31, 2021)
43	2021-09-08	Announcement by Huatai Securities Co., Ltd. on Change in Registered Address of Jiangsu Equity Exchange Co., Ltd., a Holding Subsidiary of the Company

No	Date	Announcement
44	2021-09-11	Announcement by Huatai Securities Co., Ltd. on Obtaining Approval of the CSRC for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds to Professional Investors
45	2021-09-17	Announcement by Huatai Securities Co., Ltd. on Change in Registered Address of Huatai Innovative Investment Co., Ltd., a Wholly-owned Subsidiary of the Company
46	2021-09-18	Announcement by Huatai Securities Co., Ltd. on the Appointment of General Manager of Huatai Securities (Shanghai) Asset Management Co., Ltd.
47	2021-09-25	H Share Announcement of HTSC (Supplemental Announcement of Annual Report for the Year ended December 31, 2020)
48	2021-10-08	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended September 30, 2021)
49	2021-10-20	H Share Announcement of HTSC (Date of Board Meeting)
50	2021-10-30	Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eleventh Meeting of the Fifth Session of the Supervisory Committee, Announcement by Huatai Securities Co., Ltd. on Change of Employee Representative Supervisor and Chairman of the Supervisory Committee, Third Quarterly Report of 2021 of Huatai Securities Co., Ltd.
51	2021-11-04	Announcement by Huatai Securities Co., Ltd. on Receiving Reply from the CSRC on Capital Increase in Huatai International Financial Holdings Company Limited, a Wholly-owned Subsidiary
52	2021-11-05	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended October 31, 2021), H Share Announcement of HTSC (2020 Corporate Annual Report)
53	2021-11-23	Announcement by Huatai Securities Co., Ltd. on Results of Jiangsu Guoxin Investment Group Limited Increase its Holding of Shares
54	2021-12-02	Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Twentieth Meeting of the Fifth Session of the Board
55	2021-12-04	H Share Announcement of HTSC (Monthly Return of Equity Issuer on Movements in Securities for the Month Ended November 30, 2021)
56	2021-12-29	Announcement by Huatai Securities Co., Ltd. on the Capital Increase in Huatai International Financial Holdings Company Limited

2. During the Reporting Period, the Company disclosed the following matters on the HKEXnews website of HKEX (www.hkexnews.hk):

No	Date	Announcement
1	2021-01-06	Monthly Return of Equity Issuer on Movements in Securities for the Month ended December 31, 2020, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Progress of Repurchase of A Shares of the Company through Centralized Price Bidding
2	2021-01-07	Overseas Regulatory Announcement – Document of 2021 First Extraordinary General Meeting of Huatai Securities Co., Ltd., Legal Opinions from King & Wood Mallesons (Nanjing) on the Restricted Share Incentive Scheme of A Shares (Draft) of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Public Solicitation of Voting Rights by Independent Directors, Notice of 2021 First Extraordinary General Meeting of Huatai Securities Co., Ltd., Notification Letter and Request Form to Non-registered Holders, Notification Letter and Request Form to Registered Shareholders, Form of Proxy for the Solicitation of Voting Rights by Independent Non-executive Director for Use at the 2021 First Extraordinary General Meeting to Be Held on February 8, 2021, Form of Proxy of Holders of H Shares for Use at the 2021 First Extraordinary General Meeting to Be Held on February 8, 2021, Notice of the EGM, Election of Non-executive Director, General Mandate to Issue Onshore and Offshore Debt Financing Instruments of the Company, Amendments to the Rules of Procedures for General Meetings, Proposed Adoption of the Restricted Share Incentive Scheme of A Shares and Notice of the 2021 First Extraordinary General Meeting
3	2021-01-08	Next Day Disclosure Return
4	2021-01-11	Results of the Repurchase of A Shares, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Results of the Implementation of the Repurchase of A Shares and Changes in Shares
5	2021-01-19	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First Tranche)
6	2021-01-20	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Receiving Reply from the CSRC on Conducting Market Making Business on Commodities Futures
7	2021-01-21	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Corporate Bonds to Professional Investors (First Tranche)
8	2021-01-26	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for 2021 Short-term Debentures (First Tranche)
9	2021-01-28	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for 2021 Short-term Debentures (Second Tranche), Announcement on Coupon Rate of 2021 Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First Tranche)
10	2021-01-29	Connected Transaction – Establishment of a Partnership, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Twelfth Meeting of the Fifth Session of the Board, Indicative Announcement by Huatai Securities Co., Ltd. on Notes on Attending the 2021 First Extraordinary General Meeting during the Prevention of the COVID-19 Pandemic
11	2021-02-01	Overseas Regulatory Announcement – Announcement on Issuance Results for 2021 Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First Tranche)
12	2021-02-02	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended January 31, 2021, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Seventh Meeting of the Fifth Session of the Board of Supervisors, Explanations to the Publicity of and Verification Opinions of the Board of Supervisors of Huatai Securities Co., Ltd. on the List of Incentive Participants under the Restricted Share Incentive Scheme of A Shares, List of Incentive Participants under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Announcement on the Approval of the Restricted Share Incentive Scheme of A Shares
13	2021-02-08	List of Directors and their Roles and Functions, Poll Results of the 2021 First Extraordinary General Meeting – Change of Non-Executive Director and Proposal on Adjustment to the Composition of Special Committees under the Board, Overseas Regulatory Announcement – Self-inspection Report of Huatai Securities Co., Ltd. on Dealing the Stocks of the Company by Insiders under the Restricted Share Incentive Scheme of A Shares, Administration Measures for the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Rules of Procedures for General Meetings of Huatai Securities Co., Ltd. (Revised in 2021), Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Thirteenth Meeting of the Fifth Session of the Board, Legal Opinions from King & Wood Mallesons on the 2021 First Extraordinary General Meeting of Huatai Securities Co., Ltd., Administration Measures for the Evaluation on the Implementation of the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd.
14	2021-02-09	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Accumulative Increase of New Borrowings in Current Year Exceeding Net Assets at the End of Previous Year by 20%
15	2021-03-03	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended February 28, 2021
16	2021-03-11	Date of Board Meeting, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Results of the Issuance of the 2021 Short-term Debentures (Third Tranche)
17	2021-03-17	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Briefing on the Annual Results of 2020
18	2021-03-19	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Qualified Investors (First Tranche) (Type I)

No	Date	Announcement
19	2021-03-23	Corporate Social Responsibility Report of Huatai Securities Co., Ltd. for 2020, Results Announcement for the Year Ended December 31, 2020, Announcement in Relation to Provision for Impairment of Assets, Announcement in Relation to Adjustment to Relevant Matters on the Restricted Share Incentive Scheme of A Shares of the Company, Announcement in Relation to the Grant of the Restricted A Shares to Incentive Participants under the Restricted Share Incentive Scheme of A Shares, Overseas Regulatory Announcement – Legal Opinions from King & Wood Mallesons (Nanjing) on Adjustment to Relevant Matters on the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. and the Grant, 2020 Internal Control Audit Report of Huatai Securities Co., Ltd., Special Explanation of Huatai Securities Co., Ltd. on Occupation of Non-operating Funds and Transaction of Other Associated Funds for 2020, Report on Performance of Duties of Audit Committee under the Board of Huatai Securities Co., Ltd. in 2020, Report on Performance of Duties of Independent Directors of Huatai Securities Co., Ltd. in 2020, Annual Internal Control Evaluation Report of Huatai Securities Co., Ltd. in 2020, Independent Opinion of Independent Directors of Huatai Securities Co., Ltd. on Matters Concerning 2020 Annual Report of the Company, Independent Opinions of Independent Directors of Huatai Securities Co., Ltd. on Provision for Impairment of Assets, Independent Opinions of Independent Directors of Huatai Securities Co., Ltd. on Adjustment to Relevant Matters on the Restricted Share Incentive Scheme of A Shares and the Grant, List of Incentive Participants under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Verification Opinions of the Board of Supervisors of Huatai Securities Co., Ltd. on Adjustment to Relevant Matters on the Restricted Share Incentive Scheme of A Shares and the Grant, Announcement by Huatai Securities Co., Ltd. on Anticipation of Ordinary Transactions with Related Parties in 2021, Announcement on the Re-appointment of the Accounting Firm by Huatai Securities Co., Ltd., Announcement on Annual Profit Distribution Plan of Huatai Securities Co., Ltd. in 2020, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Fourteenth Meeting of the Fifth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eighth Meeting of the Fifth Session of the Board of Supervisors, 2020 Annual Report Summary of Huatai Securities Co., Ltd., 2020 Annual Report of Huatai Securities Co., Ltd.
20	2021-03-31	Overseas Regulatory Announcement – Summary Report by Huaan Securities and Huatai United Securities on the Continuous Listing of Overseas Listing of AssetMark under HTSC
21	2021-04-07	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended March 31, 2021, Overseas Regulatory Announcement – Announcement in Relation to Results of the Grant under the Restricted Share Incentive Scheme of A Shares, Announcement by Huatai Securities Co., Ltd. on the Completion of Changes to the Nature of Shares and the Progress of the Granting of the Restricted Share Incentive Scheme of A Shares
22	2021-04-12	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Listing of Offshore Bonds on The Stock Exchange of Hong Kong Limited, Announcement by Huatai Securities Co., Ltd. on Providing Guarantee for the Issuance of Dollar Bonds of Wholly-owned Offshore Subsidiaries
23	2021-04-19	Date of Board Meeting
24	2021-04-21	2020 Annual Report, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Providing Guarantee for the Issuance of Dollar Bonds of Wholly-owned Offshore Subsidiaries, Announcement by Huatai Securities Co., Ltd. on the Listing of Offshore Bonds on The Stock Exchange of Hong Kong Limited
25	2021-04-22	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2021 Interest Payment for 2020 Corporate Bonds Publicly Issued to Qualified Investors (Second Tranche)
26	2021-04-23	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second Tranche)
27	2021-04-27	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2021 and Delisting for 2018 Non-publicly Issued Subordinated Bonds (Second Tranche) (Category I), Announcement on Issuance Results for 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second Tranche)
28	2021-04-29	First Quarterly Report of 2021, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Fifteenth Meeting of the Fifth Session of the Board
29	2021-05-06	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended April 30, 2021
30	2021-05-14	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third Tranche)
31	2021-05-18	Overseas Regulatory Announcement – Announcement on Issuance Results for 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third Tranche)
32	2021-05-20	Proposed Change of Independent Non-executive Director, Notice of AGM, Circular of 2020 Annual General Meeting, Form of Proxy of Holders of H Shares for use at the Annual General Meeting to be Held on June 22, 2021, Notification Letter and Request Form to Non-Registered Holders, Notification Letter and Request Form to Registered Shareholders, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2021 Interest Payment for 2019 Non-publicly Issued Corporate Bonds (First Tranche) (Type II), Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Sixteenth Meeting of the Fifth Session of the Board, Document of 2020 Annual General Meeting of Huatai Securities Co., Ltd., Notice of 2020 Annual General Meeting of Huatai Securities Co., Ltd., Independent Opinions of Independent Directors of Huatai Securities Co., Ltd. on Nomination of Candidates for Independent Non-executive Directors of the Company
33	2021-05-21	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth Tranche)
34	2021-05-25	Overseas Regulatory Announcement – Announcement on Issuance Results for 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth Tranche)
35	2021-05-28	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2021 Interest Payment for 2013 Corporate Bonds (Ten-year Bonds)
36	2021-06-03	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended May 31, 2021
37	2021-06-10	Overseas Regulatory Announcement –Announcement by Huatai Securities Co., Ltd. on 2021 Interest Payment for 2020 Corporate Bonds Publicly Issued to Qualified Investors (Fourth Tranche) (Type II), Announcement by Huatai Securities Co., Ltd. on Settlement and Delisting in 2021 for 2020 Corporate Bonds Publicly Issued to Qualified Investors (Fourth Tranche) (Category I), Indicative Announcement by Huatai Securities Co., Ltd. on Notes on Attending the 2020 Annual General Meeting during the Prevention of the COVID-19 Pandemic
38	2021-06-15	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth Tranche)

No	Date	Announcement
39	2021-06-16	Overseas Regulatory Announcement – Announcement on Issuance Results for 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth Tranche)
40	2021-06-18	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth Tranche)
41	2021-06-22	List of Directors and their Roles and Functions, Poll Results of the 2020 Annual General Meeting; Payment of Final Dividend; and Change of Independent Non-executive Director, Overseas Regulatory Announcement – Legal Opinions from King & Wood Mallesons on the 2020 Annual General Meeting of Huatai Securities Co., Ltd.
42	2021-06-23	Overseas Regulatory Announcement – Announcement on Issuance Results for 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth Tranche)
43	2021-06-25	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First Tranche)
44	2021-06-28	Overseas Regulatory Announcement – Announcement on Issuance Results for 2021 Short-term Debentures of Huatai Securities Co., Ltd. (Fourth Tranche)
45	2021-06-29	List of Directors and their Roles and Functions, Adjustment to the Composition of Audit Committee, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Seventeenth Meeting of the Fifth Session of the Board, Announcement on Issuance Results for 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First Tranche)
46	2021-07-02	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended June 30, 2021
47	2021-07-06	Announcement on Coupon Rate of 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second Tranche), Announcement by Huatai Securities Co., Ltd. on Jiangsu Guoxin Investment Group Limited Increase its Holding of Shares of the Company
48	2021-07-08	Overseas Regulatory Announcement – Update Announcement by Huatai Securities Co., Ltd. on Jiangsu Guoxin Investment Group Limited Increase its Holding of Shares
49	2021-07-12	Overseas Regulatory Announcement – Announcement on Issuance Results for 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second Tranche)
50	2021-07-16	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third Tranche), Announcement by Huatai Securities Co., Ltd. on Issuance Results for 2021 Short-term Debentures (Fifth Tranche)
51	2021-07-20	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Short-term Corporate Bonds to Professional Investors (Third Tranche)
52	2021-07-23	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for 2021 Short-term Debentures (Sixth Tranche)
53	2021-07-30	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Implementation of Equity Distribution for 2020, Special Legal Opinions from King & Wood Mallesons (Nanjing) on Differentiated Distribution of Dividends of Huatai Securities Co., Ltd. in 2020
54	2021-08-03	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2021 and Delisting for 2020 Short-term Corporate Bonds Publicly Issued to Professional Investors (Second Tranche)
55	2021-08-05	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended July 31, 2021
56	2021-08-06	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth Tranche)
57	2021-08-10	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Short-term Corporate Bonds to Professional Investors (Fourth Tranche)
58	2021-08-13	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth Tranche)
59	2021-08-17	Date of Board Meeting, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Short-term Corporate Bonds to Professional Investors (Fifth Tranche)
60	2021-08-20	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Briefing on the Interim Results of 2021
61	2021-08-25	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth Tranche)
62	2021-08-27	Interim Results Announcement for the Six Months ended June 30, 2021, Overseas Regulatory Announcement – 2021 Interim Report of Huatai Securities Co., Ltd., 2021 Interim Report Summary of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eighteenth Meeting of the Fifth Session of the Board, Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Short-term Corporate Bonds to Professional Investors (Sixth Tranche)
63	2021-09-06	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended August 31, 2021, Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh Tranche)
64	2021-09-07	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Change in Registered Address of Jiangsu Equity Exchange Co., Ltd., a Holding Subsidiary of the Company
65	2021-09-08	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Corporate Bonds to Professional Investors (Seventh Tranche)
66	2021-09-10	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Obtaining Approval of the CSRC for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds to Professional Investors

No	Date	Announcement
67	2021-09-16	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First Tranche), Announcement by Huatai Securities Co., Ltd. on Change in Registered Address of Huatai Innovative Investment Co., Ltd., a Wholly-owned Subsidiary of the Company
68	2021-09-17	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Appointment of General Manager of Huatai Securities (Shanghai) Asset Management Co., Ltd.
69	2021-09-22	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Perpetual Subordinated Bonds to Professional Investors (First Tranche)
70	2021-09-24	Supplemental Announcement of Annual Report for the Year ended December 31, 2020
71	2021-09-28	2021 Interim Report
72	2021-10-07	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended September 30, 2021
73	2021-10-15	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth Tranche)
74	2021-10-19	Date of Board Meeting, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Corporate Bonds to Professional Investors (Eighth Tranche)
75	2021-10-22	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth Tranche)
76	2021-10-26	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Corporate Bonds to Professional Investors (Ninth Tranche)
77	2021-10-27	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second Tranche)
78	2021-10-29	Third Quarterly Report of 2021, Change of Employee Representative Supervisor and Chairman of the Supervisory Committee, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Eleventh Meeting of the Fifth Session of the Board of Supervisors, Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Perpetual Subordinated Bonds to Professional Investors (Second Tranche)
79	2021-11-03	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Receiving Reply from the CSRC on Capital Increase in Huatai International Financial Holdings Company Limited, a Wholly-owned Subsidiary
80	2021-11-04	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended October 31, 2021, 2020 Corporate Annual Report, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2021 and Delisting for 2021 Short-term Corporate Bonds Publicly Issued to Professional Investors (Sixth Tranche)
81	2021-11-10	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2021 Interest Payment for 2020 Subordinated Bonds Publicly Issued to Professional Investors (First Tranche)
82	2021-11-17	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third Tranche)
83	2021-11-19	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Perpetual Subordinated Bonds to Professional Investors (Third Tranche), Announcement by Huatai Securities Co., Ltd. on 2021 Interest Payment for 2018 Corporate Bonds Publicly Issued to Qualified Investors (First Tranche) (Type II), Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2021 and Delisting for 2018 Corporate Bonds Publicly Issued to Qualified Investors (First Tranche) (Category I), Announcement by Huatai Securities Co., Ltd. on 2021 Interest Payment for 2020 Corporate Bonds Publicly Issued to Professional Investors (Fifth Tranche)
84	2021-11-22	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Results of Jiangsu Guoxin Investment Group Limited Increase its Holding of Shares
85	2021-12-01	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Twentieth Meeting of the Fifth Session of the Board
86	2021-12-02	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2021 Interest Payment for 2020 Corporate Bonds Publicly Issued to Professional Investors (Sixth Tranche) (Type II), Announcement by Huatai Securities Co., Ltd. on 2021 Interest Payment for 2020 Corporate Bonds Publicly Issued to Professional Investors (Sixth Tranche) (Type I)
87	2021-12-03	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended November 30, 2021, Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh Tranche)
88	2021-12-07	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Short-term Corporate Bonds to Professional Investors (Seventh Tranche)
89	2021-12-10	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth Tranche)
90	2021-12-20	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth Tranche)
91	2021-12-22	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Short-term Corporate Bonds to Professional Investors (Ninth Tranche)
92	2021-12-28	Overseas Regulatory Announcement – Announcement on Coupon Rate of 2021 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Tenth Tranche), Announcement by Huatai Securities Co., Ltd. on the Capital Increase in Huatai International Financial Holdings Company Limited
93	2021-12-30	Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Issuance Results for Public Issuance of 2021 Short-term Corporate Bonds to Professional Investors (Tenth Tranche)

3. During the Reporting Period, the Company disclosed the following matters on the website of the London Stock Exchange (www.londonstockexchange.com):

No	Date	Announcement
1	2021-01-04	RESTRICTED SHARE INCENTIVE SCHEME OF A SHARES
2	2021-01-07	NOTICE OF THE FIRST EGM OF 2021
3	2021-01-11	RESULTS OF THE REPURCHASE OF A SHARES
4	2021-01-29	ESTABLISHMENT OF A PARTNERSHIP
5	2021-02-08	LIST OF DIRECTORS AND THEIR ROLE AND FUNCTION, RESULTS OF EGM & DIRECTORATE CHANGE
6	2021-03-23	2020 ANNUAL FINANCIAL REPORT, 2020 CORPORATE SOCIAL RESPONSIBILITY REPORT, THE GRANT OF THE RESTRICTED A SHARES, ADJUSTMENT TO THE SHARE INCENTIVE SCHEME, PROVISION FOR IMPAIRMENT OF ASSETS
7	2021-04-07	RESULTS OF THE GRANT UNDER INCENTIVE SCHEME
8	2021-04-12	NOTICE OF BOND LISTING
9	2021-04-21	2020 ANNUAL REPORT, NOTICE OF BOND LISTING
10	2021-04-29	FIRST QUARTERLY REPORT OF 2021
11	2021-05-20	NOTICE OF AGM PROPOSED CHANGE OF INDEPENDENT DIRECTOR
12	2021-06-22	RESULT OF AGM
13	2021-06-29	ADJUSTMENT TO THE COMPOSITION OF AUDIT COMMITTEE
14	2021-07-30	IMPLEMENTATION OF EQUITY DISTRIBUTION FOR 2020
15	2021-08-27	2021 INTERIM RESULTS
16	2021-09-24	SUPPLEMENTAL ANNOUCEMENT OF 2020 ANNUAL REPORT
17	2021-09-28	2021 INTERIM REPORT
18	2021-10-29	THIRD QUARTERLY REPORT OF 2021, CHANGE OF THE SUPERVISORY COMMITTEE

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