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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Haitong Securities Co., Ltd.**, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).



海通证券股份有限公司
HAITONG SECURITIES CO., LTD.*

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

(Stock Code: 6837)

2022 REPORT OF THE BOARD
2022 REPORT OF THE SUPERVISORY COMMITTEE
2022 DUTY PERFORMANCE REPORT OF
INDEPENDENT NON-EXECUTIVE DIRECTORS
2022 ANNUAL REPORT
2022 FINAL ACCOUNTS REPORT
2022 PROFIT DISTRIBUTION PROPOSAL
RENEWAL OF ENGAGEMENT OF AUDITING FIRMS FOR THE
YEAR 2023
ESTIMATED INVESTMENT AMOUNT FOR THE PROPRIETARY
BUSINESS OF THE COMPANY FOR THE YEAR 2023
PROJECTED ROUTINE RELATED PARTY/CONNECTED
TRANSACTIONS OF THE COMPANY IN 2023
GRANT OF GENERAL MANDATE TO AUTHORISE, ALLOT OR
ISSUE A SHARES AND/OR H SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the 2022 Annual General Meeting of the Company to be held at Conference Room 616, Block C, Haitong Bund Finance Plaza, No. 888 South Zhongshan Road, Shanghai, the People's Republic of China on Friday, 16 June 2023 at 1:30 p.m. is set out on pages 13 to 15 of this circular.

The form of proxy for use at the AGM by the holders of H Shares has been distributed on 17 May 2023. Such form of proxy has also been published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk). Whether or not you are able to attend the AGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event no later than 24 hours before the time appointed for the holding of the AGM or no later than 24 hours before the time appointed for voting by poll, and deposit it together with the notarised power of attorney or other document of authorisation with Computershare Hong Kong Investor Services Limited. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so desire.

* For identification purpose only

17 May 2023

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“A Share(s)”	domestic share(s) of the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid up in Renminbi and listed for trading on the SSE
“AGM” or “Annual General Meeting”	the annual general meeting for the year 2022 of the Company to be held at Conference Room 616, Block C, Haitong Bund Finance Plaza, No. 888 South Zhongshan Road, Shanghai, the People’s Republic of China on Friday, 16 June 2023 at 1:30 p.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“Business Day(s)”	a day (other than Saturday or Sunday) on which the Hong Kong Stock Exchange is open for the business of dealing in securities
“Company” or “Haitong Securities”	Haitong Securities Co., Ltd., a joint stock company established in the People’s Republic of China with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange under the stock code of 6837 and the A Shares of which are listed on the Shanghai Stock Exchange under the stock code of 600837
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“General Mandate”	a general mandate proposed to be granted to the Board by the AGM to authorise, allot or issue A Shares and/or H Shares
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars

DEFINITIONS

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Director(s)” or “Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Latest Practicable Date”	12 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PBOC”	the People’s Bank of China, the central bank of the People’s Republic of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the People’s Republic of China
“Securities Law”	the Securities Law of the People’s Republic of China
“Shanghai Guosheng Group”	Shanghai Guosheng (Group) Co., Ltd., an existing shareholder of the Company, holding approximately 10.38% equity interest in the total issued share capital of the Company as of 31 March 2023
“SSE”	the Shanghai Stock Exchange
“Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including A Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Company, including holder(s) of H Shares and holder(s) of A Shares
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

Unless otherwise indicated, all the financial data in this circular are presented in Renminbi.

LETTER FROM THE BOARD



海通证券股份有限公司
HAITONG SECURITIES CO., LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6837)

Executive Directors:

Mr. Zhou Jie (*Chairman*)

Mr. Li Jun (*General Manager*)

Non-executive Directors:

Mr. Tu Xuanxuan

Mr. Zhou Donghui

Ms. Yu Liping

Mr. Xu Jianguo

Independent Non-executive Directors:

Mr. Zhang Ming

Mr. Lam Lee G.

Mr. Zhu Hongchao

Mr. Zhou Yu

Registered office:

Haitong Securities Building

No. 689 Guangdong Road

Shanghai

People's Republic of China

*Principal place of business
in Hong Kong:*

15/F, One Island South

2 Heung Yip Road

Wong Chuk Hang

Hong Kong

17 May 2023

To the Shareholders

Dear Sir or Madam,

INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM (set out on pages 13 to 15 of this circular) and provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions proposed at the AGM.

For reference purpose only, holders of A Shares may refer to Notice of 2022 AGM of Haitong Securities Co., Ltd. dated 16 May 2023, which is published on the website of the SSE (<http://www.sse.com.cn/>).

At the AGM, ordinary resolutions will be presented to approve (i) the report of the Board of Directors for the year 2022 (the “**2022 Report of the Board**”); (ii) the report of the Supervisory Committee of the Company for the year 2022 (the “**2022 Report of the**

* For identification purpose only

LETTER FROM THE BOARD

Supervisory Committee”); (iii) the 2022 duty performance report of Independent Non-executive Directors of the Company (the “**2022 Duty Performance Report of Independent Non-executive Directors**”); (iv) the annual report of the Company for the year 2022 (the “**2022 Annual Report**”); (v) the final accounts report of the Company for the year 2022 (the “**2022 Final Accounts Report**”); (vi) the profit distribution proposal of the Company for the year 2022 (the “**2022 Profit Distribution Proposal**”); (vii) the proposal of the Company on the renewal engagement of auditing firms for the year 2023; (viii) the proposal regarding the estimated investment amount for the proprietary business of the Company for the year 2023; and (ix) the proposal regarding the projected routine related party/connected transactions of the Company in 2023.

At the AGM, a special resolution will be presented to approve the proposal regarding the grant of general mandate to the Board to authorise, allot or issue A shares and/or H shares.

ORDINARY RESOLUTIONS:

1. 2022 Report of the Board

An ordinary resolution will be proposed at the AGM to approve the 2022 Report of the Board. Details of the aforesaid report of the Board are set out in Annex A to this circular.

The 2022 Report of the Board was considered and approved by the Board on 30 March 2023 and is hereby proposed at the AGM for consideration and approval.

2. 2022 Report of the Supervisory Committee

An ordinary resolution will be proposed at the AGM to approve the 2022 Report of the Supervisory Committee. Details of the aforesaid report of the Supervisory Committee are set out in Annex B to this circular.

The 2022 Report of the Supervisory Committee was considered and approved by the Supervisory Committee on 30 March 2023 and is hereby proposed at the AGM for consideration and approval.

3. 2022 Duty Performance Report of Independent Non-executive Directors

An ordinary resolution will be proposed at the AGM to approve the 2022 Duty Performance Report of Independent Non-executive Directors. Details of the aforesaid duty performance report of Independent Non-executive Directors are set out in Annex C to this circular.

The 2022 Duty Performance Report of Independent Non-executive Directors was considered and approved by the Board on 30 March 2023 and is hereby proposed at the AGM for consideration and approval.

LETTER FROM THE BOARD

4. 2022 Annual Report

An ordinary resolution will be proposed at the AGM to approve the 2022 Annual Report. The 2022 Annual Report has been despatched and also published on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) on 20 April 2023.

The 2022 Annual Report was considered and approved by the Board on 30 March 2023 and is hereby proposed at the AGM for consideration and approval.

5. 2022 Final Accounts Report

An ordinary resolution will be proposed at the AGM to approve the 2022 Final Accounts Report. Details of the aforesaid final accounts report are set out in Annex D to this circular.

The 2022 Final Accounts Report was considered and approved by the Board on 30 March 2023 and is hereby proposed at the AGM for consideration and approval.

6. 2022 Profit Distribution Proposal

An ordinary resolution will be proposed at the AGM to approve the 2022 Profit Distribution Proposal.

As audited, the net profit attributable to owners of the parent company for 2022 in the consolidated financial statements of the Company was RMB6,545,346,964.83 and the net profit of the parent company for 2022 was RMB9,624,955,483.62.

Based on the retained earnings of the parent company at the beginning of 2022 of RMB30,179,777,952.23, plus the net profit of the parent company for 2022 of RMB9,624,955,483.62, deducting the dividends distributed under the 2021 profit distribution plan of RMB3,919,260,000.00, and excluding the impact of internal transfer of owners' equity on distributable profits of RMB300,125,133.92, the distributable profits of the parent company at the end of 2022 were RMB35,585,348,301.93.

In accordance with the relevant regulations including the Company Law, the Securities Law, the Financial Rules for Financial Enterprises and the Articles of Association, the net profit of the parent company for 2022 will be allocated as follows:

1. to transfer RMB962,495,548.36 or 10% of the net profit of the parent company for 2022 to statutory reserves;
2. to transfer RMB962,495,548.36 or 10% of the net profit of the parent company for 2022 to general risk reserves; and
3. to transfer RMB962,495,548.36 or 10% of the net profit of the parent company for 2022 to transaction risk reserves.

LETTER FROM THE BOARD

The total amount of the above transfer was RMB2,887,486,645.08. Excluding such transfer, the distributable profits of the parent company at the end of 2022 were RMB32,697,861,656.85.

According to relevant requirements, gains from changes in fair value included in the distributable profits may not be used for cash distribution, and after excluding such impact, the profits of the Company for 2022 that can be used for cash distribution to investors were RMB5,998,655,440.21.

After comprehensive consideration of factors such as the interests of Shareholders and the development of the Company, it is recommended that the 2022 Profit Distribution Proposal be as follows:

1. The Company adopts the cash dividends for the profit distribution for the year 2022, and cash dividends of RMB2.10 (inclusive of tax) for every 10 shares will be distributed to the A shareholders of the Company and H shareholders of the Company registered on the record date for the 2022 annual dividend distribution. On the basis of 13,064,200,000 total issued shares of the Company on the date of board meeting approving the 2022 profit distribution plan, the total cash dividends amount to RMB2,743,482,000.00, representing 41.91% of the net profit attributable to the shareholders of the parent company on a consolidated basis in 2022. In the event that the total share capital of the Company changes after the date of the aforesaid Board meeting and prior to the record date for the distribution, the Company intends to keep the dividend rate unchanged and adjust the total distribution amount accordingly. The retained profit available for distribution to investors in 2022 will be carried forward to the next year.
2. Cash dividends are denominated and declared in Renminbi and will be paid in Renminbi and Hong Kong dollars to holders of A Shares of the Company and to holders of H Shares of the Company respectively. The actual amount distributed in Hong Kong dollars will be calculated based on the average exchange rate of Renminbi against Hong Kong dollar announced by the PBOC of the five working days prior to the date of the AGM.

The Company will conduct the cash dividend distribution within two months from the date of convening the Annual General Meeting, subject to the approval of the 2022 Profit Distribution Proposal at such Annual General Meeting.

The aforesaid resolution was considered and approved by the Board on 30 March 2023 and is hereby proposed at the AGM for consideration and approval.

LETTER FROM THE BOARD

7. Renewal of Engagement of Auditing Firms for the Year 2023

The Board proposes that PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)) and PricewaterhouseCoopers be re-appointed as the external auditors of the Company in 2023 for a term of one year, who will be responsible for providing relevant domestic and overseas audit and review services in accordance with PRC GAAP and IFRS, respectively. The audit fees (including those for internal control) amount to RMB8.80 million, of which RMB8.24 million is for financial and special regulatory report auditing and RMB0.56 million is for internal control auditing, representing an increase of RMB2.90 million compared with that of 2022. Such increase is mainly due to the increased audit workload resulting from the increased auditing range and the business growth of the Company.

The aforesaid resolution was considered and approved by the Board on 30 March 2023 and is hereby proposed at the AGM as an ordinary resolution for consideration and approval.

8. Estimated Investment Amount for the Proprietary Business for the Year 2023

An ordinary resolution will be proposed at the AGM to approve the proposal regarding the estimated investment amount for the proprietary business of the Company for the year 2023.

Article 6 of the Provisions on Strengthening the Supervision and Administration of Listed Securities Companies (Revised in 2020) promulgated by the CSRC provides that “pursuant to the requirements of the listing rules of Shanghai Stock Exchange and Shenzhen Stock Exchange with respect to transactions which shall be disclosed, where material external investments including securities proprietary business of listed securities companies exceeding certain amounts may need to be disclosed and proposed to the shareholders’ general meeting for resolution in time, the aggregate amount of proprietary investments can be considered and disclosed by shareholders’ general meeting of such companies each year; in the event that any changes occurred in proprietary investments, shareholders’ general meeting can authorize the board to vote and make announcements in compliance with the articles of association”.

The proprietary investment business is one of the primary businesses of the Company. In order to facilitate proprietary investment business to flexibly adjust the proprietary investment scale based on the market fluctuation and the proprietary investment strategy, the following matters are hereby proposed to be considered by the AGM, after taking the macro-economic and securities market conditions into account:

1. That the limit for the proprietary investment business of the Company for the year 2023 be as follows:
 - (1) The investment amount for the proprietary equity securities and its derivatives shall not exceed 80% of the net capital of the previous year;

LETTER FROM THE BOARD

- (2) The investment amount for the proprietary non-equity securities and its derivatives shall not exceed 400% of the net capital of the previous year.
2. That the Company's management be authorized to determine and adjust the Company's annual assets and liabilities allocation plan within the aforesaid limit subject to the relevant requirements of the CSRC on proprietary management and risk management based on market opportunities and the actual conditions of the Company.

The above limit excludes long-term equity investment and passive position arising from underwriting business and securities margin trading of the Company. The investment amount for the proprietary investment business of the Company shall be calculated according to the relevant formulas set out in the Administrative Measures for Risk Control Indicators of Securities Companies (2020) (《證券公司風險控制指標管理辦法(2020年)》) and the Calculation Standards for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) issued by the CSRC.

It should be noted that the limit set out above is the maximum amount of proprietary investment based on the relevant provisions promulgated by the CSRC, the Company's strategies and the risk profile. Its total amount and changes do not represent the judgement of the Board and the management of the Company regarding the market. The actual amount of proprietary investment shall be subject to the then prevailing market condition when the proprietary investment is made.

The aforesaid resolution was considered and approved by the Board on 30 March 2023 and is hereby proposed at the AGM as an ordinary resolution for consideration and approval.

9. Projected Routine Related Party/Connected Transactions of the Company in 2023

Reference is made to the announcement of the Company dated 30 March 2023 in relation to, among other things, the projected routine related party/connected transactions in 2023.

Ordinary resolutions will be proposed at the AGM to consider and approve the projected routine related party/connected transactions of the Company in 2023, details of which are set out in Annex E to this circular.

The aforesaid resolution was considered and approved by the Board on 30 March 2023 and is hereby proposed at the AGM for consideration and approval.

LETTER FROM THE BOARD

SPECIAL RESOLUTION:

1. Grant of General Mandate to Authorise, Allot or Issue A Shares and/or H Shares

The Board has resolved to propose a resolution regarding the grant of the General Mandate to authorise, allot or issue A Shares and/or H Shares at the AGM of the Company for consideration and approval. Details of the General Mandate are as follows:

In accordance with the requirements stipulated in the Company Law, the Securities Law, the Hong Kong Listing Rules and the Articles of Association, and subject to the terms and conditions set out in the following provisions (1), (2) and (3), it is proposed at the shareholders' general meeting to grant an unconditional general mandate to the Board to authorise, allot or issue A Shares and/or H Shares (including warrants, convertible corporate bonds and other securities which carry rights to subscribe for or are convertible into shares) separately or concurrently, and to execute the necessary documents, complete the necessary formalities and take other necessary steps to complete the aforesaid matters:

- (1) the mandate is valid for the period from the date of passing of this resolution at the shareholders' general meeting to approve the grant of such mandate until whichever is the earliest of:
 - (a) the conclusion of the next annual general meeting of the Company following the passing of this resolution at the shareholders' general meeting; or
 - (b) the expiration of the 12-month period following the passing of this resolution at the shareholders' general meeting; or
 - (c) the date on which the mandate set out in this resolution is revoked or varied by a resolution of the Shareholders at any shareholders' general meeting.

Should the Board, during the validity period of the mandate, execute the necessary documents, complete the necessary formalities or take relevant steps which might be required to be performed or carried out upon or after the end of the validity period or continued until the end of the validity period, the validity period of the mandate will be extended accordingly;

- (2) the respective number of A Shares and/or H Shares which the Board proposes to authorise, allot or issue, or conditionally or unconditionally agrees to authorise, allot or issue (including warrants, convertible corporate bonds and other securities that carry rights to subscribe for or are convertible into shares, which will be calculated based on the aggregate number of shares potentially convertible by them) shall not exceed 20% of the respective number of A Shares or H Shares of the Company in issue as at the date of passing of this resolution at the shareholders' general meeting;

LETTER FROM THE BOARD

- (3) the Board shall only exercise the mandate pursuant to the Company Law, the Securities Law and the Hong Kong Listing Rules and all other applicable laws, regulations and requirements of any other government or regulatory authorities and with the approval by the CSRC and/or other relevant governmental authorities in the People's Republic of China.

With respect to an issue of shares pursuant to the General Mandate set out in this resolution, a proposal is made to the Annual General Meeting to authorise the Board to increase the Company's registered capital corresponding to the number of shares issued under the General Mandate, to make amendments to the Articles of Association where applicable and necessary in response to the increase of the Company's registered capital, and to take any other necessary actions and complete any other necessary procedures.

After the Board has obtained the aforesaid General Mandate, a proposal is made to the Annual General Meeting to approve the Board to in turn authorise the chairman and the general manager of the Company to jointly or separately sign, execute, amend, complete and submit all agreements, contracts and documents relating to the authorisation, allotment or issuance of shares under the General Mandate, unless otherwise provided by laws and regulations.

The aforesaid resolution was considered and approved by the Board on 30 March 2023 and is hereby proposed at the AGM for consideration and approval as a special resolution.

2022 ANNUAL GENERAL MEETING

The AGM will be held at Conference Room 616, Block C, Haitong Bund Finance Plaza, No. 888 South Zhongshan Road, Shanghai, the People's Republic of China on Friday, 16 June 2023 at 1:30 p.m. The notice of the AGM is set out on pages 13 to 15 of this circular.

The register of members of H Shares will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023 (both days inclusive), during which period no share transfers of H Shares will be effected. Purchasers of H Shares who have submitted their instruments of share transfer to the H Share Registrar of the Company and registered as Shareholders on the H Share register of members of the Company before 4:30 p.m. on Monday, 12 June 2023 are entitled to attend and vote in respect of all resolutions to be proposed at the AGM. In order to attend the AGM, holders of H Shares should ensure that relevant Share certificates, accompanied by all transfer documents, are lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m. on Monday, 12 June 2023.

The form of proxy for use at the AGM by holders of H Shares will be distributed on 17 May 2023. They have also been published on the website of Hong Kong Stock Exchange (www.hkexnews.hk).

LETTER FROM THE BOARD

To be valid, for holders of H Shares, the form of proxy and notarised power of attorney or other document of authorisation must be delivered to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for the AGM (i.e., 1:30 p.m. on Thursday, 15 June 2023) or no later than 24 hours before the time appointed for voting by poll. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

For reference purpose only, the record date for determining the eligibility of holders of A Shares for attending the AGM is 9 June 2023. For more details, please refer to Notice of 2022 AGM of Haitong Securities Co., Ltd. dated 16 May 2023, which is published on the website of the SSE (<http://www.sse.com.cn/>).

LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Hong Kong Listing Rules and Article 118 of the Articles of Association, any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions at the AGM will be taken by way of a poll.

According to the requirements of relevant laws and regulations in the People's Republic of China, the ordinary resolutions 9.01 and 9.02 set out in the notice of the AGM on pages 13 to 15 of this circular and proposed at the Annual General Meeting shall be voted by the Shareholders who do not have substantial interest in such resolutions. Therefore, Shanghai Guosheng Group and its associates shall abstain from voting on the ordinary resolution 9.01. The companies (other than the Company and its majority-owned subsidiaries) of which the Directors, Supervisors and senior management of the Company hold positions as their directors (other than being the independent non-executive directors of both sides at the same time) or senior management, and other related corporate entities, shall abstain from voting on the ordinary resolution 9.02.

Save as disclosed above, as far as the Directors are aware, as of the Latest Practicable Date, no other Shareholder is required to abstain from voting in respect of the ordinary and special resolutions at the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Board believes that all the resolutions mentioned above are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that all Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM as set out in the notice of the AGM as attached to this circular.

Yours faithfully,
By Order of the Board
Haitong Securities Co., Ltd.
ZHOU Jie
Chairman

17 May 2023

NOTICE OF ANNUAL GENERAL MEETING



海通证券股份有限公司
HAITONG SECURITIES CO., LTD.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6837)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 annual general meeting (the “**Annual General Meeting**”) of Haitong Securities Co., Ltd. (the “**Company**”) will be held at Conference Room 616, Block C, Haitong Bund Finance Plaza, No. 888 South Zhongshan Road, Shanghai, the People's Republic of China on Friday, 16 June 2023 at 1:30 p.m., for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors (the “**Board**”) of the Company for the year 2022
2. To consider and approve the report of the supervisory committee of the Company for the year 2022
3. To consider and approve the 2022 duty performance report of independent non-executive directors of the Company
4. To consider and approve the annual report of the Company for the year 2022
5. To consider and approve the final accounts report of the Company for the year 2022
6. To consider and approve the profit distribution proposal of the Company for the year 2022
7. To consider and approve the proposal of the Company on renewal of engagement of auditing firms for the year 2023
8. To consider and approve the proposal regarding the estimated investment amount for the proprietary business of the Company for the year 2023
9. To consider and approve the proposal regarding the projected routine related party/connected transactions of the Company in 2023, including:
 - 9.01 To consider and approve the proposal regarding the projected related party/connected transactions with Shanghai Guosheng (Group) Co., Ltd. and its associates; and
 - 9.02 To consider and approve the proposal regarding the projected related party transactions with the companies (other than the Company and its majority-owned subsidiaries) where the Company's directors, supervisors and senior management hold positions as directors or senior management, and other related corporate entities

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

1. To consider and approve the proposal regarding the grant of general mandate to the Board to authorize, allot or issue A shares and/or H shares of the Company

By order of the Board
Haitong Securities Co., Ltd.
ZHOU Jie
Chairman

Shanghai, the PRC
17 May 2023

Notes:

1. Eligibility for attending the Annual General Meeting and date of registration of members for H shares

The register of members of H shares of the Company (the “**H Shares**”) will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023 (both days inclusive), during which period no share transfers of H Shares will be effected. Purchasers of shares who have submitted their instruments of share transfer to the H Share Registrar of the Company and registered as shareholders on the H share register of members of the Company before 4:30 p.m. on Monday, 12 June 2023 are entitled to attend and vote in respect of all resolutions to be proposed at this Annual General Meeting.

In order to attend this Annual General Meeting, holders of H Shares should ensure that the relevant share certificates, accompanied by all transfer documents, are lodged with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, before 4:30 p.m. on Monday, 12 June 2023.

2. Proxy

- (1) Each shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more proxies in writing to attend and vote on his/her behalf. A proxy needs not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other document of authorisation must be notarised.

To be valid, for holders of H Shares, the form of proxy and notarised power of attorney or other document of authorisation must be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for the Annual General Meeting (i.e. 1:30 p.m. on Thursday, 15 June 2023) or no later than 24 hours before the time appointed for voting by poll.

- (3) Any voting at the Annual General Meeting shall be taken by poll.

3. Registration procedures for attending the Annual General Meeting

A shareholder or his proxy should present proof of identity when attending the Annual General Meeting. If a shareholder is a legal person, its legal representative or other person authorised by the board of directors or other governing body of such shareholder may attend the Annual General Meeting by providing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

NOTICE OF ANNUAL GENERAL MEETING

4. Voting by poll

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the Annual General Meeting will demand a poll in relation to all the proposed resolutions at the Annual General Meeting in accordance with Article 118 of the Articles of Association of the Company.

5. Miscellaneous

- (1) The Annual General Meeting is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

- (2) The address of Computershare Hong Kong Investor Services Limited is:

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

- (3) The registered office of the Company:

Haitong Securities Building
No. 689 Guangdong Road
Shanghai
The People's Republic of China

Contact address: Floor 15, Block A, Haitong Bund Finance Plaza, No. 888 South Zhongshan Road, Shanghai, the PRC

Contact office: Office of the Board

Telephone No.: 86 (21) 6341 1000

Facsimile No.: 86 (21) 6341 0627

Email: dshbgs@haitong.com

Contact person: Mr. Jiang Chengjun

As at the date of this notice, the executive directors of the Company are Mr. ZHOU Jie and Mr. LI Jun; the non-executive directors of the Company are Mr. TU Xuanxuan, Mr. ZHOU Donghui, Ms. YU Liping and Mr. XU Jianguo; and the independent non-executive directors of the Company are Mr. ZHANG Ming, Mr. LAM Lee G., Mr. ZHU Hongchao and Mr. ZHOU Yu.

* For identification purpose only

2022 REPORT OF THE BOARD OF HAITONG SECURITIES CO., LTD.¹

The year 2022 was an extremely important and challenging year in history. The 20th National Congress of the CPC was successfully convened, drawing up a grand blueprint for building a modern socialist country in all respects. In the face of the complicated domestic and international economic situation, the A-share market weathered the severe test, maintained the overall stable operation of the exchange bond and futures markets, further enhanced its function of serving real economies and played an important role in stabilizing the general macro economy and social expectation. During the year, the comprehensive in-depth reform of the capital market was advanced; the conditions for the implementation of the comprehensive registration-based IPO system gradually permitted; the deterrence of “zero-tolerance” law enforcement was increasingly intensified; and the investor protection systems and mechanisms were further improved.

In 2022, the Board unswervingly implemented national key decisions and deployments, focused on the new development stage, served the new development pattern, strengthened strategic leadership and promoted the Company to achieve its own high-quality development in serving the high-quality economic and social development.

I. MAJOR WORK IN 2022**1. Supervising the implementation of key strategies and making new achievements in serving new economies**

The Board adhered to the guidance of strategies, promoted the transmission of strategies and supervised the implementation of strategies. The Board carefully listened to the report of the management on annual and quarterly operation, and paid attention to the progress of key work and businesses of the Company through inspections, special meetings and other various channels, to promote the dynamic linkage of the long-term strategies and annual work of the Company and support the management to continuously enhance the market competitiveness of the Company. In 2022, the Board considered and approved various resolutions on structural adjustments and other matters and continuously promoted the reform of the organizational structures of wealth management, trading and institution and other business lines of the Company, laying the foundations for building the “business systems with serving customers as the center” by the Company.

The Board fully supported the management to actively align with national strategic deployments and gave full play to the role of finance in serving real economies. In 2022, under the philosophy of “One Haitong” and through the synergy and linkage of “investment, financing, sponsorship and research” and wealth management business, the Company realized positive results in supporting the independent development of technology companies, serving the regional development strategies of China, promoting the development of green finance, and

¹ Unless otherwise indicated, all the financial data in this report are presented in Renminbi.

other aspects. Focusing on “hard and core technology” market positioning, the Company provided services for a number of technology companies with outstanding core technologies and high market recognition and lifecycle comprehensive financial services for enterprises in key areas. As of the end of 2022, the Company provided financing services for the real economy of China with a total amount of nearly RMB4.4 trillion, of which services with a total amount of over RMB1.1 trillion were provided to enterprises in Shanghai.

2. Consolidating the fundamentals for compliance and risk control management and implementing new measures in promoting steady development

Compliant operation has always been the bottom line for the survival and development of the Company while risk control is an effective driver to balance risk and revenue and ensure long-term and healthy development. In 2022, the Board actively implemented the requirements of the CSRC on promoting the culture of “compliance, integrity, professionalism and prudence” in the industry, carried out in depth activities in relation to the “Year of Compliance and Internal Control Culture Construction” of the Company, and achieved positive results in compliance and internal control, team building and system development. The Board strengthened coordination in regulatory inspections and rectification of self-inspection problems, boosted efforts in supervision and accountability, continuously promoted the rectification of problems identified in tour inspections, regulation and audit and reinforced the quality and efficiency in internal control inspections and rectifications. It enhanced related party management, consolidated the fundamentals of related party transaction management, strengthened the daily monitoring and inspection on related party transactions and strictly controlled risks on related party transactions. The Board considered and approved the management measures for the protection of investors’ rights and interests, further consolidated the foundation of investors protection system and implemented the management of procedures for the protection of investors, and it regularly listened to the reports on anti-money laundering, intensified the compliance management on anti-money laundering, improved the systems and boosted due diligence efforts.

The Board comprehensively implemented relevant requirements on preventing and defusing significant financial risks and propelled the establishment of group wide risk management systems. In 2022, the Board regularly reviewed the reports on the implementation of annual risk control indicators, constantly improved risk management systems in line with the Company’s strategies, improved management structures and optimized management mechanisms to comprehensively consolidate the fundamentals of risk prevention and control. The Board paid continuous attention to various risks in the operation of the Company, revised the management measures on reputational risks, intensified the management and control of credit risks, market risks and other traditional risks and incorporated ESG risks and other emerging risks into the scope of risk management and control. It paid close attention to risk management of subsidiaries, strengthened the management of liquidity risk of the Company and its subsidiaries (the “**Group**”) and increasingly enhanced the risk management and control of the Group.

3. Coordinating the capital management of the Company in a scientific manner and seizing new trends in optimization of asset allocation

The Board followed the requirements on high-quality development, continuously improved the capital management systems and supplemented capitals through various measures to improve the capital use efficiency of the Group. In 2022, the Board coordinated and formulated the annual liability plan, seized the favorable market window, effectively reduced the capital costs and continuously improved the capital structure. It intensified and improved the capital allocation capability of the Group, enhanced the forward-looking study on the market, seized the trends and optimized the layout on asset and liability allocation. The Board responded to the reform of organizational structures of the Company, invested more resources in businesses with advantages and driven by customer demands and advanced ancillary adjustments to the plans on asset and liability allocation.

4. Adhering to the concept of development driven by technology and innovation and starting a new stage in building a digital Haitong

The Company has adhered to the strategy of “development driven by technology” and is the first securities company in the industry with renowned international certifications in four areas including operation and maintenance service system, information security system, software research and development system and software testing system. The Board of the Company promoted the management to deeply implement the “14th Five-year Plan” for science and technology development and speed up in the construction of “Digital Haitong 2.0”. The Company’s investment in science and technology continued to rank top in the industry. Through the construction of a financial technology platform featured with “agile, platform-based, intelligent and ecosystem-based”, it continuously promoted the in-depth application of new technologies such as artificial intelligence, big data and blockchain, facilitated the deep application of new financial technologies, insisted on self-reliance and controllability of key technologies, lead the innovation of various technologies in the industry, and is the explorer and pioneer of the digital transformation of the industry.

5. Strengthening the construction of corporate governance systems and meeting new requirements on guaranteeing standardized operation

The Company continuously improved the governance systems and procedures to guarantee the standardized and efficient operation of corporate governance, ensure the compliant and efficient decision-making of the Board, promote and develop a sound corporate governance culture. In 2022, the Company continuously explored the organic integration of Party’s leadership with the modern corporate governance and the integrated promotion path and constantly improved the modern systems of financial enterprises. It strengthened the building of the corporate governance system and governance capacity, studied the optimization of basic corporate governance systems, completed the amendments to the Articles of Association, relevant management systems of the general meeting, the Board, the Supervisory Committee, terms of reference of special committees, the insider registration and other relevant systems to promote the improvement of the compliance and effectiveness of corporate

governance. It continuously improved the corporate governance of the Group, supported the management to further improve the management and control systems of subsidiaries and practically enhanced the strategic penetration and standardized business of the Group, and continuously promoted the Board and the management to enhance communication and exchange, and strengthen the supervision and implementation of opinions and suggestions.

In order to further implement the remuneration and assessment management system for the Directors and senior management, the Board reviewed and approved the Proposal regarding the Results of Assessment of Senior Management of the Company in 2021 and the Proposal regarding the Appraisal and Incentive Plan of Senior Management of the Company for the Year 2022. The Board attached great importance to the management of related party transactions, completed the amendments to the administrative measures for related party transactions and requested the Company to conduct transactions in strict compliance with the regulations of Shanghai and Hong Kong. Based on the principle of prudence and fairness, the Board approved the Company to sign the Connected/Related Party Transaction Framework Agreement with Shanghai Guosheng (Group) Co., Ltd., the largest shareholder and determined the annual cap of the continuous connected transactions/related party transactions for 2023-2025, strictly reviewed the list of related parties/connected persons, and collected information of and made estimation on the daily related party transactions based on the actual conditions of operation and management on an annual basis.

6. Continuously improving information disclosure and achieving new compliance results in the capital market

The Board adhered to the principle of “truthfulness, accuracy, completeness, timeliness and fairness” and earnestly fulfilled its information disclosure obligation in a compliant manner. With investors’ needs as the orientation, the Company continuously optimized the contents and methods of disclosure and constantly improved the pertinence and effectiveness of information disclosure to practically protect investors’ right to know. In 2022, based on regulatory regulations and in combination with its practice, the Company amended its information disclosure systems and further standardized the scope and standards of information disclosure, the responsibilities and division of duties of relevant subjects, the procedures for information handling and publicity and internal monitoring measures. On the basis of mandatory information disclosure, the Company actively promoted voluntary information disclosure and actively disclosed key matters concerned by domestic and overseas investors and the capital market. In 2022, the Company disclosed 42 temporary announcements, 4 periodic reports, 1 social responsibility report in respect of its A shares, and 118 announcements, notices and circulars in respect of its H shares. The Company has obtained the highest evaluation Grade A in the annual assessment of information disclosure by the SSE for seven consecutive years, showing the SSE’s high recognition over the Company on compliance in the capital market, the work on standardized operation and information disclosure in particular.

7. Improving system guarantees to investor relations management and exploring new methods of communications with the capital market

The Board attached great importance to investor relations management and continuously enhanced professional and effective communications with the capital market. In 2022, the Company conducted comprehensive amendments to the investor relations management measures, providing more complete system guarantees to carry out investor relations activities in standard and effective manners. The Board earnestly implemented the resolutions of the general meeting on profit distribution, organized the distribution of dividends, and effectively protected the rights and interests of Shareholders. The Company organized and held the 2021 annual results announcement presentation and the 2022 interim results announcement presentation through a combination of online and offline methods, widely covering various domestic and overseas investors with remarkable communication efforts and effectiveness and obtaining the “Excellent Practice of 2021 Annual Report and Results Presentation of Listed Companies” selected by the China Association for Public Companies. The Company carried out in-depth communication with institutional investors, actively publicized its strategic positioning and operational effectiveness through various methods such as receiving investors’ visits and participating in domestic and overseas investment bank exchange meetings to boost investor confidence. The Board attached great importance to the protection of the interests of minority investors, handled investors’ inquiries and suggestions in a timely manner, answered investors’ hotlines and 205 questions in total through SSE e-interaction platform in 2022.

8. Improving the social responsibility management system and writing a new chapter in performing undertakings of state-owned enterprises

The Company accurately positioned itself as a listed company, finance company and corporate citizen and strived to create value for Shareholders, customers, employees and the society. In 2022, the Company steadily promoted the building of the ESG capability, optimized the ESG management structure and continuously improved its own ESG risk management system. It continued to enhance serving the national “carbon peaking and carbon neutrality” strategies with financial strength, released the Action Plan of Haitong Securities on Facilitating Carbon Peaking and Carbon Neutrality during the “14th Five-year Plan” Period, incorporated carbon peaking and carbon neutrality into the overall development of the Company, supported the development of green industries with green finance and strived to make contributions to achieving the “carbon peaking and carbon neutrality” goals of China and facilitating the global climate governance.

The Company bore the missions and undertakings of state-owned financial enterprises in mind, effectively allocated work force and assistance funds, deeply advanced the cooperation between the east and the west, earnestly carried out the poverty relief through “hundred enterprises in support of hundred villages” and “one company to one county” pair-up, deepened the public welfare brand of “Love in Haitong” and facilitated the regions it supported to achieve rural revitalization and promote common prosperity with financial strength.

II. DUTY PERFORMANCE BY THE BOARD IN 2022

1. Overall assessment on duty performance

In 2022, the Board carried out scientific analysis and judgment on the economic and financial situation at home and abroad, focused on the new development stage, implemented the new development concept, served the new development pattern, actively explored the organic integration of the Party's leadership with corporate governance and continuously enhanced the building of the Board itself to promote the high-quality development of the Company. All Directors seized opportunities and took on challenges diligently and dutifully, made use of their expertise and extensive experience to contribute wisdom and strength to the development of the Company, and provided a large number of constructive opinions and suggestions in respect of strategic guidance, compliance and internal control, incentives and restraints, audit matters and corporate governance. They properly and effectively performed their duties under the Articles of Association, and guaranteed the efficient operation, scientific decision-making of the Board and the sustainable and stable development of the Company.

(1) The Board maintained standardized and efficient operation and ensured significant decision-making in a scientific and transparent manner

The Board planned meeting arrangements in a scientific manner, strengthened the implementation of meeting plans, optimized the meeting process, focused on pre-meeting communication, strengthened information construction, and further improved the efficiency of the meetings. In 2022, the Board convened 33 meetings in total, including 12 Board meetings, 2 annual report work meetings of Independent Directors, 6 meetings of the Audit Committee, 2 meetings of the Nomination, Remuneration and Assessment Committee, 7 meetings of the Development Strategy and ESG Management Committee and 4 meetings of the Compliance and Risk Control Committee, at which the Board considered and approved 53 proposals.

(2) The Board actively and effectively conducted Directors' training and promoted the continuous improvement of duty performance capability

In 2022, the Directors actively participated in relevant trainings organized by regulatory authorities, stock exchanges or other institutions. The Company also organized specialized institutions to conduct training on the Interpretation of New Regulations Related to Directors, Supervisors and Senior Management and Corporate Governance. In addition, the Directors were kept duly informed of the operation and management of the Company, latest policies and regulations of securities market and other relevant information through the Newsletter of Directors and Supervisors and the Regulations of Securities Market and Case Analysis provided by the Company on a regular basis.

(3) The Board strictly implemented the resolutions approved at general meetings and practically protected the legal rights and interests of Shareholders

In 2022, the Company convened two general meetings, at which 13 resolutions were considered and approved. According to the 2021 annual profit distribution plan of the Company, the Board distributed cash dividend of RMB0.30 (tax inclusive) per share to the Shareholders, with total cash dividends of RMB3,919 million. By strictly implementing the resolutions approved at the general meetings, the Board performed the duties conferred by the Articles of Association and effectively protected the legal rights and interests of all Shareholders.

2. Attendance of the meetings

The details of the attendance are as follows:

Name of Directors	Attendance of the meetings	Name of Directors	Attendance of the meetings
Zhou Jie	12 required attendances, 12 actual attendances in person	Zhang Ming (Independent Non-executive Director)	12 required attendances, 12 actual attendances in person
Li Jun	12 required attendances, 12 actual attendances in person	Lam Lee G. (Independent Non-executive Director)	12 required attendances, 12 actual attendances in person
Tu Xuanxuan	12 required attendances, 12 actual attendances in person	Zhu Hongchao (Independent Non-executive Director)	12 required attendances, 12 actual attendances in person
Zhou Donghui	12 required attendances, 12 actual attendances in person	Zhou Yu (Independent Non-executive Director)	12 required attendances, 12 actual attendances in person
Yu Liping	12 required attendances, 12 actual attendances in person	Ren Peng (Resigned)	12 required attendances, 12 actual attendances in person
Xu Jianguo	12 required attendances, 12 actual attendances in person		

III. MAJOR WORK OF THE BOARD IN 2023

1. Practicing the concept of “One Haitong” and stepping up efforts in serving real economies

In 2023, the Board will continue to plan and promote corporate governance and operation management in the overall development of the country, step up efforts in serving real economies, support the management to practice the concept of “One Haitong” and a focused and coordinated approach serving the overall situation and polish the “business system with serving customers as the center” and the “management system with serving business as the core”. It will maintain the effective quality improvement and the reasonable quantity growth of businesses, seize significant opportunities in the transformation and upgrading of real economies and conduct forward-looking layout on the long-term business development.

2. Deeply implanting the concept of “steady development” and extending the depth of compliance and internal control management

In 2023, the Board will continue to increase its efforts in the judgment and analysis on the economic and financial situation at home and abroad, actively adapt to the new market ecology, maintain the organic integration of serving real economies and preventing and controlling financial risks to improve the forward-looking, accurate, effective and comprehensive risk prevention and control, and prevent and defuse financial risks through high-quality development. The Board will deeply consolidate the fundamentals of compliance management of the Company, explore and improve the depth of management and control of the Group, solidly conduct the establishment of compliance and internal control teams, culture and systems, promote the enhancement and upgrading of compliance risk management, bear compliance creating value in mind and reinforce the comprehensiveness and effectiveness of internal control and compliance to consolidate the foundations for building the century-old Haitong.

3. Adhering to the concept of “development driven by technology” and enhancing efforts in supporting development with technology

2023 is a crucial year in promoting the building of Digital Haitong 2.0. The Board will comprehensively speed up in promoting the digital transformation, follow the development trends of information technology and digital economy, constantly optimize the top design on the digital transformation of the Company, boost efforts in the evaluation and study on the structure and efficiency of investment in technology and shift the focus of the Company’s investment in technology from “scale” to “efficiency”. The Board will facilitate the in-depth integration of business with technology, continuously consolidate the digital basis of information systems, improve the independency and controllability of key technology, perfect the establishment of data governance systems and constantly improve technological products and services to provide stronger technological supports to the Company in comprehensively achieving the high-quality development.

4. Implementing the concept of “corporate governance in compliance with laws” and improving the construction of corporate governance

In 2023, the Company will initiate the re-election of the Board in compliance with laws and standardize the procedures for the re-election of the Board. Considering the re-election, the Company will continue to explore and optimize the composition of the Board on the basis of maintaining the continuity of the work of the Board, and improve the market judgment ability, deliberation and decision-making ability and risk control ability of the Board. It will intensify the ultimate responsibility of the Board in serving real economies, preventing financial risks and deepening financial reform and other aspects, and implement the responsibilities on strategic decisions, compliance risks, significant decisions as well as remuneration and incentive policies. It will improve corporate governance systems, strengthen the performance evaluation and assessment on Directors, facilitate all Directors to better perform their duty of good faith and duty of care and play greater roles in decision-making on corporate governance. Meanwhile, it will support the management in achieving new progress and breakthroughs in communications with the capital market, maintenance of investors’ relations, active information disclosure and the improvement of the ESG governance system.

2023 is the first year for comprehensively implementing the guiding spirit of the 20th National Congress of the CPC and a crucial year in promoting the implementation of the “14th Five-year” plan by the Company. Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 20th National Congress of the CPC, the Board of the Company will build confidence, gather strength, further enhance the capability on serving national strategies and real economies, make new achievements in advancing high-quality development with new morale and efforts and contribute Haitong’s strength in the Chinese path to modernization.

The above report is hereby proposed for consideration and approval at the general meeting.

Board of Directors of Haitong Securities Co., Ltd.

16 June 2023

**2022 REPORT OF THE SUPERVISORY COMMITTEE OF
HAITONG SECURITIES CO., LTD.¹**

Dear Shareholders,

In the extremely challenging year of 2022, the Company worked together, overcame difficulties and achieved sound development in various business segments. As at 31 December 2022, the Company's total assets amounted to RMB753,608 million, the net assets attributable to shareholders of the listed company amounted to RMB164,592 million, and the net capital attributable to the parent company amounted to RMB93,819 million. The Company's operating revenue amounted to RMB25,948 million, and the net profit attributable to shareholders of the listed company was RMB6,545 million, with earnings per share of RMB0.5 and net assets per share attributable to shareholders of the listed company of RMB12.60.

In 2022, with active support and cooperation of the Board and the management, the Supervisory Committee diligently performed its duties to promote the compliant and healthy development of the Company and safeguard the legal rights and interests of the Company and Shareholders in the spirit of being responsible to all Shareholders and in strict compliance with laws and regulations, the Articles of Association, the Rules of Procedure of the Supervisory Committee of the Company and the Rules of Performance of the Supervisory Committee of the Company (Trial), etc.

As entrusted by the Supervisory Committee, the work of the Supervisory Committee of the Company for the year 2022 is reported as follow:

I. MAJOR TASKS OF THE SUPERVISORY COMMITTEE IN 2022**1. Focusing on attending meeting in accordance with laws and regulations and effectively performing supervisory functions**

In 2022, the Supervisory Committee convened eight meetings (see the table below for details) and major topics included: considering various periodic reports and significant financial matters; amending the Rules of Procedure for the Supervisory Committee and other rules and systems; considering the candidates for Supervisors and the election of the chairman of the Supervisory Committee; listening to the report on operation and work plan, the financial accounts report and the profit distribution proposal; reviewing the special report on employee benefits and labor relations for the year and the list of the related/connected legal persons of the Company.

¹ Unless otherwise indicated, all the financial data in this report are presented in Renminbi.

Details of the meetings of the Supervisory Committee in 2022

No.	Name of the meetings	Date of the meetings	Approved proposals	Form of the meetings
1	the 14th meeting of the seventh session of the Supervisory Committee	29 March 2022	1. 2021 Annual Report of the Company; 2. 2021 Social Responsibility Report of the Company; 3. 2021 Annual Internal Control Evaluation Report of the Company; 4. 2021 Annual Compliance Report of the Company; 5. Special Report on the Deposit and the Actual Use of Proceeds of the Company; 6. The Proposal regarding the Provision for Asset Impairment of the Company; 7. 2021 Annual Work Report of the Supervisory Committee of the Company; 8. Resolution regarding the Amendment of the Rules of Procedure for the Supervisory Committee	On-site and video
2	the 15th meeting of the seventh session of the Supervisory Committee	26 April 2022	First Quarterly Report for the Year 2022 of the Company	Correspondence
3	the 16th meeting of the seventh session of the Supervisory Committee (extraordinary meeting)	11 July 2022	Resolution regarding the Formulation of the Management Measures for Protection of Investors' Rights and Interests of Haitong Securities Co., Ltd.	Correspondence
4	the 17th meeting of the seventh session of the Supervisory Committee (extraordinary meeting)	12 August 2022	1. Resolution regarding the Nomination of the Mr. Tong Jianping as the Candidate for the Supervisor of the Company; 2. Resolution regarding the Amendment of the Rules of Procedure for the Supervisory Committee	Correspondence

No.	Name of the meetings	Date of the meetings	Approved proposals	Form of the meetings
5	the 18th meeting of the seventh session of the Supervisory Committee	26 August 2022	1. 2022 Interim Report of the Company; 2. The Group Risk Assessment Report of the Company for the First Half of 2022	On-site
6	the 19th meeting of the seventh session of the Supervisory Committee (extraordinary meeting)	7 September 2022	Resolution regarding the Election of the Chairman of the Supervisory Committee of the Company	Correspondence
7	the 20th meeting of the seventh session of the Supervisory Committee	28 October 2022	Third Quarterly Report for the Year 2022 of the Company	On-site and teleconference
8	the 21st meeting of the seventh session of the Supervisory Committee (extraordinary meeting)	30 December 2022	1. Resolution regarding the Amendment of the Management Measures on Upright Practice of Haitong Securities Co., Ltd.; 2. Resolution regarding the Amendment of the Management Measures on Investor Relations of Haitong Securities Co., Ltd.	Correspondence

With the focus on key work of the Company, the Supervisory Committee safeguarded the core role of the Party committee in corporate governance and promoted the full exercise of the decision-making function in “determining strategies, making decisions and preventing risks” by the Board and the executive function in “planning operation, promoting implementation and enhancing management” by the management. By attending the meetings of the Board as observers and reviewing various resolutions and materials, the Supervisors expressed supervisory opinions on topics discussed by the Board and learnt about the decision-making background and process of the Company regarding significant matters. They tracked and learnt about the implementation of relevant resolutions of the general meetings and the meetings of the Board by the management, effectively performed the duties of the Supervisory Committee and implemented the supervisory work. All Supervisors attended the 2021 annual general meeting of the Company, at which they reviewed and supervised the procedures for the convening of the meeting and the resolutions considered.

2. Attaching importance to the coordination and integration of supervisory resources and promoting the synergy of supervision

The Supervisory Committee attached importance to the coordination and integration of various supervisory resources, promoted the synergy of corporate governance supervision, discipline inspection and supervision, compliance and risk control supervision, audit supervision and various supervisory resources to coordinate the integration of forces, the application of measures and the sharing of results.

The quarterly joint meetings on supervisory work convened by the Company aimed to prevent operational risks and regulate duty performance of the staff. In 2022, the Supervisory Committee and the discipline inspection and supervision team dispatched jointly carried out various special inspections and examinations to judge and analyze risks together and solve problems through negotiations, further improving the supervision force and effect and expanding the coverage of supervision.

3. Paying attention to the improvement of compliance and risk control systems and guaranteeing the sustainable development of the Company

The Supervisory Committee considered the annual compliance report, the report on evaluation of internal control and the report on risk assessment of the Company, conducted supervision on compliance and internal control management and proposed suggestions. By attending the meetings of the Board as observers, the Supervisory Committee listened to the annual special audit report on anti-money laundering work, the report on the implementation of risk control indicators and the resolution regarding the amendment of the Management Measures for Reputational Risk to acquire knowledge of key work on compliance and internal control and the construction of systems. It reviewed special written reports to learn about the weaknesses and problems in compliance and risk control and promote the implementation of rectifications.

The Supervisory Committee carried out special inspections and examinations on the compliance management, risk management and internal control audit, conducted special supervision on the inspection and rectification of risks of the Company and completed various special reports.

4. Emphasizing the examination on the financial conditions of the Company and supervising the Company's continuous improvement of its asset quality

The Supervisory Committee considered the financial reports and resolutions on the finance of the Company, listened to the reports on the financial positions of the Company and the final accounts report and budget, inspected and audited the financial statements and information of the Company to supervise the truthfulness, accuracy and completeness of the financial data and information and the compliance and scientificity of the financial management. It reviewed relevant special reports to learn about significant financial matters and determine whether the financial management system of the Company was sound and effective.

In 2022, the Supervisory Committee supervised the approval of the regulatory authorities on the annual final accounts, carried out special inspections on planning finance and capital lines and the South Bund Headquarters building, a significant fixed asset of the Company, and requested the Company to study financial problems from the height and perspective of the overall development of the Company, making its contributions to improving the decision-making and governance.

5. Highlighting the supervision on duty performance of the Company's Directors and management and promoting diligence of the Company's senior management

While supervising the duty performance of senior management, the Supervisory Committee paid attention to maintaining the unity of the management, fully stimulated and harnessed the enthusiasm of the management and carried out work together. By attending the meetings of the Board as observers, the Supervisors conducted whole-process supervision on the appointment of senior management by the Board, the annual assessment of the management and the determination of the performance appraisal and incentive schemes for the management. The chairman and vice chairman of the Supervisory Committee conducted interviews and daily communication with the senior management, listened to the annual work reports of the senior management and expressed opinions on the duty performance of the management.

6. Focusing on major work of the Company and promoting the regulated operation and business development of the Company

With the focus on key tasks of the Company, the Supervisory Committee conducted supervision from the right perspective and guaranteed the steady progress of all business activities. The Board of the Company considered the organizational structural adjustments, the deregistration of subsidiaries, the transfer of relevant shares, the purchase of office building and other significant matters. The Supervisors reviewed materials of the relevant meetings in a timely manner and were involved in the whole process of the meetings for communication on resolutions to learn about details and strengthened source and process supervision on the decision-making on significant matters. The employee representative Supervisors integrated the supervisory function and the functions of their respective departments, performed inspections and examinations within the Company to understand the details at the business frontline and identify potential risks and reveal problems, effectively playing the supervisory role.

In 2022, the Supervisory Committee implemented special inspections and examinations on the implementation of the strategies and technology plans of the Company, required the Company to give full play to the strategic role in coordinating and mulling the high-quality development of the Company, speed up digital transformation and enhance technology empowerment. The Supervisory Committee also carried out on-site researches on the Shanghai branch, the Pudong Branch and the Jianguo West Road Business Department and required them to deepen the innovation and transformation of comprehensive outlets.

7. Emphasizing the building of Supervisors' duty performance capability and continuously improving the quality and efficiency of supervision

In 2022, the Supervisory Committee amended the Rules of Procedure for the Supervisory Committee of the Company in accordance with the newly-revised Securities Law and the exchange rules. The employee representative Supervisors reported their duty performance to the employee representatives' meeting of the Company and accepted the assessment on duty performance by employee representatives. The results of the assessment on duty performance of three employee representative Supervisors in 2021 were "competent". Supervisors of the Company participated in various on-site, online and correspondence special trainings and read the training materials such as Regulations of Securities Market and Case Analysis edited by the Office of the Supervisory Committee each quarter to continuously improve their performance ability.

8. Stressing the roles of supervisors of subsidiaries and ensuring the performance of supervisory responsibilities in subsidiaries

The Supervisory Committee organized and held routine meetings with supervisors of subsidiaries each quarter to interpret new regulations, listen to reports and exchange experience and facilitated supervisors of subsidiaries in effectively performing duties. Through listening to duty performance reports of supervisors dispatched to subsidiaries, the assessment on supervisors dispatched to subsidiaries and signing the letters of annual targets and responsibilities with them, the Company promoted supervisors dispatched to subsidiaries to give full play to their roles in the management of subsidiaries.

II. THE 22ND MEETING OF THE SEVENTH SESSION OF THE SUPERVISORY COMMITTEE AND EVALUATION THEREOF ON OPERATING MANAGEMENT OF THE COMPANY

On 30 March 2023, the 22nd meeting of the seventh session of the Supervisory Committee listened to the Report on Operation of the Company in 2022 and Business Plans for 2023, 2022 Final Accounts Report of the Company and 2022 Profit Distribution Plan of the Company, and considered the 2022 Annual Report of the Company, 2022 Annual Compliance Report of the Company, Report on Evaluation of Internal Control of the Company in 2022, etc. Upon consideration, the Supervisory Committee was of the view that:

1. PricewaterhouseCoopers Zhong Tian LLP audited the financial statements and notes (A Shares) for 2022 prepared by the Company according to PRC GAAP and issued a standard and unqualified audit report "PricewaterhouseCoopers Zhong Tian Shen Zi (2023) No. 10083". PricewaterhouseCoopers audited the financial statements and notes (H Shares) for 2022 prepared by the Company according to IFRS and issued an unqualified audit report. Pursuant to the above audit reports, the Company's 2022 financial statements of A Shares and H Shares conformed to PRC GAAP (A Shares) and IFRS (H Shares), respectively, which gave a true and fair view of the Company's financial position at the end of 2022 and operating results and cash flows for the year of 2022 in all material respects and was recognized by the Supervisory Committee upon review.

2. The Company had a sound corporate governance structure, which was in compliance with the regulatory requirements in Mainland China and Hong Kong. In 2022, the Company amended and improved the Articles of Association and appendices thereto as well as the Terms of Reference of the Compliance and Risk Management Committee. The relevant nomination and consideration procedures for new supervisors and senior management were complete and in compliance with relevant regulations and disclosed pursuant to the regulatory requirements. The Board and the management of the Company diligently performed duties in accordance with laws and regulations. The Directors and senior management abided by various regulations on upright practice and actively participated in and supported the management of investor relations. None of the Directors or senior management was found violating laws and regulations or damaging the interests of Shareholders, the Company or the employees.
3. In 2022, the Company was committed to serving national strategies, facilitating the development of the real economy, speeding up the digital transformation and continuously optimizing the social responsibility management system.
4. In 2022, the Company carried out activities under the “Year of Compliance and Internal Control Culture Construction” and comprehensively promoted the improvement and upgrading of the group-wide compliance and internal control systems. The overall operation and management of the Company was in compliance and well-organized. According to the 2022 Assessment Report on the Effectiveness of Compliance Management of Haitong Securities Co., Ltd. issued by the assessment group on the effectiveness of compliance management of the Company, there were no significant deficiencies in compliance management or significant compliance risks in terms of compliance management environment, performance of compliance management responsibilities, construction and operation of operation management system and mechanism.

The Company established the risk management philosophy of “prudence or even conservatism” and followed the principle of the priority for compliance and priority for risk management. In 2022, the Company adhered to the concept of steady operation, further improved risk monitoring and warning, strengthened the capability on risk analysis and judgment, deepened vertical risk management on subsidiaries and continued to improve the establishment of its comprehensive risk management system in terms of full coverage, monitoring, measurement, analysis and risk-response ability.

After conducting independent audit on the design and implementation of the internal control of the Company in 2022, PricewaterhouseCoopers Zhong Tian LLP was of the opinion that the Company had maintained effective internal control on financial reports pursuant to the Basic Standards for Enterprise Internal Control and relevant regulations in all material aspects, and it also did not identify any material weakness in internal control in non-financial reports.

5. The Company complied with relevant laws and regulations on use of proceeds. In 2022, the Company issued 3 tranches of subordinated bonds totaling RMB9.48 billion to professional investors, 8 tranches of corporate bonds totaling RMB28.8 billion to professional institutional investors and non-publicly issued 1 tranche of short-term corporate bonds of RMB4.5 billion to professional investors on the Shanghai Stock Exchange, respectively, raising a total of proceeds of RMB42.78 billion. Such proceeds were mainly used to replenish the working capital and repay debts. The Company has strictly complied with the relevant requirements of China and the Company regarding the transfer, depositing and use of the proceeds.
6. The decision-making and review procedure regarding related party/connected transactions of the Company was in compliance with relevant laws and regulations and the disclosure of relevant information was made in a timely, truthful and complete manner. In 2022, the Board and the general meeting considered and approved relevant resolutions regarding related party/connected transactions in accordance with the regulatory requirements, disclosed the particulars of such related party/connected transactions in the annual and interim reports of the Company and amended and improved the Management Measures for Related Party Transactions of the Company.
7. Information disclosure was made in a good-faith and regulated manner. The Company amended and improved the Administrative Measures on Information Disclosure of the Company and the Corporate Insider Registration System in 2022. The information disclosure of the Company was true, accurate and complete and the inside information management was in place. The Company was rated Grade A for seven consecutive years in the evaluation of information disclosure by the Shanghai Stock Exchange.

III. SUPERVISORY OPINIONS AND RECOMMENDATIONS

In the spirit of accountability to the Shareholders and to promote sustainable and sound development of the Company, the Supervisory Committee is putting forward the following recommendations:

1. To make full efforts and ensure the successful conclusion of the three-year action plan of the Company

2023 is the final year for the three-year action plan of the Company and the three-year action plan on innovation and development. The Company will focus on the completion of key tasks with high quality, shoring up weaknesses and improving reform effects this year; achieve breakthroughs in key and difficult tasks and complete all tasks under the three-year action plan; systematically consolidate the reform results and establish the long-term mechanism.

2. To make further progress and continuously improve management measures on subsidiaries

The Company will further strengthen the management and control on subsidiaries, boost efforts in the penetration management on subsidiaries through refining the management responsibilities of relevant departments, improving the corporate governance structure of subsidiaries, technology empowerment and enhancing the building of corporate culture, improve the vertical and matrix management of key functional lines on subsidiaries, strengthen the synergy of the parent company and subsidiaries, deeply practice the concept of “One Haitong” and propel the high-quality development of the whole Group.

3. To make continuous efforts and constantly improve the compliance and internal control systems

The Company will carefully summarize the experience in the “Year of Compliance and Internal Control Culture Construction” in 2022, maintain strict accountability and consolidate the results. With problems as the orientation and in combination with internal and external inspections, the Company will focus on identifying and solving deep problems and defects; continuously improve compliance and internal control systems, deeply implant the compliance culture and improve the effectiveness of internal control.

IV. WORK PLAN OF THE SUPERVISORY COMMITTEE FOR 2023

1. Further improve duty performance in accordance with laws in a compliant manner

The Supervisory Committee will convene meetings in accordance with laws in a compliant manner. Members of the Supervisory Committee will attend the meetings of the Board and participate in the general meetings. It will organize targeted trainings, communications with supervisors of other listed companies and arrange on-site researches to continuously improve the supervision efficiency.

2. Adhere to the orientation of problems and urge the Company to shore up weaknesses

The Supervisory Committee will step up efforts in supervision on key sectors and links, focus on problems identified in various rectifications and perform normalized, high-frequent and multi-angle supervision to consolidate the fundamentals for the operation and development of the Company.

3. Maintain integration and continuously improve the quality and efficiency of supervision

The Supervisory Committee will continue to integrate all supervision forces to make coordinated efforts, further strengthen the coordination on work, information and personnel, achieve the sharing of inspection results and common improvement in the quality and efficiency of supervision and gradually shift the focus from post-event supervision to the whole-process supervision before, during and after the event.

4. Adhere to upper and lower linkage and continuously enhance the supervision ability of the supervisors (supervisory committees) of subsidiaries

The Supervisory Committee will continue to leverage on the platform of the routine meetings of supervisors of subsidiaries, improve the duty performance ability of supervisors of subsidiaries, boost supervision efforts, enhance the management and control on subsidiaries and promote the Company to improve the vertical management system of the Group.

5. Highlight key work and promote the deep and practical implementation of key tasks

The Supervisory Committee will focus on the development targets and key work of the Company, carry out various special inspections, special researches and special supervisions and conduct whole-process supervision on significant matters of the Company to facilitate the high-quality development of the Company.

The above report is hereby proposed for consideration and approval at the general meeting.

Supervisory Committee of Haitong Securities Co., Ltd.

16 June 2023

2022 DUTY PERFORMANCE REPORT OF INDEPENDENT NON-EXECUTIVE
DIRECTORS OF HAITONG SECURITIES CO., LTD.

In accordance with the relevant requirements of the Rules for Independent Directors of Listed Companies (《上市公司獨立董事規則》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》) and the Guidelines No. 1 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號–規範運作》) promulgated by the CSRC, we, as independent non-executive Directors, hereby report our work in 2022 as follows:

I. BASIC INFORMATION ABOUT INDEPENDENT NON-EXECUTIVE DIRECTORS

As of the date of the report, the seventh session of the Board was comprised of ten Directors, four of whom are Independent Non-executive Directors. The basic information of each independent non-executive Director is as follows:

1. Working experience and professional background

Mr. Zhang Ming (張鳴先生), born in 1958, is a holder of doctor's degree in economics, a professor, a doctoral supervisor, and a senior researcher. Mr. Zhang has served as an Independent Non-executive Director of the Company since 12 June 2016. He currently lectures at the School of Accountancy of Shanghai University of Finance and Economics (上海財經大學會計學院). Mr. Zhang has lectured in Shanghai University of Finance and Economics since graduation from this university in 1983 and has been the director of the teaching office, a deputy department director and then the deputy director of the school of accountancy. He is now a professor and a doctoral supervisor in the same university. Mr. Zhang has been an independent director of Wuxi Zhenhua Automobile Parts Co., Ltd. (無錫市振華汽車部件股份有限公司, listed on the SSE under the stock code of 605319) since May 2018, an independent director of National Silicon Industry Group Co., Ltd. (上海硅產業集團股份有限公司, listed on the SSE under the stock code of 688126) since March 2019, a director of Shanghai Shensi Enterprise Development Co., Ltd. (上海申絲企業發展有限公司) since November 2019, and an independent director of Shanghai Zhangjiang Hi-Tech Park Development Co., Ltd. (上海張江高科技園區開發股份有限公司, listed on the SSE under the stock code of 600895) since June 2021. Mr. Zhang served as an independent director of Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司, listed on the SSE under the stock code of 600000) from May 2016 to April 2022.

Mr. Lam Lee G. (林家禮先生), born in 1959, is a holder of doctor's degree in philosophy, a solicitor of the High Court of Hong Kong (and formerly a member of the Hong Kong Bar Association), an accredited mediator of the Center for Effective Dispute Resolution (CEDR), a fellow of Certified Management Accountants (CMA) Australia, the Hong Kong Institute of

Arbitrators, the Hong Kong Institute of Directors and the Institute of Corporate Directors Malaysia (ICDM), and an honorary fellow of Certified Public Accountants (CPA) Australia, the Hong Kong Institute of Facility Management, and the University of Hong Kong School of Professional and Continuing Education. Mr. Lam has served as an Independent Non-executive Director of the Company since 6 April 2017. Mr. Lam is experienced in general management, strategy consulting, corporate governance, direct investment, investment banking and asset management. Mr. Lam earlier served as the general manager of Hongkong Telecom, vice president and managing partner – Greater China of A.T. Kearney (an international management consulting firm), a member of the senior management of ChiaTai Enterprises International Limited (now known as C.P. Lotus Corporation) and also held positions including chairman, director and CEO at various subsidiaries of this group, the managing director of BOC International Holdings (the investment banking arm of Bank of China Group) and a vice chairman and the COO of the investment banking division of BOC International Holdings, an executive director of Singapore Technologies Telemedia (a member of Temasek Holdings), the chairman – Hong Kong, Vietnam, Cambodia, Laos, Myanmar and Thailand and a senior advisor – Asia of Macquarie Capital, the non-executive chairman – Greater China and ASEAN and the chief advisor – Asia of Macquarie Infrastructure and Real Assets, and a senior advisor – Asia of Macquarie Group. Mr. Lam is currently an independent non-executive director of each of CSI Properties Limited (stock code: 497), Vongroup Limited (stock code: 318), Mei Ah Entertainment Group Ltd. (stock code: 391), Elife Holdings Limited (stock code: 223), Hang Pin Living Technology Company Limited (stock code: 1682), Huarong International Financial Holdings Limited (stock code: 993), Kidsland International Holdings Limited (stock code: 2122), and Greenland Hong Kong Holdings Limited (Stock code: 337), and a non-executive director of each of Sunwah Kingsway Capital Holdings Limited (stock code: 188), China LNG Group Limited (stock code: 931) and Mingfa Group (International) Company Limited (stock code: 846) and was redesignated as an executive director from non-executive director of Hong Kong Aerospace Technology Group Limited (formerly known as Eternity Technology Holdings Limited, stock code: 1725) since 3 January 2022, the shares of all of which are listed on the Hong Kong Stock Exchange. Mr. Lam is also an independent non-executive director of Asia-Pacific Strategic Investments Limited (Stock code: 5RA), Alset International Limited (stock code: 40V), Beverly JCG Limited (stock code: VFP), and Thomson Medical Group Limited (stock code: A50), the shares of all of which are listed on the Singapore Exchange. Mr. Lam is an independent non-executive director of AustChina Holdings Limited (stock code: AUH), whose shares are listed on the Australian Securities Exchange and TMC Life Sciences Berhad (stock code: 0101), whose shares are listed on the Bursa Malaysia, and a non-executive director of Jade Road Investments Limited (stock code: JADE), whose shares are listed on the London Stock Exchange. Mr. Lam served as a non-executive director of National Arts Group Holdings Limited (a company listed on the Hong Kong Stock Exchange under the stock code of 8228) from June 2017 to July 2022. Mr. Lam has been serving as an independent non-executive director of RENHENG Enterprise Holdings Limited (stock code: 3628) since 30 June 2022.

Mr. Zhu Hongchao (朱洪超先生), born in 1959, is a holder of master's degree in law and a senior lawyer. Mr. Zhu has been an Independent Non-executive Director of the Company since 18 June 2019. Mr. Zhu served as the director and a senior partner of Shanghai United Law Firm (上海市聯合律師事務所) from June 1986 to March 2020 and since 1998, respectively. Mr. Zhu currently serves as an arbitrator of each of Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) and Shanghai Arbitration Commission, and a part-time professor of East China University of Political Science and Law. Mr. Zhu has been selected as one of Shanghai Leading Talents (上海市領軍人才). Mr. Zhu served as a lawyer at Shanghai First Law Firm (上海市第一律師事務所) from July 1983 to June 1986, and the vice president of All China Lawyers Association and the president of the sixth session of Shanghai Bar Association from 1994 to 2018. Mr. Zhu has served as an independent director of Caitong Fund Management Co., Ltd. (財通基金管理有限公司) since June 2011, an independent director of Jupai Holdings Limited (鉅派投資有限公司, listed on New York Stock Exchange under the stock code of JPPYY) since June 2015, an independent director of Leju Holdings Limited (樂居控股有限公司, listed on NYSE under the stock code of LEJU) since March 2017, an independent non-executive director of E-House (China) Enterprise Holdings Limited (易居(中國)企業控股有限公司, listed on the Hong Kong Stock Exchange under the stock code of 2048) since July 2018, an independent director of Shanghai Hysea Industrial Communications Co., Ltd. (上海海希工業通訊股份有限公司) since July 2020, an independent director of Shanghai Research Institute of Building Sciences Group Co., Ltd. (上海建科集團股份有限公司) since November 2020, an independent non-executive director of Sansheng Holdings (Group) Co., Ltd. (三盛控股(集團)有限公司, listed on the Hong Kong Stock Exchange under the stock code of 2183) since February 2021, an independent director of Shanghai Bailian Group Co., Ltd. (上海百聯集團股份有限公司, listed on the SSE under the stock code of 600827) since June 2021, and an independent director of Bright Real Estate Group Co., Ltd. (光明房地產集團股份有限公司, listed on the SSE under the stock code of 600708) since August 2021.

Mr. Zhou Yu (周宇先生), born in 1959, is a holder of doctor's degree in economics, a researcher, and a doctoral supervisor. He is an expert entitled to the special government allowances of the State Council and an executive director of China Association of World Economic Research (中國世界經濟學會). Mr. Zhou has been an Independent Non-executive Director of the Company since 18 June 2019. He is currently a researcher of Shanghai Academy of Social Sciences. Mr. Zhou served as a teacher of the Finance Department at Xinjiang University of Finance and Economics (新疆財經學院) from August 1982 to March 1992, during which he also served as a visiting researcher at Osaka University of Commerce (大阪商業大學) from April 1990 to March 1992. He pursued a master's degree and a doctor's degree at the Department of Economics of Osaka City University (大阪市立大學) from April 1992 to March 2000. He served as a visiting researcher at the Graduate School of Economics of Osaka City University from April 2000 to November 2000, served in various positions at the Institute of World Economy of Shanghai Academy of Social Sciences including assistant researcher, associate researcher, and deputy director of the Finance Research Institution from December 2000 to October 2008, during which he served as a post-doctoral fellow of economic theory at Shanghai Academy of Social Sciences (上海社會科學院) from January 2001 to

December 2002. He served as the director of the International Finance Research Institution of the Institute of World Economy of Shanghai Academy of Social Sciences (上海社會科學院世界經濟研究所國際金融研究室) and the director of the International Finance Monetary Research center of Shanghai Academy of Social Sciences (上海社會科學院國際金融貨幣研究中心) from October 2008 to December 2020.

2. Other positions held concurrently

Name	Position	Positions in Other Entities	
		Name of Entity	Position
Zhang Ming	Independent Non-executive Director	School of Accountancy of Shanghai University of Finance and Economics (上海財經大學會計學院)	Professor
		Wuxi Zhenhua Automobile Parts Co., Ltd. (無錫市振華汽車部件股份有限公司)	Independent Director
		National Silicon Industry Group Co., Ltd. (上海硅產業集團股份有限公司)	Independent Director
		Shanghai Shensi Enterprise Development Co., Ltd. (上海申絲企業發展有限公司)	Director
		Shanghai Zhangjiang Hi-Tech Park Development Company Limited (上海張江高科技園區開發股份有限公司)	Independent Director
		Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司)	Independent Director
Lam Lee G.	Independent Non-executive Director	Macquarie Group	Asia Senior Advisor
		CSI Properties Limited (資本策略地產有限公司)	Independent Director
		Vongroup Limited (黃河實業有限公司)	Independent Director
		Sunwah Kingsway Capital Holdings Limited (新華匯富金融控股有限公司)	Director
		AustChina Holdings Limited	Independent Director

Name	Position	Positions in Other Entities	
		Name of Entity	Position
		China LNG Group Co., Ltd. (中國天然氣集團有限公司)	Director
		ELife Holdings Limited (易生活控股有限公司)	Independent Director
		Jade Road Investments Limited (formerly known as: Adamas Finance Asia Limited)	Director
		Asia-Pacific Strategic Investments Limited (formerly known as: China Real Estate Grp Limited)	Independent Director
		Hang Pin Living Technology Company Limited (杭品生活科技股份有限公司)	Independent Director
		Kidsland International Holdings Limited (凱知樂國際控股有限公司)	Independent Director
		Mei Ah Entertainment Group Ltd.	Independent Director
		Beverly JCG Limited	Independent Director
		Thomson Medical Group Limited	Independent Director
		TMC Life Sciences Berhad (TMC 生命科學)	Independent Director
		Alset International Limited	Independent Director
		Greenland Hong Kong Holdings Limited (綠地香港控股有限公司)	Independent Director
		Mingfa Group (International) Company Limited (明發集團(國際)有限公司)	Director
		Hong Kong Aerospace Technology Group Limited (香港航天科技集團有限公司)	Director
		Huarong International Financial Holdings Limited (華融國際金融控股有限公司)	Independent Director

Name	Position	Positions in Other Entities	
		Name of Entity	Position
Zhu Hongchao	Independent Non-executive Director	Renheng Enterprise Holdings Limited (仁恒實業控股有限公司)	Independent Director
		National Arts Group Holdings Limited (國藝集團控股有限公司)	Director
		Shanghai United Law Firm (上海市聯合律師事務所)	Senior Partner
		Caitong Fund Management Co., Ltd. (財通基金管理有限公司)	Independent Director
		Jupai Holdings Limited (鉅派投資有限公司)	Independent Director
		Leju Holdings Limited (樂居控股有限公司)	Independent Director
		E-House (China) Enterprise Holdings Limited (易居(中國)企業控股有限公司)	Independent Director
		Shanghai Hysea Industrial Communications Co., Ltd. (上海海希工業通訊股份有限公司)	Independent Director
		Shanghai Research Institute of Building Sciences Group Co., Ltd.(上海建科集團股份有限公司)	Independent Director
		Sansheng Holdings (Group) Co. Ltd.(三盛控股(集團)有限公司)	Independent Director
Zhou Yu	Independent Non-executive Director	Shanghai Bailian Group Co., Ltd.(上海百聯集團股份有限公司)	Independent Director
		Bright Real Estate Group Co., Limited (光明房地產集團股份有限公司)	Independent Director
		Shanghai Academy of Social Sciences(上海社會科學院)	Professor

3. Statement of independence

The four Independent Non-executive Directors of the Company perform their duties independently, and have no connected relationship with any of the substantial shareholders of the Company or other entities or individuals having an interest in the Company which will affect their independence.

II. DUTY PERFORMANCE BY INDEPENDENT NON-EXECUTIVE DIRECTORS FOR THE YEAR**1. Attendance of meetings***(1) Attendance at general meetings of Independent Non-executive Directors*

During the reporting period, the Company convened two general meetings in total. The Company convened the 2021 Annual General Meeting on 21 June 2022 and the 2022 first extraordinary general meeting on 7 September 2022. Mr. Zhang Ming, Mr. Lam Lee G., Mr. Zhu Hongchao and Mr. Zhou Yu, who were Independent Non-executive Directors, attended the Annual General Meeting and the extraordinary general meeting mentioned above.

(2) Attendance at Board meetings of Independent Non-executive Directors

During the reporting period, the seventh session of the Board of the Company convened twelve meetings in total and the details of attendance are set out in the following table:

Name	Number of required attendances	Number of attendances in person	Number of attendances by		Number of absences
			way of correspondence	attendances by proxy	
Zhang Ming	12	12	9	0	0
Lam Lee G.	12	12	10	0	0
Zhu Hongchao	12	12	9	0	0
Zhou Yu	12	12	9	0	0

(3) Attendance at special committee meetings of Independent Non-executive Directors

The Board of the Company has set up four special committees. During the reporting period, the Development Strategy and ESG Management Committee held seven meetings, the Nomination, Remuneration and Assessment Committee held two meetings, the Audit Committee held six meetings and the Compliance and Risk Management Committee held four meetings. The positions held by the Independent Non-executive Directors at the special committees and their attendance at the respective meetings are as follows:

Independent Non-executive Director	The special committees under the Board in which positions were held
Zhang Ming	Audit Committee (Chairman), Nomination, Remuneration and Assessment Committee, Compliance and Risk Management Committee
Lam Lee G.	Audit Committee, Nomination, Remuneration and Assessment Committee
Zhu Hongchao	Nomination, Remuneration and Assessment Committee (Chairman), Compliance and Risk Management Committee
Zhou Yu	Development Strategy and ESG Management Committee, Audit Committee

Number of attendances in person/required attendances

Independent Non-executive Director	The special committees under the Board			
	Development Strategy and ESG Management Committee	Compliance and Risk Management Committee	Audit Committee	Nomination, Remuneration and Assessment Committee
Zhang Ming	–	4/4	6/6	2/2
Lam Lee G.	–	–	6/6	2/2
Zhu Hongchao	–	4/4	–	2/2
Zhou Yu	7/7	–	6/6	–

2. Duty performance

Based on the principles of integrity, objectivity, independence and prudence, the Independent Non-executive Directors fully fulfilled their duties, actively attended general meetings, meetings of the Board and special committees, reviewed each topic in a professional, responsible and independent manner, paid great attention to the Company's corporate governance, development strategy, risk management, significant investment and financing, nomination of directors, remuneration and incentives and talent team building, actively participated in discussions and proposed professional opinions and recommendations, thus playing an active role in the scientific decision-making of the Board, and effectively safeguarding the legitimate rights and interests of the Company and all shareholders, especially minority shareholders.

The Independent Non-executive Directors were kept duly informed of the Company's operations and management, latest policies and regulations in the securities market and other relevant information through materials including Newsletter of Directors and Supervisors and Regulations of Securities Market and Case Analysis produced by the Company on a regular basis. Meanwhile, the Independent Directors maintained regular communication with the Company in a prompt manner by email, telephone and other means, forming an effective communication mechanism and ensuring the right to know.

**III. KEY MATTERS OF INDEPENDENT NON-EXECUTIVE DIRECTORS DURING
DUTY PERFORMANCE FOR THE YEAR****1. Connected transactions**

On 29 March 2022, the 25th meeting of the seventh session of the Board of the Company was held, at which the Proposal regarding the Projected Routine Related Party/Connected Transactions of the Company for 2022 was considered and approved.

The Independent Non-executive Directors believe that the projected related party/connected transactions were the public services or transactions provided by the Company in the securities market, which were conducted in the ordinary course of business of the Company and at fair value, without prejudice to the interests of the Company and its minority shareholders; the operations of relevant businesses promoted the Company's business growth, which were in line with the Company's practical business needs and were conducive to the Company's long-term development; relevant related party transactions should be disclosed in relevant periodic reports of the Company under the SSE Listing Rules.

On 28 October 2022, the 33rd meeting of the seventh session of the Board of the Company was held, at which the Proposal regarding the Participation in the Establishment of Funds by a Wholly-owned Subsidiary of the Company and its Related Party/Connected Transactions was considered and approved. It was approved that Haitong Securities Asset Management No. 1 FOF Single Asset Management Plan of the Series Supporting Private

Enterprises on behalf of the Securities Industry (Haitong Securities Co., Ltd. is the single trustee) managed by Shanghai Haitong Securities Asset Management Company Limited (a wholly-owned subsidiary of the Company), Shanghai Guosheng (Group) Co., Ltd. (a related legal person/connected person of the Company), and Shanghai State-owned Capital Operation Research Institute Co., Ltd. (a connected person), as limited partners, Shanghai Guosheng Capital Management Co., Ltd. (a connected person), as a general partner, jointly participated in the establishment of Shanghai Guosheng Haitong Private Enterprise High-quality Development Private Investment Fund Partnership (Limited Partnership). The total capital contribution to the fund in the first tranche shall be RMB3,000,000,000, of which RMB1,000,000,000, RMB960,000,000, RMB28,000,000 and RMB1,000,000 to be subscribed by Haitong Securities Asset Management No. 1 (as a limited partner), Guosheng Group (as a limited partner), Shanghai State-owned Capital Operation Research Institute Co., Ltd. (as a limited partner) and Guosheng Capital (as a general partner) as to 33.33%, 32%, 0.93% and 0.03%, respectively.

The Independent Non-executive Directors believe that the agreement on the matter regarding the co-investment among Shanghai Haitong Securities Asset Management Company Limited (a wholly-owned subsidiary of the Company) and Shanghai Guosheng (Group) Co., Ltd. (a related party/connected person), Shanghai Guosheng Capital Management Co., Ltd. (a connected person) and Shanghai State-owned Capital Operation Research Institute Co., Ltd. (a connected person) was entered into by the Company in usual and ordinary course of business on ordinary commercial terms and fair pricing principle, without prejudicing the interests of the Company and its minority shareholders, and in the interests of the Company and all shareholders as a whole; the operations of relevant businesses were conducive to the promotion of the Company's business growth, in line with the business needs and were conducive to the long-term development of the Company. The decision-making procedures on the related party/connected transaction were in line with relevant laws, regulations and regulatory documents at home and abroad as well as relevant provisions of the Articles of Association. Hence, the related party/connected transaction of the Company was approved.

On 30 December 2022, the 34th meeting (extraordinary meeting) of the seventh session of the Board of the Company was held, at which the Resolution regarding the Signing of Related Party/Connected Transaction Framework Agreement between the Company and Shanghai Guosheng (Group) Co., Ltd. and Determining the Annual Cap of Continuous Connected Transactions/Related Party Transactions for 2023-2025 was considered and approved.

The Independent Non-executive Directors believe that the Related Party/Connected Transaction Framework Agreement between Shanghai Guosheng (Group) Co., Ltd. and Haitong Securities Co., Ltd. and transactions and services thereunder followed fair, impartial and reasonable market-based pricing principles and were in the interest of the Company and all shareholders as a whole. They neither harm the interests of the Company and its minority shareholders, nor affect the independence of the Company. The operations of relevant businesses were conducive to the promotion of the Company's business growth, the principal

business of the Company would not come to depend on the related party/connected person as a result of such related party transactions/connected transactions, which would not adversely affect the Company's ability to continue as a going concern. The decision-making procedures on the related party transaction/connected transaction were in line with relevant laws, regulations and regulatory documents at home and abroad as well as relevant provisions of the Articles of Association.

2. External guarantees and appropriation of fund

On 29 March 2022, in accordance with the relevant requirements, the Independent Non-executive Directors conducted a prudent inspection on the Company's external guarantees as of 31 December 2021 and issued a special statement and independent opinion on the external guarantees of the Company under the principles of strict self-discipline, standardized operation and seeking truth from facts.

The Independent Non-executive Directors believe that the Company stringently controlled the guarantee risk in strict accordance with the relevant laws, regulations and the Articles of Association, and the matters concerning external guarantees of the Company were submitted to the Board or the general meeting of the Company for consideration and approval in accordance with their authority of approval. The Company did not provide external guarantees in violation of the stipulated decision-making procedures during the reporting period, and adequately protected the legitimate rights and interests of the Company and all shareholders.

3. Use of proceeds

On 29 March 2022, the 25th meeting of the seventh session of the Board of the Company was held, at which the Special Report on the Placement and the Actual Use of Proceeds was considered and approved.

The Independent Non-executive Directors believe that the contents of the Special Report on the Placement and the Actual Use of the Proceeds prepared by the Company were true, accurate and complete without any false records, misleading statements or material omissions, and objectively and truly reflected the placement and actual use of the proceeds of the Company as of 31 December 2021. The Company placed and utilized the proceeds raised in compliance with relevant requirements of laws and regulations such as the Administrative Measures of the Sponsorship of the Offering and Listing of Securities, the Administrative Measures for the Issuance of Securities by Listed Companies, the Guidelines No. 1 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies – Standardized Operation and the Supervision Guide No.2 on Listed Companies – Regulatory on the Management and Use of Proceeds from Fund Raising of Listed Companies, strictly implemented the special account placement system for proceeds, and fulfilled relevant

information disclosure obligations in a timely manner. The actual use of proceeds was consistent with what the Company had disclosed. There was no disguised change in the use of proceeds or damage to the interests of shareholders, nor illegal use of proceeds.

4. Nomination and remuneration of senior management

On 3 March 2022, the 24th meeting (extraordinary meeting) of the seventh session of the Board of the Company was held, at which the Resolution on the Appointment of Deputy General Manager and Chief Compliance Officer of the Company was considered and approved. The appointment of Mr. Li Haichao as a deputy general manager and the chief compliance officer of the Company was approved.

The Independent Non-executive Directors were of the opinion that, after reviewing the brief biographical details of Mr. Li Haichao, they had not found any circumstances where Mr. Li Haichao was not allowed to serve as senior management of the Company as stipulated in Article 146 of the Company Law, nor any circumstances where Mr. Li Haichao had been banned from the market by the CSRC and such ban had not been lifted, or had been publicly condemned or criticized by the stock exchanges, and that the qualifications of Mr. Li Haichao met the required conditions for serving as senior management of securities companies and listed companies, which was in compliance with the relevant provisions of the Company Law and the Articles of Association and Mr. Li Haichao was qualified to serve as deputy general manager and chief compliance officer of listed companies and securities companies. The nomination and appointment procedures of Mr. Li Haichao and the convening, holding, voting and other procedures of the 24th meeting (extraordinary meeting) of the seventh session of the Board of the Company were in compliance with the relevant provisions of laws and regulations and the Articles of Association. Mr. Li Haichao's appointment was approved.

5. Appointment or change of accounting firms

On 29 March 2022, the 25th meeting of the seventh session of the Board of the Company considered and approved the Proposal of the Company on Renewal of Engagement of Auditing Firms. It was agreed to re-appoint PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers as the external auditors for the year 2022 to be responsible for provision of relevant domestic and overseas audit services and review services in accordance with PRC GAAP and IFRS, respectively, for a term of one year. Due to the increase in the audit content and the business development of the Company, the expenses for audit including internal control services in 2022 was RMB5.9 million, which comprised the expense for audit of financial and special supervision report of RMB5.5 million and expense for audit of internal control of RMB0.4 million, representing an increase of RMB0.7 million over that in 2021.

The Independent Non-executive Directors believe that upon review of the eligibility of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers re-appointed by the Company had independent legal person qualification and were qualified to engage in auditing

of securities and futures related businesses. The appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers could satisfy the Company's needs for the audit work. The decision-making procedures for the appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers complied with the laws, regulations and the Articles of Association and did not damage the interest of the Company and shareholders. It was approved to re-appoint PricewaterhouseCoopers Zhong Tian LLP as the external auditor of the Company for the provision of domestic audit services in 2022, and re-appoint PricewaterhouseCoopers as the external auditor of the Company for the provision of overseas audit services, which was submitted to the general meeting of the Company for consideration after being considered and approved by the Board.

6. Cash dividends and other returns to investors

On 29 March 2022, the 25th meeting of the seventh session of the Board of the Company considered and approved the 2021 Profit Distribution Proposal of the Company, and it was agreed to distribute a cash dividends of RMB3.00 (tax inclusive) for every 10 shares on the basis of the total share capital of the Company on the record date for this dividend distribution, with total cash dividends amounting to RMB3,919,260,000.00. The retained profit available for distribution to investors in 2021 would be carried forward to the next year. After the profit distribution plan for 2021 of the Company was considered and approved at the general meeting of the Company, the cash dividends would be distributed within two months from the date of convening such general meeting.

The Independent Non-executive Directors believed that the Board made the 2021 Annual Profit Distribution Proposal after taking into account a number of factors, such as the interests of shareholders and the development of the Company, in accordance with relevant requirements specified in the Guidelines No. 1 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies – Standardized Operation, the Articles of Association of Haitong Securities Co., Ltd. and the Financial Rules for Financial Enterprises. The proposal was in line with the laws, regulations and regulatory documents, the Company's actual situation, the interests of shareholders as a whole and their long-term interests, and was conducive to the long-term development of the Company. The Company agreed to submit the proposal to the Board for consideration, which was submitted to the general meeting for consideration after being considered and approved by the Board.

7. Performance of undertakings of the Company and shareholders

In 2022, the Company disclosed the performance of the Company's and shareholders' undertakings in its periodic reports in accordance with relevant requirements. The Independent Directors were of the view that both the Company and shareholders strictly performed the undertakings on an ongoing basis, without reneging their undertakings.

8. Implementation of information disclosure

During the reporting period, the Company disclosed its significant information in a true, accurate, complete, timely and fair manner in strict compliance with the requirements of the domestic and overseas laws and regulations on information disclosure, to ensure that investors were informed of the material matters of the Company in a timely manner, protect the interests of investors and enhance the transparency of the Company. In 2022, the Company disclosed 42 temporary announcements, 4 periodic reports, 1 social responsibility report for its A shares and 118 announcements, notices and circulars for its H shares.

The Independent Non-executive Directors believed that the information of the Company was disclosed in a true, accurate, complete, timely and fair manner without any false representation, misleading statements or material omission. Its professional, standardized and excellent information disclosure ensured the high transparency of the Company.

9. Implementation of internal control

On 29 March 2022, the 25th meeting of the seventh session of the Board of the Company considered and approved the 2021 Annual Internal Control Evaluation Report of the Company.

The Independent Non-executive Directors believed that the Company made the relevant internal control system covering all levels and aspects of its operation and management, after taking into account its needs in terms of operation and management, under the laws, regulations, regulatory documents and the basic principle of internal control. In the process of actual operation, a regularized management framework was formed, the operation and management risks could be effectively controlled, and the safety and integrity of the Company's assets as well as the interests of the Company and all shareholders were protected. The internal control assessment report of Company completely, truly and accurately reflected the actual situation of the Company's internal control, without false representation, misleading statements or material omissions. Hence, the conclusion drawn in the 2021 Internal Control Evaluation Report was agreed.

10. Operations of the Board and its special committees

During the reporting period, the Board and its special committees conducted their work according to laws and regulations, the Articles of Association and relevant terms of reference. The special committees provided effective and professional advice on the significant events under consideration by giving a full play to the expertise of Independent Directors, which facilitated the Board's scientific decision-making. In 2022, the Company convened 33 meetings in total, including twelve Board meetings, two work meetings of Independent Directors on annual reports, six meetings of the Audit Committee, two meetings of the Nomination, Remuneration and Assessment Committee, seven meetings of the Development Strategy and ESG Management Committee and four meetings of the Compliance and Risk Management Committee.

The Independent Non-executive Directors believed that the operation of the Board and its special committees was in compliance with laws and regulations, and all major issues have undergone thorough discussion and consideration, and the decision-making processes were scientific and efficient, showing that the Board and its special committees were under proper and effective operation, which facilitated the stable and continuous development of the Company.

11. Provision for asset impairment

On 29 March 2022, the 25th meeting of the seventh session of the Board of the Company considered and approved the Proposal regarding the Provision for Asset Impairment of the Company. On the basis of the provision for asset impairment from January to September 2021, the Company accrued RMB1,833,173,200 for impairment losses on credit assets and RMB449,595,000 for impairment losses on other assets from October to December 2021, totaling RMB2,282,768,200 for impairment losses on assets. The impact on net profit exceeds 10% of the audited net profit of the Company for 2020.

The Independent Non-executive Directors believed that this provision for impairment of assets was made in compliance with the GAAP and relevant requirements of the Company's accounting policies. It reflected the financial conditions of the Company as of 31 December 2021 and the operation results of the Company from September to December 2021 on a true and fair basis, and could help provide investors with better accounting information in terms of truthfulness, reliability and accuracy, which was in the interests of the Company and its minority shareholders. Hence, this provision for impairment of assets of the Company was agreed.

12. Other matters that the Independent Non-executive Directors believe that the listed company need to improve

The Independent Non-executive Directors affirmed and agreed with the Company's development strategy and operating conditions, and suggested that the Company should keep up with the regulatory trend, and further strengthen its attention to group-wide control, compliance risk control, data governance, and talent team building, so as to lay a solid foundation for the Company's high-quality development.

IV. OVERALL EVALUATION AND SUGGESTIONS

During the reporting period, all the Independent Non-executive Directors fulfilled their duties in good faith, diligently and independently in strict accordance with relevant laws and regulations, the Articles of Association, etc., continued to pay attention to the Company's operation and development, related party transactions, external guarantees, information disclosure, profit distribution and other matters that are closely related to the shareholders of

the Company, and prudently expressed independent opinions to promote the standardized operation of the Company, so as to ensure that the legitimate rights and interests of the Company and all shareholders were effectively safeguarded.

In 2023, all Independent Non-executive Directors will continue to fully perform the duties and make independent judgments regarding all works of the Board and its special committees, maintain the communication and cooperation among the Board, the Supervisory Committee and management, put forward constructive opinions and suggestions to facilitate high-quality development of the Company, continue to improve the scientific decision-making of the Board and the corporate governance level of the Company, and earnestly safeguard the interests of the Company and all shareholders, especially minority shareholders.

Signature of Independent Non-executive Directors:

Zhang Ming, Lam Lee G., Zhu Hongchao and Zhou Yu

16 June 2023

**FINAL ACCOUNTS REPORT OF
HAITONG SECURITIES CO., LTD. FOR THE YEAR OF 2022¹**

Dear Shareholders,

In 2022, the Company focused on the main tasks of serving the national strategies and the real economy, followed the general principle of making progress while ensuring stability, strove to consolidate the fundamentals for the Company's operation and development. As a result of such efforts, the synergy and linkage between "investment, financing, sponsorship and research" and wealth management, cross-border business and other areas improved significantly and our customer-centric business system was continuously optimized.

I. RESULTS OF OPERATION

Revenue

In 2022, the revenue of the Group was RMB25.948 billion, decreasing by RMB17.257 billion or 39.94% as compared to RMB43.205 billion for last year. In particular:

1. Net commission income from brokerage business was RMB4.673 billion, decreasing by RMB1.351 billion or 22.42% as compared to RMB6.024 billion for last year, which was mainly due to the decrease of revenue generated from brokerage business;
2. Net commission income from investment banking business was RMB4.179 billion, decreasing by RMB0.746 billion or 15.16% as compared to RMB4.925 billion for last year, which was mainly due to the decrease of revenue generated from securities underwriting business;
3. Net commission income from asset management business was RMB2.253 billion, decreasing by RMB1.411 billion or 38.49% as compared to RMB3.664 billion for last year, which was mainly due to the decrease of revenue generated from asset management business;
4. Net interest income was RMB6.210 billion, decreasing by RMB0.411 billion or 6.21% as compared to RMB6.621 billion for last year, which was mainly due to the decrease of interest income from margin financing;

¹ Unless otherwise stated, financial data in this report are based on the audited consolidated statements (A Shares) and are presented in Renminbi, and the data involving net profit, net assets and total comprehensive income are based on those attributable to the owners of the parent company. Principal financial indicators in this report are based on the China Enterprise Accounting Standards (CEAS).

5. Investment income and gains from changes in fair value amounted to RMB-0.248 billion, decreasing by RMB12.577 billion or 102.01% as compared to RMB12.329 billion for last year, which was mainly due to the decrease in investment income of financial instruments and gains from changes in fair value;
6. Other operating income was RMB8.022 billion, decreasing by RMB0.205 billion or 2.49% as compared to RMB8.227 billion for last year, which was mainly due to the decrease in sales revenue of a subsidiary.

Operating expenses

In 2022, the operating expenses of the Group was RMB18.037 billion, decreasing by RMB6.715 billion or 27.13% as compared to RMB24.752 billion for last year. In particular:

1. Business and management fee was RMB9.945 billion, decreasing by RMB4.209 billion or 29.74% as compared to RMB14.154 billion for last year, which was mainly due to the decrease in remuneration of employees;
2. Credit impairment loss was RMB1.666 billion, decreasing by RMB1.686 billion or 50.30% as compared to RMB3.352 billion for last year, which was mainly due to the decrease in impairment loss on financial assets held under resale agreements;
3. Other asset impairment loss was RMB0.065 billion, decreasing by RMB0.434 billion or 86.95% as compared to RMB0.499 billion for last year, which was mainly due to the decrease in impairment loss on goodwill;
4. Other operating costs were RMB6.120 billion, decreasing by RMB0.342 billion or 5.30% as compared to RMB6.462 billion for last year, which was mainly due to the decrease in cost of sales of a subsidiary.

Net profit attributable to shareholders of the parent company

In 2022, the Group recorded net profit attributable to shareholders of the parent company of RMB6.545 billion, decreasing by RMB6.282 billion or 48.97% as compared to RMB12.827 billion for last year.

II. FINANCIAL CONDITION**Assets**

As at the end of 2022, the total assets of the Group were RMB753.608 billion, increasing by RMB8.683 billion or 1.17% as compared to RMB744.925 billion as at the end of last year. The major changes include: long-term receivables and finance lease receivables increased by RMB15.448 billion, bank balances and cash, security deposits and refundable deposits increased by RMB6.923 billion, advances to customers on margin financing decreased by RMB7.380 billion, financial assets held under resale agreements decreased by RMB7.116 billion.

Financial assets of the Group such as financial assets held for trading, other debt investment and investment in other equity instruments accounted for 36% of the Group's total assets. Bank balances and cash, security deposits and refundable deposits accounted for 27% of the total assets. Long-term receivables and finance lease receivables accounted for 14% of the total assets. Advances to customers on margin financing accounted for 9% of the total assets. Financial assets held under resale agreements accounted for 4% of the total assets. Fixed assets, right-of-use assets, construction in progress and investment properties accounted for 3% of the Group's total assets. Most assets were with relatively strong liquidity, and the Group's assets were well-structured with high liquidity.

Liabilities

As at the end of 2022, the total liabilities of the Group were RMB575.986 billion, increasing by RMB8.816 billion or 1.55% as compared to RMB567.170 billion as at the end of last year. The major changes include: short-term borrowings and long-term borrowings increased by RMB11.662 billion, short-term financing bills payable and bonds payable increased by RMB9.417 billion, financial liabilities held for trading increased by RMB6.572 billion, accounts payable to brokerage clients and accounts payable to underwriters decreased by RMB9.277 billion.

III. CASH FLOW

The net cash flow from operating activities was RMB8.819 billion, and in particular, the cash inflow was RMB82.276 billion, accounting for 27.50% of the total cash inflow, mainly attributable to the cash from interest, fee and commission of RMB27.776 billion, the net increase in the fund from repurchase business of RMB16.571 billion, the net decrease in the financial assets held for trading of RMB13.265 billion, and the cash receipts from other operating activities of RMB17.740 billion; the cash outflow was RMB73.457 billion, accounting for 24.53% of the total cash outflow, mainly attributable to the net decrease of RMB9.304 billion in placements from banks and other financial institutions and the cash payment relating to other operating activities of RMB33.782 billion.

The net cash flow from investing activities was RMB-15.284 billion, and in particular, the cash inflow was RMB40.418 billion, accounting for 13.51% of the total cash inflow, primarily comprising cash from disposal of investment of RMB38.211 billion; the cash outflow was RMB55.702 billion, accounting for 18.60% of the total cash outflow, primarily comprising cash payment for investment of RMB51.044 billion.

The net cash flow from financing activities was RMB6.133 billion, and in particular, the cash inflow was RMB176.457 billion, accounting for 58.99% of the total cash inflow, primarily comprising cash receipts from bond issue of RMB104.859 billion and cash receipts from borrowings of RMB71.594 billion; the cash outflow was RMB170.324 billion, accounting for 56.87% of the total cash outflow, primarily comprising cash paid for repayment of debts of RMB155.278 billion.

The above report is hereby proposed for consideration and approval at the general meeting.

Board of Directors of Haitong Securities Co., Ltd.

16 June 2023

**PROPOSAL REGARDING THE PROJECTED ROUTINE
RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY IN 2023**

Dear Shareholders,

The Company has forecasted the routine related party/connected transactions to be conducted in 2023, details of which are as follows:

**I. BASIC INFORMATION OF ROUTINE RELATED PARTY/CONNECTED
TRANSACTIONS****(I) Summary of Related Party/Connected Transactions**

The Company has been approved by the CSRC to engage in securities business and provide trading and intermediary services in respect of securities and other financial products. The transaction counterparties and the target clients may also include related parties/connected persons of the Company. For the purpose of sound management and information disclosure for its related party/connected transactions, in accordance with the requirements of the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the **"Shanghai Stock Exchange Listing Rules"**), the Guidelines No. 5 of the Shanghai Stock Exchange on the Application of Self-Regulation Rules for Listed Companies – Transactions and Related Party Transactions, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Hong Kong Listing Rules"**) and other relevant laws and regulations, as well as the Articles of Association and the Management Measures for Related Party Transactions of the Company, the Company has forecasted its routine related party/connected transactions to be conducted in 2023 based on the need of its daily operations and business development.

**(II) The Company's Implementation of the Routine Related Party/Connected
Transactions in 2022****1. Continuing Connected Transactions under the Hong Kong Listing Rules**

The Company and Shanghai Guosheng (Group) Co., Ltd. (**"Shanghai Guosheng Group"**) entered into a securities and financial products transactions and services framework agreement (the **"Framework Agreement"**) on 6 August 2020, specifying the scope, pricing basis and supervision and control procedures for the connected transactions and related services and providing an estimation on the annual caps for the continuing connected transactions for the period from 2020 to 2022.

The Framework Agreement mentioned above was considered and approved at the 10th meeting (extraordinary meeting) of the seventh session of the Board of the Company. Mr. Tu Xuanxuan, a related/connected Director, had abstained from voting in accordance with relevant laws and regulations and the internal rules of the Company, and the Independent Directors of

the Company had granted pre-approval and expressed independent opinions on the signing of the Framework Agreement. The deliberation results of the relevant Board meeting and the announcement on the signing of the Framework Agreement were disclosed in compliance with the relevant requirements of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

For the year ended 31 December 2022 (the “Reporting Period”), details of the implementation of the continuing connected transactions in relation to the securities and financial products transactions and the securities and financial services conducted between the Group and Shanghai Guosheng Group and its associates are as follows:

Unit: RMB'0,000

Transaction	Estimated annual cap for the year 2022	Actual amount for the year 2022
Securities and Financial Products Transactions		
Inflow ⁽¹⁾	290,000.00	14,041.75
Outflow ⁽²⁾	540,000.00	2,943.45
Securities and Financial Services		
Revenue generated	7,000.00	671.46
Expenses paid	2,000.00	—

- (1) “Inflow” refers to the total amount of cash inflows arising from the securities and financial products transactions of the Group, including the sale of fixed income products and equity products, the interest to be received from derivatives related to fixed income products and borrowing/repurchase through financing transactions.
- (2) “Outflow” refers to the total amount of cash outflows arising from the securities and financial products transactions of the Group, including the purchase of fixed income products and equity products, the interest to be paid for derivatives related to fixed income products and lending/resale through financing transactions.

The overseas auditor engaged by the Company, PricewaterhouseCoopers, has performed audit procedures on the above continuing connected transactions and issued an assurance report to the Board confirming that: (1) nothing has come to its attention that causes it to believe that the continuing connected transactions disclosed have not been approved by the Board; (2) nothing has come to its attention that causes it to believe that such transactions involving provision of goods or services by the Group have not been conducted in accordance with the Group’s pricing policy in all material respects; (3) nothing has come to its attention that causes it to believe that such transactions have not been conducted in accordance with the agreements governing such transactions in all material respects; and (4) nothing has come to its attention that causes it to believe that, for each of the continuing connected transactions as set out in the table above, the transaction amount has exceeded the respective annual cap fixed by the Company.

The Independent Non-executive Directors of the Company have reviewed the above continuing connected transactions, and confirmed that such transactions were (1) entered into in the ordinary and usual course of business of the Group; (2) on normal commercial terms or better; and (3) conducted in accordance with the agreements governing such transactions, and that the terms of the transactions are fair and reasonable and in the interest of the Shareholders as a whole.

2. Routine Related Party Transactions under the Shanghai Stock Exchange Listing Rules

- (1) Related party transactions with Shanghai Guosheng (Group) Co., Ltd. and Shanghai Guosheng Group Assets Co., Ltd.

Unit: RMB'0,000

Transaction	Transaction amount for 2022	Percentage of the amount of similar transactions	Remarks
Net fee and commission income	189.58	0.02%	Asset management fee and commission income received from related parties.
Net fee and commission income	12.31	0.00%	Securities trading fee and commission income received from related parties.
Net interest income	80.24	0.01%	Net interest income from margin deposits of related parties.
Net gains or losses from trading of derivative financial instruments ^(Note)	625.28	N/A	During the Reporting Period, the amount of notional principal was RMB171 million; as at the end of the Reporting Period, the balance of notional principal was RMB57 million.

Note: The realized and unrealized investment income generated from trading of derivatives between the related parties as the counterparties and the Company, with losses presented in negative value.

Unit: RMB'0,000

Item	Balance as at 31 December 2022	Percentage of the amount of similar transactions	Remarks
Receivables	68.43	0.01%	Balance of service fees receivable from related parties.
Accounts payable to brokerage clients	0.92	0.00%	Balance of margin deposits from clients placed by related parties.
Payables	5,698.00	0.50%	Balance of margin deposits payable by the Company to related parties on derivative financial instruments.
Derivative financial assets	231.00	0.16%	Balance of derivative financial assets generated from trading of derivatives with related parties.

- (2) Related party transactions with companies (other than the Company and its majority-owned subsidiaries), where the Company's Directors, Supervisors and senior management hold positions as directors or senior management, and other related corporate entities

Unit: RMB'0,000

Transaction	Transaction amount for 2022	Percentage of the amount of similar transactions	Remarks
Net fee and commission income	28,404.88	2.45%	Income from asset management business, income from sales service and income from investment consulting service received from related parties.
Net fee and commission income	82.07	0.01%	Securities trading fee and commission income received from related parties.
Net interest income	56.21	0.01%	Net interest income from margin deposits of related parties.
Business and management expenses	1.10	0.00%	Expenses such as fund sales service fees paid to related parties.
Net gains or losses from trading of derivative financial instruments ^(Note)	10,133.61	N/A	During the Reporting Period, the amount of notional principal was RMB42,316 million; as at the end of the Reporting Period, the balance of notional principal was RMB4,186 million.

Note: The realized and unrealized investment income generated from trading of derivatives between the related parties as the counterparties and the Company, with losses presented in negative value.

ANNEX E	PROJECTED ROUTINE RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY IN 2023
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Unit: RMB'0,000

Item	Balance as at 31 December 2022	Percentage of the amount of similar transactions	Remarks
Receivables	2,066.80	0.20%	Balance of performance fees and prepaid business margin receivable from related parties.
Payables	3.04	0.00%	Balance of service fees and unpaid business margin payable to related parties.
Accounts payable to brokerage clients	5,484.72	0.05%	Balance of margin deposits from clients placed by related parties.
Derivative financial assets	1,543.32	1.04%	Balance of derivative financial assets generated from trading of derivatives with related parties.
Derivative financial liabilities	228.53	0.25%	Balance of derivative financial liabilities generated from trading of derivatives with related parties.
Financial liabilities held for trading	28.59	0.00%	Balance of financial liabilities held for trading generated from trading of derivatives with related parties.

Certain related corporate entities which are securities companies, carried out spot trading with the Company as qualified counterparties. During the Reporting Period, the total trading amount was RMB10,521 million.

(III) Projected Transaction Amount and Transaction Type of the Routine Related Party/Connected Transactions

The Company has forecasted the routine related party/connected transactions to be conducted for the year of 2023 and the period until the 2023 annual general meeting.

1. Shanghai Guosheng Group and Its Associates

In accordance with the Hong Kong Listing Rules and the Shanghai Stock Exchange Listing Rules, the signing of the Related Party/Connected Transaction Framework Agreement between Shanghai Guosheng (Group) Co., Ltd. and Haitong Securities Co., Ltd. between the Company and Shanghai Guosheng Group and its associates was approved at the 34th meeting (extraordinary meeting) of the seventh session of the Board of the Company. The Company and Shanghai Guosheng Group entered into the aforesaid agreement on 30 December 2022, which estimated the caps for continuing connected/related party transactions for 2023-2025.

Type of transaction	Scope of transaction	Caps for and descriptions of projected transaction
Securities and Financial Product Services	Execute in accordance with the framework agreement entered into on 30 December 2022	Execute in accordance with the framework agreement entered into on 30 December 2022 and the transaction amount shall be within the annual cap for 2023 as agreed in the agreement.
Securities and Financial Product Transactions	Execute in accordance with the framework agreement entered into on 30 December 2022	Execute in accordance with the framework agreement entered into on 30 December 2022 and the transaction amount shall be within the annual cap for 2023 as agreed in the agreement.

2. *Related Party Transactions with Companies (Other than the Company and Its Majority-owned Subsidiaries), Where the Company's Directors, Supervisors and Senior Management Hold Positions as Directors or Senior Management, and Other Related Corporate Entities*

Type of transaction	Scope of transaction	Caps for and descriptions of projected transaction
Securities and Financial Product Services	Providing securities and futures brokerage services, lease of trading rights, providing targeted asset management services, asset custody and operation outsourcing services to related parties; bank deposits and deposit interest in related parties; providing third-party fund depository services by related parties; agency sale of financial products of related parties; providing underwriting, sponsorship and financial consultation services to related parties; providing stock pledge, margin financing and securities lending services to related parties; providing investment consultation services to related parties; related parties' provision of banking credit, borrowing and other services to the Company; providing financial leasing to related parties; pay dividends to related parties and making joint investment with related parties.	Due to uncertainties of the occurrence and volume of such business, the projected cap will be the actual transaction amount.

Type of transaction	Scope of transaction	Caps for and descriptions of projected transaction
Securities and Financial Product Transactions	Resale or repurchase in the interbank market with related parties; conducting bond proprietary trading in the interbank market with related parties; carrying out usufruct transfer with related parties; subscribing for bonds, funds, wealth management products or trust plans issued by related parties; related parties' subscription for funds, asset management plans, wealth management products, over-the-counter derivatives and private placement bonds issued by the Company; conducting transfer of the listed shares on the NEEQ with related parties; making joint investment with related parties.	Due to uncertainties of the occurrence and volume of such business, the projected cap will be the actual transaction amount.

**II. RELATED PARTIES EXPECTING TO HAVE RELATED PARTY/CONNECTED
TRANSACTIONS IN 2023 AND DESCRIPTION OF THEIR RELATED
RELATIONSHIPS****1. Shanghai Guosheng (Group) Co., Ltd. and Its Associates**

Shanghai Guosheng (Group) Co., Ltd. is a large wholly state-owned investment holding company focusing on capital operation, which was established in April 2007. As at 31 December 2022, Shanghai Guosheng (Group) Co., Ltd. and its wholly-owned subsidiary Shanghai Guosheng Group Assets Co., Ltd. in aggregate held 10.38% equity interest of the Company. According to paragraph II(4) of Rule 6.3.3 of the Shanghai Stock Exchange Listing Rules, Shanghai Guosheng (Group) Co., Ltd. and its wholly-owned subsidiary Shanghai Guosheng Group Assets Co., Ltd. constitute related parties of the Company. Shanghai Guosheng (Group) Co., Ltd. and its associates constitute connected persons of the Company pursuant to Rules 14A.07(1)/(4) and 14A.13(1) of the Hong Kong Listing Rules.

2. Other Related Companies

Pursuant to paragraph II(3) of Rule 6.3.3 of the Shanghai Stock Exchange Listing Rules, in the event that the Directors, Supervisors and senior management of the Company hold the positions of directors (excluding independent directors who concurrently serve for both parties) or senior management of a company (other than the Company, its majority-owned subsidiaries or other entities controlled by it), such company will constitute a related party of the Company, but do not constitute a connected person of the Company under the Hong Kong Listing Rules.

III. PRICING PRINCIPLES**1. Securities and Financial Products Services**

It mainly includes but not limited to the following income arising from relevant business: fee charged from securities brokerage on behalf of client, sales service fees of securities and financial products, entrusted assets management fee and performance-based compensation, investment consulting fee, underwriting fees of investment banks, financial advisory fees, accounts receivable, and accounts payable etc., which shall be determined with reference to market price, industry practice and prices determined by the third party.

2. Securities and Financial Product Transactions

It mainly includes but not limited to the following income arising from relevant business: interest income from security deposits, income from investments, and trading financial assets etc., which shall be determined with reference to market price, industry practice and prices determined by the third party.

The above routine related party/connected transactions will not prejudice the interests of the Company and its Shareholders, especially its minority Shareholders.

IV. REASONS FOR THE TRANSACTIONS AND IMPACT ON THE COMPANY

1. The above related party/connected transactions are conducted in the ordinary course of the Company's business and will generate a stream of recurring revenue for the Company, which promotes the development of the Company's business, and has no material impact on the normal operations of the Company;
2. The above related party/connected transactions are fair, and the prices under these transactions are made with reference to the market price, therefore without prejudicing the interest of the Company;
3. The above related party/connected transactions do not prejudice the independence of the Company as the principal business of the Company does not come to rely on the related parties/connected persons as a result of the above related party/connected transactions.

V. CONSIDERATION PROCEDURES OF RELATED PARTY TRANSACTION

1. The Audit Committee of the Board of the Company has conducted a preliminary review of the Proposal regarding the Projected Routine Related Party/Connected Transactions of the Company in 2023, and has agreed to submit it to the Board for consideration.
2. All Independent Non-executive Directors of the Company have reviewed the Proposal regarding the Projected Routine Related Party/Connected Transactions of the Company in 2023 and have issued pre-approval and independent opinions. They are of the view that all projected related party/connected transactions will be conducted in the ordinary course of business of the Company. The transactions will be performed at fair prices without prejudice to the interests of the Company and minority shareholders. Such transactions are in line with the Company's actual needs and will promote its business growth and long-term development.
3. The Proposal regarding the Projected Routine Related Party/Connected Transactions of the Company in 2023 was considered and approved at the 36th meeting of the seventh session of the Board of the Company.

Each of the aforesaid related party/connected transactions will be submitted to the general meeting for consideration item by item, and related party/connected shareholders shall abstain from voting.

Board of Directors of Haitong Securities Co., Ltd.

16 June 2023