
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 adviser.

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

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国联证券股份有限公司
GUOLIAN SECURITIES CO., LTD.

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

(Stock Code: 01456)

**FORMULATION OF DUTY PERFORMANCE ASSESSMENT
AND REMUNERATION MANAGEMENT SYSTEM FOR DIRECTORS
AND SUPERVISORS OF GUOLIAN SECURITIES CO., LTD.
AMENDMENTS TO THE POLICY ON THE MANAGEMENT OF
THE RELATED PARTY TRANSACTIONS
APPLICATION FOR QUALIFICATIONS OF STOCK OPTIONS MARKET-
MAKING AND LISTED SECURITIES MARKET-MAKING TRADING
BUSINESSES AND EXPANSION OF BUSINESS SCOPE
SHAREHOLDERS' RETURN PLAN FOR THE NEXT THREE YEARS (2024-2026)
EXTENSION OF VALIDITY PERIOD OF RESOLUTION AND
AUTHORIZATION OF THE SHAREHOLDERS' GENERAL MEETING TO
ISSUE A SHARES TO SPECIFIC SUBSCRIBERS
NOTICES OF THE EXTRAORDINARY GENERAL MEETING
AND H SHAREHOLDERS' CLASS MEETING**

Notices convening the EGM and the H Shareholders' Class Meeting of Guolian Securities Co., Ltd. to be held at the conference room at 9th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC at 2:00 p.m. on Thursday, 12 October 2023 are set out on pages 51 to 53 and pages 54 to 55 of this circular.

If you intend to appoint a proxy to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon. In case of H Shareholders, the form of proxy shall be lodged with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible, but in any event, not later than 24 hours before the time scheduled for holding such meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and the H Shareholders' Class Meeting.

21 September 2023

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DEFINITIONS

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

“A Share(s)”	the ordinary Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Shanghai Stock Exchange
“A Shareholders’ Class Meeting”	the first A Shareholders’ class meeting for the year 2023 of the Company to be held on Thursday, 12 October 2023 immediately after the conclusion of the Third Extraordinary General Meeting for the Year 2023 at the conference room at 9th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC
“Articles of Association”	the articles of association of the Company
“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	Guolian Securities Co., Ltd. (國聯證券股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares of which have been listed on the main board of the Stock Exchange (stock code: 01456) and the A Shares of which have been listed on the Shanghai Stock Exchange (stock code: 601456)
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM” or “Third Extraordinary General Meeting for the Year 2023”	the extraordinary general meeting of the Company to be held at 2:00 p.m. on Thursday, 12 October 2023 at the conference room at 9th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC
“General Meeting”	the Third Extraordinary General Meeting for the Year 2023, the A Shareholders’ Class Meeting and the H Shareholders’ Class Meeting

DEFINITIONS

“H Share(s)”	overseas listed foreign invested Share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Stock Exchange and traded in HK dollars
“H Shareholders”	holders of H Shares
“H Shareholders’ Class Meeting”	the first H Shareholders’ class meeting for the year 2023 of the Company to be held on Thursday, 12 October 2023 immediately after the conclusion of the A Shareholders’ Class Meeting at the conference room at 9th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Implementation Rules”	the Implementation Rules for the Non-public Issuance of Stocks by Listed Companies (《上市公司非公開發行股票實施細則》)
“Latest Practicable Date”	18 September 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information included herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC” or “China”	the People’s Republic of China, but for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

In the event of any discrepancy between the English and Chinese versions of this circular, the Chinese version shall prevail.

LETTER FROM THE BOARD



国联证券股份有限公司
GUOLIAN SECURITIES CO., LTD.

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

(Stock Code: 01456)

Executive Director:

Mr. Ge Xiaobo (*Chairman of the Board*)

Non-executive Directors:

Mr. Hua Weirong

Mr. Zhou Weiping

Mr. Wu Weihua

Ms. Li Suo

Mr. Liu Hailin

Independent Non-executive Directors:

Mr. Wu Xingyu

Mr. Chu, Howard Ho Hwa

Mr. Gao Wei

Registered Address in the PRC:

No. 8 Jinrong One Street

Wuxi, Jiangsu Province

the PRC

Headquarters/Principal Place of

Business in the PRC:

No. 8 Jinrong One Street

Wuxi, Jiangsu Province

the PRC

Principal Place of Business

in Hong Kong:

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai

Hong Kong

21 September 2023

To the Shareholders

Dear Sir or Madam,

**FORMULATION OF DUTY PERFORMANCE ASSESSMENT
AND REMUNERATION MANAGEMENT SYSTEM FOR DIRECTORS AND
SUPERVISORS OF GUOLIAN SECURITIES CO., LTD.
AMENDMENTS TO THE POLICY ON THE MANAGEMENT OF THE
RELATED PARTY TRANSACTIONS
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AUTHORIZATION OF THE SHAREHOLDERS' GENERAL MEETING TO
ISSUE A SHARES TO SPECIFIC SUBSCRIBERS
NOTICES OF THE EXTRAORDINARY GENERAL MEETING
AND H SHAREHOLDERS' CLASS MEETING**

INTRODUCTION

Notices convening the EGM and the H Shareholders' Class Meeting of the Company to be held at the conference room at 9th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC, on Thursday, 12 October 2023 are set out on pages 51 to 53 and pages 54 to 55 of this circular.

LETTER FROM THE BOARD

The purpose of this circular is to give you the notices of the EGM and the H Shareholders' Class Meeting and provide you with relevant resolution details to enable you to make informed decision on whether to vote for or against the resolutions to be proposed at the EGM and the H Shareholders' Class Meeting for the following, to be approved by way of ordinary resolution(s) or special resolution(s):

ORDINARY RESOLUTIONS

- (1) Resolution on the formulation of Duty Performance Assessment and Remuneration Management System for Directors and Supervisors of Guolian Securities Co., Ltd.
- (2) Resolution on the amendments to the policy on the management of the related party transactions.
- (3) Resolution on the application for qualifications of stock options market-making and listed securities market-making trading businesses and expansion of business scope.

SPECIAL RESOLUTIONS

- (4) Resolution on the Shareholders' return plan for the next three years (2024-2026).
 - (5) Resolution on the extension of validity period of resolution and authorization of the Shareholders' general meeting to issue A Shares to specific subscribers.
- (1) Formulation of Duty Performance Assessment and Remuneration Management System for Directors and Supervisors of Guolian Securities Co., Ltd.**

An ordinary resolution will be proposed at the EGM to consider and approve the formulation of Duty Performance Assessment and Remuneration Management System for Directors and Supervisors of Guolian Securities Co., Ltd.

By taking the actual circumstances of the Company into consideration, the Company formulated the Duty Performance Assessment and Remuneration Management System for Directors and Supervisors of Guolian Securities Co., Ltd. to further improve the assessment and remuneration management system of the Company and to perfect the duty performance assessment and remuneration management mechanism for Directors and supervisors, in accordance with the requirements of the laws, regulations, and regulatory documents including the Company Law, the Securities Law, the Rules for Governance of Securities Companies (《證券公司治理準則》) and the Guidelines on the Governance of Listed Companies (《上市公司治理準則》), as well as the Articles of Association, the full text of which is set out in Appendix I to this circular.

LETTER FROM THE BOARD

(2) Amendments to the Policy on the Management of the Related Party Transactions

An ordinary resolution will be proposed at the EGM to consider and approve the amendments to the policy on the management of the related party transactions.

By taking the actual circumstances of the Company into consideration, the Company intends to amend the existing policy on the management of the related party transactions of the Company to continuously standardize the management of the related party transactions of the Company and to further enhance the standard of corporate governance, in accordance with the relevant laws, regulations, departmental rules and regulatory documents including the Guidelines on the Governance of Listed Companies (《上市公司治理準則》), Guideline No. 8 on Supervision and Administration of Listed Companies – Regulatory Requirements for Fund Transactions and External Guarantees of Listed Companies (《上市公司監管指引第8號—上市公司資金往來、對外擔保的監管要求》), the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》), the Guideline No. 5 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號—交易與關聯交易》) and the Listing Rules, the full text of the revised policy on the management of the related party transactions is set out in Appendix II to this circular.

(3) Application for Qualifications of Stock Options Market-making and Listed Securities Market-making Trading Businesses and Expansion of Business Scope

An ordinary resolution will be proposed at the EGM to consider and approve the application for qualifications of stock options market-making and listed securities market-making trading businesses and expansion of business scope.

Stock options market-makers are liquidity providers of OTC options, which play the role of providing liquidity and stabilizing market volatility when market volatility is enhanced, and at the same time can provide the function of value discovery for OTC derivatives and maintain a reasonable pricing level. A highly liquid OTC derivatives market can reduce the cost of hedge traders and improve the ability of the financial market in serving the real economy.

With the improvement of China's securities market, the demand for market-making transactions in listed securities continues to increase and the participation of listed securities market-makers contributes to maintaining a stable, efficient and active securities market. While obtaining market-making income by providing liquidity to the market, it can also enhance the Company's comprehensive financial service capability and market influence.

LETTER FROM THE BOARD

For the Company, the stock options market-making business and the listed securities market-making business are not only bridges connecting clients and institutions, they are also manifestations of the Company's comprehensive financial service capability. On one hand, a market-making business can provide customers with comprehensive financial services in the entire chain. Market-making service has become an important link for securities companies to serve institutional clients and the financial market, and having the above business qualifications will further enhance the integrity of the Company's services, which is conducive to the creation of a comprehensive financial service ecosystem. On the other hand, a market-making business can provide liquidity services for the financial market. The Company hopes to assume more social responsibility through the above two market-making businesses and provide a value discovery function for the financial market, so as to enhance market liquidity, stabilize market volatility and maintain market stability.

At present, the Company has made various preparations in terms of system construction, personnel and organizational safeguards, risk control and compliance management and technical system construction, etc. In order to promote the application for the above two business qualifications, the following matters are hereby proposed to the General Meeting for consideration and approval:

1. Consent the Company to apply for the qualifications of stock options market-making business and the qualifications of listed securities market-making trading business in accordance with the relevant regulations of the CSRC and other regulatory authorities, and authorize the Board and authorize the Board for the Board to, in turn, authorize the operating management to deal with the application for the relevant business qualifications and the approval and filing procedures, either severally or jointly;
2. Consent the Company to expand the business scope of the Company in accordance with the approval of the CSRC and make corresponding amendments to the relevant articles of the Articles of Association;
3. Consent to authorize the Board and authorize the Board for the Board to, in turn, authorize the operating management to deal with the expansion of the business scope of the Company, the amendment to the legal documents including the Articles of Association and other relevant outstanding matters.

(4) Shareholders' Return Plan for the Next Three Years (2024-2026)

A special resolution will be proposed at the EGM to consider and approve the Shareholders' return plan for the next three years (2024-2026).

LETTER FROM THE BOARD

In accordance with the relevant requirements of the Notice on Further Implementing Matters Relevant to Cash Dividend Distribution by Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) issued by the CSRC, the Guideline No. 3 on Supervision and Administration of Listed Companies – Cash Dividends of Listed Companies (Revision 2022) (《上市公司監管指引第3號—上市公司現金分紅(2022年修訂)》) and the Guideline No. 1 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》), and in order to further increase the return of Shareholders, improve and implement cash dividend policy, define the plan of the Company for providing Shareholders with reasonable investment returns, enhance the transparency and operability of decision-making on profit distribution and to facilitate supervision by Shareholders of the operations and profit distribution of the Company, the Board has formulated the Shareholders’ return plan for the next three years (2024-2026) of Guolian Securities Co., Ltd., the detailed contents of which are set out in Appendix III to this circular. It is proposed to the General Meeting for consideration and approval, and authorized the Board and authorized the Board for the Board to, in turn, authorize the management of the Company to deal with relevant matters after the resolution is being passed at the General Meeting.

(5) Extension of Validity Period of Resolution and Authorization of the Shareholders’ General Meeting to Issue A Shares to Specific Subscribers

A special resolution will be proposed at the EGM and the H Shareholders’ Class Meeting to consider and approve the extension of the validity period of resolution and authorization of the Shareholders’ general meeting to issue A Shares to specific subscribers.

The Company convened the first extraordinary general meeting for the year 2022, the first A Shareholders’ class meeting for the year 2022 and the first H Shareholders’ class meeting for the year 2022 on 20 October 2022, which considered and approved the relevant resolutions on the issuance of A Shares to specific subscribers by the Company (the “**Issuance**”), including Resolution on the Fulfilment of Conditions for the Non-public Issuance of A Shares by the Company (《關於公司符合非公開發行A股股票條件的議案》), Resolution on the Proposed Non-public Issuance of A Shares of the Company (《關於公司非公開發行A股股票方案的議案》), Resolution to Ask the Shareholders’ Meeting to Authorize the Board and to Authorize the Board for the Board to in turn Authorize the Management of the Company to Deal with Specific Matters in relation to the Non-public Issuance of A Shares of the Company (《關於提請股東大會授權董事會及董事會轉授權經營層辦理公司非公開發行A股股票具體事宜的議案》), and authorized the Board and authorized the Board for the Board to in turn authorize the management of the Company to exercise full authority in matters relating to the Issuance within the scope of the authorization, and convened the tenth meeting of the fifth session of the Board on 9 June 2023, which considered and approved the relevant resolution on reduction of the total proceeds from the Issuance and adjustment to the issuance proposal. The validity period of resolution and authorization for the Issuance shall be twelve months from the date of the consideration and approval at the Shareholders’ general meeting, i.e., from 20 October 2022 to 19 October 2023.

LETTER FROM THE BOARD

At present, the work relating to the Issuance is being actively and steadily facilitated. In order to ensure the continuity and effectiveness of such work, it is hereby proposed to the General Meeting for consideration and approval to extend the validity period of resolution and authorization for the Issuance for a period of 12 months from the date of approval at the General Meeting. Save as stated above, other contents of the resolution for the Issuance shall remain unchanged. Details of the resolution for the Issuance are set out in Appendix IV to this circular.

EGM, A SHAREHOLDERS' CLASS MEETING AND H SHAREHOLDERS' CLASS MEETING

Notices convening the EGM and the H Shareholders' Class Meeting of the Company to be held at the conference room at 9th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC at 2:00 p.m. on Thursday, 12 October 2023 are set out on pages 51 to 53 and pages 54 to 55 of this circular.

If you intend to appoint a proxy to attend and/or vote at the meeting, you are requested to complete and return the form of proxy in accordance with the instruction printed thereon not later than 2:00 p.m. on Wednesday, 11 October 2023 (Hong Kong time).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and the H Shareholders' Class Meeting.

In order to determine the list of Shareholders who are entitled to attend the EGM and the H Shareholders' Class Meeting, the Company will close the register of members of H Shares during the period from Friday, 6 October 2023 to Thursday, 12 October 2023 (both days inclusive), during which no registration of Shares will be made. For Shareholders who wish to attend the EGM and the H Shareholders' Class Meeting, the relevant share certificates accompanied by all transfer documents must be lodged with Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) before 4:30 p.m. on Thursday, 5 October 2023. Shareholders registered in Computershare Hong Kong Investor Services Limited on Friday, 6 October 2023 are entitled to attend the EGM and the H Shareholders' Class Meeting.

VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote at the EGM and the H Shareholders' Class Meeting shall be conducted by way of poll. Therefore, the chairman of the EGM and the H Shareholders' Class Meeting shall exercise his power to, in accordance with the Articles of Association, request to vote by poll on the resolutions proposed at the EGM and the H Shareholders' Class Meeting. The results of the vote by poll will be published on the Company's website and the HKEXnews website of the Stock Exchange after the meeting.

LETTER FROM THE BOARD

As at the Latest Practicable Date, to the reasonable knowledge of the Company, no Shareholders were considered to be required to abstain from voting on the relevant resolutions at the EGM or the H Shareholders' Class Meeting.

RECOMMENDATION

The Board considers that the resolutions above are in the interests of the Company and the Shareholders as a whole. The Board therefore recommends the Shareholders to vote in favor of the resolutions to be proposed at the EGM and the H Shareholders' Class Meeting.

Yours faithfully,
By order of the Board
Guolian Securities Co., Ltd.
Ge Xiaobo
Chairman

Wuxi, Jiangsu Province, the PRC

**DUTY PERFORMANCE ASSESSMENT AND REMUNERATION
MANAGEMENT SYSTEM FOR DIRECTORS AND SUPERVISORS
OF GUOLIAN SECURITIES CO., LTD.**

CHAPTER 1 GENERAL PROVISIONS

Article 1 By taking the actual circumstances of the Company into consideration, the Company formulated this system to further improve the assessment and remuneration management system of Guolian Securities Co., Ltd. (hereinafter referred to as the Company) and to perfect the duty performance assessment and remuneration management mechanism for directors and supervisors, in accordance with the requirements of the laws, regulations, regulatory documents including the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Rules for Governance of Securities Companies and the Guidelines on the Governance of Listed Companies, as well as the articles of association of Guolian Securities Co., Ltd. (hereinafter referred to as the Articles of Association).

Article 2 This system is applicable to all directors and supervisors of the Company.

Article 3 The Remuneration and Nomination Committee under the board of directors (the “**Board**”) of the Company shall be responsible for formulating the assessment standards and conducting assessments of directors; and shall be responsible for formulating the remuneration packages of directors.

The Supervisory Committee of the Company shall be responsible for formulating assessment standards and conducting assessments of supervisors and shall be responsible for formulating the remuneration packages of supervisors.

The shareholders’ general meeting of the Company shall be responsible for reviewing the duty performance assessment and remuneration management system for directors and supervisors. The Board and the Supervisory Committee shall put forward a plan regarding the amount and payment methods of remuneration to directors and supervisors respectively, which shall then be approved by the shareholders’ general meeting of the Company before implementation.

Article 4 The Board and the Supervisory Committee of the Company may put forward a plan for the adjustment and optimization of this system, which shall then be approved by the shareholders’ general meeting of the Company before implementation.

CHAPTER 2 DUTY PERFORMANCE ASSESSMENT

Article 5 The directors and supervisors of the Company shall be subject to an annual assessment, which shall be conducted once a year.

Article 6 The directors and supervisors of the Company shall comply with the laws and regulations and the Articles of Association, fulfill their obligations of loyalty and diligence, and ensure that they have sufficient time and energy to perform their duties.

Article 7 The evaluation of duty performance by directors shall be conducted by way of self-evaluation by directors and mutual evaluation by independent directors. The evaluation of duty performance by supervisors shall be conducted by way of self-evaluation and mutual evaluation. The evaluation of duty performance shall include the degree of diligence, ability to perform duties, honest employment, compliance and honesty in practice, and fulfillment of the industry and the Company’s culture and philosophy. Independent directors shall also be assessed on their independence. The results of the assessment shall be classified as “competent”, “basically competent” and “incompetent”.

Article 8 The directors and supervisors shall be deemed to be “incompetent” in their duty performance assessments for the year if any of the following circumstances occurs during the course of their performance of duties:

- (I) disclosing the Company’s commercial secrets, thereby prejudicing the Company’s legitimate interests;
- (II) obtaining improper benefits during the course of their performance of duties, or using their positions as directors or supervisors for personal gain, or any other violation of the requirements of honest employment;
- (III) being subject to administrative penalties imposed by regulatory authorities or being investigated for criminal liability;
- (IV) other acts of serious misconduct as determined by the Company or the regulatory authorities;
- (V) other circumstances as stipulated by laws and regulations.

**APPENDIX I DUTY PERFORMANCE ASSESSMENT AND REMUNERATION MANAGEMENT
SYSTEM FOR DIRECTORS AND SUPERVISORS OF GUOLIAN SECURITIES CO., LTD.**

The Board or the Supervisory Committee shall propose to the shareholders' general meeting to decide whether or not to continue to serve as directors or supervisors if their results of the assessments are "incompetent".

Article 9 The directors and supervisors who concurrently hold other positions in the Company shall, in addition to duty performance assessment and remuneration management in accordance with this system, be assessed in accordance with the Company's relevant system based on their actual duty performance.

Article 10 The Board and the Supervisory Committee of the Company shall respectively give a special explanation to the shareholders' general meeting regarding the duty performance, assessment and remuneration of directors and supervisors.

CHAPTER 3 REMUNERATION MANAGEMENT

Article 11 The remuneration standards for directors and supervisors of the Company shall be determined with reference to the industry standards, market conditions and the actual situation of the Company.

Article 12 The standard and payment of remuneration to directors and supervisors who work exclusively for the Company shall be determined and implemented in accordance with the Company's relevant remuneration and benefit management system, based on their specific duties and job content in the Company. Allowances for independent directors shall be paid in accordance with the plan determined at the shareholders' general meeting. The Company may grant performance allowances to external non-independent directors and supervisors subject to the approval at the shareholders' general meeting.

Article 13 In the event that a director or supervisor of the Company suspends his/her duties or leaves his/her office due to expiration, re-election or resignation during his/her term of office, the Company shall remunerate him/her according to his/her actual term of office and performance of duties.

Article 14 Where laws and regulations provide that the remuneration of directors and supervisors shall be deferred, such provisions shall apply.

**APPENDIX I DUTY PERFORMANCE ASSESSMENT AND REMUNERATION MANAGEMENT
SYSTEM FOR DIRECTORS AND SUPERVISORS OF GUOLIAN SECURITIES CO., LTD.**

Article 15 Where any of the following circumstances occurs, the Company may reduce, suspend or terminate the payment of remuneration or allowances to the relevant director or supervisor:

- (I) being subject to administrative penalties imposed by the CSRC and its local office, being identified as an unsuitable person, or being banned from accessing the market;
- (II) being subject to self-regulatory measures or disciplinary sanctions imposed by the stock exchange;
- (III) violation of laws, regulations, regulatory documents or the Articles of Association, resulting in the Company suffering significant economic or reputational losses, or resulting in the occurrence of major illegal acts or significant risks to the Company, for which an individual bears the primary responsibility;
- (IV) failure to fulfill the obligations of being diligent and conscientious in accordance with the laws and regulations and the Articles of Association;
- (V) any other circumstances that the Board or the Supervisory Committee of the Company determines to be a serious violation of the relevant provisions of the Company.

CHAPTER 4 SUPPLEMENTARY PROVISIONS

Article 16 For matters not covered under this system, they shall be implemented in accordance with the relevant laws, regulations, regulatory documents of the PRC and the Articles of Association. In the event of any conflict between this system and the laws, regulations and regulatory documents subsequently promulgated by the PRC government, the system shall be implemented in accordance with the laws, regulations and regulatory documents of the PRC.

Article 17 This system shall become effective after it has been approved by the Board and the Supervisory Committee of the Company and submitted to the shareholders' general meeting for consideration and approval.

**POLICY ON THE MANAGEMENT OF
THE RELATED PARTY TRANSACTIONS OF
GUOLIAN SECURITIES CO., LTD.**

CHAPTER 1 GENERAL PROVISIONS

- Article 1** By taking the actual circumstances of the Company into consideration, the Company formulated this policy to regulate the related party transactions of Guolian Securities Co., Ltd. (hereinafter referred to as the “**Company**”) and to protect the legitimate rights and interests of the Company and all shareholders, especially the legitimate rights and interests of small and medium investors, in accordance with the laws, regulations, departmental rules and regulatory documents including the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Guidelines on the Governance of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (hereinafter referred to as the “**SSE Listing Rules**”, where the “**Shanghai Stock Exchange**” is referred to as the “**SSE**”), the Guideline No. 5 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號—交易與關聯交易》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**”, where “**The Stock Exchange of Hong Kong Limited**” is referred to as the “**Stock Exchange**”), as well as the Articles of Association of Guolian Securities Co., Ltd. (hereinafter referred to as the “**Articles of Association**”).
- Article 2** The related parties in this policy include related persons as defined in the SSE Listing Rules and connected persons as defined in the Hong Kong Listing Rules, and related party transactions include related party transactions as defined in the SSE Listing Rules and connected transactions as defined in the Hong Kong Listing Rules. Unless otherwise specified, the currency of the amounts in this policy shall be Renminbi.
- Article 3** The Company’s related party transactions shall be lawful and compliant, equitable in pricing, with compliant review procedures, regulated information disclosure, necessary and rational.
- Article 4** The Company shall enter into written agreements with related parties in respect of related party transactions. The execution of such agreements shall follow the principles of equality, voluntariness, equivalence and with consideration, and the contents of such agreements shall be clear, specific and enforceable.

**APPENDIX II POLICY ON THE MANAGEMENT OF THE RELATED PARTY
TRANSACTIONS OF GUOLIAN SECURITIES CO., LTD.**

Article 5 The Company shall maintain its independence and shall not make use of related party transactions to adjust its financial indicators to prejudice the Company's interests. The parties to the transaction shall not conceal the related party relationship, and shall not circumvent the Company's review procedures and information disclosure obligations in respect of the related party transactions by covering the related party transactions as non-related party transactions or adopting other means. The relevant transactions shall not result in or be likely to result in the Company's non-operating capital being appropriated by controlling shareholders, actual controllers and other related parties, provide guarantees for related parties that are in breach of regulations, and any other circumstances under which the Company's interests are being encroached upon by the related parties.

CHAPTER 2 RELATED PARTIES

Article 6 Under the SSE Listing Rules, related persons of the Company include related legal persons (or other organizations) and related natural persons.

Any legal person (or other organizations) being the subject of any of the following circumstances shall be deemed as a related legal person (or other organizations) of the Company:

- (I) legal persons (or other organizations) who have direct or indirect control over the Company;
- (II) legal persons (or other organizations) other than the Company, its controlling subsidiaries and other controlled entities, who are directly or indirectly controlled by the legal persons (or other organizations) referred to in the preceding paragraph;
- (III) legal persons (or other organizations) other than the Company, its controlling subsidiaries and other controlled entities, who are directly or indirectly controlled by, or serve as directors (excluding independent directors who concurrently serve for both parties) or senior management of, the related natural persons;
- (IV) legal persons (or other organizations) who hold more than 5% of the shares of the Company and persons acting in concert with them.

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Any natural person being the subject of any of the following circumstances shall be deemed as a related natural person of the Company:

- (I) natural persons who directly or indirectly hold more than 5% of the shares of the Company;
- (II) directors, supervisors and senior management of the Company;
- (III) directors, supervisors and senior management of legal persons (or other organizations) who have direct or indirect control over the Company;
- (IV) close family members of the persons referred to in items (I) and (II) hereof, including spouses, parents, children over 18 years of age and their spouses, siblings and their spouses, parents and siblings of spouses, and parents of children's spouses.

Within the past 12 months or within 12 months after the relevant agreement or arrangement has come into effect, a legal person (or other organizations) or natural person falling in one of the circumstances described in the second or third clauses hereof is a related person of the Company.

The CSRC, the SSE or the Company may, based on the principle that essence is more important than form, consider other legal persons (or other organizations) or natural persons who have a special relationship with the Company, which may cause or have caused the interests of the Company to favor them as related persons of the Company, including controlling shareholders, actual controllers and the important upstream and downstream enterprises of the enterprises under their control.

There shall be no related party relationship between the Company and legal persons (or other organizations) listed in item (II) of the second clause hereof if it constitutes the circumstances of that item due to the fact that they are controlled by the same state-owned asset management institution, except where the legal representatives, chairmen, general managers or one half or more of the directors of such legal persons concurrently serve as director, supervisor or senior management of the Company.

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Article 7 Under the Hong Kong Listing Rules, a connected person of the Company shall mean:

- (I) a director, supervisor, chief executive or substantial shareholder of the Company or any subsidiary (excluding insignificant subsidiaries);
- (II) any person who has been a director of the Company or any subsidiary (excluding insignificant subsidiaries) in the past 12 months;
- (III) associates of any of the above persons;
- (IV) connected subsidiaries;
- (V) persons who are deemed to be connected by the Stock Exchange.

The definitions of “subsidiaries”, “insignificant subsidiaries”, “chief executive”, “substantial shareholders”, “associates”, “connected subsidiaries” and “deemed connected persons” are set out in the Hong Kong Listing Rules.

CHAPTER 3 RELATED PARTY TRANSACTIONS

Article 8 Under the SSE Listing Rules, a related party transaction of the Company refers to the transfer of resources or obligations between the Company, its controlled subsidiary and other entities under their control and a related person of the Company, including:

- (I) purchase or sale of assets;
- (II) external investment (including entrusted wealth management);
- (III) provision of financial assistance (including interest-bearing or interest-free borrowings, entrusted loans, etc.);
- (IV) provision of guarantees;
- (V) renting or renting out assets;
- (VI) entrusting or being entrusted with the management of assets and business;

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- (VII) donating or accepting donation of assets;
- (VIII) restructuring of creditor's rights or debts;
- (IX) entering into a licensing agreement;
- (X) transferring or acquiring research and development projects;
- (XI) waiver of rights (including waiver of pre-emption rights, preferential subscription rights, etc.);
- (XII) purchase of raw materials, fuel and power;
- (XIII) sale of products or goods;
- (XIV) provision or acceptance of labour services;
- (XV) entrusting or being entrusted with sales;
- (XVI) business of making deposits or taking loans;
- (XVII) making an investment jointly with a related person;
- (XVIII) other matters which may result in the transfer of resources or obligations by means of an agreement.

Article 9

Under the Hong Kong Listing Rules, connected transactions of the Company are transactions with connected persons and specified categories of transactions with third parties that may confer benefits on connected persons through their interests in the entities involved in the transactions.

Transactions include both capital and revenue nature transactions, whether or not conducted in the ordinary and usual course of business of the Company, including:

- (I) any acquisition or disposal of assets by the Company, including a deemed disposal;

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- (II) the Company granting, accepting, exercising, transferring or terminating an option to acquire or dispose of assets or to subscribe for securities, or the Company deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;
- (III) entering into or terminating finance leases or operating leases or sub-leases;
- (IV) granting an indemnity, providing or receiving financial assistance (including granting credit, lending money, or providing an indemnity against obligations under a loan, or guaranteeing or providing security for a loan);
- (V) entering into an agreement or arrangement to set up a joint venture in any form (e.g. a partnership or a company), or any other form of joint arrangement;
- (VI) issuing new securities of the Company or subsidiaries (including underwriting or sub-underwriting an issue of securities);
- (VII) providing, receiving or sharing services;
- (VIII) acquiring or providing raw materials, intermediate products or finished goods.

**CHAPTER 4 REVIEW PROCEDURES AND INFORMATION DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

Article 10 Under the SSE Listing Rules, transactions between the Company and related persons (except for the provision of guarantees by the Company) reaching one of the following standards should be considered and approved by the board of directors (the “**Board**”) and disclosed in a timely manner:

- (I) transactions between the Company and a related natural person with a transaction amount of over RMB300,000 (including the liabilities and costs assumed);

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- (II) transactions between the Company and a related legal person (or other organizations) with a transaction amount of over RMB3 million (including the liabilities and costs assumed) and accounting for more than 0.5% of the absolute value of the Company's latest audited net assets.

Where a transaction (except for the provision of guarantees by the Company) between the Company and a related person is in an amount of over RMB30 million (including the liabilities and costs assumed) and accounts for more than 5% of the absolute value of the Company's latest audited net assets, the Company shall disclose an audit report or valuation report in accordance with the relevant provisions of the SSE Listing Rules (no audit or valuation may be carried out for ordinary related party transactions) and shall submit such transaction to the shareholders' general meeting for consideration.

Where a related party transaction of the Company does not meet the standards set out in the second clause hereof but is required by the CSRC or SSE in accordance with the principle of prudence, or the Company submits the transaction to the shareholders' general meeting for consideration in accordance with the Articles of Association or other provisions, as well as on a voluntary basis, the Company shall perform the review procedures and disclosure obligations in accordance with the provisions set out in the second clause, and the relevant requirements on auditing or valuation shall be applied.

Where the relevant arrangement of the transaction between the Company and a related person involves a conditionally determined amount such as consideration that may be paid or received in the future, the estimated maximum amount shall be the transaction amount, and the provisions of the first and second clauses hereof shall be applied.

The following related party transactions of the Company made within 12 consecutive months shall be calculated on a cumulative basis, and the provisions of the first and second clauses hereof shall be applied, respectively:

- (I) transactions with the same related persons;
- (II) transactions with different related persons in relation to the subject of the same transaction category.

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The aforementioned same related persons include other related persons that are controlled by the same entity or have a relationship of equity control with such related persons.

Those who have already fulfilled the relevant obligations in accordance with the first and second clauses hereof shall no longer be included in the corresponding scope of cumulative calculation. Transactions that have been disclosed by the Company but have not gone through the review procedures of the shareholders' general meeting shall still be included in the corresponding scope of cumulative calculation to determine the review procedures that should be performed.

Article 11

Under the Hong Kong Listing Rules, connected transactions are divided into connected transactions which are fully exempt, partially exempt and not exempt. An exemption is broadly divided into two categories: (1) fully exempt from shareholders' approval, annual review and all disclosure requirements; and (2) exempt from shareholders' approval requirement.

Fully exempt connected transactions are connected transactions exempt from shareholders' approval, annual review and all disclosure requirements. Full exemption is available for the categories of transactions listed in Article 29 of this policy.

Partially exempt connected transactions are connected transactions exempt from shareholders' approval. If all of the percentage ratios (other than the profits ratio) meet one of the threshold requirements set out below, the transaction shall be exempted from the circular and shareholders' approval requirements, but is still subject to the reporting, announcement, board approval and annual review (in the case of a continuing connected transaction) requirements:

- (I) less than 5%;
- (II) less than 25%, and the total consideration (or in the case of any financial assistance, the total value of the financial assistance plus any monetary advantage to the connected person or commonly held entity) is also less than HK\$10 million.

Non-exempt connected transactions are not or are beyond any connected transactions in the second and third clauses hereof. These transactions must be subject to the reporting, announcement, shareholders' approval and annual review (in the case of a continuing connected transaction) requirements.

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If a series of connected transactions are all entered into or completed within a twelve-month period or are otherwise related, they will be aggregated and treated as one transaction. The provisions in the first to fourth clauses hereof shall apply to the cumulative calculation of such connected transactions after aggregation. The Company must comply with the applicable connected transaction requirements based on the classification of the connected transactions when aggregated. The aggregation period will cover 24 months if the connected transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover. Factors that will be taken into account in determining whether to aggregate connected transactions include:

- (I) whether the transactions are entered into by the Company with the same party, or parties who are connected with one another;
- (II) whether the transactions involve the acquisition or disposal of parts of one asset, or securities or interests in a company (or a group of companies);
- (III) whether the transactions will together lead to substantial involvement by the Company in a new business activity.

Article 12 If the Company's related party transactions do not meet the standards of Articles 10 and 11 hereof, they shall be considered and decided at the president's meeting. The secretary of the Board and the financial officer can be authorized to jointly approve related party transactions of a certain amount at the president's meeting.

Article 13 When the Board of the Company considers the related party transactions, the related directors shall abstain from voting and shall not vote on behalf of other directors as a proxy. The Board meeting can be convened with the attendance of over half of the non-related directors. The resolution of the Board meeting shall be passed by a simple majority of non-related directors. If less than three non-related directors attend the Board meeting, the Company shall submit the transaction to the shareholders' general meeting for consideration.

The related directors as referred to in the preceding paragraph include the following directors or directors under one of the following circumstances:

- (I) being the counterparties;
- (II) having direct or indirect control over the counterparty;

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- (III) taking office at the counterparties, or at the legal persons or other organizations which can directly or indirectly control the counterparties, or at the legal persons or other organizations directly or indirectly controlled by the counterparties;
- (IV) close family members of the counterparties or their direct or indirect controllers;
- (V) close family members of the counterparties or the directors, supervisors or senior management of their direct or indirect controllers;
- (VI) directors whose independent business judgment may be affected as determined by the CSRC, SSE or the Company based on the principle that essence is more important than form.

Article 14

When the shareholders' general meeting of the Company considers the related party transactions, the related shareholders shall abstain from voting and shall not vote on behalf of other shareholders as a proxy.

The related shareholders as referred to in the preceding paragraph include the following shareholders or shareholders under one of the following circumstances:

- (I) being the counterparties;
- (II) having direct or indirect control over the counterparty;
- (III) controlled directly or indirectly by the counterparties;
- (IV) controlled directly or indirectly, together with the counterparties, by the same legal person or other organization or natural person;
- (V) taking office at the counterparties, or at the legal persons or other organizations which can directly or indirectly control the counterparties, or at the legal persons or other organizations directly or indirectly controlled by the counterparties;
- (VI) close family members of the counterparties or their direct or indirect controllers;

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(VII) shareholders whose voting rights are restricted or affected due to any not yet fulfilled equity transfer agreement or other agreements with the counterparties or their related parties;

(VIII) shareholders who may cause the Company to be inclined to their interests, as determined by the CSRC, SSE or Stock Exchange.

Article 15 The related party transactions between the Company and the finance companies of enterprise groups with a related relationship shall comply with Guideline No. 5 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號—交易與關聯交易》) and other relevant regulations.

Article 16 The Company shall not provide financial assistance to related persons, except for financial assistance provided to an affiliated joint-stock company not controlled by the controlling shareholders and actual controllers of the Company whose other shareholders will provide financial assistance on the same conditions in proportion to their capital contributions.

Where the Company provides financial assistance to any affiliated joint-stock company as defined under the preceding paragraph, in addition to the consideration and approval by more than half of all non-related directors, it is also subject to the consideration and approval by more than two-thirds of the non-related directors present at the Board meeting, and shall be submitted to the shareholders' general meeting for consideration.

Article 17 The Company shall not provide guarantees for shareholders or their related persons, except for the provision of margin financing and securities lending for customers in accordance with the regulations. Where the Company provides guarantees to other related persons, in addition to the consideration and approval by more than half of all non-related directors, it is also subject to the consideration and approval by more than two-thirds of the non-related directors present at the Board meeting and a resolution shall be made thereon, and shall be submitted to the shareholders' general meeting for consideration.

If the guaranteed party becomes a related person of the Company due to a transaction or related party transaction, the Company shall perform the corresponding review procedures and information disclosure obligations for the existing related guarantee while executing such transaction or related party transaction.

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If the aforesaid related guarantee fails the approval at the Board meeting or the shareholders' general meeting, the parties to the transaction shall take effective measures to terminate the guarantee, such as early termination.

Article 18 When the Company and its related persons jointly invest and increase or reduce capital in a jointly invested enterprise, the amount of the Company's investment, capital increase or capital reduction shall be used as the standard for calculation and the provisions of Article 10 hereof shall be applied.

Where the Company and its related persons jointly invest to establish a company, and the Company's capital contribution reaches the standards specified in the second clause of Article 10 hereof, if all contributors make capital contributions in cash, and the shareholding of each party in the established company is determined in accordance with the proportion of the capital contribution, the requirement to submit to the shareholders' general meeting for consideration may be exempted. Unless otherwise provided for in the Hong Kong Listing Rules.

Where a related person of the Company unilaterally increases or reduces capital to an enterprise controlled by the Company or in which the Company has a shareholding, and where such a waiver of rights is involved, the relevant provisions on waiver of rights shall be applied. If no waiver of rights is involved, but it may have a significant impact on the Company's financial condition and operating results or cause changes in the Company's related relationship with the entity, the Company shall make disclosure in a timely manner.

Article 19 Where the Company has entered into a related party transaction with a related person as a result of a waiver of rights, the provisions of Article 10 hereof shall be applied according to the following criteria.

(I) Where the Company directly or indirectly waives its pre-emption rights or preferential subscription rights from a controlling subsidiary or other controlled entities, resulting in a change in the scope of the consolidated statements, the provisions of Article 10 hereof shall be applied based on the amount of the waiver and the relevant financial indicators of the entity.

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- (II) Where the waiver of rights by the Company does not result in a change in the scope of the consolidated statements of the Company, but the proportion of the Company's equity interest in the entity decreases as compared to that of the Company without the waiver of rights, the provisions of Article 10 hereof shall be applied based on the amount of the waiver and the relevant financial indicators calculated on the basis of the proportion of change in the equity interest.
- (III) Where the Company partially waives its rights, the provisions of Article 10 hereof shall be applied based on the amounts and indicators set forth in the preceding two items and the actual amount of the acquisition or capital contribution.

Article 20 For entrusted wealth management between the Company and its related persons, if it is difficult to perform the review procedures and disclosure obligations for each investment transaction due to the frequency of transactions and time-limitation requirements, the investment scope, investment quota and period may be reasonably estimated and, using the quota as the basis of calculation, the provisions of Article 10 hereof shall be applied.

The period for using the relevant quota shall not exceed 12 months, and the transaction amount at any point of time in the period (including the relevant amount for reinvestment of the aforementioned investment gains) shall not exceed the investment quota.

Article 21 Where the Company acquires or disposes of assets from or to a related person and meets the disclosure standards stipulated in Article 10 hereof, and the subject of the related party transaction is the equity interest, the Company shall disclose the basic information of the subject company and its key financial indicators for the most recent year and period. If the subject company has undergone asset appraisal, capital increase, capital reduction or restructuring within the last 12 months, the Company shall disclose the basic information of the relevant appraisal, capital increase, capital reduction or restructuring.

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Where the Company acquires assets from a related person, and, according to the requirements, such acquisition shall be submitted to the shareholders' general meeting for consideration and the transaction price exceeds 100% of the premium of the carrying value of the transaction subject, if the counterparty fails to provide the profit guarantee, compensation commitment or repurchase commitment of the transaction subject within a certain period of time, the Company should explain the specific reasons, whether to take relevant protection measures, and whether it is conducive to protecting the interests of the Company and the legitimate rights and interests of minority shareholders.

If the Company's acquisition or disposal of assets may result in the occupation of non-operating capital of the Company by the controlling shareholder, actual controller and other related persons of the Company upon the completion of the transaction, the Company shall specify a reasonable solution in an announcement and resolve such matter prior to the completion of the relevant transaction.

Article 22

The Company is not allowed to directly or indirectly provide funds to the controlling shareholders, actual controllers or other related parties in the following manners:

- (I) advancing wages, benefits, insurance, advertising and other expenses and bearing costs and other expenses for controlling shareholders, actual controllers and other related parties;
- (II) lending the Company's funds (including entrusted loans) to the controlling shareholders, actual controllers and other related parties with or without compensation;
- (III) entrusting controlling shareholders, actual controllers and other related parties to carry out investment activities;
- (IV) issuing commercial acceptance bills to controlling shareholders, actual controllers and other related parties without a true underlying transaction, and financing purchases, asset transfer payments and prepayments without consideration for goods and services or in circumstances that not commercially reasonable;
- (V) repaying debts for controlling shareholders, actual controllers and other related parties;
- (VI) other means as determined by the CSRC, SSE or Stock Exchange.

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Article 23 When considering the related party transactions, the Company shall gain a detailed understanding of the true status of the subject of the transaction and the trustworthiness, creditworthiness and performance capability of the counterparty, etc., prudently assess the necessity, reasonableness and impact of the relevant transaction on the Company and determine the transaction price based on adequate pricing basis. It shall focus on whether there are problems such as unclear ownership of the subject of the transaction, unclear performance ability of the counterparty, unfair transaction price, etc., and engage intermediaries to audit or evaluate the subject of the transaction in accordance with the listing rules.

Article 24 The Company shall, according to the type of the related party transaction, disclose the relevant contents of the related party transaction in accordance with the relevant requirements of the SSE and the Stock Exchange, including but not limited to the following: the counterparty, the subject of the transaction, a description of the related relationship between the parties to the transaction and the basic information of the related parties, the main contents of the transaction agreement, the pricing and the basis of the transaction, the review procedures, the opinion of the independent directors, the approval documents of the relevant authorities (if any), the opinion of the intermediary organizations (if applicable) and other contents.

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**CHAPTER 5 ORDINARY RELATED PARTY TRANSACTIONS AND
CONTINUING CONNECTED TRANSACTIONS**

Article 25 Under the SSE Listing Rules, when the Company and its related persons have ordinary related party transactions listed in items (XII) to (XVI) of Article 8 hereof, it shall perform the review procedures and make disclosure in accordance with the following requirements:

- (I) as for the daily related party transaction agreement that has been considered and approved at the shareholders' general meeting or by the Board and is being executed, if there is no major change in the main clauses during the course of the performance, the Company shall disclose the actual performance of agreements as required and make a statement that whether it complies with the stipulation of the agreement in the annual report and interim report. Where major changes occur to the main clauses during the performance of the agreement or the agreement expires and needs to be renewed, the Company shall submit the newly amended or renewed agreement of daily related party transaction in accordance with the total transaction amount involved in the agreement to the Board or the shareholders' general meeting for consideration. Where there is no specific total transaction amount, the agreement shall be submitted to the shareholders' general meeting for consideration;

- (II) for the daily related party transaction conducted for the first time, the Company shall fulfil its review procedures and make prompt disclosure based on the total transaction amount involved in the agreement. Where there is no specific total transaction amount, the agreement shall be submitted to the shareholders' general meeting for consideration. Where major changes occur to the main clauses during the performance of the agreement or the agreement expires and needs to be renewed, it shall be handled according to the preceding provision of this paragraph;

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- (III) the Company may reasonably estimate the amounts of ordinary related party transactions for the current year on the basis of categories, perform review procedures and make disclosures. If there is a large number of related persons and it is difficult for the Company to disclose all the related persons' information, the disclosure can be simplified to the extent the reasons are fully explained. Where the estimated transaction amount with a single legal entity meets the disclosure standards stipulated in Article 10 of this policy, the information and estimated transaction amount of the related person shall be presented separately, while other legal entities may present the above information under the same control. If the actual performance exceeds the estimated amounts, the Company shall re-perform review procedures and make disclosures on the basis of the exceeding amounts. When applying the requirements in respect of the actual performance exceeding the estimated amount, the aggregate amount of all related party transactions entered into between the related persons under the same control and the Company shall be compared with the corresponding estimated aggregate amount. The amount of related party transactions entered into between related persons not under the same control and the Company is not calculated on a consolidated basis;
- (IV) the Company shall classify, summarize and disclose the actual performance of ordinary related party transactions in the annual report and interim report;
- (V) where the term of the agreement on ordinary related party transactions concluded by the Company and related persons is more than three years, the relevant review procedures and disclosure obligations shall be performed again every three years in accordance with the requirements of this policy.

Article 26

Under the Hong Kong Listing Rules, continuing connected transactions represent connected transactions involving the provision of goods or services or financial assistance, which are carried out on a continuing or recurring basis and are expected to extend over a period of time. They are usually transactions in the ordinary and usual course of business of the Company.

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The written agreement for a continuing connected transaction must contain the basis for calculating the amount payable. The term of the agreement must be fixed and reflect normal commercial terms or better. The term of the agreement shall not exceed 3 years, unless a longer contract period is required due to the nature of the transaction under special circumstances, and the confirmation opinion of an independent financial advisor shall be obtained.

The Company must set annual caps for continuing connected transactions, and obtain approval from the Board or shareholders' general meeting (if necessary) in accordance with the Hong Kong Listing Rules. The caps must be determined by reference to past transactions and data in the Company's published information. If the Company did not have such transactions in the past, the caps must be based on reasonable assumptions.

If the amounts of the Company's continuing connected transactions exceed the caps, or the Company intends to renew the agreements, or significantly revise the terms of the agreements, it must re-comply with the announcement and corresponding approval requirements.

Article 27

Under the Hong Kong Listing Rules, the independent directors of the Company are required to review the continuing connected transactions every year and confirm in annual reports whether such transactions are:

- (I) entered into in the ordinary and usual course of business;
- (II) conducted on normal commercial terms or better;
- (III) conducted on the agreements relating to the transactions, and that the terms of the transactions are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company must engage its auditors to report on the continuing connected transactions annually. Auditors are required to send a letter to the Board of the Company to confirm whether anything has come to their attention that will make them believe that such continuing connected transactions:

- (I) have not yet been approved by the Board;
- (II) have not been conducted in accordance with the Company's pricing policies in all material respects in case the transactions involved the goods or services provided by the Company;

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(III) have not been conducted in accordance with the agreements related to the transactions in all material respects;

(IV) have exceeded the caps.

CHAPTER 6 EXEMPTION FOR RELATED PARTY TRANSACTIONS

Article 28 Under the SSE Listing Rules, review and disclosure requirements for related party transactions may be waived for the following related party transactions entered into between the Company and its related persons:

(I) transaction in which the Company unilaterally obtains benefits without any consideration or obligation, including receiving cash assets as gifts, obtaining debt relief, accepting guarantees and financial assistance without consideration;

(II) provision of unsecured funds by a related person to the Company at an interest rate not exceeding the loan interest rate prevailing in the market;

(III) transaction in which either party subscribes for the publicly issued shares, company bonds or corporate bonds, convertible company bonds or other types of derivatives of the other party in cash;

(IV) transaction in which either party, as a member of the underwriters, underwrites the publicly issued shares, company bonds or corporate bonds, convertible company bonds or other types of derivatives of the other party;

(V) transaction in which either party receives dividends, bonus or reward in accordance with the resolutions passed at the shareholders' general meeting of the other party;

(VI) transaction in which either party participates in the public tender or auction of the other party, except where the tender or auction is unlikely to establish a fair price;

(VII) transaction in which the Company provides products and services to related natural persons as defined in items (II) to (IV) of the third clause of Article 6 hereof on the same trading conditions as non-related persons;

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(VIII) related party transaction in which the price is fixed by the state;

(IX) other transactions as identified by SSE.

Article 29 Under the Hong Kong Listing Rules, the transactions within the following categories can be fully exempted:

(I) de minimis transactions;

Transactions can be fully exempted if all the percentage ratios (other than the profits ratio) are:

1. less than 0.1%;
2. less than 1% and the transaction is a connected transaction only because it involves connected person(s) at the subsidiary level;
3. less than 5%, and the total consideration (or in the case of any financial assistance, the total value of the financial assistance plus any monetary advantage to the connected person or commonly held entity) is also less than HK\$3 million.

(II) financial assistance;

1. In case of the following circumstances, the financial assistance provided by the Company to a connected person or commonly held entity will be fully exempt:
 - (1) relevant assistance is conducted on normal commercial terms or better;
 - (2) the financial assistance provided by the Company is in proportion to the equity interest directly held by the Company or its subsidiary in the connected person or the commonly held entity. Any guarantee given by the Company must be on a several (and not a joint and several) basis.

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2. In case of the following circumstances, the financial assistance received by the Company from a connected person or commonly held entity will be fully exempt:

(1) relevant assistance is conducted on normal commercial terms or better;

(2) relevant assistance is not secured by the assets of the Company.

(III) issuance of new securities by the Company or its subsidiaries;

(IV) dealings in securities on stock exchanges;

(V) repurchase of securities by the Company or its subsidiaries;

(VI) directors' service contracts and insurance;

(VII) buying or selling of consumer goods or services;

(VIII) sharing of administrative services;

(IX) transactions with the associate(s) of passive investors.

Please refer to Chapter 14A of the Hong Kong Listing Rules for the specific application of the above types of transactions which are eligible for full exemption.

CHAPTER 7 MANAGEMENT OF RELATED PARTY TRANSACTIONS

Article 30 The Audit Committee of the Board of the Company is responsible for performing the duties of control and daily management of related party transactions.

Related party transactions that are required to be executed only after resolutions are adopted by the Board shall, after approval by the independent directors, be submitted to the Board for discussion. The Board shall express their opinions on whether the transactions would benefit the Company. When independent directors make a judgment, they may engage an independent financial adviser to express their opinion on whether the related party transactions are fair and reasonable for all shareholders and explain the reasons, the main assumptions and considerations therefor.

**APPENDIX II POLICY ON THE MANAGEMENT OF THE RELATED PARTY
TRANSACTIONS OF GUOLIAN SECURITIES CO., LTD.**

The Audit Committee of the Board of the Company shall at the same time review the matters concerned in the related party transactions, form written opinions, submit them to the Board for consideration and report to the supervisory committee. The Audit Committee may engage independent financial advisers to issue a report that may serve as the basis of its judgment.

Article 31 The office of the Board of the Company is responsible for establishing and updating the Company’s related party list, such updating should be at least once every six months, and filling in and updating the related person list and related relationship information through the business management system of the SSE in a timely manner.

The directors, supervisors, senior management, subsidiaries (excluding insignificant subsidiaries), shareholders holding more than 5% of the Company’s shares and the persons acting in concert with them, and actual controllers of the Company shall submit the Company’s related party list and the description of the related relationship to the office of the Board of the Company in a timely manner, and the office of the Board is responsible for the registration and management work.

Each department, subsidiary and branch (collectively referred to as “**Each Unit**”) finds out that legal persons (or other organizations) and natural persons meet the conditions of related parties but are not recognized as related parties, or finds out that legal persons (or other organizations) and natural persons which were recognized as related parties before no longer meet the conditions of related parties, shall report to the office of the Board in a timely manner.

The Audit Committee of the Board of the Company shall confirm the list of related parties of the Company and report to the Board and the Supervisory Committee in a timely manner.

Each department, subsidiary and branch shall keep the list of related parties known by them confidential, and shall not use the list of related parties in violation of regulations for activities other than management of related party transactions.

Article 32 The Information Technology Headquarter of the Company is responsible for providing technical research and development and support in relation to related party transaction management according to the needs of regulatory agencies and relevant departments of the Company.

**APPENDIX II POLICY ON THE MANAGEMENT OF THE RELATED PARTY
TRANSACTIONS OF GUOLIAN SECURITIES CO., LTD.**

Article 33 The Compliance and Legal Department of the Company is responsible for reviewing the compliance and contract agreements of related party transactions. If the investment banking business of the Company involves related party transactions, the Compliance and Legal Department shall conduct on-site compliance inspections on the rationality of the project, the fairness of pricing, and whether the relevant staff in the investment banks are honest, trustworthy, and diligent in their practice, and issue compliance review opinions.

Article 34 The Risk Management Department of the Company is responsible for setting the threshold value of related party transactions in the risk control system in accordance with the needs of the relevant departments of the Company. If the proprietary businesses of the Company such as investments in related assets or financial products issued by controlling shareholders, actual controllers and companies under their control, the Risk Management Department should strengthen risk management by limiting the amount, increasing risk capital reserves, and enhancing monitoring. The Company shall not directly or indirectly invest in asset management products that use the non-standard assets of controlling shareholders, actual controllers, and companies under their control as the main underlying assets.

Article 35 The persons in charge of each department, subsidiary and branch of the Company shall be the primary persons responsible for the related party transactions of the unit. Each Unit shall designate a contact person to be responsible for the reporting and statistics works of related parties and related party transactions of the unit.

Each department, subsidiary and branch shall identify in accordance with the list of related parties issued by the office of the Board, and shall perform the following procedures:

- (I) Check the list of related parties, combined with other available information, to determine whether the counterparty is a related party of the Company;
- (II) If the counterparty is a related party of the Company, it shall be reported to the office of the Board for review. The submitted information or materials include: the pricing basis of the related party transactions, the price level of similar transactions in the market, the text of the contracts of the transactions and the proposed contract periods.

APPENDIX II POLICY ON THE MANAGEMENT OF THE RELATED PARTY TRANSACTIONS OF GUOLIAN SECURITIES CO., LTD.

Article 36 The office of the Board of the Company takes the lead in being responsible for the disclosure of the related party transactions in the non-financial reports of the interim announcements and periodic reports. The Financial and Accounting Department of the Company takes the lead in being responsible for the disclosure of the related party transactions in the financial reports of the periodic reports.

Article 37 The Auditing Department of the Company is responsible for the audit of major related party transactions one by one to ensure the truthfulness, accuracy and completeness of the audit report information, and submit the audit report to the Board of the Company for review. The Company shall disclose the special audit report in respect of the related party transactions in its annual report.

Major related party transactions are those related party transactions (except for the provision of guarantees by the Company) with a transaction amount (including the liabilities and costs assumed) of RMB30 million or above and accounting for 5% or above of the absolute value of the Company's audited net assets in the latest period.

CHAPTER 8 LEGAL LIABILITY AND PENALTIES

Article 38 If a related party of the Company conducts a related party transaction in violation of the provisions hereof which causes losses to the Company, the Company and the shareholders may file a lawsuit to the people's court in accordance with the law.

Article 39 The Company shall impose penalties accordingly in accordance with the relevant laws, regulations, departmental rules, normative documents and the Articles of Association on any directors, senior management, other persons directly in charge and persons responsible who have violated the relevant provisions hereof.

CHAPTER 9 SUPPLEMENTARY PROVISIONS

Article 40 If a transaction is a related party transaction under the SSE Listing Rules as well as a connected transaction under Hong Kong Listing Rules, such transaction shall be more strictly subject to the provisions of this policy. If a transaction is only a related party transaction under the SSE Listing Rules, or only a connected transaction under Hong Kong Listing Rules, such transaction shall be applicable to the provisions of this policy relating to such transactions.

**APPENDIX II POLICY ON THE MANAGEMENT OF THE RELATED PARTY
TRANSACTIONS OF GUOLIAN SECURITIES CO., LTD.**

Article 41 Matters not covered herein shall be handled in accordance with relevant laws, regulations, departmental rules, normative documents and the Articles of Association. If this policy is inconsistent with the laws, regulations, departmental rules, normative documents and the Articles of Association to be promulgated or amended in the future, such laws, regulations, departmental rules, normative documents and the Articles of Association to be promulgated or amended in future shall prevail.

Article 42 This policy shall become effective from the date of its approval at the shareholders' general meeting of the Company. The Policy on the Management of the Connected Transactions of Guolian Securities Co., Ltd. (Guo Lian Zheng Fa [2018] No.327) shall be repealed at the same time.

Article 43 The right to construe this policy shall be vested in the Board of the Company.

**SHAREHOLDERS' RETURN PLAN FOR
THE NEXT THREE YEARS (2024-2026) OF
GUOLIAN SECURITIES CO., LTD.**

In accordance with the relevant requirements of the Notice on Further Implementing Matters Relevant to Cash Dividend Distribution by Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) issued by the CSRC, Guideline No. 3 on Supervision and Administration of Listed Companies – Cash Dividends of Listed Companies (Revision 2022) (《上市公司監管指引第3號—上市公司現金分紅(2022年修訂)》) and Guideline No. 1 on Self-Regulatory and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》), and in order to further increase the return of shareholders, improve and implement cash dividend policy, define the plan of the Company for providing shareholders with reasonable investment returns, enhance the transparency and operability of decision-making on profit distribution and to facilitate supervision by shareholders of the operations of and profit distribution by the Company, the Board of the Company formulated the Shareholders' Return Plan for the Next Three Years (2024-2026) of Guolian Securities Co., Ltd., the detailed contents of which are set out below:

I. BASIC PRINCIPLES FOR FORMULATION OF THE PLAN

In accordance with the provisions of the Company Law and the Articles of Association, the Company will fully take into account the returns for its investors and distribute dividends to its shareholders according to the stipulated proportion of the profits available for distribution achieved by the parent company¹ during the year. The Company will implement an on-going and stable dividend distribution policy and shall consider the long-term interests of the Company, the overall interests of all shareholders and the sustainable development of the Company when distributing dividends.

Subject to the continuous profitability and meeting regulatory requirements and requirements for the normal operation and long-term development of the Company, the Company will accord priority to dividend distribution by way of cash.

1 Dividends shall be distributed on the basis of the after-tax distributable profit, which shall be the smaller of the following two figures: (I) the aggregate amount of after-tax distributable profit in the financial statements audited by an accounting firm in accordance with the PRC accounting standards; or (II) the aggregate amount of after-tax distributable profit in the financial statements based on the audited financial report prepared in accordance with the PRC accounting standards and adjusted in accordance with international accounting standards or accounting standards of the place where the main overseas public offering occurs.

II. KEY FACTORS CONSIDERED IN FORMULATING THE PLAN

In formulating the dividend distribution policy, the Company focuses on its operations at the current stage and sustainable development, conducts comprehensive analysis and takes into full consideration the following material factors:

(I) Safeguarding the legitimate rights and interests of shareholders in a practical manner and implementing regulatory requirements

The Company shall perform its social and legal responsibilities, safeguard the legitimate rights and interests of shareholders in a practical manner and provide investors with reasonable investment returns.

The Company shall implement the regulatory requirements of the CSRC on profit distribution and cash dividend policy for listed companies. Guideline No. 3 on Supervision and Administration of Listed Companies – Cash Dividends of Listed Companies (Revision 2022) (《上市公司監管指引第3號—上市公司現金分紅(2022年修訂)》) issued by the CSRC provides specific requirements on further improving the profit distribution decision-making process, perfecting the cash dividend distribution system, enhancing the transparency of cash dividend distribution, and maintaining the consistency, reasonableness and stability of the cash dividend policy.

(II) Actual circumstances of the operations and development of the Company

The Company maintains satisfactory operating results and strong profitability. The Company will formulate an ongoing and stable dividend distribution policy based on its actual operations in the year.

(III) Development stage of the Company

The Company is currently in a fast-growing stage, during which each of its business lines maintains a good development momentum with huge development potential, and needs sufficient capital to provide assurance for its future development. When determining its dividend distribution policy, the Company will take into full consideration the impact of various factors so that it can meet the requirements for its normal operation and sustainable development.

(IV) Demands and wishes of shareholders

The dividend distribution policy of the Company, which attaches high importance to providing investors with reasonable investment returns and takes into account the expectation of investors for the rapid development of the Company on an ongoing basis, will fully take into consideration the demands and wishes of shareholders. The specific dividend distribution plan (including the proportion of cash dividends and whether distributing dividends in the form of shares) will be determined, considered and approved at the shareholders' general meeting according to the actual circumstances of the operations of the Company in the year and the requirements for future development of its normal operation.

(V) Cost of social capital and external financing environment

Currently, the Company may increase the scale of its capital funds by means of issuing ordinary shares, debt instruments and profit retention. Among them, profit retention is one of the important means for the Company to increase its existing capital funds. When determining its dividend policy, the Company will take into consideration various factors comprehensively, including the reasonable capital structure and capital cost of the Company and the external financing environment.

(VI) Capital requirement

The Company is required to satisfy the regulatory requirements of the CSRC on the net gearing ratio of securities companies. The Company is required to take into full consideration its gearing ratio when formulating its profit distribution policy. The Company may implement a positive dividend distribution plan on the basis that its gearing ratio meets regulatory requirements and requirements for long-term development. The dividend policy of the Company shall fully take into consideration various factors, including meeting regulatory requirements for securities companies, safeguarding the demands of shareholders for dividends, and protecting the ability of the Company to deal with operational and financial uncertainties.

**III. SPECIFIC SHAREHOLDERS' RETURN PLAN FOR THE NEXT THREE YEARS
(2024-2026) OF THE COMPANY****(I) Order for profit distribution**

In distributing its after-tax profits for the year, the Company shall allocate 10% of its net profits of the current year to the transaction risk reserve for covering loss incurred in securities transactions, but not for distributing dividends or increasing its capital, and then shall allocate 10% of its profits to the statutory surplus reserve. Allocation to the statutory surplus reserve of the Company may be waived once its cumulative amount of funds is no less than 50% of the registered capital of the Company. Where the statutory surplus reserve of the Company is not sufficient to cover the loss of the Company from the previous year, the profits of the current year shall be used to cover such loss before allocation is made to the statutory surplus reserve in accordance with the aforesaid requirements.

After allocation to the statutory surplus reserve has been made from the after-tax profits of the Company, the discretionary surplus reserve fund can also be allocated from the after-tax profits upon passing a resolution at the shareholders' general meeting.

After the Company has covered its loss and made allocations to the reserve funds, the remainder of the after-tax profits can be distributed in proportion to the shareholdings held by shareholders.

(II) Form of and time interval for profit distribution

The Company distributes profits in proportion to the shareholdings held by shareholders and may distribute dividends in the form of cash, shares or a combination of both. Where the Company satisfies the conditions for cash dividend distribution, it shall accord priority to profit distribution by way of cash dividends. In principle, the Company makes profit distribution annually, but where conditions permit, interim profit distribution can be made.

(III) Conditions for and proportions of cash dividend distribution

If the net gearing ratio of the Company does not meet the required standards of relevant laws and administrative regulations, no profits shall be distributed to shareholders. Subject to ensuring that regulatory requirements and the conditions for the normal operation and long-term development of the Company are met, where there are distributable profits from the profits achieved for the year after making allocation to the risk reserve, covering loss and making allocations to the statutory surplus reserve in accordance with the law, cash dividend distribution can be made. The profits distributed in cash by the Company annually shall not be less than 30% of the distributable profits achieved for the year.

Where the Company has a rapid growth in operating revenue, and the Board considers that the share price of the Company does not reflect the share capital size of the Company, the Company may, in addition to satisfying the above distribution of cash dividends, put forward and implement a plan for the distribution of share dividends.

The Board of the Company shall distinguish different circumstances in accordance with the requirements of Guideline No. 3 on Supervision and Administration of Listed Companies – Cash Dividends of Listed Companies (Revision 2022) (《上市公司監管指引第3號—上市公司現金分紅(2022年修訂)》), taking into account the Company's industry features, development stages, operation model and profitability as well as whether it has any substantial capital expenditure arrangement, and stipulate differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association.

1. If the Company is at the mature stage of development and has no significant capital expenditure plan, the proportion of cash dividends shall be at least 80% in the profit distribution;
2. If the Company is at the mature stage of development and has a significant capital expenditure plan, the proportion of cash dividends shall be at least 40% in the profit distribution;
3. If the Company is at the growing stage and has a significant capital expenditure plan, the proportion of cash dividends shall be at least 20% in the profit distribution;

If it is difficult to determine the Company's stage of development while it has a significant capital expenditure plan, the profit distribution may be dealt with pursuant to the rules applied in the previous distribution.

IV. DECISION-MAKING AND SUPERVISION MECHANISMS OF THE RETURN PLAN

When formulating the profit distribution plan, the Board of the Company shall diligently study and discuss matters including the timing, conditions and minimum proportion, conditions for adjustments and the requirements of the decision-making procedures of the cash dividends, and the independent directors shall express an unequivocal opinion. Independent directors may solicit the opinions of minority shareholders, put forward a dividend proposal, and directly submit it to the Board for consideration. Before the shareholders' general meeting considers the specific proposal for cash dividends, the Company shall take the initiative to communicate and exchange views with shareholders, especially minority shareholders, through various channels and fully listen to the views and aspirations of minority shareholders, and make replies to questions of concern from minority shareholders in a timely manner. The Supervisory Committee of the Company shall supervise the circumstances and decision-making procedures regarding the formulation of the profit distribution proposal by the Board.

If the Company has distributable profits² for the year but does not put forward any cash dividend proposals, the Board shall provide a special explanation for matters including the specific reasons for not making cash dividends, the exact use of the retained earnings of the Company and the expected return on investment, which, after the independent directors have expressed their opinions, shall be submitted to the shareholders' general meeting for consideration, the approval of which shall require no less than two-thirds of the voting rights held by the shareholders attending the shareholders' general meeting and shall be disclosed in the designated media of the Company, and the Company shall provide shareholders with the Internet voting platform for voting.

The Company shall disclose the profit distribution plan for the year in the annual report. If the Company has distributable profits during the reporting period to the extent the Company satisfies the regulatory requirements and the Company's normal operation and long-term development but the Board of the Company does not put forward any plan for profit distribution in cash, the reasons shall be disclosed in the periodic report to provide a detailed explanation for not making profit distribution and the use of capital that may otherwise be used as dividends but has been retained by the Company.

V. IMPLEMENTATION OF PROFIT DISTRIBUTION PLAN

After the shareholders' general meeting of the Company has passed a resolution on the profit distribution plan, the Board of the Company must complete the distribution of dividends (or shares) within two months after the convening of the shareholders' general meeting.

VI. FORMULATION CYCLE AND ADJUSTMENT MECHANISM OF THE RETURN PLAN

1. The Company shall formulate the return plan for shareholders according to the profit distribution policies determined in the Articles of Association, and ensure to prepare the plan every three years as well as to formulate the profit distribution policies for the next three years. When formulating the return plan for shareholders, the Board of the Company shall fully listen to and heed the views and suggestions of shareholders (especially minority shareholders), independent directors and external supervisors through various channels. The profit distribution policies and three-year return plan for shareholders formulated by the Board of the Company shall be implemented after they have been approved by the shareholders' general meeting upon submission.

2 Distributable profits of the year refers to the balance of realized profits of the Company each year after making allocation to the risk reserve, covering loss and making allocation to the statutory surplus reserve in accordance with the law.

2. In the event of force majeure including war and natural disasters, or changes in the external operating environment of the Company resulting in a significant impact on the production and operation of the Company, or significant changes in the internal operating condition of the Company, the Company may make adjustments to its profit distribution policies. When the Company makes adjustments to its profit distribution policies, the Board shall carry out specific discussion by discussing in detail the reasons for the adjustments, prepare a written discussion report and submit it to the shareholders' general meeting for approval as a special resolution after the consideration by independent directors. When considering the matters regarding any change in profit distribution policy, the Company may provide an Internet voting platform for shareholders. When considering changes to the policies on profit distribution proposals, the shareholders' general meeting shall fully consider the views of minority shareholders.
- VII.** For matters not covered in the Plan, they shall be implemented in accordance with relevant laws and regulations, regulatory documents and the Articles of Association. The Plan shall be interpreted by the Board of the Company, and it shall come into force and be implemented from the date of its approval by the shareholders' general meeting of the Company.

The detailed plan of the issuance of A Shares to specific subscribers (the “**Issuance**”) is as follows:

A. CLASS AND NOMINAL VALUE OF SHARES TO BE ISSUED

The class of shares under the Issuance is domestically listed RMB denominated ordinary share (A Share) with a nominal value of RMB1.00 each.

B. METHOD AND TIME OF ISSUANCE

The Issuance is conducted by way of issuance of Shares to specific subscribers. The Company will issue Shares at an appropriate time within the validity period as stipulated in the written approval of registration of the CSRC in relation to the Issuance.

C. TARGET SUBSCRIBERS AND SUBSCRIPTION METHOD

The target subscribers for the Issuance will be no more than 35 (inclusive) specific subscribers which satisfy the relevant requirements of the CSRC. The scope of the target subscribers includes no more than 35 specific subscribers such as securities investment fund management companies, securities firms, trust investment companies, finance companies, insurance institutional investors, qualified foreign institutional investors (QFII), and other domestic institutional and individual investors, which satisfy the relevant requirements of the CSRC. A securities investment fund management company, a securities firm, a qualified foreign institutional investors (QFII) or a Renminbi qualified foreign institutional investors (QFII) subscribing for the Shares through two or more of the products under its management shall be deemed as one single target subscriber. Target subscribers which are trust investment companies shall only subscribe for the Shares with their own capital.

The final target subscribers shall be determined by the Company upon obtaining the written approval of registration by the CSRC for the Issuance based on the prices offered by the target subscribers, the requirements of the Implementation Rules and the principle of price priority. According to the Implementation Rules, when the cumulative amount of all valid subscriptions equals or exceeds any of the conditions for determining the issuance result for the first time (i.e. (a) the amount of proceeds raised reaches RMB5 billion; (b) the number of subscribed Shares reaches 600,000,000; or (c) the number of target subscribers reaches 35), the minimum subscription price of the cumulative valid subscriptions shall be the issue price. Each subscriber will be allotted at such price in the order of price priority, amount priority and time priority until any of the conditions for determining the issuance result are satisfied. The Company would announce the list of final target subscribers after final identification has been made.

To the reasonable knowledge of the Company, the target subscribers under the Issuance and their ultimate beneficial owners shall not include the connected persons of the Company.

All target subscribers shall subscribe the Shares under the Issuance in cash.

Those target subscribers who are required by regulatory authorities to comply with other provisions in relation to their shareholder qualifications and respective approval procedures shall follow and comply with such provisions.

D. ISSUE SIZE

Subject to compliance with the regulatory requirements of the places where the Company are listed, the number of A Shares to be issued under the Issuance shall be no more than 600,000,000 Shares (inclusive). In the event that the Company grants bonus shares, allots new shares, converts capital reserve into share capital or carries out any other ex-right activities during the period commencing from the date on which the Board approved the Issuance to the Date of Issuance, the issue size of the Issuance shall be adjusted accordingly.

The final issue size of the Issuance shall be determined by the Board or its authorized person(s) (pursuant to the authorization granted at the shareholders' general meeting) with the sponsor (lead underwriter) according to the cap approved for registration by the CSRC and the issue price.

E. ISSUE PRICE AND PRICING PRINCIPLES

The Price Determination Date of the Issuance of Shares shall be the first day of the offer period of the Issuance. The issue price of the Issuance shall be no less than 80% of the average trading price of the A Shares for the 20 trading days preceding the Price Determination Date (excluding the Price Determination Date), or the latest audited net asset value per Share attributable to the shareholders of the parent company of the Company, whichever is higher. For reference purpose, as disclosed in the Company's annual report published on 12 April 2023, as of 31 December 2022, the latest audited net assets per share attributable to Shareholders of the Company is RMB5.92 per Share.

The average trading price of the Shares for the 20 trading days preceding the Price Determination Date equals to total trading value of the Shares for the 20 trading days preceding the Price Determination Date divided by the total trading volume of the Shares for the 20 trading days preceding the Price Determination Date. In the event that there occurs any ex-right or ex-dividend activities causing adjustment to the share prices during the 20-trading-day period, the trading prices for those trading days prior to such adjustment shall be adjusted by the ex-right or ex-dividend activities accordingly.

In the event that the Company distributes dividends, grants bonus shares, allots new shares, converts capital reserve into share capital or carries out any other ex-right or ex-dividend activities during the period commencing from the balance sheet date of its latest audited financial reports to the Date of Issuance, adjustments shall be made to the abovementioned net assets per Share accordingly.

Upon completion of the review of the Shanghai Stock Exchange and obtaining of the approval of registration by the CSRC, the final issue price under the Issuance shall be determined by the Board or its authorized person(s) (pursuant to the authorization granted at the shareholders' general meeting) with the sponsor (lead underwriter) based on the prices offered by the target subscribers and in accordance with the requirements of the CSRC and the principle of price priority.

F. AMOUNT AND THE USE OF PROCEEDS

The total proceeds from the Issuance will not exceed RMB5 billion (inclusive), all of which will, after deducting the issuance expenses, be used for the expansion of the fixed income, equity, equity derivatives and other transaction business, repayment of debts and the further expansion of the credit transaction business including margin financing and securities lending.

The proceeds from the Issuance will be applied as follows:

No.	Investment projects of proceeds raised	Proposed investment amount	Remarks
1	Expansion of the fixed income, equity, equity derivatives and other transaction business	Not exceeding RMB3.5 billion	<p>① Not exceeding RMB1.5 billion for the subscription of bonds of non-financial enterprises</p> <p>② Not exceeding RMB1 billion for the sponsorship business co-investment of wholly-owned subsidiaries, private equity investment and direct equity investment in small and medium-sized enterprises</p> <p>③ Not exceeding RMB1 billion for the equity derivatives business</p>
2	Repayment of debts <i>(Note)</i>	Not exceeding RMB1 billion	–
3	Further expansion of the credit transaction business including margin financing and securities lending	Not exceeding RMB0.5 billion	All for supporting the liquidity of the Science and Technology Innovation Board
	Total	Not exceeding RMB5 billion	

Note:

The proceeds from the Non-public Issuance of the Company will be used to repay debts, including but not limited to repayment of subordinated bonds, corporate bonds, income certificates, etc. issued by the Company, which do not exceed RMB1 billion. The specific repayment shall be determined according to the maturity of the debts after obtaining the approval of registration of the CSRC.

The reason for applying the proceeds to repay debts is that since its listing, the Company's business size has gradually expanded, while its debt size is also at a consistent higher level. As of 30 June 2023, the consolidated gearing ratio of the Company was 76.24% (amount of agency sales of securities has been excluded from assets and liabilities), the balance of bonds payable by the Company was RMB19.834 billion, and the cash and bank balances was RMB4.816 billion. Although it is the conventional development mode of the industry to appropriately increase the scale of leverage by means of debt financing instruments, however, the Company still needs to take the initiative to reduce the size of interest-bearing liabilities when conditions are available, so as to further reduce the financial costs and risks. Therefore, the Company intends to use the proceeds to repay debts and reduce financial risks, which is in the interests of all Shareholders and is conducive to the long-term and healthy development of the Company.

In case that the proceeds are less than RMB5 billion, the Company currently prefers to use the proceeds for the first and the third purposes to strengthen the Company's business development, which will be invested according to the operating situation after the Issuance. The aforesaid preference does not constitute a commitment, and the actual practice will be determined according to the circumstances then.

G. LOCK-UP PERIOD

According to the relevant requirements of the Administrative Measures for the Issuance and Registration of Securities by Listed Companies (《上市公司證券發行註冊管理辦法》), the Implementation Rules and the Guidelines on Administrative Approval for Securities Companies No.10 – Increase and Change in Equity Interest of Securities Companies (《證券公司行政許可審核工作指引第10號—證券公司增資擴股和股權變更》), following the completion of the Issuance, the specific target subscribers holding 5% (inclusive) or more of the total issued Shares of the Company shall not transfer their Shares within 36 months from the date of completion of Issuance. Specific target subscribers holding less than 5% of the Shares of the Company shall not transfer their Shares within six months from the date of completion of the Issuance.

Where there are provisions of other laws and regulations on the lock-up period, those provisions shall also be complied with.

H. LISTING VENUE

The Shares issued under the Issuance will be listed on the Shanghai Stock Exchange.

**I. ARRANGEMENT OF ACCUMULATED UNDISTRIBUTED PROFITS PRIOR TO
COMPLETION OF THE ISSUANCE**

After the Issuance, both new Shareholders and existing Shareholders shall be entitled to the undistributed profits of the Company accumulated prior to completion of the Issuance.

J. VALIDITY PERIOD OF THE RESOLUTIONS

Validity period of the resolutions for the Issuance is 12 months from the date when the resolutions relating to the Issuance are considered and approved at the shareholders' general meeting.

The Issuance of the Company is subject to the review of the Shanghai Stock Exchange and the approval of registration by the CSRC. The plan approved by the regulatory authorities shall be final. The detailed terms on the Issuance (including the issue price and issue size) will be announced separately by the Company upon final determination.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



国联证券股份有限公司
GUOLIAN SECURITIES CO., LTD.

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

(Stock Code: 01456)

NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING FOR THE YEAR 2023

NOTICE IS HEREBY GIVEN that the third extraordinary general meeting (the “EGM”) for the year 2023 of Guolian Securities Co., Ltd. (the “**Company**”) will be held at the conference room at 9th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC at 2:00 p.m. on Thursday, 12 October 2023 for the purpose of considering and, if thought fit, passing the following resolutions of the Company. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 21 September 2023:

ORDINARY RESOLUTIONS

1. Resolution on the formulation of Duty Performance Assessment and Remuneration Management System for Directors and Supervisors of Guolian Securities Co., Ltd.
2. Resolution on the amendments to the policy on the management of the related party transactions.
3. Resolution on the application for qualifications of stock options market-making and listed securities market-making trading businesses and expansion of business scope.

SPECIAL RESOLUTIONS

4. Resolution on the Shareholders’ return plan for the next three years (2024-2026).
5. Resolution on the extension of validity period of resolution and authorization of the Shareholders’ general meeting to issue A Shares to specific subscribers.

By order of the Board
Guolian Securities Co., Ltd.
Ge Xiaobo
Chairman

Wuxi, Jiangsu Province, the PRC
21 September 2023

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. In order to determine the entitlement to attend and vote at the EGM of the Company to be held on Thursday, 12 October 2023, the register of members of the Company will be closed from Friday, 6 October 2023 to Thursday, 12 October 2023 (both days inclusive) during which period no transfer of shares of the Company will be effected.

Holders of H shares whose names appear on our register of members on Friday, 6 October 2023 shall be entitled to attend the EGM. For shareholders who wish to attend and vote at the EGM, the relevant share certificates accompanied by all transfer documents must be lodged with Computershare Hong Kong Investor Services Limited (the “**H Shares registrar**”) at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, 5 October 2023.

2. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy need not be a Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a shareholder or his/her attorney duly authorised in writing. If the shareholder is a corporation, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.
4. In order to be valid, the form of proxy and other documents of authorization (if any) must be deposited, for the H Shareholders, to the H Shares registrar of the Company, Computershare Hong Kong Investor Services Limited, by 2:00 p.m. on Wednesday, 11 October 2023 (Hong Kong time). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM should you so wish.
5. Shareholders or their proxies shall produce their identity documents and supporting documents in respect of shares held or form of proxy signed by the shareholder (or shareholder’s authorized person) when attending the EGM.
6. The EGM is expected to be held for less than half a day. Shareholders who intend to attend the EGM shall arrange and bear their own transportation and accommodation expenses.
7. The name and address of the Company’s H Shares registrar are as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

8. Where there are joint registered holders of any Share(s), any one of such joint holders may attend and vote at the EGM, either in person or by proxy, in respect of such Share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the EGM, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

As at the date of this notice, the executive director of the Company is Mr. Ge Xiaobo; the non-executive directors of the Company are Mr. Hua Weirong, Mr. Zhou Weiping, Mr. Wu Weihua, Ms. Li Suo and Mr. Liu Hailin; and the independent non-executive directors of the Company are Mr. Wu Xingyu, Mr. Chu, Howard Ho Hwa and Mr. Gao Wei.

NOTICE OF THE H SHAREHOLDERS' CLASS MEETING



国联证券股份有限公司
GUOLIAN SECURITIES CO., LTD.

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

(Stock Code: 01456)

NOTICE OF THE FIRST H SHAREHOLDERS' CLASS MEETING FOR THE YEAR 2023

NOTICE IS HEREBY GIVEN that the H Shareholders' Class Meeting (the "**H Shareholders' Class Meeting**") of Guolian Securities Co., Ltd. (the "**Company**") will be held on Thursday, 12 October 2023 at conference room at 9th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC immediately after the A Shareholders' Class Meeting for the purpose of considering and, if thought fit, passing the following resolution of the Company. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 21 September 2023:

SPECIAL RESOLUTION

1. Resolution on the extension of validity period of resolution and authorization of the Shareholders' general meeting to issue A Shares to specific subscribers.

By Order of the Board
Guolian Securities Co., Ltd.
Ge Xiaobo
Chairman

Wuxi, Jiangsu Province, the PRC
21 September 2023

NOTICE OF THE H SHAREHOLDERS' CLASS MEETING

Notes:

1. In order to determine the entitlement to attend and vote at the H Shareholders' Class Meeting of the Company to be held on Thursday, 12 October 2023, the register of Shareholders of the Company will be closed from Friday, 6 October 2023 to Thursday, 12 October 2023 (both days inclusive) during which period no transfer of shares will be effected.

Holders of H shares whose names appear on our register of members on Friday, 6 October 2023 shall be entitled to attend the H Shareholders' Class Meeting. For shareholders who wish to attend and vote at H Shareholders' Class Meeting, the relevant share certificates accompanied by all transfer documents must be lodged with the Company's H Shares registrar ("**H Shares registrar**"), Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Thursday, 5 October 2023 for registration.

2. Shareholders who are entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy need not be a Shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised in writing. If the shareholder is a corporation, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.
4. In order to be valid, the proxy form and other documents of authorization (if any) must be deposited, for the H Shareholders, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, by 2:00 p.m. on Wednesday, 11 October 2023 (Hong Kong time). Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the H Shareholders' Class Meeting should you so wish.
5. Shareholders or their proxies shall produce their identity documents and supporting documents in respect of shares held or proxy form signed by the shareholder (or shareholder's authorized person) when attending the H Shareholders' Class Meeting.
6. The H Shareholders' Class Meeting is expected to be held for less than half a day. Shareholders who intend to attend the H Shareholders' Class Meeting shall arrange and bear their own transportation and accommodation expenses.
7. The name and address of the Company's H Shares registrar in Hong Kong are as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor,
Hopewell Centre,
183 Queen's Road East,
Wanchai,
Hong Kong

8. Where there are joint registered holders of any Share(s), any one of such joint holders may attend and vote at the H Shareholders' Class Meeting, either in person or by proxy, in respect of such Share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the H Shareholders' Class Meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

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