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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect about 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 GF Securities Co., Ltd., you should at once hand this circular, together with the enclosed proxy form, 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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**GF SECURITIES CO., LTD.**  
**廣發證券股份有限公司**

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

**(Stock Code: 1776)**

- (1) 2023 DIRECTORS' REPORT**
  - (2) 2023 SUPERVISORY COMMITTEE'S REPORT**
  - (3) 2023 WORK REPORT OF THE INDEPENDENT DIRECTORS**
  - (4) 2023 DUTY PERFORMANCE REPORTS OF THE INDEPENDENT DIRECTORS**
  - (5) 2023 FINAL FINANCIAL REPORT**
  - (6) 2023 ANNUAL REPORT**
  - (7) 2023 PROFIT DISTRIBUTION PLAN**
  - (8) RESOLUTION REGARDING ENGAGEMENT OF AUDITORS IN 2024**
  - (9) RESOLUTION REGARDING THE AUTHORIZATION OF PROPRIETARY INVESTMENT QUOTA OF THE COMPANY FOR 2024**
  - (10) RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY**
  - (11) RESOLUTION ON THE FORMULATION OF THE WORKING SYSTEM OF THE INDEPENDENT DIRECTORS OF GF SECURITIES**
  - (12) RESOLUTIONS ON ELECTION OF NON-INDEPENDENT DIRECTORS TO THE ELEVENTH SESSION OF THE BOARD OF DIRECTORS OF THE COMPANY**
  - (13) RESOLUTIONS ON ELECTION OF INDEPENDENT DIRECTORS TO THE ELEVENTH SESSION OF THE BOARD OF DIRECTORS OF THE COMPANY**
  - (14) RESOLUTIONS ON ELECTION OF SUPERVISORS TO THE ELEVENTH SESSION OF THE SUPERVISORY COMMITTEE OF THE COMPANY**
  - (15) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**
- AND**
- (16) NOTICE OF AGM**

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The 2023 AGM of GF Securities Co., Ltd. will be held at 2:00 p.m. on Friday, May 10, 2024 at Conference Room 4008, 40th Floor, GF Securities Tower, 26 Machang Road, Tianhe District, Guangzhou, Guangdong, the PRC. A notice of convening the AGM is set out on pages 8 to 13 of this circular.

Whether or not you are able to attend the AGM, you are advised to read the notice of the AGM carefully and to complete the enclosed proxy form in accordance with the instructions printed thereon and return it as soon as possible. H Shareholders are required to return the proxy form to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, while A Shareholders are required to return the proxy form to the Board's office, in person or by post, no later than 24 hours before the time appointed for convening the AGM. Completion and return of the proxy form will not preclude you from attending and voting at the AGM in person if you so wish.

April 18, 2024

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## DEFINITIONS

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

“A Share(s)”	domestic share(s) with a nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the SZSE and traded in RMB (stock code: 000776)
“A Shareholder(s)”	holder(s) of A Shares
“AGM” or “2023 AGM”	the 2023 annual general meeting of the Company to be held at 2:00 p.m. on Friday, May 10, 2024
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“associate”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board” or “Board of Directors”	the board of directors of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“Company Law”	Company Law of the PRC (《中華人民共和國公司法》), as amended from time to time
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the directors of the Company
“E Fund”	E Fund Management Co., Ltd. (易方達基金管理有限公 司)
“GF Fund”	GF Fund Management Co., Ltd. (廣發基金管理有限公 司)
“GFHK”	GF Holdings (Hong Kong) Corporation Limited

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## DEFINITIONS

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“H Share(s)”	the overseas listed foreign share(s) with a nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars in Hong Kong (stock code: 1776)
“H Shareholder(s)”	holder(s) of H Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Director(s)” or “Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Jilin Aodong”	Jilin Aodong Pharmaceutical Group Co., Ltd. (吉林敖東藥業集團股份有限公司), a substantial shareholder of the Company, the shares of which are listed on the SZSE (stock code: 000623)
“Latest Practicable Date”	April 16, 2024, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained herein
“Liaoning Cheng Da”	Liaoning Cheng Da Co., Ltd. (遼寧成大股份有限公司), a substantial shareholder of the Company, the shares of which are listed on the SSE (stock code: 600739)
“PRC” or “China” or “Mainland China”	the People’s Republic of China, and which for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Amendments”	the proposed amendment to the Articles of Association, the specifics of which are outlined on Annex L of this circular

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## DEFINITIONS

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“Reporting Period”	the year of 2023 (January 1, 2023 to December 31, 2023)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	shareholder(s) of the Company, including A Shareholder(s) and H Shareholder(s)
“SSE”	Shanghai Stock Exchange
“substantial shareholder(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“SZSE”	Shenzhen Stock Exchange
“the Company” or “Company” or “GF Securities” or “parent company”	GF Securities Co., Ltd. (廣發証券股份有限公司), a joint stock company incorporated in the PRC with limited liability and whose H Shares and A Shares are listed on the main board of the Hong Kong Stock Exchange and the main board of the SZSE, respectively
“the Group” or “Group”	the Company and its subsidiaries which fall within the scope of the consolidated financial statements
“Zhongshan Public Utilities”	Zhongshan Public Utilities Group Co., Ltd. (中山公用事業集團股份有限公司), a substantial shareholder of the Company, the shares of which are listed on the SZSE (stock code: 000685)

*Note: Unless otherwise specified, the monetary amount presented in this circular are denominated in RMB.*

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## LETTER FROM THE BOARD

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### GF SECURITIES CO., LTD. 廣發証券股份有限公司

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

(Stock Code: 1776)

*Executive Directors:*

Mr. Lin Chuanhui (*Chairman, General Manager*)  
Mr. Ge Changwei (*Vice Chairman*)  
Ms. Sun Xiaoyan  
Mr. Qin Li

*Non-executive Directors:*

Mr. Li Xiulin  
Mr. Shang Shuzhi  
Mr. Guo Jingyi

*Independent Non-executive Directors:*

Mr. Fan Lifu  
Mr. Hu Bin  
Ms. Leung Shek Ling Olivia  
Mr. Li Wenjing

*Registered address:*

Room 618  
2 Tengfei 1st Road  
Sino-Singapore Guangzhou  
Knowledge City  
Huangpu District  
Guangzhou, Guangdong  
the PRC

*Principal place of business in  
the PRC:*

GF Securities Tower  
26 Machang Road  
Tianhe District  
Guangzhou, Guangdong  
the PRC

*Principal place of business in Hong Kong:*

27/F, GF Tower  
81 Lockhart Road Wanchai  
Hong Kong

*To the H Shareholders*

April 18, 2024

**Dear Sir or Madam,**

- (1) 2023 DIRECTORS' REPORT
- (2) 2023 SUPERVISORY COMMITTEE'S REPORT
- (3) 2023 WORK REPORT OF THE INDEPENDENT DIRECTORS
- (4) 2023 DUTY PERFORMANCE REPORTS OF THE INDEPENDENT DIRECTORS
- (5) 2023 FINAL FINANCIAL REPORT
- (6) 2023 ANNUAL REPORT
- (7) 2023 PROFIT DISTRIBUTION PLAN
- (8) RESOLUTION REGARDING ENGAGEMENT OF AUDITORS IN 2024
- (9) RESOLUTION REGARDING THE AUTHORIZATION OF PROPRIETARY INVESTMENT QUOTA OF THE COMPANY FOR 2024
- (10) RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY
- (11) RESOLUTION ON THE FORMULATION OF THE WORKING SYSTEM OF THE INDEPENDENT DIRECTORS OF GF SECURITIES
- (12) RESOLUTIONS ON ELECTION OF NON-INDEPENDENT DIRECTORS TO THE ELEVENTH SESSION OF THE BOARD OF DIRECTORS OF THE COMPANY
- (13) RESOLUTIONS ON ELECTION OF INDEPENDENT DIRECTORS TO THE ELEVENTH SESSION OF THE BOARD OF DIRECTORS OF THE COMPANY
- (14) RESOLUTIONS ON ELECTION OF SUPERVISORS TO THE ELEVENTH SESSION OF THE SUPERVISORY COMMITTEE OF THE COMPANY
- (15) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND
- (16) NOTICE OF AGM

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

On behalf of the Board, I would like to invite you to attend the 2023 AGM to be held at 2:00 p.m. on Friday, May 10, 2024 at Conference Room 4008, 40th Floor, GF Securities Tower, 26 Machang Road, Tianhe District, Guangzhou, Guangdong, the PRC.

The purpose of this circular is to give you the notice of the AGM and to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM.

### 2. BUSINESSES TO BE CONSIDERED AT THE AGM

Details of the businesses to be considered at the AGM are set forth on pages 8 to 13 of this circular.

Resolutions to be proposed at the AGM include the resolutions to be approved by way of ordinary resolutions: (1) the 2023 Directors' Report; (2) the 2023 Supervisory Committee's Report; (3) 2023 Work Report of the Independent Directors; (4) 2023 Duty Performance Reports of the Independent Directors; (5) the 2023 Final Financial Report; (6) the 2023 Annual Report; (7) the 2023 Profit Distribution Plan; (8) the resolution regarding engagement of auditors in 2024; (9) the resolution regarding the authorization of proprietary investment quota of the Company for 2024; (10) the resolution regarding the 2024 expected daily related party/connected transactions of the Company; (11) the resolution on the formulation of the Working System of Independent Directors of GF Securities; (12) the resolutions on election of non-Independent Directors to the eleventh session of the Board of Directors of the Company; (13) the resolutions on election of Independent Directors to the eleventh session of the Board of Directors of the Company; (14) the resolutions on election of Supervisors to the eleventh session of the Supervisory Committee of the Company; and the resolution to be approved by way of special resolution: (15) the proposed amendments to the Articles of Association.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make an informed decision thereof, we have provided detailed information to the Shareholders in Appendix I to this circular, which includes the information and explanation about the resolutions proposed to be passed at the AGM.

The following reports/special descriptions will be presented at the AGM for hearing, but no Shareholders' approval is required: (1) the Special Description of the Performance Appraisal and Remuneration of the Directors for the Year of 2023; (2) the Special Description of the Duty Performance Appraisal and Remuneration of the Supervisors for the Year of 2023; and (3) the Special Description of the Duty Performance, Performance Appraisal and Remuneration of the Operating Management for the Year of 2023. In order to provide detailed information to the Shareholders, these reports/special descriptions are set out in Appendix II to Appendix IV to this circular for the Shareholders' review, respectively.

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## LETTER FROM THE BOARD

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### 3. THE AGM

The AGM will be held at 2:00 p.m. on Friday, May 10, 2024 at Conference Room 4008, 40th Floor, GF Securities Tower, 26 Machang Road, Tianhe District, Guangzhou, Guangdong, the PRC. The notice of the AGM is set out on pages 8 to 13 of this circular.

Enclosed are the proxy form of the AGM. Whether or not you are able to attend the AGM, you are advised to read the notice of the AGM carefully and to complete the enclosed proxy form in accordance with the instructions printed thereon and return it as soon as possible. H Shareholders are required to return the proxy form to the Company's H Share registrar Computershare Hong Kong Investor Services Limited, while A Shareholders are required to return the proxy form to the Board's office, in person or by post no later than 24 hours before the time appointed for convening the AGM. Completion and return of the proxy form will not preclude you from attending and voting at the AGM in person if you so wish.

The address of the Company's Board office is 51st Floor, GF Securities Tower, 26 Machang Road, Tianhe District, Guangzhou, Guangdong, the PRC, postal code: 510627, (phone: (86)2087550265, (86)2087550565; fax: (86)2087554163). Computershare Hong Kong Investor Services Limited, the Company's H Share registrar, is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (phone: (852)28628555).

### 4. VOTING BY POLL

- (a) Pursuant to the requirements of the Hong Kong Listing Rules, all votes of Shareholders at a general meeting must be taken by poll. Therefore, all resolutions to be proposed at the AGM will be voted by poll. Results of the poll voting will be published on the website of the Company at [www.gf.com.cn](http://www.gf.com.cn) and on the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) upon the conclusion of the AGM.
- (b) Jilin Aodong, Liaoning Cheng Da, Zhongshan Public Utilities and their respective associates will abstain from voting on the resolution regarding the 2024 expected daily related party/connected transactions of the Company and shall not accept appointment from other Shareholders as proxies in voting.
- (c) The resolutions on election of Independent Directors to the Eleventh Session of the Board of Directors shall be voted on a cumulative poll basis. The number of candidates for election shall be 4 Independent Directors. The number of votes held by Shareholders shall be the number of voting shares held by them multiplied by the number of candidates. Shareholders may cast their votes (or cast zero vote) at discretion to the extent of the number of candidates, provided that the total number of votes must not exceed the number of votes they have. Other resolutions shall be voted on the one vote per Share system.

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## LETTER FROM THE BOARD

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### 5. RECOMMENDATION

The Directors (including the Independent Non-executive Directors) are of the view that the matters set out in this circular are in the interests of the Company and the Shareholders as a whole. As such, the Directors (including the Independent Non-executive Directors) recommend all the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

### 6. RESPONSIBILITY STATEMENT

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

By order of the Board  
**GF Securities Co., Ltd.**  
**Lin Chuanhui**  
*Chairman*

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## NOTICE OF THE AGM

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### GF SECURITIES CO., LTD. 廣發証券股份有限公司

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

**(Stock Code: 1776)**

#### NOTICE OF THE AGM

**NOTICE IS HEREBY GIVEN** that the 2023 AGM (the “AGM”) of GF Securities Co., Ltd. (the “Company”) will be held at 2:00 p.m. on Friday, May 10, 2024 at Conference Room 4008, 40th Floor, GF Securities Tower, 26 Machang Road, Tianhe District, Guangzhou, Guangdong, the PRC to consider and, if thought fit, approve the following resolutions.

#### ORDINARY RESOLUTIONS

1. To consider and approve the 2023 Directors' Report.
2. To consider and approve the 2023 Supervisory Committee's Report.
3. To consider and approve the 2023 Work Report of the Independent Directors.
4. To consider and approve the 2023 Duty Performance Reports of the Independent Director.
5. To consider and approve the 2023 Final Financial Report.
6. To consider and approve the 2023 Annual Report.
7. To consider and approve the 2023 Profit Distribution Plan.
8. To consider and approve the resolution regarding engagement of auditors in 2024.
9. To consider and approve the resolution regarding the authorization of proprietary investment quota of the Company for 2024.
10. To consider and approve the resolution regarding the 2024 expected daily related party/connected transactions of the Company.
11. To consider and approve the resolution regarding the formulation of the Working System of Independent Directors of GF Securities.

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## NOTICE OF THE AGM

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12. To consider and approve the resolutions regarding the election of non-Independent Directors to the eleventh session of the Board of Directors of the Company.
  - 12.1 To consider and approve the resolution regarding the election of Mr. Li Xiulin as a non-executive Director of the eleventh session of the Board of Directors of the Company
  - 12.2 To consider and approve the resolution regarding the election of Mr. Shang Shuzhi as a non-executive Director of the eleventh session of the Board of Directors of the Company
  - 12.3 To consider and approve the resolution regarding the election of Mr. Guo Jingyi as a non-executive Director of the eleventh session of the Board of Directors of the Company
  - 12.4 To consider and approve the resolution regarding the election of Mr. Lin Chuanhui as an executive Director of the eleventh session of the Board of Directors of the Company
  - 12.5 To consider and approve the resolution regarding the election of Ms. Sun Xiaoyan as an executive Director of the eleventh session of the Board of Directors of the Company
  - 12.6 To consider and approve the resolution regarding the election of Mr. Qin Li as an executive Director of the eleventh session of the Board of Directors of the Company
  - 12.7 To consider and approve the resolution regarding the election of Mr. Xiao Xuesheng as an executive Director of the eleventh session of the Board of Directors of the Company
13. To consider and approve the resolutions regarding the election of Independent Directors to the eleventh session of the Board of Directors of the Company on a cumulative poll basis<sup>(Note 13)</sup>.
  - 13.1 To consider and approve the resolution regarding the election of Ms. Leung Shek Ling Olivia as an independent non-executive Director of the eleventh session of the Board Directors of the Company
  - 13.2 To consider and approve the resolution regarding the election of Mr. Li Wenjing as an independent non-executive Director of the eleventh session of the Board of Directors of the Company
  - 13.3 To consider and approve the resolution regarding the election of Mr. Zhang Chuang as an independent non-executive Director of the eleventh session of the Board of Directors of the Company

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## NOTICE OF THE AGM

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- 13.4 To consider and approve the resolution regarding the election of Mr. Wang Dashu as an independent non-executive Director of the eleventh session of the Board of Directors of the Company
14. To consider and approve the resolutions regarding the election of Supervisors to the eleventh session of the Supervisory Committee of the Company.
- 14.1 To consider and approve the resolution regarding the election of Mr. Wang Zhenyu as a Supervisor of the eleventh session of the Supervisory Committee of the Company
- 14.2 To consider and approve the resolution regarding the election of Ms. Zheng Chunmei as a Supervisor of the eleventh session of the Supervisory Committee of the Company
- 14.3 To consider and approve the resolution regarding the election of Ms. Zhou Feimei as a Supervisor of the eleventh session of the Supervisory Committee of the Company

### SPECIAL RESOLUTION

15. To consider and approve the proposed amendments to the Articles of Association.

### TO HEAR THE RELEVANT REPORTS

16. To hear the Special Description of the Performance Appraisal and Remuneration of the Directors for the Year of 2023.
17. To hear the Special Description of the Duty Performance Appraisal and Remuneration of the Supervisors for the Year of 2023.
18. To hear the Special Description of the Duty Performance, Performance Appraisal and Remuneration of the Operating Management for the Year of 2023.

By order of the Board  
**GF Securities Co., Ltd.**  
**Lin Chuanhui**  
Chairman

Guangzhou, the PRC

April 18, 2024

*As at the issue date of this notice, the Board of the Company comprises Mr. Lin Chuanhui, Mr. Ge Changwei, Ms. Sun Xiaoyan and Mr. Qin Li as executive Directors; Mr. Li Xiulin, Mr. Shang Shuzhi and Mr. Guo Jingyi as non-executive Directors; and Mr. Fan Lifu, Mr. Hu Bin, Ms. Leung Shek Ling Olivia and Mr. Li Wenjing as independent non-executive Directors.*

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## NOTICE OF THE AGM

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*Notes:*

1. Details of the above said resolutions are set out in Appendix I to the circular of the Company dated April 18, 2024 (the “Circular”), of which details in respect of various resolutions are set out in Annex A to Annex J of Appendix L to this Circular, respectively.
2. The following reports/special descriptions will be presented at the AGM for hearing, but no Shareholders’ approval is required: (1) the Special Description of the Performance Appraisal and Remuneration of the Directors for the Year of 2023; (2) the Special Description of the Duty Performance Appraisal and Remuneration of the Supervisors for the Year of 2023; and (3) the Special Description of the Duty Performance, Performance Appraisal and Remuneration of the Operating Management for the Year of 2023.
3. Pursuant to the requirements of the Hong Kong Listing Rules, all votes of Shareholders at a general meeting must be taken by poll. Therefore, the resolutions as set out in the notice of the AGM will be voted by poll. Results of the poll voting will be published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.gf.com.cn](http://www.gf.com.cn) upon the conclusion of the AGM.
4. Any Shareholder entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies to attend and vote on his/her behalf at the meeting. A proxy needs not be a Shareholder of the Company.
5. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, should be completed and deposited at the Board’s office (for A Shareholders) or the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders), no less than 24 hours before the time appointed for holding the AGM. The address of the Company’s Board office is at 51st Floor, GF Securities Tower, 26 Machang Road, Tianhe District, Guangzhou, Guangdong, the PRC, postal code: 510627, (phone: (86)2087550265; (86)2087550565; fax: (86)2087554163). Computershare Hong Kong Investor Services Limited, the Company’s H Share registrar, is located at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong (phone: (852)28628555). Completion and return of the proxy form will not preclude a Shareholder from attending and voting at the AGM in person should he/she so wish.
6. In order to determine the H Shareholders’ entitlement to attend the AGM, the H Share register of members of the Company will be closed from Tuesday, May 7, 2024 to Friday, May 10, 2024 (both days inclusive), during which period no transfer of shares will be registered. In order for H Shareholders to attend the AGM, all share transfer, documents accompanied by the relevant share certificates, must be lodged with the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Monday, May 6, 2024. H Shareholders who are registered with Computershare Hong Kong Investor Services Limited on or before the aforementioned date are entitled to attend the AGM.
7. The Board recommended the payment of a final dividend for the year ended December 31, 2023 in an aggregate amount expected to be RMB2,281,753,653.30 (tax inclusive), representing a cash dividend of RMB3.00 (tax inclusive) for every 10 Shares held on the basis of the number of Shares on the record date for dividend distribution after deducting the repurchased 15,242,153 A Shares. Cash dividends of H Shares are distributed in Hong Kong dollars, the actual amount of which is calculated based on the average benchmark exchange rate for conversion between RMB and Hong Kong dollar as announced by the People’s Bank of China of the five business days before the date of the AGM (i.e. from April 30, 2024 to May 9, 2024).

If the Shareholders approve the 2023 final dividend at the AGM, the Company’s final dividend for the year ended December 31, 2023 will be paid to H Shareholders on Wednesday, July 3, 2024.

Separate announcements will be published by the Company in respect of the record date and book closure period for the payment of dividends on H Shares, as well as the record date and specific date for the payment of dividends on A Shares and other relevant matters.

Time arrangements of the record date, ex-entitlement date and final dividend payment date for the investors of Northbound Trading of Shenzhen Connect are consistent with those for the A Shareholders of the Company. Time arrangements of the record date, ex-entitlement date and final dividend payment date for Southbound Trading investors are consistent with those for the H Shareholders of the Company.

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## NOTICE OF THE AGM

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### 8. Withholding and payment of enterprise income tax for overseas non-resident enterprise Shareholders

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation regulations and other relevant rules and regulations, the Company is required to withhold and pay enterprise income tax at the rate of 10% before distributing the 2023 final dividend to non-resident enterprise Shareholders as appeared on the H Share register of members of the Company. Any Shares registered in the name of non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other organizations and groups, will be treated as being held by non-resident enterprise Shareholders and therefore will be subject to the withholding of the enterprise income tax.

Upon receipt of such dividends, a non-resident enterprise Shareholder may apply to the competent tax authorities for relevant treatment under the tax treaties (arrangements) in person or through a proxy or a withholding agent and provide evidence in support of its status as a beneficial owner as defined in the tax treaties (arrangements). Upon verification by the competent tax authorities, the difference between the tax levied and the amount of tax payable as calculated at the tax rate under the tax treaties (arrangements) will be refunded.

### Withholding and payment of individual income tax for overseas resident individual Shareholders

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementation regulations and other relevant rules and regulations, the Company is required to withhold and pay individual income tax before distributing the 2023 final dividend to individual Shareholders as appeared on the H Share register of members of the Company (the "individual H Shareholders"). However, the individual H Shareholders may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau). In this regard, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax for the individual H Shareholders:

- for individual H Shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders in the distribution of final dividend;
- for individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders in the distribution of final dividend;
- for individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty in the distribution of final dividend;
- for individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaty with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual H Shareholders in the distribution of final dividend.

If individual H Shareholders consider that the tax rate adopted by the Company for the withholding and payment of individual income tax on their behalf is not the same as the tax rate stipulated in any tax treaty between the PRC and the countries (regions) in which they are domiciled, please submit promptly to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, a letter of entrustment and all application materials showing that they are residents of a country (region) which has entered into a tax treaty with the PRC. The Company will then submit the above documents to competent tax authorities who will proceed with subsequent tax related arrangements.

### Withholding of income tax for H Shareholders via Southbound Trading

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## NOTICE OF THE AGM

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Pursuant to the Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shenzhen Stock Market and the Hong Kong Stock Market (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) promulgated on December 5, 2016:

- for dividends received by Mainland individual investors from investing in the H Shares of the Company via Southbound Trading, the Company will withhold and pay individual income tax at the rate of 20% on their behalf. For dividends received by Mainland securities investment funds from investing in the H Shares of the Company via Southbound Trading, the tax payable will be the same as that for individual investors and will also be paid in the same way; and
- for dividends received by Mainland corporate investors from investing in the H Shares of the Company via Southbound Trading, the Company will not withhold and pay the income tax on their behalf and the Mainland corporate investors shall file the tax returns on their own. Dividends of resident enterprises in the PRC obtained as they have continuously held H Shares for 12 months and enterprise income tax will be exempted according to laws.

Should the H Shareholders have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax impact in Mainland China, Hong Kong and other countries (regions) on the possession and disposal of the H Shares.

9. In the case of joint Shareholders, if more than one of them are present at the meeting, either in person or by proxy, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholder(s). 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 shareholding.
10. The AGM is expected to last for half day. Shareholders or their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the AGM.
11. The abovementioned ordinary resolution no. 10 (the resolution regarding the 2024 expected daily related party/connected transactions of the Company) will be taken by poll by Shareholders who do not hold any interests in such resolution.

Jilin Aodong, Liaoning Cheng Da, Zhongshan Public Utilities and their respective associates are required to abstain from voting on the abovementioned ordinary resolution no. 10 (the resolution regarding the 2024 expected daily related party/connected transactions of the Company), and shall not accept appointment from other Shareholders as proxies in voting.

12. If the AGM fails to be held due to any severe weather occurs on the date of the AGM or force majeure or for other special reasons, the AGM may be delayed to a later date and/or time or terminated (as decided by the Company). The Company will upload an announcement on the website of Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.gf.com.cn](http://www.gf.com.cn)) to state the delay or termination of the AGM (failure to upload the announcement timely for any reason will not affect the decision to delay or terminate the AGM). Shareholders may also contact the H Share registrar or the office of the Board for enquiries.
13. Ordinary resolutions no. 13.1, 13.2, 13.3 and 13.4 above shall be voted on a cumulative poll basis while other resolutions shall be voted on the one vote per share system. The number of candidates for election shall be 4 Independent Directors. The number of votes held by Shareholders shall be the number of voting shares held by them multiplied by the number of candidates. Shareholders may cast their votes (or cast zero vote) at discretion to the extent of the number of candidates, provided that the total number of votes must not exceed the number of votes they have.

**ORDINARY RESOLUTIONS****1. To Consider and Approve the 2023 Directors' Report**

Pursuant to the requirements of the Company Law and the Articles of Association, considering and approving the Directors' Report is the function and power of the general meeting of the Company. According to the requirements of the Rules of General Meeting of Listed Companies issued by the CSRC, the Board shall report its work during the past year to the Shareholders at the AGM.

The 2023 Directors' Report of GF Securities was considered and approved by the 33rd Meeting of the Tenth Session of the Board of Directors of the Company on March 28, 2024, and is hereby proposed to the AGM for consideration and approval by the Shareholders.

Details of the aforesaid Directors' Report are set out in Annex A to this circular.

**2. To Consider and Approve the 2023 Supervisory Committee's Report**

Pursuant to the relevant regulatory provisions and the requirements of the Articles of Association, considering and approving the Supervisory Committee's Report is the function and power of the general meeting of the Company. According to the requirements of the Rules of General Meeting of Listed Companies issued by the CSRC, the Supervisory Committee shall report its work during the past year to the Shareholders at the AGM.

The 2023 Supervisory Committee's Report of GF Securities was considered and approved by the 19th Meeting of the Tenth Session of the Supervisory Committee of the Company on March 28, 2024, and is hereby proposed to the AGM for consideration and approval by the Shareholders.

Details of the aforesaid Supervisory Committee's Report are set out in Annex B to this circular.

**3. To Consider and Approve the 2023 Work Report of the Independent Directors**

In 2023, Independent Directors have performed their duties and responsibilities independently, impartially, conscientiously and diligently in accordance with the relevant laws and regulations as well as the Articles of Association, to provide professional and objective advice on the Company's operation and development, effectively maintain the overall interests of the Company, protect the legitimate rights and interests of minority shareholders, and fully play the role of Independent Directors in corporate governance.

The 2023 Independent Directors Working Report was considered and approved by the 33rd Meeting of the Tenth Session of the Board of Directors of the Company on March 28, 2024, and is hereby proposed to the AGM for consideration and approval by the Shareholders.

Details of the aforesaid report are set out in Annex C to this circular.

**4. To Consider and Approve the 2023 Duty Performance Reports of the Independent Directors**

In 2023, Independent Directors have performed their duties and responsibilities independently, impartially, conscientiously and diligently in accordance with the Measures for the Administration of Independent Directors of Listed Companies and other relevant laws and regulations as well as the Articles of Association, to provide professional and objective advice on the Company's operation and development, effectively maintain the overall interests of the Company, protect the legitimate rights and interests of minority shareholders, and fully play the role of Independent Directors in corporate governance.

The 2023 Independent Directors Duty Performance Reports of the four Independent Directors were considered and approved by the 33rd Meeting of the Tenth Session of the Board of Directors of the Company on March 28, 2024, and are hereby proposed to the AGM for consideration and approval by the Shareholders.

Details of the aforesaid reports are set out in Annex D to this circular.

**5. To Consider and Approve the 2023 Final Financial Report**

The 2023 Final Financial Report of GF Securities was considered and approved by the 33rd Meeting of the Tenth Session of the Board of Directors of the Company on March 28, 2024 and is hereby proposed to the AGM for consideration and approval by the Shareholders.

Details of the aforesaid resolution are set out in Annex E to this circular.

**6. To Consider and Approve the 2023 Annual Report**

The 2023 Annual Report was considered and approved by the 33rd Meeting of the Tenth Session of the Board of Directors of the Company on March 28, 2024 and is hereby proposed to the AGM for consideration and approval by the Shareholders. For details about the Annual Report, please refer to the 2023 Annual Results Announcement published on March 28, 2024 by the Company on the HKExnews website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.gf.com.cn](http://www.gf.com.cn)).

**7. To Consider and Approve the 2023 Profit Distribution Plan**

According to the 2023 Profit Distribution Plan of GF Securities considered and approved at the 33rd Meeting of the Tenth Session of the Board of Directors of the Company, the annual profit distribution plan of the Company for 2023 is as follows:

In 2023, GF Securities, the parent company of the Group, achieved a net profit of RMB6,984,842,903.44, and in accordance with the provisions of the Articles of Association, each of the statutory surplus reserve, the general risk reserve, and the transaction risk reserve was credited with 10% of the net profit, amounting to RMB698,484,290.34 for each of the reserves. According to the Provisional Measures on Supervision and Administration of Risk

Reserve of Public Offering of Securities Investment Funds (《公開募集證券投資基金風險準備金監督管理暫行辦法》), a fund custodian should appropriate no less than 2.5% of the income from fund custodian fees to the risk reserve on a monthly basis. A sum of RMB1,502,353.98 was appropriated to the general risk reserve for asset custodian business, and the remaining distributable profit amounted to RMB29,283,248,266.81.

According to the Document (Zheng Jian Ji Gou Zi [2007] No. 320 (證監機構字[2007]320號文)) issued by the CSRC, securities companies shall not utilize the gains arising from fair value changes included in distributable profits to distribute cash dividends. After deducting the gains arising from fair value changes included in distributable profits, the distributable profits for cash dividends for the year amounted to RMB29,283,248,266.81.

Pursuant to the Company Law, the Self-regulatory Guidelines for Companies Listed on the Shenzhen Stock Exchange No. 9 – Share Repurchase and other relevant regulations, the shares deposited in the special account for securities repurchase of the Company are not eligible to participate in any profit distribution, conversion of capital reserves into share capital, etc. During 2022, the Company repurchased 15,242,153 A Shares of the Company by way of centralized bidding through the special account for securities repurchase. Such A Shares were not eligible to participate in the profit distribution.

Based on the number of shares held as at the record date for dividend distribution after deducting the number of shares deposited in the special account for securities repurchase of the Company, it was proposed that a cash dividend of RMB3.00 (tax inclusive) for every 10 Shares be distributed to all Shareholders. If there is any change in the total share capital of the Company prior to the record date for equity distribution, it is proposed to maintain the distribution ratio unchanged and adjust the total distribution accordingly. Based on the Company's existing share capital of 7,621,087,664 Shares after deducting 15,242,153 repurchased A Shares (i.e. 7,605,845,511 Shares), the total cash dividends would be RMB2,281,753,653.30, and the remaining undistributed profit of RMB27,001,494,613.51 would be carried forward to the next year. The ratio of cash dividends of the Company represented 32.70% of the net profit attributable to the Shareholders of the parent company for 2023 on a consolidated basis.

After being considered and approved by the AGM, the 2023 Profit Distribution Plan of the Company will be implemented within two months from the date when it is being considered and approved at the general meeting, and is hereby proposed to the Shareholders' general meeting to authorize the operating management of the Company to deal with, including but not limited to, opening and operating dividend accounts and other specific matters relating to the implementation of profit distribution. The date of dividend distribution for A Shares and H Shares is July 3, 2024. Dividends for A Shares will be paid in RMB and dividends for H Shares will be paid in Hong Kong dollars, and the actual amount will be translated by the average benchmark exchange rate between RMB and Hong Kong dollars as announced by the People's Bank of China for the five business days prior to the date of the AGM.

The Plan complies with the profit distribution policy required by the Articles of Association. The Independent Directors have expressed independent opinions on this resolution, and it is a significant event that affects the interests of the minority investors.

**8. To Consider and Approve the Resolution Regarding Engagement of Auditors in 2024**

Ernst & Young Hua Ming LLP and Ernst & Young are the auditors of the Company. In consideration of their professional level and service experience, the Board hereby proposes to re-appoint Ernst & Young Hua Ming LLP as the PRC domestic auditor of the Company in 2024, and Ernst & Young as the overseas auditor of the Company in 2024. It is estimated that for the auditing of the 2024 financial statements, the fee for review of the interim financial statements will be in a total of RMB3.792 million (tax included), and the internal control audit fee will be RMB350,000 (tax included). The audit service fees are determined by both parties through negotiation based on the audit workload and the principles of fairness and reasonableness. The Company hereby proposed to the AGM to authorize the operating management of the Company to negotiate and determine the final 2024 audit fee with the firms in accordance with market practices.

The aforesaid resolution was considered and approved by the 33rd meeting of the Tenth Session of the Board of Directors of the Company on March 28, 2024 and is hereby proposed to the AGM for consideration and approval by the Shareholders.

**9. To Consider and Approve the Resolution Regarding the Authorization of Proprietary Investment Quota of the Company for 2024**

The aforesaid resolution was considered and approved by the 33rd Meeting of the Tenth Session of the Board of Directors of the Company on March 28, 2024 and is hereby proposed to the AGM for consideration and approval by the Shareholders. Details of the aforesaid resolution are set out in Annex F to this circular.

**10. To Consider and Approve the Resolution Regarding the 2024 Expected Daily Related Party/Connected Transactions of the Company**

The aforesaid resolution was considered and approved by the 33rd Meeting of the Tenth Session of the Board of Directors of the Company on March 28, 2024 and is hereby proposed to the AGM for consideration and approval by the Shareholders. Details of the aforesaid resolution are set out in Annex G to this circular.

The related/connected Shareholders, Jilin Aodong and its parties acting in concert, Liaoning Cheng Da Co., Ltd. (遼寧成大股份有限公司) and its parties acting in concert, Zhongshan Public Utilities Co., Ltd. (中山公用事業集團股份有限公司) and its parties acting in concert shall abstain from voting on the resolution and shall not accept appointment from other Shareholders as proxies in voting.

**11. To Consider and Approve the Resolution Regarding the Formulation of the Working System of Independent Directors of GF Securities**

To further enhance the Company's governance structure, fully leverage the role of independent directors in corporate governance, safeguard the overall interests of the Company, and protect the legitimate rights and interests of all Shareholders, particularly minority Shareholders, the Company, in consideration of its actual situation, proposes to formulate the Working System of Independent Directors of GF Securities Co., Ltd. in accordance with laws, regulations, regulatory provisions and self-discipline rules, including the Company Law of the People's Republic of China (《中華人民共和國公司法》), the Securities Law of the People's Republic of China (《中華人民共和國證券法》), the Regulations on the Supervision and Administration of Securities Companies (《證券公司監督管理條例》), the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Institutions (《證券基金經營機構董事、監事、高級管理人員及從業人員監督管理辦法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Code of Corporate Governance for Securities Companies (《證券公司治理準則》), the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》), the Guidelines for the Self-discipline Supervision of Listed Companies on the Shenzhen Stock Exchange No. 1-Standardized Operation of Listed Companies on the Main Board (《深圳證券交易所上市公司自律監管指引第1號—主板上市公司規範運作》), and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as well as the relevant provisions of the Articles of Association of GF Securities Co., Ltd, and to abolish the original Working Rules of the Independent Directors of GF Securities Co., Ltd. simultaneously.

The aforesaid resolution was considered and approved by the 33rd Meeting of the Tenth Session of the Board of Directors of the Company on March 28, 2024 and is hereby proposed to the AGM for consideration and approval by the Shareholders. Details of the draft of the Working System of Independent Directors of GF Securities Co., Ltd. are set out in Annex H to this circular.

**12. To Consider and Approve the Resolutions on Candidates for Election of Non-Independent Directors to the Eleventh Session of the Board of Directors of the Company**

According to the requirements of the Articles of Association, the Board of the Company proposed to carry out re-election. According to the nomination from Jilin Aodong, Liaoning Cheng Da. Zhongshan Public Utilities and the Board of the Company, respectively, current session of the Board of the Company is proposing Mr. Li Xiulin, Mr. Shang Shuzhi, Mr. Guo Jingyi, Mr. Lin Chuanhui, Ms. Sun Xiaoyan, Mr. Qin Li and Mr. Xiao Xuesheng to be nominated as the candidates for non-independent Directors of the eleventh session of the Board of the Company (the “**Candidates for Non-independent Directors**”) for election at the AGM.

Among whom:

1. Mr. Li Xiulin, Mr. Shang Shuzhi and Mr. Guo Jingyi shall be the candidates for non-executive Directors;
2. Mr. Lin Chuanhui, Ms. Sun Xiaoyan, Mr. Qin Li and Mr. Xiao Xuesheng shall be the candidates for executive Directors.

Related matters:

1. The Independent Directors issued the Independent Opinions on Nomination of the Candidates for Non-independent Directors of the Eleventh Session of the Board of the Company, approving such nomination of the said persons as the Candidates for Non-independent Directors of the eleventh session of the Board of the Company, and submission of the same for election at the AGM.
2. Upon review of the biographies and other relevant information of the Candidates for Non-independent Directors and full understanding of their occupations, academic qualifications, job titles, detailed working experience, all part-time jobs, etc. at the 2024 second meeting of the Nomination Committee of the Tenth Session of the Board of the Company, no violation of relevant laws and regulations such as the Company Law, the Securities Law and the Articles of Association or any material breach of credit or other adverse record of each of the Candidates for Non-independent Directors has been found, and they are qualified to serve as non-independent Directors of the Company, have relevant expertise and relevant decision-making, supervisory and coordinating abilities, and are in line with the requirements for the performance of the relevant duties. It is approved to nominate the said persons as the Candidates for Non-independent Directors of the eleventh session of the Board of the Company, and submission of the same for election at the AGM.
3. The AGM shall review each of the above mentioned Candidates for Non-independent Directors, Mr. Li Xiulin, Mr. Shang Shuzhi, Mr. Guo Jingyi, Mr. Lin Chuanhui, Ms. Sun Xiaoyan, Mr. Qin Li and Mr. Xiao Xuesheng, individually.

The total number of Directors concurrently serving as senior management and employee representatives on the Board of the Company does not exceed one-half of the total number of Directors.

The aforesaid resolution was considered and approved by the Board at the 34th Meeting of the Tenth Session of the Board of Directors of the Company on April 15, 2024 and is hereby proposed to the AGM for consideration and approval by the Shareholders. Detailed biographies of each of the Candidates for Non-Independent Directors are set out in Annex I to this circular.

**13. To Consider and Approve the Resolutions on Election of Independent Directors to the Eleventh Session of the Board of Directors of the Company**

According to the requirements of the Articles of Association, the Board of the Company proposed to carry out re-election. The Company has received the Letter of Nomination from Jilin Aodong, Liaoning Cheng Da and Zhongshan Public Utilities, respectively, proposing nomination of Mr. Zhang Chuang, Mr. Wang Dashu and Mr. Li Wenjing as the candidates for Independent Directors of the eleventh session of the Board of the Company. The current session of the Board has nominated Ms. Leung Shek Ling Olivia as a candidate for Independent Directors of the eleventh session of the Board of the Company. Such four persons are proposed as candidates for Independent Directors of the eleventh session of the Board of the Company (the “**Candidates for Independent Directors**”, together with Candidates for Non-independent Directors, the “**Director Candidates**”) for election at the AGM.

Related matters:

1. The Independent Directors issued the Independent Opinions on Nomination of the Candidates for Independent Directors of the Eleventh Session of the Board of the Company, approving such nomination of the said persons as the Candidates for Independent Directors of the Eleventh Session of the Board of the Company, and submission of the same for election at the AGM.
2. Upon review of the biographies and other relevant information of each of the Candidates for Independent Directors and full understanding of their occupations, academic qualifications, job titles, detailed working experience, all part-time jobs, etc. at the 2024 second meeting of the Nomination Committee of the Tenth Session of the Board of the Company, no violation of relevant laws and regulations such as the Company Law, the Securities Law and the Articles of Association or any material breach of credit or other adverse record of each of the Candidates for Independent Directors has been found, and they satisfy the independence requirements and are qualified to serve as Independent Directors of the Company, have relevant expertise and relevant decision-making, supervisory and coordinating abilities, and are in line with the requirements for the performance of the relevant duties. It is approved to nominate the said persons as the Candidates for Independent Directors of the Eleventh Session of the Board of the Company, and submission of the same for election at the AGM.
3. The proposal for the election of Independent Directors shall be reviewed and approved by the Shenzhen Stock Exchange before being submitted for consideration at the AGM.
4. The AGM shall adopt cumulative voting to vote on these resolutions.

When establishing the composition of the Board of Directors, the Company will consider the diversity of the Board of Directors from various aspects, including but not limited to gender, age, cultural and educational background, race, professional experience, skills, knowledge, and service tenure. All appointments to the Board of Directors are based on the principle of meritocracy, and the benefits of diversity of Board members are fully taken into consideration based on objective conditions when considering candidates. The final decision will be made based on the candidate's merits and contribution to the Board. The Nomination Committee of the Board of Directors is mainly responsible for reviewing the structure, number and composition of the Board of Directors and expressing opinions or making recommendations to the Board of Directors, engaging directors, and senior managers of the Company, and evaluating the independence of independent directors. The Nomination Committee is in the view that each of the Candidate for Independent Directors has extensive experience in economics, finance, accounting, management, etc., and by electing him or her as an Independent Non-executive Director of the Eleventh Session of the Board of Directors can leverage his or her professional background in economics, finance, accounting, management and other aspects to provide valuable opinions on the decision-making of major matters such as the business strategy of the Company. In view of such, the Nomination Committee agreed to nominate each of the Candidates for Independent Directors as the candidates for Independent Non-executive Directors for the Eleventh Session of the Board of Directors for review and approval by the Board of Directors and recommendation to Shareholders at the AGM.

Each of the Candidates for Independent Directors has confirmed his or her independence from the Company in accordance with the provisions of Rule 3.13 of the Hong Kong Listing Rules. The Board also considers that each of the Candidates for Independent Directors meets the independence guidelines set out in respect of the factors referred to in Rules 3.13 (1) to (8) of the Hong Kong Listing Rules and is independent in accordance with the terms of the guidelines.

The aforesaid resolution was considered and approved by the Board at the 34th Meeting of the Tenth Session of the Board of Directors on April 15, 2024 and is hereby proposed to the AGM for consideration and approval by the Shareholders. The resolution shall be voted on a cumulative poll basis. The number of candidates for election shall be 4 Independent Directors. The number of votes held by Shareholders shall be the number of voting Shares held by them multiplied by the number of candidates. Shareholders may cast their votes (or cast zero vote) at discretion to the extent of the number of candidates, provided that the total number of votes must not exceed the number of votes they have. Detailed biographies of each of the Candidates for Independent Directors are set out in Annex J to this circular.

If appointed, the aforementioned Director Candidates will enter into Director's service contracts with the Company, with their term of office commencing on the date when the resolutions on their appointments as Directors are approved at the AGM and ending at the expiry of the term of the Eleventh Session of the Board, and they shall be eligible for re-election and re-appointment upon the expiry of the term. The remuneration of the executive Directors shall be determined based on the relevant policies of the Company and their positions and performance, and mainly comprises of base salary, performance-based remuneration,

annuity, staff benefits, social insurance and housing fund. The remuneration of the executive Directors is determined by the relevant State policies and the relevant regulations of the Company. The Remuneration and Appraisal Committee of the Company is responsible for considering the annual performance-based compensation distribution plan of the management, and submitting the same to the Board for approval. In addition, the annual allowances (before tax) of non-executive Directors and Independent Non-executive Directors shall be RMB180,000 and RMB270,000, respectively.

To the best knowledge of the Directors and save as disclosed in this circular, the aforementioned Director Candidates did not hold any directorship in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and they do not have other relationship with any Director, Supervisor, senior management or substantial shareholder of the Company nor do they hold any position with the Company or any of its subsidiaries. None of the aforementioned Director Candidates has any interest in any shares of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) as at the date of this circular.

Save as disclosed in this circular, each of the Director Candidates mentioned above has confirmed that his or her not aware of any other information and any other matters in respect of his or her appointment that are required to be disclosed pursuant to the requirements set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules, nor is there any matter that needs to be brought to the attention of the Shareholders.

#### **14. To Consider and Approve the Resolutions on Election of Supervisors to the Eleventh Session of the Supervisory Committee of the Company**

According to the requirements of the Articles of Association, the Supervisory Committee of the Company proposed to carry out re-election. Based on the nomination from Jilin Aodong, Liaoning Cheng Da and Zhongshan Public Utilities, respectively, the Supervisory Committee is proposed nomination of Mr. Wang Zhenyu, Ms. Zheng Chunmei and Ms. Zhou Feimei as the candidates for the shareholder representative supervisors of the Eleventh Session of the Supervisory Committee of the Company (the “**Candidates for the Supervisors**”) for consideration at the AGM.

If appointed, the aforementioned Candidates for Supervisors will enter into Supervisors’ service contracts with the Company, with their term of office commencing on the date when the resolutions on their appointments as Supervisors of the Company are approved at the AGM and ending at the expiry of the term of the Eleventh Session of the Supervisory Committee, and they shall be eligible for re-election and re-appointment upon expiry of the term. If appointed, the aforementioned Candidates for Supervisors will receive allowances from the Company for performing the duties as Supervisors in accordance with the resolution regarding the adjustment of Supervisors’ allowances considered and passed at 2015 Annual General Meeting. Annual allowances (before tax) for such Supervisors shall be RMB150,000.

To the best knowledge of the Directors of the Company and save as disclosed in this circular, the aforementioned Candidates for Supervisors did not hold any directorship in the last three years in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas, and they do not have other relationship with any Director, Supervisor, senior management or substantial shareholder of the Company nor do they hold any position with the Company or any of its subsidiaries.

As at the date of this circular, none of the aforementioned Candidates for Supervisors has any interest in any shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed in this circular, the aforementioned Candidates for Supervisors have confirmed that they are not aware of any other information and any other matters in respect of their appointment that are required to be disclosed pursuant to the requirements set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules nor is there any matter that needs to be brought to the attention of the Shareholders.

In addition, the Company is performing the nomination and approval procedures for the election of employee representative Supervisor in accordance with the Articles of Association and relevant regulations. The Company will issue a separate announcement in due course on the update of this matter.

The aforesaid resolution was considered and approved by the Supervisory Committee at the 20th Meeting of the Tenth Session of the Supervisory Committee of the Company on April 15, 2024 and is hereby proposed to the AGM for consideration and approval by the Shareholders. Detailed biographies of each of the Candidates for Supervisors are set out in Annex K to this circular.

## SPECIAL RESOLUTION

**15. To Consider and Approve the Proposed Amendments to the Articles of Association**

Pursuant to the currently effective Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Guidelines for the Articles of Association of Listed Companies (2023 Revision) (《上市公司章程指引(2023年修訂)》), the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (2023 Revision) (《上市公司監管指引第3號–上市公司現金分紅(2023年修訂)》), the Rules for the Shareholders’ Meetings of Listed Companies (2022 Revision) (《上市公司股東大會規則(2022年修訂)》) and the Rules Governing the Listing of Shares on Shenzhen Stock Exchange (August 2023 Revision) (《深圳證券交易所股票上市規則(2023年8月修訂)》), the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the Main Board (December 2023 Revision) (《深圳證券交易所上市公司自律監管指引第1號–主板上市公司規範運作(2023年12月修訂)》), and the Hong Kong Listing Rules and other relevant provisions, and in consideration of its actual situation, the Company proposes to amend the Articles of Association. Details of the Proposed Amendments are set out in Annex L to this circular.

The aforesaid resolution was considered and approved by the 33rd Meeting of the Tenth Session of the Board of Directors of the Company on March 28, 2024 and is hereby proposed to the AGM for consideration and approval of the amendments to the Articles of Association by the Shareholders. The Board granted mandate to the management of the Company: (1) to handle the relevant procedures of filing the Articles of Association with the regulatory authorities; and (2) to handle the relevant procedures for industrial and commercial registration due to the Proposed Amendments. This resolution is a special resolution and shall be passed by more than two-thirds of the voting rights held by Shareholders (including their proxies) present at the AGM.

The Proposed Amendments to the Articles of Association are prepared in Chinese and the English version is therefore only a translation. In case of any discrepancies between the English translation and the Chinese version of the Articles of Association, the Chinese version shall prevail.

**Resolutions regarding the 2023 Directors' Report of GF Securities**

**Dear Shareholders,**

In accordance with the Standards Concerning the Contents and Formats of Information Disclosure of Companies Publicly Offering Securities No. 2 – Contents and Formats of Annual Reports, the Standards Concerning the Contents and Formats of Annual Reports of Securities Companies, the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the relevant requirements of the Articles of Association, the 2023 Directors' Report of GF Securities is reported as follows:

**I. DEVELOPMENT OF THE INDUSTRY IN WHICH THE GROUP OPERATES**

The securities market was generally stable in 2023. Firstly, affected by multiple factors in the internal and external environment, the A-share market experienced certain volatility. The CSI 300 Index and ChiNext Index fell by 11.38% and 19.41%, respectively, while the BSE 50 Index rose by 14.92%. The bond and commodity markets maintained an upward trend, with ChinaBond New Composite Wealth Index rising 4.77% and Nanhua Commodity Index rising 6.21%. The trading activity decreased, with the annual turnover rate of Wind All China Index being 250.45%, representing a year-on-year decrease of 7.77%. Secondly, the pace of equity financing slowed down. During the year, a total of 313 IPO companies raised RMB356.539 billion, representing a year-on-year decrease of 26.87% and 39.25%. The number of refinancing companies was 477, and the total amount of refinancing raised for the year was RMB744.575 billion, representing a year-on-year decrease of 7.74% and 29.62%. Thirdly, the total scale of mutual funds under management continued to grow, and equity ETFs grew significantly. As of the end of December 2023, the total net assets of mutual funds amounted to RMB27.60 trillion (Source: Asset Management Association of China, 2024), and the total equity ETF was RMB1.73 trillion (Source: WIND).

The goal of accelerating the construction of a financial power was put forward for the first time, and the in-depth reform of the capital market continued. In July 2023, the Political Bureau meeting of the CPC Central Committee clearly proposed “activating the capital market and boosting investor confidence.” In October 2023, the Central Financial Work Conference pointed out that “finance is the blood of the national economy and an important part of the country’s core competitiveness”, and put forward the goal of accelerating the construction of a financial power for the first time, emphasizing the unswerving path of financial development with Chinese characteristics, and elevating financial work to a new level of national strategy. It also proposed to comprehensively and continuously implement the stock issuance registration system to strengthen the quality and efficiency of serving the real economy. In addition, the meeting proposed to comprehensively improve various policies on investment, financing and transaction, and focus on the dynamic balance of investment and financing; vigorously improve the quality and investment value of listed companies, strengthen the orientation of dividends, enhance investor returns, and encourage companies to become better and stronger through mergers, acquisitions, reorganizations and other means; increase medium and long-term capital access to the market to enhance the internal stability of the market;

promote industry differentiation and high-quality development, and moderately expand the capital space of high-quality securities firms. The Beijing Stock Exchange continued to expand and innovate, implemented the “19 Articles for Deepening of Reform (深改19條)”, optimized the reporting arrangements for listed companies and the management system of investors’ competency, supported private equity funds to participate in secondary market transactions, expanded the team of market makers, thereby greatly increased market activity.

The securities industry will continue to move towards high-quality development. In March 2024, the China Securities Regulatory Commission issued four important policy documents including the “Opinions on Strengthening the Supervision of Securities Companies and Public Funds and Accelerating the Construction of First-Class Investment Banks and Investment Institutions (Trial)”, which provided guidance for the high-quality development of the securities industry. This will help the securities industry to align its position, promote securities institutions to fulfill their functions, and clarify the direction of high-quality development for securities companies, which will greatly enhance the industry’s ability to serve the real economy and enhance the ability to assist in the development of new technologies and productivity.

During the Reporting Period, each of the main operating indicators of the Company has been in the forefront of the industry.

## II. MAIN BUSINESSES OF THE COMPANY DURING THE REPORTING PERIOD

The Group is a provider of comprehensive capital market services with industry-leading innovation capabilities focused on serving China’s quality enterprises and many investors with demand for financial products and services. The Group utilizes a wide range of financial instruments to serve the various financial needs of corporations, individuals, institutional investors, financial institutions and government clients and provide comprehensive solutions. The main businesses of the Group can be classified into four segments, namely investment banking, wealth management, trading and institution and investment management.

Products and services of the four business segments are specifically set out in the table below:

<b>Investment Banking</b>	<b>Wealth Management</b>	<b>Trading and Institution</b>	<b>Investment Management</b>
◆ Equity finance	◆ Wealth management and brokerage	◆ Equity investment and trading	◆ Assets management
◆ Debt finance	◆ Margin financing and securities lending	◆ Fixed income sales and trading	◆ Public fund management
◆ Financial advisory	◆ Repurchase transactions	◆ Equity derivatives sales and trading	◆ Private fund management
	◆ Financial leasing	◆ Alternative investment	
		◆ Investment research	
		◆ Asset custody	

**Investment Banking:** the Group earns its commissions, sponsorship and consulting fees through underwriting stocks and bonds and providing sponsor and financial advisory services;

**Wealth Management:** the Group earns its fees, consulting fees and commissions through providing brokerage and investment advisory services, obtaining interest income from its business of margin financing and securities lending, repurchase transactions, financial leasing, and management of settlement fund on behalf of clients, and earning its fees through acting as agent for the sales of financial products developed by the Group and other financial institutions;

**Trading and Institution:** the Group earns its investment income and interest income through investment transactions, alternative investments and market making services from equity, fixed income and derivatives, earning its fees and commissions through providing transaction consultation and execution, investment research services and the main broker services to institutional customers;

**Investment Management:** the Group earns its management fees, advisory fees and performance fee through providing services for the assets management, public fund management and private fund management.

The primary securities business of the Group relies on China's economic growth, accumulation of household wealth and the development and performance of China's capital markets, including the issuance, investment and trading of financial products (such as stocks, bonds and wealth management products). These important factors are affected by the combination of economic environment, investor sentiment and international market, which have shown an overall stable trend. During the Reporting Period, the principal businesses and the operating model of the Group have had no significant changes, which was in line with the development of the industry.

### III. ANALYSIS ON CORE COMPETITIVENESS

#### (1) Excellent corporate culture

The Company always maintains a strong sense of family and country, upholds its mission of “creating values to realize the dream of serving the country with financial services”, adheres to the implementation of the national strategy, proactively integrates into the new development pattern, and actively serves the real economy for both quantity and quality. In making continuous progress in developing its corporate values of “inquisitiveness and integrity” and carrying forward its excellent cultural genes of an “army of doctors”, with knowledge as the guarantee and professionalism as the cornerstone, we will continue to explore new prospects for the development of the Company. Adhering to the strong path of reform and innovation, relying on a deep understanding of industry development and market rules, we will continue to create innovative products and transaction designs to provide effective financial solutions, to strengthen the resilience of development, adhere to the development strength with firm confidence, and promote the high-quality development of the Company.

The Company adheres to the professional development, unswervingly in concept and successfully in action for a long term. The Company built consensus through the establishment of a diversified and inclusive talent mechanism, assembled a team of talents from all corners of the world with excellent professionalism and high recognition of the Company’s corporate culture. The management leads by example and concentrates on the operation of the business. The employees are truth-seeking and pragmatic. With the orientation of strategy achievement and value creation, a group of young management with ambition and competency are developed, and a reasonable talent pool has been formed to continuously build the source of knowledge and the foundation of strength.

Up to now, the operation and management team of the Company has an average of approximately 27 years of experience in securities, finance and economics-related fields and has served an average term of over 18 years in the Company with extensive experience in business and management. Since 1999 when the Company established the first post-doctoral workstation for financial enterprises in China, the Company has been training and exporting professionals for 25 years.

#### (2) Forward-looking strategic doctrine

The Company maintains a strategic determination to draw a blueprint to the end. In the early 1990s, the Company has clearly proposed the development strategy of “running with shareholding system and group structure and in an internationalized and standardized manner”, offering the guidance to the development of the Company. During the period of industry transformation and development, the Company has enriched, improved and upgraded the strategic ideology of “Four Modernizations”.

The Company has always focused on the main responsibilities and business, striving to improve its core competitiveness and develop its core business for more than 30 years without deviation and with solid and deep cultivation. The Company continues to expand business layout. In the business line, it has successively set up futures subsidiaries, public fund subsidiaries, private fund subsidiaries, alternative investment subsidiaries and asset management subsidiaries. With its value concept and pragmatic entrepreneurial style, it has built a full business chain with perfect layout and strong strength. In terms of regional development, based in Guangdong, the Company serves the whole country, connects domestic and overseas, and forges a leading national brokerage with a long-term vision and an open pattern. With the determination of “success does not depend on me” and the spirit of “hammering nails”, all the staff has anchored the green mountains and resolutely implemented the established strategies with consistent strategic direction.

### **(3) Stable shareholding structure**

The Company has a long term and stable shareholding structure. Jilin Aodong, Liaoning Cheng Da and Zhongshan Public Utilities (all of which are listed companies), substantial shareholders of the Company, have been among the top three Shareholders (excluding HKSCC Nominees, whose shares are owned by H Share non-registered shareholders) for 24 years.

Shareholders, employees and the Company share common interest and have close relationships with a high degree of cohesion and combat effectiveness, being an important support for the Company to continuously traverse the cycle, break through the development bottleneck and establish its position in the industry. The scientific and reasonable operation mechanism and continuous improvement of corporate governance system provide a solid guarantee for the stable operation of the Company.

### **(4) Scientific business layout**

The Company has a complete business system, a balanced business structure and outstanding core competitiveness. The Company possesses licenses for a full range of services involved in four business segments, including investment banking, wealth management, trading and institution and investment management. Forging its comprehensive financial service capabilities, the Company has maintained main operating indicators ranking among the top securities companies in China for many consecutive years and established its leading advantages among securities firms with research, asset management and wealth management ranking among the top ranks.

The Company has implemented the business model to empower high-quality development of businesses with research, maintained the leading position of research ability in the industry for a long time and won authoritative awards of “New Fortune Domestic Best Research Teams (新財富本土最佳研究團隊)” and “Golden Bull Research Institution (金牛研究機構)” for many consecutive years. The Company has taken the lead in proposing wealth management transformation and equipped with excellent financial product research and sales capabilities, professional asset allocation capabilities and more than 4,400 securities investment

consultants, ranking No. 1 in the industry (in terms of parent company caliber). The Company is committed to providing precise wealth management services for different types of customers. It has become a first-class trustworthy wealth management institution. At the end of December 2023, in terms of the balance maintained by the agency sales of non-monetary public funds, the Company ranked No. 3 in the industry.

The Company has coordinated the superior resources of its asset management institutions, established comprehensive product supply system and provided customers with strategically excellent and diversified products to build a leading asset management brand in the industry. GF Fund and E Fund have maintained their leading investment research capabilities. At the end of December 2023, GF Fund and E Fund ranked third and first in the industry in terms of the size of public funds under the management excluding monetary funds, respectively.

Guided by customer demand, the Company has built an investment banking service system with a full business chain throughout the life cycle and strengthened the synergy effect and mutual empowerment between businesses. Adhering to leading business development with scientific and technological innovation, the Company has continuously increased investment in financial technology, actively used advanced concepts, technologies and tools and continued to promote the deep integration of financial technology and business, so as to improve the level of digitization.

#### **(5) Outstanding location advantage**

The Guangdong-Hong Kong-Macao Greater Bay Area is one of the four major bay areas in the world with the highest degree of opening-up and the most resilient market economy in China, playing an important strategic position in the overall development of the country. It will shoulder the mission of strengthening the national strategic scientific and technological strength, which is an important layout for expanding the new situation of reform and opening up. The Company has fully supported the implementation of major national regional strategies by being deeply rooted in Guangdong-Hong Kong-Macao Greater Bay Area, the forefront of China's reform and opening-up, enriched customer foundation, and facilitated technology, capital and virtuous industry circles.

As a professional capital market institution growing up in the Greater Bay Area, the Company has advantages in industrial research and capital operation, actively explores a new model of industry-finance integration and supports the transformation and upgrading of regional economies and industries by deepening the integration of local industry and capital and building industrial fund in various forms; gives full play to the role of capital market in value discovery and resource allocation, and realizes financial services in industries with the full life cycle by building industrial clusters through direct financing.

At the end of December 2023, the Company had 349 branches and business departments nationwide, with a presence in 31 provinces, municipalities, and autonomous regions across the PRC. The number and coverage ratio of business outlets in the nine cities of the Pearl River

Delta in the Guangdong-Hong Kong-Macao Greater Bay Area ranked No. 1 in the industry, providing a wide range of market reach for the Company's business and laying important support for customer accumulation and service.

#### **(6) Philosophy of compliance and steady development**

The Company is one of the first batch of pilot compliance management brokerages selected by the CSRC, one of the first brokerages to implement a comprehensive risk management strategy in the industry, and one of the few major brokerages which has not accepted investment or undergone restructuring due to operating losses among the first batch of brokers established from the end of the 1980's to the early 1990's.

The Company adheres to its operation and management philosophy of stable operation, with compliance operation as the Company's bottom line to ensure its steady and long-term development and risk management capabilities as the powerful tool to guarantee its high-quality development. Based on strengthening risk control and prevention, the Company has stuck to the bottom line of compliance, consolidated the lifeline of risk control, and continued to improve the comprehensive risk management system to powerfully support the steady development of the Company's various businesses.

### **IV. ANALYSIS OF THE PRINCIPAL BUSINESS**

#### **(1) Overview**

In 2023, in the face of the complex and severe international environment and the arduous and onerous tasks for domestic reform, development and stability, the state adhered to the general keynote of seeking progress while maintaining stability, implemented the new development concept completely, accurately and comprehensively, accelerated the construction of a new development pattern, comprehensively deepened reform and opening up, strengthened macro-control, and focused on expanding domestic demand, optimizing structure, boosting confidence, preventing and mitigating risks. The national economy rebounded, and the high-quality development was solidly promoted, with the GDP increasing by 5.2% year-on-year (Source: National Bureau of Statistics, 2024).

2023 is a significant year of change for the financial industry. For the first time, the Central Financial Work Conference put forward the goal of "accelerating the construction of a financial superpower" and drew up a roadmap for high quality financial development. The CSRC systematically planned to promote the construction of a modern capital market with Chinese characteristics, successfully completed major reforms such as the comprehensive implementation of a registration-based initial public offering (IPO) system, implemented institutional reforms steadily, made every effort to maintain the smooth operation and the normal functioning of the market, comprehensively strengthened supervision in accordance with the law, and resolutely cracked down on fraudulent issuances, financial fraud and other market chaos, effectively prevented and mitigated risks in key areas, and made new positive progress in various aspects of the capital market.

In 2023, under the guidance of the Board of Directors, the management of the Company led all staff to maintain their strength, focus on the development of core businesses, further optimize the business structure, and continue to promote reform and innovation, so as to achieve stable growth in the operating results of the Company. As of December 31, 2023, total assets of the Group amounted to RMB682,182 million, representing an increase of 10.52% as compared to the end of 2022; and equity attributable to owners of the Company amounted to RMB135,718 million, representing an increase of 12.96% as compared to the end of 2022. During the Reporting Period, total operating income was RMB23,300 million, representing a year-on-year decrease of 7.29%; total operating expenses were RMB14,505 million, representing a year-on-year decrease of 1.22%; business and management fee was RMB13,885 million, representing a year-on-year increase of 0.55%; operating profit was RMB8,795 million, representing a year-on-year decrease of 15.82%; net profit attributable to owners of the listed companies was RMB6,978 million, representing a year-on-year decrease of 12.00%; net profit attributable to owners of the listed companies after deduction of non-recurring profit or loss was RMB6,508 million, representing a year-on-year decrease of 8.93%.

## **(2) Analysis of Principal Businesses**

The principal businesses of the Group can be divided into four segments, namely investment banking business, wealth management business, trading and institution business and investment management business.

### ***1. Investment banking business segment***

The Group's investment banking business segment mainly comprises of equity financing business, debt financing business and financial advisory business.

#### ***(1) Equity financing business***

In 2023, the total number of equity financing projects including IPO, new issuance, rights issue, preference shares, convertible bonds (of which new issuance included assets acquired by issuing shares) in the A share market and the total amount were 790 and RMB1,101.114 billion, respectively, representing a year-on-year decrease of 16.40% and 33.06% respectively. Specifically, the number and financing size of IPOs were 313 and RMB356.539 billion, respectively, representing a year-on-year decrease of 26.87% and 39.25%, respectively; while the number and financing size of refinancing projects were 477 and RMB744.575 billion, respectively, representing a year-on-year decrease of 7.74% and 29.62%, respectively (Source: WIND, 2024).

During the Reporting Period, the Company adhered to the fundamental purpose of serving the real economy with finance, facilitated the implementation of major national strategies such as innovation-driven development and coordinated regional development, continued to focus on key industries, key regions and key products, and strengthened business layout in areas such as technological innovation, advanced manufacturing, healthcare and green development; adhered to high-quality development, practiced the research-driven model, leveraged the advantages of the Group's integrated financial platform, strengthened business synergy and collaboration, and fully improved customer comprehensive service capabilities. The reserve of high-quality equity projects continued to increase, and breakthroughs were achieved in key

projects. The Company strengthened the quality control of the whole process of investment banking business and continued to improve the quality of investment banking business. In 2023, the Company completed 17 equity financing projects for which the Company acted as a lead underwriter, and the lead underwritten amount was RMB16.367 billion.

Details are set forth in the table below:

Item	2023		2022	
	Lead underwritten amount (RMB100 million)	Number of offerings	Lead underwritten amount (RMB100 million)	Number of offerings
Initial public offering (IPO)	20.33	3	29.43	6
Refinancing offering	143.33	14	154.64	11
<b>Total</b>	<b>163.67</b>	<b>17</b>	<b>184.07</b>	<b>17</b>

Source: Statistics of the Company, 2024.

## (2) Debt financing business

In 2023, the overall trend of the bond market remained stable and positive. The issuance scale of major credit bonds<sup>1</sup> was RMB16.76 trillion, representing a year-on-year increase of 7.82%. Specifically, the issuance scale of corporate bonds was RMB3,855.395 billion, representing a year-on-year increase of 24.75%; the issuance scale of debt financing instruments of non-financial enterprises was RMB8,557.041 billion, representing a year-on-year increase of 1.48%; the issuance scale of non-policy financial bonds was RMB4,110.118 billion, representing a year-on-year increase of 13.90%; and the issuance scale of enterprise bonds was RMB200.78 billion, representing a year-on-year decrease of 45.46% (Source: WIND, 2024).

During the Reporting Period, leveraging on the Group's business advantages and synergy effects, the Company continued to expand its customer coverage in key regions, resulting in a rapid growth in the scale of bond underwriting, a significant increase in project reserves, and a continuous improvement in the industry position. In 2023, the Company acted as the lead underwriter for 416 tranches of bonds, representing a year-on-year increase of 121.28%, with a lead underwritten amount of RMB244.442 billion, representing a year-on-year increase of 72.05%. According to the statistics of WIND, the Company ranked 8th in terms of the scale of major credit bonds in 2023, up by 6 places from 2022. The Company actively implemented the national development strategy. In 2023, the Company acted as the lead underwriter for a total of 67 tranches of bonds, including green bonds, science and technology innovation bonds, rural

<sup>1</sup> Major credit bonds mainly include corporate bonds, enterprise bonds, debt financing instruments of non-financial enterprises, non-policy financial bonds and exchangeable bonds.

revitalization bonds and high-quality development bonds of the Yellow River Basin, representing a year-on-year increase of 346.67%. The underwriting scale was RMB25.634 billion, representing a year-on-year increase of 226.67%. The Company continued to consolidate its professional capabilities and strengthened quality risk management and control. The Company won the Class A rating in the Annual Credit Evaluation of Corporate Bond Lead Underwriters issued by the National Association of Financial Market Institutional Investors, and was awarded the “Outstanding Corporate Bond Underwriter” (企業債承銷傑出機構) in 2023 by China Central Depository & Clearing Co., Ltd.

Item	2023		2022	
	Lead underwritten amount (RMB100 million)	Number of offerings (tranches)	Lead underwritten amount (RMB100 million)	Number of offerings (tranches)
Enterprise bonds	35.16	8	129.79	17
Corporate bonds	1,462.04	271	545.52	102
Debt financing instruments of non- financial enterprises	232.69	65	93.72	16
Financial bonds	698.53	71	642.73	52
Exchangeable bonds	16.00	1	9.00	1
<b>Total</b>	<b>2,444.42</b>	<b>416</b>	<b>1,420.76</b>	<b>188</b>

Source: Statistics of the Company, 2024.

### (3) Financial advisory business

The Company's financial advisory business mainly comprises merger and acquisition (“M&A”) and restructuring of listed companies and NEEQ listings.

In 2023, the overall activity of the M&A market remained at a low level due to the impact of multiple factors such as the macroeconomic. There were 107 listed companies that announced major asset restructuring with a total trading size of RMB107.919 billion, representing a year-on-year decrease of 67.23% (Source: WIND, 2024). During the Reporting Period, guided by the industrial policies, financial policies and regional development policies of the PRC, the Company actively participated in the M&A and restructuring activities of high-quality enterprises, focused on new productive forces, and helped enterprises achieve industrial integration through M&A and restructuring. The Company participated in the completion of a number of M&A and restructuring transactions with market influence during the Reporting Period.

In 2023, the BSE maintained the momentum of high-quality expansion, and the NEEQ continued to deepen various reforms. As of December 31, 2023, there were a total of 6,241 companies listed on the NEEQ and 239 companies listed on the BSE. In terms of market liquidity, in 2023, the turnover of the NEEQ market was RMB61.274 billion with 17.427 billion shares being traded (Source: NEEQ, 2024); the turnover of the BSE was RMB727.223 billion with 61.542 billion shares being traded (Source: website of the BSE, 2024). The high-quality development of the new ecosystem of the BSE continued to bring opportunities for the Company's investment banking business. During the Reporting Period, the Company adhered to the core principle of discovering value. Leveraging on its outstanding research capabilities, the Company strengthened business synergy and provided high-quality integrated services for valued customers. As of the end of December 2023, the Company sponsored a total of 34 companies listed on the NEEQ as the lead brokerage, of which nearly 70% were "specialized, sophisticated, distinctive and innovative" enterprises (Source: NEEQ, Statistics of the Company, 2024).

In addition, in respect of the overseas investment banking business, the Company carried out such business primarily through its indirect wholly-owned subsidiary, GF Capital (Hong Kong) Limited. During the Reporting Period, GF Capital (Hong Kong) Limited has completed 47 projects in which it acted as lead underwriter (including IPO, GDR, refinancing and bond offering) and financial adviser.

## **2. *Wealth management business segment***

The Group's wealth management business segment mainly comprises wealth management and brokerage business, margin financing and securities lending business, re-purchase transaction business and financial leasing business.

### *(1) Wealth management and brokerage business*

The Group provides brokerage services for its customers to buy and sell stocks, bonds, funds, futures and other tradable securities.

At the end of December 2023, the SSE Composite Index and the SZSE Component Index declined by 3.70% and 13.54% respectively, as compared to the end of last year; while the trading volume of stocks and funds in the two markets was RMB240.72 trillion, representing a year-on-year decrease of 2.88% (Source: WIND, 2024).

In 2023, the Company implemented the business philosophy of "customer-centric", promoted the implementation of platform-based transformation through a series of reforms such as adjustment of organizational structure, and improved the ability to serve residents' wealth management. The Company strengthened its online customer acquisition operation, actively developed multi-channel traffic, and released a brand-new Gen Z APP to continuously improve user experience on the Yitaojin (易淘金) platform. The Company accelerated the transformation of wealth management, continued to improve the multi-asset and multi-strategy layout according to customer needs and market changes, and improved the supply capacity of

comprehensive wealth management solutions. Meanwhile, the Company accelerated the promotion of high-quality development of institutional business, and launched the integrated institutional service platform “GF Zhihui (廣發智匯)” to integrate corporate resources to provide comprehensive solutions for institutional and corporate customers, enhance service capabilities for institutional customer, and improve the institutional customer service system.

As of the end of December 2023, the balance maintained by the agency sales of financial products of the Company increased by 13.98% as compared to the end of last year and the Company ranked third amongst the securities dealers in terms of the balance of public fund maintained in the agency sales of non-monetary market in 2023 (Source: Asset Management Association of China, 2024). During the Reporting Period, the sales and transfer amount of financial products of the Yitaojin E-commerce platform (including Cash Return (現金增利) and Taojin Market (淘金市場)) amounted to RMB216.8 billion.

From January to December 2023, the trading volume of stocks and funds of the Company in SSE and SZSE was RMB18.57 trillion (bilateral statistics), representing a year-on-year decrease of 6.71%.

The trading volume and market share of the Company’s securities trading agency business in SSE and SZSE are shown in the table below:

Item	2023		2022	
	Trading volume as agent (RMB100 million)	Market share (%)	Trading volume as agent (RMB100 million)	Market share (%)
Stocks	157,905.56	3.71	169,891.48	3.78
Funds	27,764.80	5.00	29,137.37	6.29
Bonds	498,176.72	4.94	420,530.39	4.76
<b>Total trading volume</b>	<b>683,847.08</b>	<b>4.59</b>	<b>619,559.24</b>	<b>4.49</b>

Note 1: The data is from the statistics of SSE, SZSE and WIND, 2024;

Note 2: The data in the above table is the data of the parent company;

Note 3: The market share refers to the ratio of trading volume of this type of securities to the total trading volume of such type of securities traded on the SSE and SZSE in the same period.

The financial products agency sales of the Company in 2023 are shown in the table below:

Type	Total sales amount for the period (RMB100 million)	Total redeemed amount for the period (RMB100 million)
Fund products	1,410.68	1,186.11
Trust products	429.51	394.72
Other financial products	4,602.41	4,296.67
<b>Total</b>	<b>6,442.60</b>	<b>5,877.50</b>

*Note:* The total sales and redeemed amount in this table includes the subscription, application, redemption and targeted investment of OTC products and on-market products, as well as the sales of asset management products issued by GF Asset Management.

In respect of the futures brokerage business, the Group carries out the futures brokerage business through its wholly-owned subsidiary, GF Futures Co., Ltd., and provides trading and settlement services for customers in major international commodity and derivative markets through the wholly-owned subsidiary of GF Futures Co., Ltd., GF Futures (Hong Kong) Co., Limited, and the wholly-owned subsidiary of GF Futures (Hong Kong) Co., Limited, GF Financial Markets (UK) Limited.

In regions outside of the PRC, the Group provides brokerage services for customers primarily through its indirectly wholly-owned subsidiary, GF Securities (Hong Kong) Brokerage Limited, covering financial products such as stocks and bonds listed on the Hong Kong Stock Exchange and overseas exchanges, using self-developed Yitaojin (易淘金) international version of trading system to focus on development of overseas wealth management business. In 2023, despite the downturn in the Hong Kong stock market throughout the year, GF Securities (Hong Kong) Brokerage Limited achieved a 22.58% increase in net income, a year-on-year increase of 28.75% in product retention, a year-on-year increase of 68.93% in total product revenue, and a year-on-year increase of 30.86% in wealth management income. The effect of its transformation towards wealth management was obvious.

## (2) *Margin financing and securities lending business*

As of the end of 2023, the balance of margin financing and securities lending in the SSE and SZSE was RMB1,650.896 billion, representing an increase of 7.17% as compared to the end of 2022 (Source: WIND, 2024).

In 2023, based upon the origins of its business with focus on continuous persistence in customer-centered orientation, the Company has facilitated healthy and orderly development of the business while working on customer service, and compliance and risk control. As of the end of 2023, the closing balance of margin financing and securities lending of the Company was RMB88.989 billion, representing an increase of 7.18% as compared to the end of 2022, and the market share was 5.39%.

(3) *Repurchase transaction business*

In 2023, the scale of stock pledged business in the market showed a downward trend as compared with that at the end of the previous year. During the Reporting Period, the Company conducted a stock pledged business in a prudent manner and continued to strengthen the threshold for risk control of the stock pledged business and optimized its business structure, and the scale of the stock pledged business increased. As of the end of 2023, the balance of the exchange traded Stock Pledged Repo Transaction business carried out by the Company through its owned funds was RMB12.326 billion.

(4) *Financial leasing*

The Company conducted financial leasing business through its wholly-owned subsidiary, Guangfa Financial Leasing (Guangdong) Co., Ltd. (“GFFL”).

Since 2023, the development of the financial leasing industry has continued to slow down. GFFL continued to strengthen the construction and optimization of its comprehensive risk management system. As of the end of 2023, the net amount of the lease receivables amounted to RMB40 million.

### 3. *Trading and institution business segment*

The Group’s trading and institution business segment mainly includes the equity investment and trading business, fixed income sales and trading business, equity derivatives sales and trading business, alternative investment business, investment research business and asset custody business.

(1) *Equity investment and trading business*

The equity investment and trading business of the Company is mainly engaged in market making and trading of shares and NEEQ stocks.

In 2023, the A-share market initially rose and then fell back, showing intensified volatility. During the Reporting Period, in adherence to the idea of value investment and by leveraging multi-strategy investment tools such as private placement, the Company’s equity investment better controlled its positions based on market fluctuations. Meanwhile, the Company maintained the market liquidity, reduced the severe market volatility, improved the pricing efficiency and satisfied the investment needs of public investors by providing market maker services. As of the end of December 2023, the Company provided market making services for 48 companies listed on the NEEQ.

(2) *Fixed income sales and trading business*

The fixed income sales and trading of the Company consists mainly of sales of underwritten bonds to institutional clients, and market-making and trading of financial products and interest rate derivatives with fixed income. The institutional clients of the Company mainly include commercial banks, insurance companies, fund companies, financial companies, trust companies and QFII, etc..

The Company conducts trading in various types of fixed income and related derivative products on the interbank bond market and exchanges in the PRC and provides market making services, such as government bonds, policy-based financial bonds, medium term notes, short-term financing bonds, enterprise bonds, company bonds, government bond futures, interest rate swaps and standard bond forward. The Company executes fixed income derivative instruments (such as interest rate swaps and government bond futures) to hedge the risk arising from trading transactions and market-making business.

During the Reporting Period, the Company properly managed the duration, leverage and investment scale of the bond investment portfolio, seized structural opportunities in the market, and achieved better investment performance.

*(3) Equity derivatives sales and trading business*

The Company designs and sells a variety of OTC products, including non-standard products, income certificates and OTC derivatives. Meanwhile, the Company provides liquidity support to non-standard products and income certificates products through OTC and engages in market making and trading of equity linked financial products and equity derivative products, etc..

During the Reporting Period, as a primary dealer of OTC derivatives business, the Company continued to strengthen the construction of team and system, and continuously improved product creation, strategy innovation and trading and sales capabilities; through conducting return swaps, OTC options and other businesses, it continued to provide institutional customers with asset allocation and risk management solutions based on OTC derivatives. As of December 31, 2023, the Company has issued a total of 103,184 OTC products with an aggregate amount of approximately RMB2,445.63 billion. The market value of the products as at the end of the period was approximately RMB189.524 billion. Specifically, the Company issued 38,678 new OTC products with an aggregate amount of RMB528.826 billion in 2023.

In 2023, in line with the gradual enrichment of exchanged-traded derivative products, the liquidity in the exchange-traded derivatives market increased gradually and the investor base continued to expand. In respect of market making and proprietary investment, the Company was in a better position to seize the trading opportunities brought about by market fluctuations and achieved better returns. In respect of market making business, the Company was granted the SSE's 2023 Stock Option Market Development Contribution Award (Outstanding Option Market Maker) and the Stock Option Market Development Contribution Award (Contribution to New Option Varieties); SZSE's 2023 "Outstanding ETF Liquidity Provider" and "Outstanding Option Market Maker" awards.

(4) *Alternative investment business*

The Group actively carried out alternative investment business with its own funds through GF Qianhe Investment Co., Ltd. (“**GF Qianhe**”), a wholly-owned subsidiary. Currently, the Group mainly focuses on equity investment business.

In 2023, GF Qianhe focused on advanced manufacturing, healthcare, new consumption, hard technology, soft technology, special opportunity investment and other major fields. During the Reporting Period, GF Qianhe completed 30 new investment projects with a total investment of RMB1.454 billion.

(5) *Investment research business*

The investment research business of the Group mainly comprises investment research services provided in various areas such as macro economy, strategy, fixed income, financial engineering, industry and listed companies for institutional clients. The Company earned commission fee for sub-position transactions from institutional clients. Specifically, our investment research services cover the provision of research reports and customized investment research services for the National Social Security Fund, public funds, insurance companies, private funds, financial companies, wealth management subsidiaries of banks, securities firms and other institutional investors in Mainland China and Hong Kong. The Group strived to promote the research-driven development model to give full play to the role of research in empowering and promoting the Company’s core business. The Group’s equity research covers 958 domestic A-share listed companies across 28 industries in the PRC, and 141 companies listed in Hong Kong and overseas.

The outstanding research capacity of the Company enjoys a high reputation in the industry, and the Company has received numerous honors: the “New Fortune Domestic Best Research Teams (新財富本土最佳研究團隊)” and the “New Fortune Most Influential Research Institution (新財富最具影響力研究機構)” for consecutive years from 2017 to 2023, and “Top 5 Golden Bull Research Institution (五大金牛研究機構)” award by “China Securities Industry Analyst Golden Bull Award (中國證券業分析師金牛獎)” for consecutive years. Meanwhile, it ranked in the forefront in the selection of “Sell-side Analyst Crystal Ball Award (賣方分析師水晶球獎)”, “Best Analyst of Shanghai Securities News”, “Golden Kirin (金麒麟) Best Analyst of Sina Finance” and “21st Century Gold Analyst”. During the Reporting Period, the Industrial Research Institute of the Company strengthened research on the promotion and support of the Company’s core businesses and further implemented the research-driven business model to empower the development of each business segment; provided research support for government departments’ policy formulation and industrial planning, and explored the establishment of industrial incubation and transformation cooperation mechanism with key scientific research universities to play the role of a bridge of “technology + finance”.

(6) *Asset custody business*

The Company provides high-quality asset custody and fund services for various asset management products. The targets for the provision of such services include commercial banks and their wealth management subsidiaries, securities firms and their subsidiaries, fund companies and their subsidiaries, futures companies and their subsidiaries, trust companies, private equity fund managers and various other asset management institutions.

In 2023, the private equity fund industry continued to develop in a standardized and professional manner with market resources further aggregating in medium and large high-quality private equity fund managers. Fund companies and securities companies deepened their cooperation in public fund custody, especially in public fund under brokerage settlement model and ETF products. The scale of securities companies' public fund custody business increased steadily.

During the Reporting Period, the Company actively expanded the market and upheld synergetic development, strengthened the construction of IT system, improved comprehensive service capabilities and enhanced risk control system to consistently improve business competitiveness and customer satisfaction. As of the end of December 2023, the scale of asset custody and fund services products provided by the Company was RMB560.564 billion, representing an increase of 8.29% as compared to the end of 2022. Among which, the scale of custody products was RMB278.369 billion and the scale of fund services products was RMB282.195 billion.

**4. *Investment management business segment***

The Group's investment management business segment mainly covers asset management business, public fund management business and private fund management business.

(1) *Asset management business*

Asset management services provided by the Group aim to preserve and increase the value of financial assets for its clients. The Group's asset management clients include individuals and institutional investors. The Group carries out asset management business through its wholly-owned subsidiaries, namely GF Asset Management (Guangdong) Co., Ltd. ("**GF Asset Management**") and GF Futures Co., Ltd., and its indirectly wholly-owned subsidiary, namely GF Asset Management (Hong Kong) Limited.

In 2023, the CSRC amended Measures for the Administration of the Privately Offered Asset Management Business of Securities and Futures Business Institutions (《證券期貨經營機構私募資產管理業務管理辦法》) and its supporting regulatory document, Provisions on the Administration of Operation of Privately Offered Asset Management Plans of Securities and Futures Business Institutions (《證券期貨經營機構私募資產管理計劃運作管理規定》) to further consolidate the effectiveness of the rectification of asset management business regulations, better leverage the function of private equity asset management business in serving the real economy, and promote the formation of a professional, stable and standardized industrial ecosystem.

GF Asset Management manages client assets which invest in various asset categories with various investment strategies, including fixed-income investment, equity investment, quantitative investment and cross-border products. The clients of GF Asset Management mainly include commercial banks, trust companies, other institutional investors and customers meeting regulatory requirements. During the Reporting Period, GF Asset Management continued to consolidate its core capabilities such as active management, product design and innovation, channel marketing, compliance risk control and financial technology, strengthened infrastructure construction and continuously improved its operation mechanism.

As of the end of 2023, the net value of collective asset management schemes and specific asset management schemes of GF Asset Management decreased by 43.68% and 10.65%, respectively, as compared with the end of 2022, the net value of single asset management schemes increased by 48.57% as compared with the end of 2022, and its total scale decreased by 24.53% as compared with the end of 2022. The asset management scale of GF Asset Management is as follows:

	Net value of asset management (RMB100 million)	
	December 31, 2023	December 31, 2022
Collective asset management business	1,186.55	2,106.69
Single asset management business	801.24	539.30
Specific asset management business	58.83	65.84
<b>Total</b>	<b>2,046.62</b>	<b>2,711.83</b>

Source: Statistics of the Company, 2024.

In the fourth quarter of 2023, the average monthly scale of private asset management of GF Asset Management ranked seventh (Source: Asset Management Association of China, 2024).

The Group carries out futures asset management business mainly through GF Futures Co., Ltd.. In the area of overseas asset management business, the Group provides advice on securities and asset management services to its customers mainly through GF Asset Management (Hong Kong) Limited, its indirectly wholly-owned subsidiary. GFHK is one of the first financial institutions in Hong Kong with the PRC background granted with RQFII qualification.

(2) *Public fund management business*

The Group primarily carries out public fund management business through its controlling subsidiary, GF Fund, and associate company, E Fund.

In 2023, under the guidance of the regulatory authorities, the reform of the fee rate of public funds was implemented in stages, including reducing the rate of product management fees and custody fees, launching pilot projects of floating rate products, and strengthening the requirement of fee rate disclosure, etc., so as to promote public funds and other industrial institutions to reasonably reduce the fund rate, and facilitate greater coordination between the healthy development of the industry and the interests of investors.

As of the end of 2023, the Company held 54.53% interest in GF Fund. GF Fund is one of the investment managers of the National Social Security Fund and Basic Pension Insurance Fund. It also provides asset management services for insurance companies, financial companies, other institutional investors and general investors. In addition, GF Fund can invest the capital raised domestically in overseas capital market through the Qualified Domestic Institutional Investors Program (QDII) and the Qualified Domestic Limited Partner Program (QDLP), and invest capital raised from overseas markets in China's capital market in the form of RQFII through GF International Investment Management Limited, its wholly-owned subsidiary. As of the end of 2023, the public funds managed by GF Fund in aggregate reached RMB1,220.982 billion, representing a decrease of 2.30% as compared to the end of 2022, and the total fund size excluding money market funds amounted to RMB670.246 billion, ranking third in the industry (Source: Statistics of the Company, WIND, 2024).

As of the end of 2023, the Company held 22.65% interest in E Fund, was one of the three parallel largest shareholders. E Fund is one of the investment managers of the National Social Security Fund and Basic Pension Insurance Fund. It also provides asset management services for insurance companies, financial companies, enterprise annuity, other institutional investors and general investors. In addition, E Fund can invest capital raised domestically in overseas capital market through the Qualified Domestic Institutional Investors Program (QDII), and invest capital raised from overseas markets in China's capital market in the form of RQFII. As of the end of 2023, the public funds managed by E Fund in aggregate reached RMB1,677.34 billion, representing an increase of 6.65% as compared to the end of 2022, and the total fund size excluding money market funds amounted to RMB1,013.937 billion, ranking first in the industry (Source: Statistics of the Company, WIND, 2024).

### *(3) Private fund management business*

The Group mainly engages in private fund management business through GF Xinde Investment Management Co., Ltd. (“**GF Xinde**”) its wholly-owned subsidiary.

In 2023, GF Xinde focused on such industries as biomedicine, intelligent manufacturing, new energy and corporate services. According to the data of the fourth quarter average monthly size of funds disclosed by the Asset Management Association of China, the paid-in size of funds managed by GF Xinde exceeded RMB17 billion.

In the overseas market, the Group is engaged in overseas private equity fund business mainly through its indirectly wholly-owned subsidiary, GF Investments (Hong Kong) Company Limited and institutions thereunder, and has completed investment mainly in fields of high-end manufacturing, TMT, big consumption and biomedical. Several investment projects have exited by way of mergers and acquisitions or been listed on the stock exchanges in Hong Kong, the United States and other regions.

## V. THE BOARD DURING THE REPORTING PERIOD

### (1) The Board during the Reporting Period

Session of meeting	Convening date	Disclosure date	Status of resolutions
The Twenty-seventh Meeting of the Tenth Session of the Board of Directors	February 24, 2023	February 25, 2023	The Board of Directors considered and approved: <ol style="list-style-type: none"> <li>the Resolution on Adjusting the Organizational Structure of the Company's Retail Business</li> <li>the Resolution on the Integration of the Company's Derivatives Business</li> </ol>
The Twenty-eighth Meeting of the Tenth Session of the Board of Directors	March 30, 2023	March 31, 2023	The Board of Directors considered and approved: <ol style="list-style-type: none"> <li>the Directors' Report of GF Securities for the Year of 2022</li> <li>the Work Report of the Strategy Committee of the Board of Directors of GF Securities for the Year of 2022</li> <li>the Work Report of the Nomination Committee of the Board of Directors of GF Securities for the Year of 2022</li> <li>the Work Report of the Remuneration and Appraisal Committee of the Board of Directors of GF Securities for the Year of 2022</li> <li>the Work Report of the Audit Committee of the Board of Directors of GF Securities for the Year of 2022</li> <li>the Work Report of the Risk Management Committee of the Board of Directors of GF Securities for the Year of 2022</li> <li>the Resolution on Drawing General Meeting's attention to Work Report of GF Securities Independent Directors for the Year of 2022</li> <li>the Resolution on Drawing General Meeting's attention to Duty Report of GF Securities Independent Directors for the Year of 2022</li> <li>the Resolution of Performance Assessment on Directors for the Year of 2022</li> <li>the Special Description of Performance Assessment and Remuneration of GF Securities Directors for the Year of 2022</li> <li>the Special Description of Duty Performance, Performance Assessment and Remuneration of GF Securities Business Management for the Year of 2022</li> <li>the Final Financial Report of GF Securities for the Year of 2022</li> <li>the Annual Report of GF Securities for the Year of 2022</li> <li>the Social Responsibility and Environmental, Social and Governance (ESG) Report of GF Securities for the Year of 2022</li> <li>the Corporate Governance Report of GF Securities for the Year of 2022</li> <li>the Compliance Report of GF Securities for the Year of 2022</li> <li>the Review Report on the Effectiveness of the Compliance Management of GF Securities for the Year of 2022</li> <li>the Internal Control and Evaluation Report of GF Securities for the Year of 2022</li> <li>the Specific Auditing Report of Related Party Transactions of GF Securities for the Year of 2022</li> <li>the Risk Management Report of GF Securities for the Year of 2022</li> <li>the Specific Report on the Information Technology Management of GF Securities for the Year of 2022</li> <li>the Plan of Profit-sharing of GF Securities for the Year of 2022</li> <li>the Resolution Regarding Engaging Auditors in 2023</li> <li>the Resolution on the Authorization of Proprietary Investment Quota for 2023</li> <li>the Resolution on Expected Daily Related Party/Connected Transactions of the Company for the Year of 2023</li> <li>the Resolution Regarding Amendments to the Articles of Association of the Company</li> <li>the Resolution on Formulation of the GF Securities' Integrity Management System</li> <li>the Resolution on the Authorization to Convene the General Meeting for the Year of 2022</li> <li>the Resolution on Distribution of Performance-based Salary for the Management for the Year of 2022</li> </ol>

Session of meeting	Convening date	Disclosure date	Status of resolutions
The Twenty-ninth Meeting of the Tenth Session of the Board of Directors	April 28, 2023	April 29, 2023	The Board of Directors considered and approved: <ol style="list-style-type: none"> <li>1. the 2023 First Quarterly Report of GF Securities</li> <li>2. the Resolution on the Amendment of GF Securities Management System for Information Disclosure</li> <li>3. the Resolution on the Amendment of GF Securities Management System for Related Party Transactions</li> <li>4. the Resolution on the Amendment of GF Securities Management System for Investor Relations</li> <li>5. the Resolution on the Amendment of GF Securities Management Measures for Knowers of Inside Information</li> <li>6. the Resolution on the Amendment of GF Securities Management Measures for External Information Users</li> </ol>
The Thirtieth Meeting of the Tenth Session of the Board of Directors	August 30, 2023	August 31, 2023	The Board of Directors considered and approved: <ol style="list-style-type: none"> <li>1. the Resolution on the 2023 Interim Report of GF Securities</li> <li>2. the Resolution on the 2023 Interim Risk Management Report of GF Securities</li> </ol>
The Thirty-first Meeting of the Tenth Session of the Board of Directors	October 17, 2023	October 18, 2023	The Board of Directors considered and approved: <ol style="list-style-type: none"> <li>1. the Resolution on the Company's Application for the Qualification of Market-Making Trading Business of Listed Securities and the Launch of Market-Making Trading Business of Shares on the Science and Technology Innovation Board</li> <li>2. the Resolution on the Company's Application for the Market-Making Business of Bonds on Stock Exchanges</li> <li>3. the Resolution on the Company's Application for the Market-Making Business of Beijing Stock Exchange</li> </ol>
The Thirty-second Meeting of the Tenth Session of the Board of Directors	October 30, 2023	October 31, 2023	The Board of Directors considered and approved: <ol style="list-style-type: none"> <li>1. the Resolution on the 2023 Third Quarterly Report of GF Securities</li> <li>2. the Resolution on the Amendment of the Integrity Management System of GF Securities</li> </ol>

Related announcements of resolutions are published in the China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the HKExnews website of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) by the Company.

**(2) Attendance of Directors at Board meetings and general meetings of Shareholders**

Name of Director	Attendance of Directors at Board meetings and general meetings of Shareholders						
	Required attendance at Board Meetings during the Reporting Period	On-site attendance at Board Meeting	Attendance at Board Meeting by Telecommunication	Attendance at Board Meeting by proxy	Times of absence from Board Meeting	Two consecutive absences in person from Board Meeting	Attendance at general meeting of shareholders
Lin Chuanhui	6	4	2	0	0	No	1
Ge Changwei	6	4	2	0	0	No	1
Li Xiulin	6	1	5	0	0	No	1
Shang Shuzhi	6	0	6	0	0	No	1
Guo Jingyi	6	3	3	0	0	No	1
Sun Xiaoyan	6	4	2	0	0	No	1
Qin Li	6	4	2	0	0	No	1
Fan Lifu	6	1	5	0	0	No	1
Hu Bin	6	0	6	0	0	No	0
Leung Shek Ling Olivia	6	1	5	0	0	No	1
Li Wenjing	6	2	4	0	0	No	1

**(3) Objections raised by Directors on matters of the Company**

During the Reporting Period, no objection was raised by the Directors to the relevant matters of the Company.

**(4) Independence of the Board of Directors**

To promote more objective and effective board decision-making, the Company has established various systems, including the Rules of Procedure for the Board of Directors and Working Rules of the Independent Directors, so as to ensure that independent views and opinions of all Directors can be submitted to the Board of Directors.

- (1) The Rules of Procedure for the Board of Directors and Working Rules of the Independent Directors and various system of the Company provide guidance for the duty performance of each Director to ensure standard operation and reasonable decision-making by the Board of Directors, and stipulate actions to be taken by the Directors to avoid any conflict of interests;
- (2) The Board of Directors of the Company consists of 11 members; 7 of them are Non-executive Directors, including 4 Independent Non-executive Directors in accordance with the Listing Rules of the Mainland China and Hong Kong with a balanced composition so that there is a strong independent element on the Board;

- (3) Before nomination of candidates for the appointment of new Independent Non-executive Directors, the Nomination Committee shall make a comprehensive assessment on their independence, working experience and professional skills, etc. It will also assess ongoing independence of the existing Independent Non-executive Directors and their time commitment for their performance of duties on an annual basis. According to Article 6 of the Measures for the Administration of Independent Directors of Listed Companies and Rule 3.13 of the Hong Kong Listing Rules, all Independent Non-executive Directors are required to confirm in writing that they meet the independence requirements on an annual basis;
- (4) The Chairman holds meetings on an annual basis with Independent Non-executive Directors without the presence of other Directors;
- (5) The Company convenes meetings attended by all Independent Non-executive Directors from time to time to consider relevant matters stipulated in the Measures for the Administration of Independent Directors of Listed Companies, or study other matters of the Company as necessary;
- (6) The non-Executive Directors shall receive fixed allowance for serving on the Board of Directors and specific committees under the Board of Directors;
- (7) The specific committees under the Board of Directors may, in the course of performing their duties, engage intermediaries to provide professional advice for their performance of duties at the expenses of the Company;
- (8) The Board of Directors of the Company shall make assessment on performance of Directors on an annual basis; the Director being appraised have abstained from voting. Upon deliberation and confirmation of the final appraisal results of performance of Directors by the Board of Directors, these results will be submitted together with the explanations on appraisal results of performance and matters in relation to their remunerations to the general meeting.

The Company believes that the above measures and policies have been effectively implemented during the Reporting Period.

**(5) Other explanations on the performance of duties by Directors**

During the Reporting Period, no suggestions made by the Directors on the Company were rejected. During the Reporting Period, the Independent Non-executive Directors of the Company held a special meeting to discuss with the Chairman of the Board on “the effective path for the Company to achieve positive changes, promote high-quality development of the Company to a new level under the current situation”. The Company integrated the opinions of Independent Non-executive Directors into its daily operation and development, actively transformed and reformed, optimized its business structure, focused on its core business, and promoted the continuous improvement of the competitiveness of various business segments and improved its comprehensive financial service capabilities.

**(6) Major initiatives on corporate governance by the Board of Directors**

In terms of corporate governance, the Board or its subordinated specific committees shall perform the following responsibilities: to formulate and review the policy and practice of corporate governance, and make proposals to the Board; to review and monitor training and continued professional development of the Directors and senior management personnel; to review and monitor the issuer's policies and practices on compliance with legal and regulatory requirements; and to review the issuer's compliance with the CG Code, and the disclosure in this report. During the Reporting Period, the Board of Directors of the Company carried out the following major initiatives on corporate governance:

- (1) According to the Opinions on Strengthening the Regulation of the Professional Integrity of Intermediaries under the Registration-Based IPO System (《關於加強註冊制下中介機構廉潔從業監管的意見》) issued by the CSRC, the Ministry of Justice and the Ministry of Finance, securities companies are encouraged to incorporate the management objectives and general requirements of integrity in their Articles of Association. The Company amended the Articles of Association based on its actual situation. The amended Articles of Association came to effect on June 28, 2023.
- (2) Pursuant to various laws and regulations, departmental rules, normative documents and the Articles of Association amended by the regulatory authorities, the Company revised a number of rules and regulations including GF Securities Management System for Information Disclosure, GF Securities Management System for Related Party Transactions, GF Securities Management System for Investor Relations, GF Securities Management Measures for Knowers of Inside Information and GF Securities Management Measures for External Information Users, etc.
- (3) In order to implement the requirements of the CSRC on the integrity construction and self-discipline management of the securities industry, the Company formulated the GF Securities Management System of Integrity Practice, which clarified the integrity construction objectives of the Company, and clarified and institutionalized the requirements of integrity work and the division of responsibilities at all levels, to further strengthen the integrity practice management.
- (4) The Company provides professional training to its Directors, Supervisors and senior management for their performance of duties. In 2023, the Company facilitated Directors, Supervisors and senior management to participate in various trainings organized by the regulatory authorities, listed company associations, industry associations and the Company, with the expenses borne by the Company. The Company sent the laws, regulations, guidelines, notices, special editions issued by the regulatory authorities and the Newsletters of the Directors and Supervisors (《董監事通訊》) that are compiled monthly by the Company to the Directors, Supervisors and senior management in a timely manner, so as to improve their understanding of the development of the securities industry and the Company's business and to facilitate the performance of duties by the Company's Directors, Supervisors and senior management.

- (5) The Company attaches great importance to the deep integration of development strategy, cultural concept and operation development, and the corporate culture of the Company is in line with the Company's purpose, value and strategy. With culture-driven business, the Company regards serving the national strategy, the real economy development and the people's yearning for a better life as its corporate responsibilities and missions, leading the main businesses such as investment banking, wealth management, and asset management to enhance core competitiveness, and promote business decision-making and organic combination of cultural concepts. In order to carry on the culture of business, the cultural construction requirements are embedded in the whole process of the Company's operation and management, and the Company's mission, core values and business philosophy are demonstrated in the business operation, so that the culture has strong vitality, cohesion and appeal. During the Reporting Period, the Company coordinated and promoted the construction of corporate culture, strengthened the positive incentive role, explored and promoted the construction of the characteristic cultural brand of "knowledge-based, truth-seeking and dedication", and continued to strengthen cultural recognition, fully supported the construction of industry culture, and facilitated the high-quality development of the industry by hosting activities, such as the first Guangdong Securities Industry Investment Consultant Vocational Skills Competition (首屆廣東證券行業投資顧問職業技能大賽).

Before the publication of the Company's 2023 Annual Report, the Board has reviewed the Corporate Governance section herein (the Corporate Governance Report), and the Board is of the view that this Corporate Governance Report complies with the relevant requirements of the Hong Kong Listing Rules.

**(7) Implementation of the resolutions of shareholders' meetings by the Board of Directors**

The Board of Directors of the Company has implemented the resolutions of shareholders' meetings well, and details on the implementation of the resolutions of shareholders' meetings by the Board of Directors during the Reporting Period is as follows:

- (1) On June 28, 2023, the Company convened the 2022 annual general meeting and passed the Resolution on Engagement of its Auditor for the Year of 2023. According to the resolution, the Company engaged Ernst & Young as its auditor for the year of 2023.
- (2) On June 28, 2023, the Company convened the 2022 annual general meeting and passed the 2022 Profit Distribution Plan of GF Securities (《廣發證券 2022 年度利潤分配方案》). The Company has completed the profit distribution before August 11, 2023 by distributing cash dividend of RMB3.5 (tax inclusive) for every 10 shares based 7,605,845,511 shares after deducting the repurchased 15,242,153 A Shares from the then share capital of the Company of 7,621,087,664 shares.
- (3) On June 28, 2023, the Company convened the 2022 annual general meeting and passed the relevant resolution on the amendment of the Articles of Association, GF Securities Management System for Information Disclosure, GF Securities Management System for Related Party Transactions and GF Securities Management System for Investor Relations. The revised systems officially came into effect on the

date of the resolution of the general meeting of shareholders; the Company submitted the Filing Report on Amendments to the Articles of Association of GF Securities (《關於修訂廣發証券公司章程的備案報告》) to Guangdong Bureau of the CSRC in accordance with relevant laws and regulations.

## **VI. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS**

The Company has entered into the Service Contracts for Directors and the Service Contracts for Supervisors with each of the eleven Directors of the current Tenth Session of the Board of Directors and each of the five Supervisors of the current Tenth Session of the Supervisory Committee. The term of office of the Directors and Supervisors was effective from the date of approval by the General Meeting or the employee representatives meeting until the expiry date of the term of office for the Tenth Session of the Board of Directors and the Supervisory Committee. The Service Contracts for Directors and the Service Contracts for Supervisors provide the agreed terms on the duties and responsibilities of the Directors and Supervisors during their term of office.

In addition, none of the Directors and Supervisors of the Company has entered into any service contract with the Company or its subsidiaries which is not terminable within one year without payment of compensation, other than statutory compensation.

## **VII. INTEREST OF DIRECTORS AND SUPERVISORS IN MATERIAL CONTRACTS**

Except for the service contracts, the Group has not entered into any significant contracts in which the Directors or Supervisors of the Company has, directly or indirectly, a material interest during the Reporting Period.

## **VIII. INTEREST OF DIRECTORS IN BUSINESSES IN COMPETITION WITH THE COMPANY**

None of the Directors of the Company has any interest in the business that competes with the Company.

## **IX. ESTABLISHMENT AND IMPLEMENTATION OF INFORMATION DISCLOSURE SYSTEM AND INSIDE INFORMATION SYSTEM OF THE COMPANY**

The Company has formulated the Information Disclosure Management System and the Accountability System for Material Mistakes in Information Disclosure in Annual Report, and has made amendments to the Information Disclosure Management System during the Reporting Period, standardizing the duties of various departments on information disclosure, the basic principles of information disclosure, the content of information disclosure, the procedures of information disclosure, the accountability of mistakes in information disclosure, etc., enhancing the quality of information disclosure of the Company. During the Reporting Period, the Company performed information disclosure strictly in accordance with the requirements of the system. The Board of Directors of the Company confirmed the effective implementation of the Information Disclosure Management System, ensuring the timeliness and fairness of the Company's relevant information disclosure, as well as the truthfulness, accuracy and completeness of the contents of information disclosure.

During the Reporting Period, the Company has amended the Management Rules for Insiders of Inside Information (《內幕信息知情人管理辦法》) and the Management Rules for Users of External Information (《外部信息使用人管理辦法》), standardizing the approval procedures for the management of inside information and external transmission of information, further strengthened the confidentiality of inside information. During the Reporting Period, the Company strictly followed the requirements of the system, managed inside information and registered the insiders of inside information, and was able to truthfully and completely record the list of all insiders of inside information in all aspects including the preparation, transmission, review and disclosure of inside information before it was made public, as well as the relevant files such as the content and time when insiders became aware of the inside information.

During the Reporting Period, the Supervisory Committee and the independent directors organized daily and special supervision and inspections on the implementation of the Company's Information Disclosure Management System. According to the inspection results, the Company has established and implemented the Information Disclosure Management System effectively.

## **X. INVESTOR RELATIONS**

### **(I) Amendments to the Company's system during the Reporting Period**

1. According to the Opinions on Strengthening the Supervision of the Integrity of Intermediary Institutions under the Registration System (《關於加強註冊制下中介機構廉潔從業監管的意見》) issued by the CSRC, the Ministry of Justice and the Ministry of Finance, securities companies are encouraged to “incorporate the management objectives and general requirements of integrity in their articles of association”. The Company has amended the Articles of Association in the light of the actual circumstances.
2. In accordance with various laws and regulations, departmental rules, normative documents and the Articles of Association amended by the regulatory authorities, the Company has made amendments to its systems including the Information Disclosure Management System of GF Securities (《廣發證券信息披露事務管理制度》), the Related/Connected Transaction Management System of GF Securities (《廣發證券關聯交易管理制度》), the Investor Relations Management System of GF Securities (《廣發證券投資者關係管理制度》), the Management Rules for Insiders of Inside Information of GF Securities (《廣發證券內幕信息知情人管理辦法》) and the Management Rules for Users of External Information of GF Securities (《廣發證券外部信息使用人管理辦法》).

3. In order to implement the requirements of the CSRC on the integrity building and self-discipline management of the securities industry, the Company has formulated the Integrity Practice Management System of GF Securities (《廣發証券誠信從業管理制度》), which clarified the objective of integrity building in the Company, and clarified the integrity requirements at work and the division of responsibilities at all levels and under various systems, and further strengthened the management of integrity practice.

## **(II) Investor relation activities during the Reporting Period**

The Company attaches great importance and takes the initiative to do a good job in investor relations, to focus on establishing a multi-channel communication mechanism to ensure smooth and effective communication between the Company and its shareholders or investors. The Company has formulated the Information Disclosure Management System and the Investor Relations Management System, which stipulate the communication policies between the Company and its shareholders. The Company has strengthened communication with shareholders and general investors through channels such as the interactive platform of the Shenzhen Stock Exchange Platform, the website of the Hong Kong Stock Exchange, the website of the Company, investor hotlines and emails, and in various scenarios such as general meetings, performance briefings, performance presentations, investor activity months, analyst meetings, and on-site surveys, to ensure that shareholders and general investors have access to comprehensive and identical data on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange in a timely manner, and to listen and respond to their opinions and suggestions in a comprehensive manner.

In 2023, after the release of annual and interim results, the Company has actively promoted communication with investors and analysts through telephone or internet. During the year, the Company held one presentation on annual results, one briefing on annual results and one presentation on interim results. The Chairman of the Board of Directors of the Company attended the above meetings. In 2023, the Company's management and investor relations team held 26 meetings of various forms with institutional investors and analysts at home and abroad, received nearly over 200 institutional investors, actively responded to the more than 60 questions concerned by investors on the interactive platform of the Shenzhen Stock Exchange, and opened two more investor hotlines to maintain smooth and effective communication with investors.

The Company will continue to provide investors with a convenient, fast, timely and comprehensive understanding of the Company's conditions through various channels such as the Company's investor relations website, investor hotlines and mailbox. And the Company will further promote investor relations through active communication and exchange with investors and further enrich the forms of investor relations activities to provide better services to general investors and analysts.

## XI. PERFORMANCE OF SOCIAL RESPONSIBILITIES

During the Reporting Period, the Group deeply implemented the major strategic decisions of the CPC Central Committee and the State Council on carbon peak and carbon neutrality, actively responded to climatic changes, implemented the sustainable development concepts of “innovation, coordination, greenness, openness and sharing”, and supported the building of an ecologically civilized, green and low-carbon industry. We anchored on the goal of building a strong financial economy, insisted on being a practitioner of responsible investment and green finance, comprehensively improved business competitiveness and comprehensive service capabilities, and realized the common growth of the Company and customers, focused on the health and safety of employees, established a sound employee benefit assurance system and a long-term talent development mechanism to promote the development of employees. We focused on rural revitalization, assistance for education and teaching, financial empowerment and medical assistance, and actively responded to the major concerns of stakeholders, so as to achieve a coordinated balance between economic benefits and social benefits, self-development and social development for the Company to ensure the stability and long-term development of the Company. We attached great importance to the protection of investors and the return on shareholders' interests, strengthened comprehensive risk management of the Group, strictly complied with the operation bottom-line and continued to improve our ESG governance level.

During the Reporting Period, the Group's social welfare expenses amounted to RMB34,878,700 (including the donations made by the Company to GF Charity Foundation and the social welfare expenses of its wholly-owned and holding subsidiaries). The GF Securities Social Charity Foundation established by the Group had been actively participating in rural revitalization, education promoting and other activities, and incurred social expenses of RMB60,308,000 during the Reporting Period.

The GF Charity Foundation focused on rural revitalization, promoting education, financial empowerment and medical assistance as main tasks, it has launched various social welfare projects, including the United Nations Sustainable Development Demonstration Village Project, Small-scale Start-up Support for University Students of GF Securities, GF Securities assisted rural revitalization and social organization high-quality development and talent empowerment program, the Rural Children's Reading Program of GF Securities • STARS, GF Charity Playground Social Welfare Action, “Free Breathing” Severe Pneumonia Children's Relief Fund and other social welfare programs, and has established special social welfare fund such as the Xinjiang Cotton Social Welfare Fund. The Foundation was rated again as a 5A social organization.

Please refer to the 2023 Corporate Social Responsibility and Environmental, Social and Governance (ESG) Report of GF Securities Co., Ltd. concurrently disclosed with the Company's 2023 Annual Report on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the HKEXnews website of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for details.

**XII. EFFORTS TO CONSOLIDATE AND EXPAND THE ACHIEVEMENTS OF POVERTY ALLEVIATION TO PUSH FORWARD RURAL REVITALIZATION**

During the Reporting Period, the Company coordinated the paired support of “one company one county” to offer assistance in six former national-level poverty-stricken counties including Wuzhishan, Baisha and Lingao in Hainan, Antu and Longjing in Jilin and Nankang in Jiangxi. Financial assistance was also provided to support the education program of “GF Encouraging Classes”, the construction of industrial parks for agricultural plantation, as well as launching of financial training and agricultural technological training, benefiting more than 2,000 people. We conscientiously carried out the assistance work in Zhen’an Town, Yunfu City, Guangdong Province, deepened the assistance effect, supported party’s building and consolidated the results of poverty alleviation, raised the level of industrial development, improved public infrastructure and enhanced the level of public services, and had achieved foundation firming work for 2.3 kilometers of village roads, installed 500 solar street lights in 7 administrative villages, renovated and upgraded the sports field of Zhen’an Central Primary School, and provided living allowances to the people in need, so as to continuously improve the happiness and sense of reward for the people. We actively participated in the “High-quality Development Project of Hundred Counties, Thousand Towns and Ten Thousand Villages” in Guangdong Province, established a task leading team and stationed team members in Guangning County, Zhaoqing, to hold official position for providing vertical assistance. We participated in the “June 30th” Rural Revitalization Program in Guangdong Province and donated RMB5 million to support rural revitalization and development in Guangdong Province. During the Reporting Period, our dedication to social responsibility and contribution in the field of rural revitalization resulted in the awards of more than ten honors granted to the Company, including, among others, the Golden Cup of the Guangdong Poverty Alleviation Red Cotton Cup Award, the Best Practice Cases of Rural Revitalization of Listed Companies and the Advanced Unit of Rural Revitalization.

Please kindly consider the above report.

**Dear Shareholders,**

In 2023, the Supervisory Committee of the Company, with support and co-ordination from the Board and the operating management, conducted various types of supervision and inspection work in great depth and performed supervisory duties practically by focusing on the key tasks of the Company in accordance with the provisions and requirements of laws and regulations, including the Company Law, the Securities Law, the Rules on Governance of Securities Companies, the Rules on Governance of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the regulatory documents of supervision and administrative authorities, the Articles of Association and the Rules of Procedure for the Supervisory Committee, to promote compliance in operation and healthy development of the Company, and protect the legitimate rights and interests of the Company, customers, shareholders and employees. The report on the major tasks of the Supervisory Committee in 2023 is set out below:

**I. MAJOR TASKS OF THE SUPERVISORY COMMITTEE DURING THE REPORTING PERIOD**

**(I) Convening Supervisory Committee meetings in compliance with laws and regulations to consider important matters of the Company**

During the Reporting Period, the Supervisory Committee of the Company convened four meetings in total, including two on-site meetings and two teleconference meetings. A total of 26 reports and proposals were considered/received, the contents included regular reports, compliance reports, risk management reports, audit reports, internal control evaluation report, social responsibility report, evaluation report on the effectiveness of compliance management, anti-money laundering report and the resolution on performance appraisal of the Supervisors. The Supervisory Committee performed its supervision role in compliance with laws and regulations, and conducted sufficient discussions and enquiries in understanding the above matters, and passed resolutions on matters required to be determined.

*1. Specific Details of the Meetings convened by the Supervisory Committee in 2023*

Session of meeting	Convening date	Status of resolutions
The Fifteenth Meeting of the Tenth Session of the Supervisory Committee	March 30, 2023	<p>The Supervisory Committee considered and approved the following proposals:</p> <ol style="list-style-type: none"> <li>1. the Inspection Report on the Implementation of the Information Disclosure Management System of GF Securities in 2022;</li> <li>2. the 2022 Social Responsibility and Environmental, Social and Governance (ESG) Report of GF Securities Co., Ltd.;</li> <li>3. the Annual Report of GF Securities for the Year of 2022;</li> <li>4. the Proposal on the Audit Opinions on the 2022 Annual Report of GF Securities;</li> <li>5. the 2022 Internal Control Evaluation Report of GF Securities;</li> <li>6. the GF Securities 2022 Evaluation Report on the Effectiveness of Compliance Management;</li> <li>7. the Proposal on the Performance Appraisal of Supervisors in 2022;</li> <li>8. the Special Explanation on Performance Appraisal and Remuneration of Supervisors of GF Securities in 2022;</li> <li>9. the 2022 Report of the Supervisory Committee of GF Securities;</li> <li>10. the Proposal on 2022 Performance Remuneration of the Chairman of Supervisory Committee.</li> </ol> <p>The following reports were received at the meeting:</p> <ol style="list-style-type: none"> <li>1. the GF Securities Report of Compliance for the Year of 2022;</li> <li>2. the Anti-money Laundering Report of GF Securities for the year of 2022;</li> <li>3. the GF Securities Report of Risk Management for the Year of 2022;</li> <li>4. the GF Securities Special Audit Report on Anti-money Laundering for the Year of 2022;</li> <li>5. the GF Securities Annual Audit Report for the Year 2022;</li> <li>6. the Specific Audit Report on Major Issues of GF Securities for the Year of 2022;</li> <li>7. the Specific Audit Report on Related Party Transactions of GF Securities for the Year of 2022.</li> </ol>

Session of meeting	Convening date	Status of resolutions
The Sixteenth Meeting of the Tenth Session of the Supervisory Committee	April 28, 2023	<p>The Supervisory Committee considered and approved the following proposals:</p> <ol style="list-style-type: none"> <li>1. the 2023 First Quarterly Report of GF Securities;</li> <li>2. the Proposal on Amending the Administrative Measures for the Audit on the Departure of the Management of GF Securities Co., Ltd..</li> </ol> <p>The following reports were received at the meeting:</p> <ol style="list-style-type: none"> <li>1. the 2023 First Quarterly Audit Work Report of GF Securities.</li> </ol>
The Seventeenth Meeting of the Tenth Session of the Supervisory Committee	August 30, 2023	<p>The Supervisory Committee considered and approved the following proposals:</p> <ol style="list-style-type: none"> <li>1. the Resolution on Review of the 2023 Interim Report of GF Securities.</li> </ol> <p>The following reports were received at the meeting:</p> <ol style="list-style-type: none"> <li>1. the GF Securities Interim Report of Risk Management for the Year of 2023;</li> <li>2. the Interim Audit Work Report of GF Securities of 2023;</li> <li>3. the Interim Specific Audit Work Report on Major Issues of GF Securities of 2023.</li> </ol>
The Eighteenth Meeting of the Tenth Session of the Supervisory Committee	October 30, 2023	<p>The Supervisory Committee considered and approved the following proposals:</p> <ol style="list-style-type: none"> <li>1. the Resolution on Review of the 2023 Third Quarterly Report of GF Securities.</li> </ol> <p>The following reports were received at the meeting:</p> <ol style="list-style-type: none"> <li>1. the 2023 Third Quarterly Audit Work Report of GF Securities.</li> </ol>

2. *Specific Attendance of Supervisors at Supervisory Committee Meetings in 2023*

Name	Position	Required attendance of Supervisory Committee meetings during the Reporting Period			
		Attendance in person of Supervisory Committee meetings	Attendance at Supervisory Committee meetings by proxy	Times of absence from Supervisory Committee meetings	
Zhou Xitai	Employee representative Supervisor, chairman of the Supervisory Committee	4	4	0	0
Lai Jianhuang	Supervisor	4	4	0	0
Xie Shisong	Supervisor	4	4	0	0
Lu Xin	Supervisor	4	4	0	0
Yi Xinyu	Employee representative Supervisor	4	4	0	0

**(II) Focusing on major supervisory duties and promoting compliance in operation of the Company**

1. *Supervising the performance of duties of Directors and senior management and facilitating faithful and diligent performance of duties of the operating management*

During the Reporting Period, the supervisors conducted supervision on the performance of duties of the Directors and the senior management by ways of attending Shareholders' general meetings and sitting in at the Board meetings and participating important operation meetings of the Company, and facilitated faithful and diligent performance of duties of the Directors and senior management of the Company.

During the Reporting Period, the supervisors attended 1 Shareholders' general meeting, namely the 2022 annual general meeting; and attended a total of 4 on-site Board meetings, namely the twenty-eighth, twenty-ninth, thirtieth and thirty-second meetings of the tenth session of the Board. By attending and sitting in at the meetings above, and supervising the attendance of Directors and senior management, the Supervisory Committee conducted supervision on the compliance of the convening procedure, the way of discussion and content, and the process of resolutions. For Board meetings conducted by teleconference, the Supervisors also reviewed the relevant meeting materials carefully. The Supervisory Committee carried out follow-up inspections on the implementation of the Company's system of three meetings and the implementation of the resolutions of the three meetings and put forward supervisory opinions and suggestions to ensure effective execution and implementation of the system of three meetings and the resolutions.

The Chairman of the Supervisory Committee attended important work meetings and year-end work meetings of the Company's operating management, heard debriefings, and provided opinions and recommendations from the perspectives of the Company and the employees.

During the Reporting Period, in accordance with the Measures on Supervision of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Business, Provisions on the Professional Integrity of Securities and Futures Business Institutions and Their Employees, and the latest relevant requirements of the standards on internal audit, the Supervisory Committee, based on the actual circumstances of the Company, organized the revision of the Administrative Measures for the Audit on the Departure of the Management of the Company, which was officially released upon approval by the sixteenth meeting of the tenth session of the Supervisory Committee, to further strengthen supervision on the performance of duties of the operating management and facilitate their faithful and diligent performance of duties.

***2. Contributing to the continuous improvement in information disclosure management level by earnestly performing information disclosure supervision duties***

During the Reporting Period, the Supervisory Committee carried out daily and special supervision and inspection and earnestly performed information disclosure supervision duties for the continuous improvement in information disclosure level of the Company.

The Supervisory Committee reviewed the securities issuance documents and regular reports prepared by the Board and put forward written review opinions, and all Supervisors signed written confirmation of opinions to ensure the timely and fair disclosure of information and the truthfulness, accuracy and completeness of the information disclosed by the Company.

The Supervisory Committee organized and carried out daily and special supervision and inspection on the implementation of the Company's information disclosure management system. According to the inspection results, the Company has further optimized its information disclosure management system and has effectively implemented the information disclosure management system and the registration and management of insiders of inside information mechanism during the Reporting Period.

***3. Exploring and studying various forms of supervision mechanisms and methods to supervise the Company's finance, compliance, risk control and other aspects to improve the quality and efficiency of supervision***

During the Reporting Period, the Supervisory Committee followed regulatory requirements and took various measures to perform supervisory duties conscientiously on the Company's finance, comprehensive risk management, compliance management, internal control, money laundering risk management, integrity practice, honest practice, investor protection, corporate culture building and other aspects.

Firstly, the Supervisory Committee read and reviewed the Company's regular reports, risk management reports, compliance reports, anti-money laundering reports and audit work reports before meetings, provided review opinions in advance, communicated in a timely manner, conducted full discussion at the meetings, and expressed supervisory opinions after gaining comprehensive understanding of the Company's overall operating conditions, status of compliance management and risk management.

Secondly, the Supervisory Committee carried out various forms of special supervision and topic researches. We inspected the implementation of the information disclosure management system, participated in the annual assessment of the effectiveness of the Company's compliance management, inspections and self-examinations on the management of directors, supervisors, senior management and employees of securities and fund operating institutions, anti-money laundering, and anti-corruption management, provided guidance to the office of the Supervisory Committee on the three meetings of securities firms by conducting researches on special topics such as operational practices, cases of violations of laws and regulations, and supervision of the performance of senior management officers, provided opinions and suggestions on governance standards, risk prevention and internal control optimization, so as to promote the Company to continuously improve the level of corporate governance and internal control.

Thirdly, the Supervisory Committee continued to deepen daily supervision and coordinated supervision. We collected internal and external supervision information on a regular basis, summarized and analyzed regulatory requirements, industry and peer development trends, important issues and implementation of the rectification of existing problems in various aspects such as changes in the Company's financial indicators, comprehensive risk management, compliance management, money laundering risk management, integrity practice management, honest practice management and internal control, and expressed concerns and provided opinions and recommendations thereon. We organized the compilation and distribution of the Internal Supervision Information Sharing Bulletin to promote the sharing of internal supervision information and sharing of results of the Company and enhance the joint efforts of internal supervision.

### **(III) Practically strengthening its own establishment and continuously improving the performance capabilities**

#### ***1. Continuing to strengthen the establishment of the Supervisory Committee system and improving the working mechanism of the Supervisory Committee***

During the Reporting Period, the system of the Supervisory Committee was revised and improved in accordance with the laws and regulations and self-regulatory guidelines issued by the CSRC, the Securities Association and the stock exchange. We amended and promulgated the Working Rules for Employee Representative Supervisors to further clarify the powers and responsibilities of our employee representative Supervisors, and we amended and promulgated the Administrative Measures for the Audit on the Departure of the Management to further strengthen the supervision of the performance of the operating management officers. We

assisted in amending/formulating various rules and regulations of the Company, including the Articles of Association, the Integrity Practice Management System, the Information Disclosure Management System and the Management Rules for Insiders of Inside Information, etc. Of which, the performance of duties by the Supervisory Committee and the Supervisors are regulated to ensure that the practice of the Supervisory Committee complies with the regulatory requirements and is appropriate to the actual conditions of the Company. The Supervisors' duty performance guidelines and common laws and regulations have been updated in a timely manner and compiled into a handbook to provide the latest guidance and reference for the Supervisors to perform their duties, so as to ensure that the Supervisors perform their duties faithfully, diligently and in accordance with the laws and regulations.

***2. Carrying out evaluation on duty performance by Supervisors and urging Supervisors to perform their duties faithfully and diligently***

During the Reporting Period, to regulate the supervision on duty performance of Supervisors of the Company by the Supervisory Committee and urge the Supervisors to perform duties faithfully and diligently, the Supervisory Committee formulated the Annual Duty Performance Supervision and Assessment Implementation Plan of the Supervisory Committee for Supervisors (《監事會對監事年度履職監督評價實施方案》). According to the Implementation Plan, self-evaluation and mutual evaluation of Supervisors, the appraisal of Employee representative Supervisors in a democratic manner at the Employee representative meeting and the consideration and appraisal by the Supervisory Committee were organized and carried out, the appraisal results were submitted to the general meeting for hearing. During the Reporting Period, the duty performance appraisal results for each of the Supervisors are considered satisfactory by the Supervisory Committee.

***3. Carrying out training and communications in various ways to strengthen the performance capabilities of Supervisors***

During the Reporting Period, the Supervisory Committee actively participated in the trainings for directors, supervisors and senior management organized by the regulatory authorities, industry associations and the Company, as well as special trainings on the reform of the independent director system, the building of corporate culture, the development of the listing rules of the Hong Kong Stock Exchange, integrity practice and anti-money laundering. Newsletter of Directors and Supervisors has been compiled and distributed monthly and a special issue is published from time to time, so as to timely disseminate the latest developments of supervision, market and the Company. Focusing on improving the quality of listed companies and strengthening corporate governance, we learnt from the best practices of our peers, and continued to build a supervision system for the Supervisory Committee based on the actual circumstances of GF Securities and with characteristics of GF Securities. In 2023, the essay of "Realistic and Innovative with Cohesive Efforts" compiled by the Supervisory Committee was included in the Best Practices for the Supervisory Committee of Listed Companies in the book series on corporate governance published by the China Association of Listed Companies.

**(IV) Giving full play to the role of employee representative Supervisors, and conducting research and supervision based on actual circumstances of business**

During the Reporting Period, the Supervisory Committee actively carried out research and supervision. On one hand, it guided employees to actively carry out various tasks in relation to important decisions and arrangements of the Company. On the other hand, it collected, listened to, studied and analyzed the opinions, suggestions and concerns from employees.

During the year, a wide range of employees' opinions and suggestions were collected through various means such as grassroots visits, participation in trade union meetings and distribution of research questionnaires. The chairman of the Supervisory Committee expressed opinions on major matters concerning the vital interests of employees by attending the general manager's office meeting as non-voting delegates, and reflected the issues concerned by employees in the feedback to the operating team of the Company to facilitate effective communication and actual resolution of general and important issues to protect the lawful interests of employees as well as to enhance the cohesion and sense of belonging of the workforce.

**II. OPINIONS EXPRESSED BY THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS OF THE COMPANY IN 2023**

During the Reporting Period, the Supervisory Committee of the Company conducted supervision work in compliance with laws and regulations, and based on conscientious supervision and inspection, the following opinions were expressed:

- (I) During the Reporting Period, as an A+H dual-listed company, the Company complied with the relevant laws and regulations, including the Company Law, the Securities Law and the Rules for Governance of Securities Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the requirements of systems such as the Articles of Association, the decision-making process of the Company was lawful and effective, and the Company did not impair the legitimate rights and interests of Shareholders, the Company, employees, creditors and other stakeholders.

On September 22, 2023, the Company received the Administrative Penalty Decision (No. 65, [2023]) from the China Securities Regulatory Commission, which pointed out that the Company failed to perform its duties diligently and responsibly during the period when it acted as the sponsor (lead underwriter) for the 2018 private placement of shares by Misho Ecology & Landscape Co., Ltd., with acts in breach of the law. The Company was ordered to make rectification and was given a warning, and its income from the sponsorship business of RMB943,396.23 was confiscated, and a fine of RMB943,396.23 was imposed; the illegal income from underwriting of shares in the amount of RMB7,830,188.52 was confiscated, and a fine of RMB500,000 was imposed. The Supervisory Committee oversaw the

Company to implement rectification, continued to follow the business philosophy of compliance and stability, further strengthen the internal control mechanism of investment banking business, improve the awareness of standardized operation, earnestly perform the obligation of diligence and responsibility, and comprehensively improve the quality of investment banking business.

- (II) The Supervisory Committee conscientiously audited the accounting statements and financial information of the Company. Ernst & Young Hua Ming LLP and Ernst & Young audited the 2023 financial statements of the Company prepared according to the PRC GAAP and the International Accounting Standards and issued standard and unqualified audit reports thereon. The Supervisory Committee believed that the financial report of the Company had truly, accurately and completely reflected the financial position and operating results of the Company.
  
- (III) During the Reporting Period, the Company convened 1 general meeting with a total of 12 resolutions passed. The Supervisory Committee of the Company had supervised the implementation of the resolutions passed by the general meetings. In the opinion of the Supervisory Committee, the Board and the operating management of the Company earnestly implemented the relevant resolutions passed by the general meetings.
  
- (IV) The Supervisory Committee reviewed the Internal Control and Evaluation Report of GF Securities for the Year of 2023. The Supervisory Committee did not have any objection to the content of the Company's Internal Control and Evaluation Report.
  
- (V) The Company had established and effectively implemented its information disclosure management system.
  
- (VI) The Supervisory Committee did not discover any insider dealings in the Company or any harm to the interest of certain Shareholders or loss of assets in the Company.
  
- (VII) Related party transactions of the Company were fair and reasonable. None of the related parties had appropriated funds of the Company (except in the course of operating business), nor any harm to the interest of the Company was caused.

### III. RECOMMENDATIONS OF THE SUPERVISORY COMMITTEE TO THE BOARD AND OPERATING MANAGEMENT OF THE COMPANY

Based on the responsible attitude towards the Shareholders, the Company, its customers and employees, the Supervisory Committee made the following recommendations to the Board and operating management on the work plan for 2024:

**(I) Pursue the mission of “serving the country with finance” and solidly promote the Company’s high-quality development to a new level**

2024 is the starting year for the country to comprehensively promote the strategy of building a nation with strong financial capabilities, and it is also a critical year for the implementation of the Company’s strategic plan. The Company must continue to fulfill its mission of “serving the country with finance”, actively integrate its own development into the new national development landscape in an all-round and in-depth manner, so as to help building a nation with strong financial capabilities, adhere to its main responsibilities and businesses, strengthen the building of core capabilities, adhere to investors-oriented philosophy, effectively serve the real economy, and solidly promote the Company’s high-quality development to a new level.

**(II) Implement regulatory requirements and build a solid safety barrier for steady development**

In 2024, financial regulations continue to highlight the keynote of “strictness”, strengthen supervision, prevent risks and promote development. The Company shall accurately learn and understand the new policies of financial supervision at all levels, proactively adapt to the changes in regulatory trend, and actively respond to regulatory requirements. The Company will continue to strengthen its role of an intermediary in performing the duties and obligations of a gatekeeper in the capital market to continuously improve the quality of business practice, further strengthening the Group’s comprehensive risk management, strictly adhering to the bottom line of compliance operation, strengthening inspection and supervision, and building a solid safety barrier for steady development to ensure the Company’s stable and long-term development.

### IV. MAJOR WORK ARRANGEMENTS OF THE SUPERVISORY COMMITTEE FOR 2024

In 2024, the Supervisory Committee will conscientiously study and understand the regulatory requirements of promoting high-quality development of the capital market, strengthening the supervision of listed securities companies and accelerating the establishment of a first-class investment bank, so as to improve the performance capabilities and standards continuously. By focusing on key development strategies and tasks and performing duties

faithfully and diligently in accordance with laws and regulations, the supervisory role will be fully exercised to promote sustainable, stable and high quality development of the Company, and protect the interests of various parties, including the Shareholders, the Company, the customers and the employees.

- (I) Strengthening the Supervisory Committee's own establishment to ensure that the constitution and operation of the Supervisory Committee meet the requirements of laws and regulations and the Articles of Association.
- (II) Continuing to amend and improve the relevant systems, improving persistently the system and level of standardization of the Supervisory Committee according to the latest released laws and regulations, such as the Company Law, and self-discipline code of the industry.
- (III) Convening the meetings of the Supervisory Committee strictly in accordance with regulations, deliberate on important matters of the Company and supervise the governance and compliance in the operation of corporate entities.
- (IV) Continuing to explore and study various forms and methods of supervision mechanisms, practically perform various important supervision responsibilities, and carry out supervision on the aspects of performing duties by financial officers, Directors and senior management officers of the Company, information disclosure, compliance and risk control, integrity practice, investor protection and corporate culture building, and deeply analyze key problems identified, propose comments and suggestions to support the high-quality development of the Company.
- (V) Actively supporting the employee representative Supervisors to perform their duties according to laws and carrying out democratic management effectively to practically protect the legitimate rights and interests of employees.

In 2023, Mr. Fan Lifu, Mr. Hu Bin, Ms. Leung Shek Ling Olivia and Mr. Li Wenjing, as Independent Directors of GF Securities Co., Ltd. (“GF Securities” or the “Company”) have performed their duties and responsibilities independently, impartially, conscientiously and diligently in accordance with the Company Law of the People’s Republic of China (《中華人民共和國公司法》) and Administrative Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) and other laws and regulations as well as the provisions of the Articles of Association of GF Securities (the “Articles of Association”), to provide professional and objective advice on the Company’s operation and development, enhance the efficiency of the Board’s decision-making, facilitate the Board’s decision-making in line with the overall interests of the Company and protect the legitimate rights and interests of investors. We hereby present the 2023 work report of the Independent Directors as follows.

## I. ATTENDANCE OF INDEPENDENT DIRECTORS AT THE BOARD MEETINGS AND GENERAL MEETING

In 2023, the Company convened six Board meetings and one general meeting. The Independent Directors of the Company actively participated in relevant meetings, devoted sufficient time and efforts to perform their duties. Before the meetings, the Independent Directors reviewed the meeting materials carefully, and expressed professional and independent opinions on matters to be considered at the meetings of the Board; and they were not subject to the substantial shareholders and other interested units or individuals of the Company when making independent judgment. They independently and objectively participated in the decision-making on material matters of the Company and prudently exercised voting rights, without raising objections against any proposal or casting dissenting vote or abstention vote at the Board meetings.

Details of the attendance of the Independent Directors at the Board meetings and general meeting in 2023 are set out as follows:

Name of Independent Director	Required attendance at Board meetings during the Reporting Period	On-site attendance at Board meetings	Attendance at Board meetings by telecommunication	Attendance at Board meetings by proxy	Times of absence from Board meetings	Attendance at general meeting of Shareholders
Fan Lifu	6	1	5	0	0	1/1
Hu Bin	6	0	6	0	0	0/1
Leung Shek Ling Olivia	6	1	5	0	0	1/1
Li Wenjing	6	2	4	0	0	1/1

## II. PARTICIPATION OF INDEPENDENT DIRECTORS IN THE MEETINGS OF SPECIAL COMMITTEES OF THE BOARD AND SPECIAL MEETINGS OF INDEPENDENT DIRECTORS

There are five special committees under the Board of the Company, namely the Strategy Committee, the Nomination Committee, the Remuneration and Appraisal Committee, the Audit Committee and the Risk Management Committee.

In 2023, Mr. Hu Bin, Mr. Fan Lifu and Mr. Li Wenjing served as members of the Nomination Committee of the Tenth Session of the Board of the Company with Mr. Hu Bin assumed the role of the chairman of the committee; Mr. Hu Bin, Mr. Fan Lifu and Ms. Leung Shek Ling Olivia served as members of the Remuneration and Appraisal Committee of the Tenth Session of the Board of the Company with Mr. Hu Bin assumed the role of the chairman of the committee; Mr. Li Wenjing, Mr. Fan Lifu and Ms. Leung Shek Ling Olivia served as members of the Audit Committee of the Tenth Session of the Board of the Company with Mr. Li Wenjing assumed the role of the chairman of the committee; Ms. Leung Shek Ling Olivia and Mr. Li Wenjing served as members of the Risk Management Committee of the Tenth Session of the Board of the Company.

In 2023, according to the rules of procedure for special committees of the Board of the Company, the Strategy Committee of the Board convened one meeting, the Nomination Committee of the Board convened one meeting, the Remuneration and Appraisal Committee of the Board convened one meeting, the Audit Committee of the Board convened four meetings, and the Risk Management Committee of the Board convened two meetings. The Independent Directors attended all meetings of the special committees of the Board where they serve, effectively fulfilled the responsibilities and obligations of committee members, and provided professional opinions and advice for the scientific decision-making of the Board.

According to the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) which came into effect in September 2023, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board (《深圳證券交易所上市公司自律監管指引第1號–主板上市公司規範運作》) and relevant regulations and taking into account the actual situation of the Company, the Company did not convene any special meeting of Independent Directors in 2023. With the formulation or revision of the relevant system for the Independent Directors of the Company, the Company will carry out the work related to the special meetings of Independent Directors in 2024 in accordance with the regulations.

## III. EXERCISE OF POWERS BY INDEPENDENT DIRECTORS

In 2023, the Independent Directors conscientiously fulfilled their duties as Independent Directors and exercised their powers as Independent Directors in accordance with the law, and issued independent opinions on the Internal Control and Evaluation Report, the profit distribution proposal, and the distribution of performance-based remunerations for the operating management, and expressed special description and independent opinions on the use

of the Company's funds by the controlling Shareholders, de facto controllers or other related parties and guarantees provided by the Company. The Independent Directors have expressed their pre-approval opinions and independent opinions on the Company's re-appointment of the accounting firm and the expected daily related party/connected transactions. They expressed professional opinions at the meetings of the Board and its special committees, giving full play to their roles, safeguarding the overall interests of the Company and protecting the legitimate rights and interests of investors.

In 2023, there were no situations under which the Independent Directors were required to engage an intermediary agency to conduct audit, consultation or verification of specific matters of the listed company, propose to the Board to convene an extraordinary general meeting, or publicly solicit Shareholder' rights from Shareholders in accordance with the law.

#### **IV. COMMUNICATION BETWEEN THE INDEPENDENT DIRECTORS AND INTERNAL AUDITORS AND ACCOUNTING FIRMS**

In 2023, the Independent Directors maintained close communication with the internal audit department and external auditors of the Company. They heard the quarterly internal audit work reports of the Company to gain an in-depth understanding of the establishment and implementation of the Company's internal control system, actively participated in the communication with the certified public accountants before and after the annual audit, listened to the reports of the annual audit institution on the audit team, audit scope, audit plan, audit focus, audit procedures, accounting policies, significant accounting and audit matters, and audit results, etc. as well as raised concerns or comment on the matter.

On December 18, 2023, the Independent Directors participated in a communication meeting between the audit institution and the Audit Committee and the Independent Directors prior to the commencement of on-site audit by the auditing institution for the year 2023. Mr. Fan Lifu communicated on the subsequent impact of the regulatory administrative penalties received by the Company in 2023, as well as the reasons for the changes in net fee and commission income, net interest income, investment income, gains and losses from changes in fair value and the provision ratio; he suggested that the audit team should pay attention to the impact of the Central Financial Work Conference and the Central Economic Work Conference on the auditing work, and should jointly consider the trend of stringent regulation as well as the changes in the securities brokerage industry's fees and charges (e.g. investment banking fees and fund product fees), and analyze and assess the impact on the Company's business and financial statements. Mr. Hu Bin reminded the Company and the audit team of the subsequent impact of the regulatory administrative penalties received in 2023. Ms. Leung Shek Ling Olivia raised concerns about the impact of the Company's debt financing on the debt-to-equity ratio and liquidity ratio, and communicated on the reasons for the changes in investment income and gains and losses from changes in fair value, and the determination of the audit scope of the first-tier subsidiaries. Mr. Li Wenjing exchanged views on the situation of the Company's investment banking revenue and reminded the Company and the audit team to pay attention to the reasonableness of the various parameter settings of the valuation and impairment models

of different financial assets in the context of the trend of stringent regulation and the current macro-economic background, and to have a thorough discussion on the impacts that the current real economy and the capital market may have on the setting of the parameters and assumptions of the relevant models.

On March 21, 2024, the Independent Directors heard the reports of Ernst & Young on the annual audit of the Company for 2023 and its preliminary audit opinions. After full communication with Ernst & Young, the Independent Directors considered that Ernst & Young had implemented appropriate audit procedures during the annual audit in accordance with the requirements of the Auditing Standards for CPAs of China and the International Standards on Auditing.

#### **V. PROTECTION OF THE LEGITIMATE RIGHTS AND INTERESTS OF INVESTORS BY INDEPENDENT DIRECTORS**

In 2023, in strict adherence to relevant laws and regulations as well as the relevant provisions of the Articles of Association of the Company, the Independent Directors attended the relevant meetings of the Board and its special committees in person, carefully reviewed the meeting materials before the meetings, made independent, objective and impartial judgments using their professional knowledge and fully and clearly expressed their opinions at the meetings to perform their duties in an independent manner free from the influence of the Company, its major Shareholders and other interested units or individuals of the Company, and effectively safeguarded the legitimate rights and interests of all investors.

Mr. Li Wenjing participated in the Company's 2022 annual results presentation on April 3, 2023. In order to fully safeguard the rights and interests of investors and enhance the pertinence of the communication, the Company openly solicited questions from investors in advance and listened extensively to investors' opinions and suggestions. Mr. Li Wenjing responded to the questions of general concern to investors at the 2022 annual results presentation and listened extensively to investors' opinions and suggestions.

#### **VI. INDEPENDENT DIRECTORS' ON-SITE WORK AT THE COMPANY**

In 2023, through attending the Company's Shareholders' meeting and participating in the Board and its special committees, the Independent Directors were fully informed of the Company's major issues, operational development, financial management and internal control. At the same time, by studying the newsletters of the Company's Directors and Supervisors, the special documents on anti-money laundering, integrity and investor relationship management, the latest policies and regulations and information on the operation of the Company, and through various means, such as convening special meeting with the Chairman of the Board, communicating with intermediary institutions such as annual auditing accounting firms, and communicating with minority Shareholders, the Independent Directors were able to performed their duties and kept abreast of the latest regulatory policies and developments in the securities industry, the development of the Company's operations and the progress of major issues in a timely manner.

In 2023, Mr. Fan Lifu suggested the Company to establish a foothold in the Greater Bay Area, plan the development of the Company in Hong Kong and better utilize its capabilities, strengthen the planning in the field of information technology and digitalization, and vigorously lay out the REITs business. Mr. Hu Bin suggested that the Company should make deep efforts to develop towards the goal of becoming a “century-old company”, further improve the level of risk control, eliminate hidden risks, adjust the internal organization to focus on customers and improve service efficiency, focus on the development of the business in the Greater Bay Area, pay attention to the development of the business in Hong Kong, accelerate the layout of the financial technology field, and provide good services to institutional clients such as public equity funds, insurance institutions and social security funds, and to raise the political standing and do a good job of party building. Ms. Leung Shek Ling Olivia suggested that the Company should pay attention to the business opportunities that may be brought by family property inheritance and asset allocation in China. Mr. Li Wenjing suggested the Company to implement the concept of “One GF” with the support of digital technology, consider the organizational restructuring at the corporate level, and link up business processes and data to fully synchronize and unleash the efficiency, so as to better provide comprehensive financial services to customers.

## **VII. THE COMPANY’S COOPERATION WITH THE INDEPENDENT DIRECTORS**

In 2023, the Company provided the necessary working conditions and personnel support for the Independent Directors to perform their duties, and ensured that the Independent Directors enjoyed the same right to information as other Directors, had smooth information flow with other Directors, senior management and other relevant personnel, and were able to obtain sufficient resources and necessary professional advice in the performance of their duties. The Company has issued to the Independent Directors in a timely manner notices and documents for meetings of the Board of Directors and its special committees, newsletters of the Directors and Supervisors and information on the operation of the Company, as well as replied to the queries of the Independent Directors in a timely manner, organized the Independent Directors to participate in the relevant trainings, and there were no instances of restriction or impediment to the normal performance of the duties of the Independent Directors.

## **VIII. AREAS FOCUSED BY THE INDEPENDENT DIRECTORS DURING THEIR PERFORMANCE OF DUTIES DURING THE YEAR**

### **(I) Related Party/Connected Transactions that need to be disclosed**

The Audit Committee of the Board and the Board of Directors considered and approved the proposal on the expected daily related party/connected transactions of the Company for the year 2023 on March 2023, and the same was considered and approved at the general meeting on June 2023. The Independent Directors considered the proposal and issued their pre-approval opinions and independent opinions.

The pre-approval opinion of the Independent Directors was: the Company's expected daily related/connected transactions in 2023 of the Company were normal trading based on business development and operating needs, were not detrimental to the interests of the Company and its minority Shareholders and would not adversely affect the financial position, operating results and the independence of the Company in the future. It was agreed that the proposal shall be submitted to the Board of the Company for consideration.

The independent opinions of the Independent Directors were: 1. The relevant daily related party/connected transactions were intended to be executed at a fair price and would not damage the interests of the Company and minority Shareholders; 2. carrying out the relevant daily related party/connected transactions was beneficial for promoting the business growth of the Company, which was in line with the actual business needs of the Company, and was beneficial for the long-term development of the Company; 3. the relevant daily related party/connected transactions shall be disclosed in the annual report and the interim report of the Company in accordance with the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and 4. It was agreed that the proposal shall be submitted to the Board for consideration.

The Announcement of Expected Daily Related Party/Connected Transactions of the Company in 2023 was disclosed by the Company on March 31, 2023.

## **(II) Disclosure of financial information in financial reports and regular reports**

In 2023, before the Board considers and discloses the financial information in the financial reports and regular reports, the Independent Directors carefully reviewed the contents of the regular reports and financial reports, and fully expressed their opinions on the key issues in the regular reports and financial reports, so as to ensure that the contents of the regular reports and financial reports were true, accurate and complete, and did not contain any false records, misleading statements or major omissions.

The Company disclosed the 2022 Annual Report, the 2023 First Quarterly Report, the 2023 Interim Report, and the 2023 Third Quarterly Report on March 31, April 29, August 31, and October 31, 2023, respectively.

## **(III) Disclosure of the Internal Control and Evaluation Report**

In March 2023, the Audit Committee and the Risk Management Committee of the Board, and the Board of Directors considered and approved the Internal Control and Evaluation Report for the Year 2022. The Independent Directors considered the report and issued their independent opinion that the Company had further established and refined its internal control systems covering the Company's various business and management areas for the year 2022, and that no significant deficiencies in the design or implementation of internal control had been identified as at December 31, 2022; the Internal Control and Evaluation Report

comprehensively, truly and accurately reflected the actual situation of the Company's internal control and contained no false records, misleading statements or material omissions; they concurred with the Internal Control and Evaluation Report of GF Securities for the Year of 2022.

The Internal Control and Evaluation Report for the Year of 2022 was disclosed by the Company on March 31, 2023.

#### **(IV) Engagement of Auditors**

The Audit Committee of the Board and the Board of Directors considered and approved the resolution regarding engagement of auditors in 2023 in March 2023, and the same was considered and approved at the general meeting in June 2023, agreeing to re-appoint Ernst & Young Hua Ming LLP as the PRC domestic auditor of the Company in 2023, and Ernst & Young as the overseas auditor of the Company in 2023. The operating management of the Company was authorized at the general meeting to negotiate and determine the 2023 audit fee with the firms in accordance with market principle. The Independent Directors considered the proposal and expressed their pre-approval opinions and independent opinions.

The pre-approval opinions of the Independent Directors were: Ernst & Young Hua Ming LLP and Ernst & Young diligently performed their duties and obligations as external auditors in the annual audit of the Company for the year of 2022. It was agreed to submit this proposal to the Board of Directors of the Company for consideration.

The independent opinions of the Independent Directors were: Ernst & Young Hua Ming LLP and Ernst & Young had the professional capability and extensive experience in providing domestic and overseas audit services to the Company; they were able to perform their duties in compliance with independent, objective and fair practice standards, delivered their work diligently and responsibly, provide professional audit services to the Company with a rigorous independent review attitude and an efficient quality control system; and had sufficient investor protection capabilities and good integrity status, which were conducive to protecting the Company and the interests of Shareholders, especially the interests of minority Shareholders. The review procedures for the re-appointment of the accounting firm were in compliance with the relevant provisions of the relevant laws and regulations. It was agreed to re-appoint Ernst & Young Hua Ming LLP as the Company's domestic auditor for the year of 2023 and to re-appoint Ernst & Young as the Company's overseas auditor for the year of 2023. It was agreed to submit the proposal to the general meeting of the Company for consideration.

The Company disclosed the Announcement on the Proposed Re-appointment of Accounting Firms on March 31, 2023.

**(V) Profit distribution**

The 2022 profit distribution proposal/plan was considered and approved by the Board of Directors in March 2023 and by the general meeting in June 2023. It was agreed that a cash dividend of RMB3.5 (tax inclusive) for every 10 shares will be distributed to all Shareholders based on the number of shares as at the record date for registration of shareholdings of the Company for the purpose of distribution of dividends minus the number of shares held in the special securities account of the Company for repurchase purpose. The Independent Directors reviewed the proposal and expressed their independent opinions that the profit distribution proposal of the Company for 2022 was in compliance with the relevant provisions of laws, regulations, regulatory documents and the Articles of Association, and was in line with the actual operating conditions of the Company, and no harm to the Company's Shareholders, especially the minority Shareholders, was caused; consent was given to the profit distribution plan prepared by the Board of Directors and submission of the plan to the Company's 2022 annual general meeting for consideration.

On June 28, 2023 and August 5, 2023, the Company disclosed the Final Dividend for the Year Ended 31 December 2022 (H Shares) and the Announcement on the Implementation of Profit Distribution for A Shares for the Year 2022, respectively.

**(VI) Remuneration of Directors and Senior Management Officers**

In March 2023, the Remuneration and Appraisal Committee of the Board and the Board of Directors considered and approved the resolution on the distribution of performance-based remuneration for the operating management for the year of 2022. The Independent Directors considered the resolution and issued independent opinions, and there was no objection to the distribution of performance-based remuneration to the operating management officers for the year 2022.

In March 2023, the Remuneration and Appraisal Committee of the Board and the Board of Directors considered and approved the special statement on the performance appraisal and remuneration of the directors of GF Securities for the year of 2022. The Independent Directors considered the resolution and there was no objection to the resolution.

**(VII) External guarantees and use of funds**

In March 2023 and August 2023, the Independent Directors conscientiously understood and prudently examined the Company's funds used by and the Company's guarantee given to the controlling Shareholder, de facto controller and other related parties of the Company. In 2023, the Company did not have controlling Shareholder nor de facto controller, and there was no use of the Company's funds by related parties (except for operating business transactions). Save guarantees for subsidiaries given by the Company and guarantees given by the subsidiaries for their subsidiaries, no guarantee was provided to entities outside the scope of consolidated financial statements. The Independent Directors were of the view that the Company had strictly complied with the requirements of relevant laws and regulations, had

taken practical measures to prevent the controlling Shareholder, the actual controller and other related parties from using the Company's funds, and had strictly controlled the matters of guarantees. The Company was always prudent in handling and strict in controlling the risks of liabilities arising from guarantees, and the guarantees provided were in compliance with the relevant requirements and statutory approval procedures, and the information disclosure obligations for guarantees were conscientiously fulfilled in accordance with the relevant regulations.

#### **(VIII) Implementation of Information Disclosure Management System**

In 2023, the Independent Directors strictly abided by the Guidelines on Self-discipline Supervision of Listed Companies on the Shenzhen Stock Exchange No. 5-Management of Information Disclosure Affairs and other relevant regulations, reviewed the establishment and operation of the Company's information disclosure affairs management system, and examined and supervised the regular reports and interim announcements of the Company.

In 2023, the Independent Directors did not discover any material deficiencies in the implementation of the Company's information disclosure management system. The Company established and amended the relevant systems, such as the Management System of Information Disclosure Affairs and the Management Rules for Insiders of Inside Information during the year, which were effectively implemented, further standardizing the Company's information disclosure work and improving the management level of the Company's information disclosure affairs and the quality of information disclosure, so that the principle of fairness in information disclosure was maintained and the legitimate rights and interests of the general investors were protected.

Except for the above matters, in 2023, the following circumstances did not occur in the Company: (1) the Company and related parties changed or waived the undertakings; (2) the Board of Directors made decisions and took measures against the acquisition of the Company; (3) appointment or dismissal of the person in charge of the Company's financial affairs; (4) correction of accounting policies, accounting estimates or significant accounting errors due to reasons other than changes in accounting standards; (5) nomination or appointment or removal of directors; (6) appointment or dismissal of senior management officers; (7) formulation or change of the share incentive schemes, employee share ownership plans, granting of interests to incentive participants or fulfillment of conditions for exercise of interests; (8) such matters as the arrangement of shareholding plans by the directors and senior management officers in the subsidiaries proposed for a spin-off, etc.

**IX. SELF-EXAMINATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS**

In 2023, Independent Directors did not hold any position other than being directors of the Company, and had no direct or indirect interest relationship with the Company and its substantial shareholders and de facto controllers or any other relationships that would affect their independent and objective judgment, and did not exist any circumstances that the independence of Independent Directors could be influenced.

After self-examination by the four Independent Directors, the requirements on independence of Independent Directors as stipulated in, among others, the Measures for the Administration of Independent Directors of Listed Companies, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating Institutions, the Guidelines for the Self-regulation of Listed Companies of the Shenzhen Stock Exchange No. 1 – Standard Operation of Companies Listed on the Main Board, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association have all been complied with in 2023.

Independent Directors of the Tenth Session of the Board:  
Fan Lifu, Hu Bin, Leung Shek Ling Olivia and Li Wenjing.

Fan Lifu

In 2023, as an Independent Director of GF Securities Co., Ltd. (hereinafter referred to as “GF Securities” or the “Company”), in accordance with the Company Law of the People’s Republic of China, the Measures for the Administration of Independent Directors of Listed Companies and other laws and regulations, and The Articles of Association of GF Securities Co., Ltd. (hereinafter referred to as the “Articles of Association”), I performed my duties independently and impartially, conscientiously and diligently, provided professional and objective advice on the operation and development of the Company to enhance the decision-making level of the Board of Directors and facilitated the decisions of the Board of Directors be in line with the overall interests of the Company and protect the legitimate rights and interests of investors. My duty performance report for the year 2023 is set out as follows:

## **I. BASIC INFORMATION OF INDEPENDENT DIRECTORS**

I have professional qualifications and relevant experience in finance, economics and other fields, and comply with the independence requirements of Independent Directors as required in relevant laws, regulations, regulatory requirements, self-discipline rules and the Articles of Association. My basic information is as follows:

### **(I) Working experience, professional background and part-time job status**

**Mr. Fan Lifu** has served as an Independent Director of the Company since November 2018. Mr. Fan Lifu has been a professor at the School of Finance of Dongbei University of Finance and Economics since July 2011, and the secretary of the Party Committee and the Deputy Dean of the School of Finance of Dongbei University of Finance and Economics since September 2023. His primary working experience includes: teaching assistant, lecturer, associate professor, deputy dean, secretary of the General Party Branch, deputy director and director of the Research Department at the School of Finance (formerly Department of Finance) of Dongbei University of Finance and Economics from April 1998 to September 2023, and has been a visiting scholar of University of Reading in UK during the same period. Mr. Fan Lifu has served as an independent director of Tieling Newcity Investment Holding (Group) Limited (a company listed on Shenzhen Stock Exchange, stock code: 000809) from December 2017 to September 2023, and has been an independent director of AVIC Fund Management Co., Ltd. since December 2020. Mr. Fan Lifu obtained a bachelor’s degree, a master’s degree and a doctorate degree in economics from Dongbei University of Finance and Economics in July 1995, April 1998 and December 2009, respectively.

### **(II) Independence**

In 2023, I did not hold any other position in the Company except as a director, and I have no direct or indirect interest relationship with the Company, its substantial shareholder, de facto controller or other relationship that might affect my independent and objective judgment, and there was no circumstances under which my independence would be affected.

After self-examination, in 2023, I have been in compliance with the independence requirements for Independent Directors continuously as stipulated in, among others, the Measures for the Administration of Independent Directors of Listed Companies, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating Institutions, the Guidelines for the Self-regulation of Listed Companies of the Shenzhen Stock Exchange No. 1 – Standard Operation of Companies Listed on the Main Board, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association.

## II. INDEPENDENT DIRECTORS' ANNUAL DUTY PERFORMANCE

### (I) Attendance at the Board Meetings and General Meetings

In 2023, the Company convened a total of 6 Board meetings and 1 general meeting. I actively attended such meetings and devoted sufficient time and efforts to perform my duties effectively. I reviewed the meeting materials carefully before the meetings and fully expressed professional and independent opinions on matters submitted to the Board for consideration at the meetings and was not influenced by the substantial shareholders and other interested units or individuals of the Company when making independent judgement. In 2023, I independently and objectively participated in the decision making on material matters and actively exercised voting rights in a prudent manner, without raising objections against any proposal or casting dissenting vote or abstention vote at the Board meetings.

Details of my attendance at the meetings in 2023 are set out as follows:

Name of Independent Director	Required attendance at Board meetings during the Reporting Period	On-site attendance at Board meetings	Attendance at Board meetings by telecommunication	Attendance at Board meetings by proxy	Times of absence from Board meetings	Attendance at general meetings of Shareholders
Fan Lifu	6	1	5	0	0	1/1

### (II) Attendance at the Meetings of Special Committees Under the Board and Special Meetings of Independent Directors

In 2023, I was a member of each of the Nomination Committee, the Remuneration and Appraisal Committee and the Audit Committee of the Tenth Session of the Board of the Company.

In 2023, according to the rules of procedure for special committees of the Board of the Company, the Nomination Committee of the Board held 1 meeting, the Remuneration and Appraisal Committee of the Board held 1 meeting and the Audit Committee of the Board held 4 meetings. I attended all the above meetings of the special committees, fulfilled the duties and obligations of committee members practicably and provided professional opinions and advice for the scientific decision-making of the Board.

According to the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) which came into effect in September 2023, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board (《深圳證券交易所上市公司自律監管指引第1號—主板上市公司規範運作》) and other relevant regulations, and taking into account the actual situation of the Company, the Company did not convene any special meeting of the Independent Directors in 2023 to discuss the matters. With the formulation or amendment of the relevant system for Independent Directors of the Company, the Company will carry out the work related to the special meeting of Independent Directors in accordance with the regulations in 2024.

### **(III) Exercise of Powers by Independent Directors**

In 2023, I conscientiously performed my duties as an Independent Director, exercised my powers as an Independent Director in accordance with the law, expressed my independent opinions on the Company's Internal Control and Evaluation Report, Profit Distribution Plan, and Distribution of Performance-based Remuneration for the Management, and expressed special description and independent opinions on the use of the Company's funds by the controlling Shareholders, de facto controllers or other related parties and guarantees provided by the Company. I expressed my pre-approval opinions and independent opinions on the Company's re-appointment of the accounting firm and the expected daily related party/connected transactions. I also expressed my professional opinions at the meetings of the Board and its special committees, and gave full play to the role of Independent Directors to safeguard the overall interests of the Company and protected the legitimate rights and interests of investors.

In 2023, there were no situations under which I, as an Independent Director, was required to engage an intermediary agency to conduct audit, consultation or verification of specific matters of the listed Company, propose to the Board to convene an extraordinary general meeting, or publicly solicit Shareholder' rights from Shareholders in accordance with the law.

### **(IV) Communication with Internal Auditors and Accounting Firms**

I maintained close communication with the internal audit department and external auditors of the Company. In 2023, I heard the quarterly internal audit work reports of the Company to gain an in-depth understanding of the establishment and implementation of the Company's internal control system. As a member of the Audit Committee and an Independent Director, I actively participated in the communication with the certified public accountants before and after the annual audit, listened to the reports of the annual audit institution on the audit team, audit scope, audit plan, audit focus, audit procedures, accounting policies, significant accounting and audit matters, and audit results, etc. as well as raised concerns or comment on the matter.

On December 18, 2023, I participated in a communication meeting between the audit institution and the Audit Committee and the Independent Directors prior to the commencement of on-site audit by the auditing institution for the year of 2023, and communicated on the subsequent impact of the regulatory administrative penalties received by the Company in 2023, as well as the reasons for the changes in net fee and commission income, net interest income, investment income, gains and losses from changes in fair value and the provision ratio; I suggested that the audit team should pay attention to the impact of the Central Financial Work Conference and the Central Economic Work Conference on the auditing work, and should jointly consider the trend of stringent regulation as well as the changes in the securities brokerage industry's fees and charges (e.g. investment banking fees and fund product fees), and analyze and assess the impact on the Company's business and financial statements.

On March 21, 2024, I heard the reports of Ernst & Young on the annual audit of the Company for 2023 and its preliminary audit opinions. After full communication with Ernst & Young, I considered that Ernst & Young had implemented appropriate audit procedures during the annual audit in accordance with the requirements of the Auditing Standards for CPAs of China and the International Standards on Auditing.

#### **(V) Protection of the Legitimate Rights And Interests of Investors**

In 2023, in strict adherence to relevant laws and regulations as well as the relevant provisions of the Articles of Association of the Company, I attended the relevant meetings of the Board and its special committees in person, carefully reviewed the meeting materials before the meetings, made independent, objective and impartial judgments using their professional knowledge and fully and clearly expressed their opinions at the meetings to perform their duties in an independent manner free from the influence of the Company, its major Shareholders and other interested units or individuals of the Company, and effectively safeguarded the legitimate rights and interests of all investors.

#### **(VI) On-Site Work at the Company**

In 2023, through attending the Company's Shareholders' meeting and participating in the Board and its special committees, I was fully informed of the Company's major issues, operational development, financial management and internal control. At the same time, by studying the newsletters of the Company's Directors and Supervisors, the special documents on anti-money laundering, integrity and investor relationship management, the latest policies and regulations and information on the operation of the Company, and through various means, such as convening special meeting with the Chairman of the Board and communicating with intermediary institutions such as annual auditing accounting firm, I was able to performed my duties and kept abreast of the latest regulatory policies and developments in the securities industry, the development of the Company's operations and the progress of major issues in a timely manner; and I suggested the Company to establish a foothold in the Greater Bay Area, plan the development of the Company in Hong Kong and better utilize its capabilities, strengthen the planning in the field of information technology and digitalization, and vigorously lay out the REITs business. Thus, I actively and effectively fulfilled my duties as a Independent Director.

**(VII) The Company's Cooperation with the Independent Directors**

In 2023, the Company provided the necessary working conditions and personnel support for me to perform my duties, and ensured that I enjoyed the same right to information as other Directors, had smooth information flow with other Directors, senior management and other relevant personnel, and was able to obtain sufficient resources and necessary professional advice in the performance of my duties. The Company has issued to me, in a timely manner, notices and documents for meetings of the Board of Directors and its special committees, newsletters of the Directors and Supervisors and information on the operation of the Company, as well as replied my queries in a timely manner, organized us to participate in the relevant trainings, and there were no instances of restriction or impediment to the normal performance of my duties.

**III. AREAS FOCUSED BY THE INDEPENDENT DIRECTORS DURING THEIR  
PERFORMANCE OF DUTIES DURING THE YEAR****(I) Related Party/Connected Transactions that need to be disclosed**

The Audit Committee of the Board and the Board of Directors considered and approved the proposal on the expected daily related party/connected transactions of the Company for the year 2023 on March 2023, and the same was considered and approved at the general meeting on June 2023. As an Independent Director and a member of the Audit Committee, I considered the proposal and issued their pre-approval opinions and independent opinions.

My pre-approval opinion was: the Company's expected daily related/connected transactions in 2023 of the Company were normal trading based on business development and operating needs, were not detrimental to the interests of the Company and its minority Shareholders and would not adversely affect the financial position, operating results and the independence of the Company in the future. It was agreed that the proposal shall be submitted to the Board of the Company for consideration.

My independent opinions were: 1. The relevant daily related party/connected transactions were intended to be executed at a fair price and would not damage the interests of the Company and minority Shareholders; 2. carrying out the relevant daily related party/connected transactions was beneficial for promoting the business growth of the Company, which was in line with the actual business needs of the Company, and was beneficial for the long-term development of the Company; 3. the relevant daily related party/connected transactions shall be disclosed in the annual report and the interim report of the Company in accordance with the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and 4. It was agreed that the proposal shall be submitted to the Board for consideration.

The Announcement of Expected Daily Related Party/Connected Transactions of the Company in 2023 was disclosed by the Company on March 31, 2023.

**(II) Disclosure of financial information in financial reports and regular reports**

In 2023, before the Board considers and discloses the financial information in the financial reports and regular reports, the Audit Committee of the Board and the Independent Directors carefully reviewed the contents of the financial reports and regular reports. As an Independent Director and a member of the Audit Committee, I fully expressed my opinions on the key issues in the regular reports and financial reports, so as to ensure that the contents of the regular reports and financial reports were true, accurate and complete, and did not contain any false records, misleading statements or major omissions.

The Company disclosed the 2022 Annual Report, the 2023 First Quarterly Report, the 2023 Interim Report, and the 2023 Third Quarterly Report on March 31, April 29, August 31, and October 31, 2023, respectively.

**(III) Disclosure of the Internal Control and Evaluation Report**

In March 2023, the Audit Committee and the Risk Management Committee of the Board, and the Board of Directors considered and approved the Internal Control and Evaluation Report for the Year 2022. As an Independent Director and a member of the Audit Committee, I considered the report and expressed my independent opinion that the Company has further established and refined its internal control systems covering the Company's various business and management areas for the year 2022, and that no significant deficiencies in the design or implementation of internal control has been identified as at December 31, 2022; the Internal Control and Evaluation Report comprehensively, truly and accurately reflected the actual situation of the Company's internal control and contained no false records, misleading statements or material omissions; they concurred with the Internal Control and Evaluation Report of GF Securities for the Year of 2022.

The Internal Control and Evaluation Report for the Year of 2022 was disclosed by the Company on March 31, 2023.

**(IV) Engagement of Auditors**

The Audit Committee of the Board and the Board of Directors considered and approved the resolution regarding engagement of auditors in 2023 in March 2023, and the same was considered and approved at the general meeting in June 2023, agreeing to re-appoint Ernst & Young Hua Ming LLP as the PRC domestic auditor of the Company in 2023, and Ernst & Young as the overseas auditor of the Company in 2023. The operating management of the Company was authorized at the general meeting to negotiate and determine the 2023 audit fee with the firms in accordance with market principle. As an Independent Director and a member of the Audit Committee, I considered the proposal and expressed my pre-approval opinions and independent opinions.

My pre-approval opinion of the Independent Directors was: Ernst & Young Hua Ming LLP and Ernst & Young diligently performed their duties and obligations as external auditors in the annual audit of the Company for the year of 2022. It was agreed to submit this proposal to the Board of Directors of the Company for consideration.

My independent opinion was: Ernst & Young Hua Ming LLP and Ernst & Young had the professional capability and extensive experience in providing domestic and overseas audit services to the Company; they were able to perform their duties in compliance with independent, objective and fair practice standards, delivered their work diligently and responsibly, provided professional audit services to the Company with a rigorous independent review attitude and an efficient quality control system; and had sufficient investor protection capabilities and good integrity status, which were conducive to protecting the Company and the interests of Shareholders, especially the interests of minority Shareholders. The review procedures for the re-appointment of the accounting firm were in compliance with the relevant provisions of the relevant laws and regulations. It was agreed to re-appoint Ernst & Young Hua Ming LLP as the Company's domestic auditor for the year of 2023 and to re-appoint Ernst & Young as the Company's overseas auditor for the year of 2023. It was agreed to submit the proposal to the general meeting of the Company for consideration.

The Company disclosed the Announcement on the Proposed Re-appointment of Accounting Firms on March 31, 2023.

#### **(V) Profit distribution**

The 2022 profit distribution proposal/plan was considered and approved by the Board of Directors in March 2023 and by the general meeting in June 2023. It was agreed that a cash dividend of RMB3.5 (tax inclusive) for every 10 shares will be distributed to all Shareholders based on the number of shares as at the record date for registration of shareholdings of the Company for the purpose of distribution of dividends minus the number of shares held in the special securities account of the Company for repurchase purpose. As an Independent Director, I reviewed the proposal and expressed my independent opinion that the profit distribution proposal of the Company for 2022 was in compliance with the relevant provisions of laws, regulations, regulatory documents and the Articles of Association, and was in line with the actual operating conditions of the Company, and no harm to the Company's Shareholders, especially the minority Shareholders, was caused; consent was given to the profit distribution plan prepared by the Board of Directors and submission of the plan to the Company's 2022 annual general meeting for consideration.

On June 28, 2023 and August 5, 2023, the Company disclosed the Final Dividend for the Year Ended 31 December 2022 (H Shares) and the Announcement on the Implementation of Profit Distribution for A Shares for the Year 2022, respectively.

**(VI) Remuneration of Directors and Senior Management Officers**

In March 2023, the Remuneration and Appraisal Committee of the Board and the Board of Directors considered and approved the Resolution on Distribution of Performance-based Remuneration for the Management for the Year of 2022. As an Independent Director and a member of the Remuneration and Appraisal Committee, I considered the resolution and expressed my independent opinion, and there was no objection to the Resolution on Distribution of Performance-based Remuneration for the Management for the Year of 2022.

In March 2023, the Remuneration and Appraisal Committee of the Board and the Board of Directors considered and approved the special statement on the performance appraisal and remuneration of the directors of GF Securities for the year of 2022. As an Independent Director and a member of the Remuneration and Appraisal Committee, I considered the resolution and there was no objection to the resolution.

**(VII) External guarantees and use of funds**

In March 2023 and August 2023, as an Independent Director, I conscientiously understood and prudently examined the Company's funds used by and the Company's guarantees given to the controlling Shareholder, de facto controller and other related parties of the Company. In 2023, the Company did not have controlling Shareholder nor de facto controller, and there was no use of the Company's funds by related parties (except for operating business transactions). Save guarantees for subsidiaries given by the Company and guarantees given by the subsidiaries for their subsidiaries, no guarantee was provided to entities outside the scope of consolidated financial statements. I was of the view that the Company had strictly complied with the requirements of relevant laws and regulations, had taken practical measures to prevent the controlling Shareholder, the actual controller and other related parties from using the Company's funds, and had strictly controlled the matters of guarantees. The Company was always prudent in handling and strict in controlling the risks of liabilities arising from guarantees, and the guarantees provided were in compliance with the relevant requirements and statutory approval procedures, and the information disclosure obligations for guarantees were conscientiously fulfilled in accordance with the relevant regulations.

**(VIII) Implementation of Information Disclosure Management System**

In 2023, I strictly abided by the Guidelines on Self-discipline Supervision of Listed Companies on the Shenzhen Stock Exchange No. 5 – Management of Information Disclosure Affairs and other relevant regulations, reviewed the establishment and operation of the Company's information disclosure affairs management system, and examined and supervised the regular reports and interim announcements of the Company.

In 2023, I did not discover any material deficiencies in the implementation of the Company's information disclosure management system. The Company established and amended the relevant systems, such as the Management System of Information Disclosure

Affairs and the Management Rules for Insiders of Inside Information during the year, which were effectively implemented, further standardizing the Company's information disclosure work and improving the management level of the Company's information disclosure affairs and the quality of information disclosure, so that the principle of fairness in information disclosure was maintained and the legitimate rights and interests of the general investors were protected.

Except for the above matters, in 2023, the following circumstances did not occur in the Company: (1) the Company and related parties changed or waived the undertakings; (2) the Board of Directors made decisions and took measures against the acquisition of the Company; (3) appointment or dismissal of the person in charge of the Company's financial affairs; (4) correction of accounting policies, accounting estimates or significant accounting errors due to reasons other than changes in accounting standards; (5) nomination or appointment or removal of directors; (6) appointment or dismissal of senior management officers; (7) formulation or change of the share incentive schemes, employee share ownership plans, granting of interests to incentive participants or fulfillment of conditions for exercise of interests; (8) such matters as the arrangement of shareholding plans by the directors and senior management officers in the subsidiaries proposed for a spin-off, etc.

#### **IV. OVERALL EVALUATION AND SUGGESTIONS**

In 2023, I strictly complied with the relevant laws and regulations, regulatory provisions, self-regulatory rules and the provisions of the Articles of Association of the Company, had sufficient time and energy to fulfill my duties as an Independent Director, actively undertook the duties of the Board and its special committees, gave full play to my own expertise in the process of the Company's major decision-making, earnestly considered the various resolutions, and actively offered advice and suggestions to promote scientific and efficient decision-making by the Board and safeguard the overall interests and legitimate rights and interests of all Shareholders, and made due contribution to the improvement of the Company's governance level.

In 2024, I will continue to uphold the principles of independence, objectivity and prudence, faithfully and diligently perform my duties as an Independent Director, give full play to the role of Independent Directors in corporate governance, utilize my professional knowledge and experience to provide more constructive suggestions for the Company's operation and development, and contribute to the enhancement of the Board of Directors' decision-making level to safeguard the overall interests of the Company and the legitimate rights and interests of all Shareholders.

**Independent Director: Fan Lifu**

Hu Bin

In 2023, as an Independent Director of GF Securities Co., Ltd. (hereinafter referred to as “GF Securities” or the “Company”), in accordance with the Company Law of the People’s Republic of China, the Measures for the Administration of Independent Directors of Listed Companies and other laws and regulations, and The Articles of Association of GF Securities Co., Ltd. (hereinafter referred to as the “Articles of Association”), I performed my duties independently and impartially, conscientiously and diligently, provided professional and objective advice on the operation and development of the Company to enhance the decision-making level of the Board of Directors and facilitated the decisions of the Board of Directors be in line with the overall interests of the Company and protect the legitimate rights and interests of investors. My duty performance report for the year 2023 is set out as follows:

## **I. BASIC INFORMATION OF INDEPENDENT DIRECTORS**

I have professional qualifications and corresponding experience in finance, law and other fields, and comply with the independence requirements of Independent Directors as required in relevant laws, regulations, regulatory requirements, self-discipline rules and the Articles of Association. My basic information is as follows:

### **(I) Working experience, professional background and part-time job status**

**Mr. Hu Bin** has served as an Independent Non-executive Director of the Company since June 2020. Mr. Hu Bin has served as director of the Research Bureau of the Chinese Academy of Social Sciences since April 2023. His primary working experience includes: senior manager of CITIC Securities Company Limited from July 2002 to November 2003; director of the Law and Finance Research Office, assistant to the director, deputy director, deputy secretary of the Party Committee, secretary of the Party Committee, Secretary General of the Postdoctoral Management Committee of the Institute of Finance and Banking, Chinese Academy of Social Sciences from August 2004 to April 2023, during which he also served as an associate researcher and a researcher. Mr. Hu Bin obtained a master’s degree and a doctorate degree from the Chinese Academy of Social Sciences in July 1999 and July 2002, respectively.

### **(II) Independence**

In 2023, I did not hold any other position in the Company except as a director, and I have no direct or indirect interest relationship with the Company, its substantial shareholder, de facto controller or other relationship that might affect my independent and objective judgment, and there was no circumstances under which my independence would be affected.

After self-examination, in 2023, I have been in compliance with the independence requirements for Independent Directors continuously as stipulated in, among others, the Measures for the Administration of Independent Directors of Listed Companies, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and

Practitioners of Securities and Fund Operating Institutions, the Guidelines for the Self-regulation of Listed Companies of the Shenzhen Stock Exchange No. 1 – Standard Operation of Companies Listed on the Main Board, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association.

## II. INDEPENDENT DIRECTORS' ANNUAL DUTY PERFORMANCE

### (I) Attendance at the Board Meetings and General Meetings

In 2023, the Company convened a total of 6 Board meetings and 1 general meeting. I actively attended such meetings and devoted sufficient time and efforts to perform my duties effectively. I reviewed the meeting materials carefully before the meetings and fully expressed professional and independent opinions on matters submitted to the Board for consideration at the meetings and was not influenced by the substantial shareholders and other interested units or individuals of the Company when making independent judgement. In 2023, I independently and objectively participated in the decision making on material matters and actively exercised voting rights in a prudent manner, without raising objections against any proposal or casting dissenting vote or abstention vote at the Board meetings.

Details of my attendance at the meetings in 2023 are set out as follows:

Name of Independent Director	Required	On-site attendance at Board meetings during the Reporting Period	Attendance at Board meetings by telecommunication	Attendance at Board meetings by proxy	Times of absence from Board meetings	Attendance at general meetings of Shareholders
	attendance at Board meetings during the Reporting Period					
Hu Bin	6	0	6	0	0	0/1

### (II) Attendance at the Meetings of Special Committees Under the Board and Special Meetings of Independent Directors

In 2023, I was the chairman of each of the Nomination Committee and the Remuneration and Appraisal Committee of the Tenth Session of the Board of the Company.

In 2023, according to the rules of procedure for special committees of the Board of the Company, the Nomination Committee of the Board held 1 meeting and the Remuneration and Appraisal Committee of the Board held 1 meeting. I attended all the above meetings of the special committees, fulfilled the duties and obligations of committee members practicably and provided professional opinions and advice for the scientific decision-making of the Board.

According to the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) which came into effect in September 2023, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board (《深圳證券交易所上市公司自律監管指引第1號—主板上市公司規範運作》) and other relevant regulations, and taking into account the actual situation of the Company, the Company did not convene any special meeting of the Independent Directors in 2023 to discuss the matters. With the formulation or amendment of the relevant system for Independent Directors of the Company, the Company will carry out the work related to the special meeting of Independent Directors in accordance with the regulations in 2024.

### **(III) Exercise of Powers by Independent Directors**

In 2023, I conscientiously performed my duties as an independent director, exercised my powers as an Independent Director in accordance with the law, expressed my independent opinions on the Company's Internal Control and Evaluation Report, Profit Distribution Plan, and Distribution of Performance-based Remuneration for the Management, and expressed special description and independent opinions on the use of the Company's funds by the controlling Shareholders, de facto controllers or other related parties and guarantees provided by the Company. I expressed my pre-approval opinions and independent opinions on the Company's re-appointment of the accounting firm and the expected daily related party/connected transactions. I also expressed my professional opinions at the meetings of the Board and its special committees, and gave full play to the role of Independent Directors to safeguard the overall interests of the Company and protected the legitimate rights and interests of investors.

In 2023, there were no situations under which I, as an Independent Director, was required to engage an intermediary agency to conduct audit, consultation or verification of specific matters of the listed Company, propose to the Board to convene an extraordinary general meeting, or publicly solicit Shareholder' rights from Shareholders in accordance with the law.

### **(IV) Communication with Internal Auditors and Accounting Firms**

I maintained close communication with the internal audit department and external auditors of the Company. In 2023, I heard the quarterly internal audit work reports of the Company to gain an in-depth understanding of the establishment and implementation of the Company's internal control system. As an Independent Director, I actively participated in the communication with the certified public accountants before and after the annual audit, listened to the reports of the annual audit institution on the audit team, audit scope, audit plan, audit focus, audit procedures, accounting policies, significant accounting and audit matters, and audit results, etc. as well as raised concerns or comment on the matter.

On December 18, 2023, I participated in a communication meeting between the audit institution and the Audit Committee and the Independent Directors prior to the commencement of on-site audit by the auditing institution for the year of 2023, and reminded the Company and the audit team of the subsequent impact of the regulatory administrative penalties received in 2023.

On March 21, 2024, I heard the reports of Ernst & Young on the annual audit of the Company for 2023 and its preliminary audit opinions. After full communication with Ernst & Young, I considered that Ernst & Young had implemented appropriate audit procedures during the annual audit in accordance with the requirements of the Auditing Standards for CPAs of China and the International Standards on Auditing.

**(V) Protection of the Legitimate Rights and Interests of Investors**

In 2023, in strict adherence to relevant laws and regulations as well as the relevant provisions of the Articles of Association of the Company, I attended the relevant meetings of the Board and its special committees in person, carefully reviewed the meeting materials before the meetings, made independent, objective and impartial judgments using their professional knowledge and fully and clearly expressed their opinions at the meetings to perform their duties in an independent manner free from the influence of the Company, its major Shareholders and other interested units or individuals of the Company, and effectively safeguarded the legitimate rights and interests of all investors.

**(VI) On-Site Work at the Company**

In 2023, through attending the Company's Shareholders' meeting and participating in the Board and its special committees, I was fully informed of the Company's major issues, operational development, financial management and internal control. At the same time, by studying the newsletters of the Company's Directors and Supervisors, the special documents on anti-money laundering, integrity and investor relationship management, the latest policies and regulations and information on the operation of the Company, and through various means, such as convening special meeting with the Chairman of the Board and communicating with intermediary institutions such as annual auditing accounting firm, I was able to performed my duties and kept abreast of the latest regulatory policies and developments in the securities industry, the development of the Company's operations and the progress of major issues in a timely manner; and I suggested that the Company should make deep efforts to develop towards the goal of becoming a "century-old company", further improve the level of risk control, eliminate hidden risks, adjust the internal organization to focus on customers and improve service efficiency, focus on the development of the business in the Greater Bay Area, pay attention to the development of the business in Hong Kong, accelerate the layout of the financial technology field, and provide good services to institutional clients such as public equity funds, insurance institutions and social security funds, and to raise the political standing and do a good job of party building. Thus, I actively and effectively fulfilled my duties as a Independent Director.

**(VII) The Company's Cooperation with the Independent Directors**

In 2023, the Company provided the necessary working conditions and personnel support for me to perform my duties, and ensured that I enjoyed the same right to information as other Directors, had smooth information flow with other Directors, senior management and other relevant personnel, and was able to obtain sufficient resources and necessary professional advice in the performance of my duties. The Company has issued to me, in a timely manner, notices and documents for meetings of the Board of Directors and its special committees, newsletters of the Directors and Supervisors and information on the operation of the Company, as well as replied my queries in a timely manner, organized us to participate in the relevant trainings, and there were no instances of restriction or impediment to the normal performance of my duties.

**III. AREAS FOCUSED BY THE INDEPENDENT DIRECTORS DURING THEIR  
PERFORMANCE OF DUTIES DURING THE YEAR****(I) Related Party/Connected Transactions that need to be disclosed**

The Audit Committee of the Board and the Board of Directors considered and approved the proposal on the expected daily related party/connected transactions of the Company for the year 2023 on March 2023, and the same was considered and approved at the general meeting on June 2023. As an Independent Director, I considered the proposal and issued their pre-approval opinions and independent opinions.

My pre-approval opinion was: the Company's expected daily related/connected transactions in 2023 of the Company were normal trading based on business development and operating needs, were not detrimental to the interests of the Company and its minority Shareholders and would not adversely affect the financial position, operating results and the independence of the Company in the future. It was agreed that the proposal shall be submitted to the Board of the Company for consideration.

My independent opinion was: 1. The relevant daily related party/connected transactions were intended to be executed at a fair price and would not damage the interests of the Company and minority Shareholders; 2. carrying out the relevant daily related party/connected transactions was beneficial for promoting the business growth of the Company, which was in line with the actual business needs of the Company, and was beneficial for the long-term development of the Company; 3. the relevant daily related party/connected transactions shall be disclosed in the annual report and the interim report of the Company in accordance with the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and 4. It was agreed that the proposal shall be submitted to the Board for consideration.

The Announcement of Expected Daily Related Party/Connected Transactions of the Company in 2023 was disclosed by the Company on March 31, 2023.

**(II) Disclosure of financial information in financial reports and regular reports**

In 2023, before the Board considers and discloses the financial information in the financial reports and regular reports, the Audit Committee of the Board and the Independent Directors carefully reviewed the contents of the financial reports and regular reports. As an Independent Director, I fully expressed my opinions on the key issues in the regular reports and financial reports, so as to ensure that the contents of the regular reports and financial reports were true, accurate and complete, and did not contain any false records, misleading statements or major omissions.

The Company disclosed the 2022 Annual Report, the 2023 First Quarterly Report, the 2023 Interim Report, and the 2023 Third Quarterly Report on March 31, April 29, August 31, and October 31, 2023, respectively.

**(III) Disclosure of the Internal Control and Evaluation Report**

In March 2023, the Audit Committee and the Risk Management Committee of the Board, and the Board of Directors considered and approved the Internal Control and Evaluation Report for the Year 2022. As an Independent Director, I considered the report and expressed my independent opinion that the Company had further established and refined its internal control systems covering the Company's various business and management areas for the year 2022, and that no significant deficiencies in the design or implementation of internal control had been identified as at December 31, 2022; the Internal Control and Evaluation Report comprehensively, truly and accurately reflected the actual situation of the Company's internal control and contained no false records, misleading statements or material omissions; they concurred with the Internal Control and Evaluation Report of GF Securities for the Year of 2022.

The Internal Control and Evaluation Report for the Year of 2022 was disclosed by the Company on March 31, 2023.

**(IV) Engagement of Auditors**

The Audit Committee of the Board and the Board of Directors considered and approved the resolution regarding engagement of auditors in 2023 in March 2023, and the same was considered and approved at the general meeting in June 2023, agreeing to re-appoint Ernst & Young Hua Ming LLP as the PRC domestic auditor of the Company in 2023, and Ernst & Young as the overseas auditor of the Company in 2023. The operating management of the Company was authorized at the general meeting to negotiate and determine the 2023 audit fee with the firms in accordance with market principle. As an Independent Director, I considered the proposal and expressed my pre-approval opinions and independent opinions.

My pre-approval opinion of the Independent Directors was: Ernst & Young Hua Ming LLP and Ernst & Young diligently performed their duties and obligations as external auditors in the annual audit of the Company for the year of 2022. It was agreed to submit this proposal to the Board of Directors of the Company for consideration.

My independent opinion was: Ernst & Young Hua Ming LLP and Ernst & Young had the professional capability and extensive experience in providing domestic and overseas audit services to the Company; they were able to perform their duties in compliance with independent, objective and fair practice standards, delivered their work diligently and responsibly, provided professional audit services to the Company with a rigorous independent review attitude and an efficient quality control system; and had sufficient investor protection capabilities and good integrity status, which were conducive to protecting the Company and the interests of Shareholders, especially the interests of minority Shareholders. The review procedures for the re-appointment of the accounting firm were in compliance with the relevant provisions of the relevant laws and regulations. It was agreed to re-appoint Ernst & Young Hua Ming LLP as the Company's domestic auditor for the year of 2023 and to re-appoint Ernst & Young as the Company's overseas auditor for the year of 2023. It was agreed to submit the proposal to the general meeting of the Company for consideration.

The Company disclosed the Announcement on the Proposed Re-appointment of Accounting Firms on March 31, 2023.

#### **(V) Profit distribution**

The 2022 profit distribution proposal/plan was considered and approved by the Board of Directors in March 2023 and by the general meeting in June 2023. It was agreed that a cash dividend of RMB3.5 (tax inclusive) for every 10 shares will be distributed to all Shareholders based on the number of shares as at the record date for registration of shareholdings of the Company for the purpose of distribution of dividends minus the number of shares held in the special securities account of the Company for repurchase purpose. As an Independent Director, I reviewed the proposal and expressed my independent opinion that the profit distribution proposal of the Company for 2022 was in compliance with the relevant provisions of laws, regulations, regulatory documents and the Articles of Association, and was in line with the actual operating conditions of the Company, and no harm to the Company's Shareholders, especially the minority Shareholders, was caused; consent was given to the profit distribution plan prepared by the Board of Directors and submission of the plan to the Company's 2022 annual general meeting for consideration.

On June 28, 2023 and August 5, 2023, the Company disclosed the Final Dividend for the Year Ended 31 December 2022 (H Shares) and the Announcement on the Implementation of Profit Distribution for A Shares for the Year 2022, respectively.

**(VI) Remuneration of Directors and Senior Management Officers**

In March 2023, the Remuneration and Appraisal Committee of the Board and the Board of Directors considered and approved the Resolution on Distribution of Performance-based Remuneration for the Management for the Year of 2022. As an Independent Director and chairman of the Remuneration and Appraisal Committee, I considered the resolution and expressed my independent opinion, and there was no objection to the Resolution on Distribution of Performance-based Remuneration for the Management for the Year of 2022.

In March 2023, the Remuneration and Appraisal Committee of the Board and the Board of Directors considered and approved the special statement on the performance appraisal and remuneration of the directors of GF Securities for the year of 2022. As an Independent Director and chairman of the Remuneration and Appraisal Committee, I considered the resolution and there was no objection to the resolution.

**(VII) External guarantees and use of funds**

In March 2023 and August 2023, as an Independent Director, I conscientiously understood and prudently examined the Company's funds used by and the Company's guarantees given to the controlling Shareholder, de facto controller and other related parties of the Company. In 2023, the Company did not have controlling Shareholder nor de facto controller, and there was no use of the Company's funds by related parties (except for operating business transactions). Save guarantees for subsidiaries given by the Company and guarantees given by the subsidiaries for their subsidiaries, no guarantee was provided to entities outside the scope of consolidated financial statements. I was of the view that the Company had strictly complied with the requirements of relevant laws and regulations, had taken practical measures to prevent the controlling Shareholder, the actual controller and other related parties from using the Company's funds, and had strictly controlled the matters of guarantees. The Company was always prudent in handling and strict in controlling the risks of liabilities arising from guarantees, and the guarantees provided were in compliance with the relevant requirements and statutory approval procedures, and the information disclosure obligations for guarantees were conscientiously fulfilled in accordance with the relevant regulations.

**(VIII) Implementation of Information Disclosure Management System**

In 2023, I strictly abided by the Guidelines on Self-discipline Supervision of Listed Companies on the Shenzhen Stock Exchange No. 5 – Management of Information Disclosure Affairs and other relevant regulations, reviewed the establishment and operation of the Company's information disclosure affairs management system, and examined and supervised the regular reports and interim announcements of the Company.

In 2023, I did not discover any material deficiencies in the implementation of the Company's information disclosure management system. The Company established and amended the relevant systems, such as the Management System of Information Disclosure Affairs and the Management Rules for Insiders of Inside Information during the year, which were effectively implemented, further standardizing the Company's information disclosure work and improving the management level of the Company's information disclosure affairs and the quality of information disclosure, so that the principle of fairness in information disclosure was maintained and the legitimate rights and interests of the general investors were protected.

Except for the above matters, in 2023, the following circumstances did not occur in the Company: (1) the Company and related parties changed or waived the undertakings; (2) the Board of Directors made decisions and took measures against the acquisition of the Company; (3) appointment or dismissal of the person in charge of the Company's financial affairs; (4) correction of accounting policies, accounting estimates or significant accounting errors due to reasons other than changes in accounting standards; (5) nomination or appointment or removal of directors; (6) appointment or dismissal of senior management officers; (7) formulation or change of the share incentive schemes, employee share ownership plans, granting of interests to incentive participants or fulfillment of conditions for exercise of interests; (8) such matters as the arrangement of shareholding plans by the directors and senior management officers in the subsidiaries proposed for a spin-off, etc.

#### **IV. OVERALL EVALUATION AND SUGGESTIONS**

In 2023, I strictly complied with the relevant laws and regulations, regulatory provisions, self-regulatory rules and the provisions of the Articles of Association of the Company, had sufficient time and energy to fulfill my duties as an Independent Director, actively undertook the duties of the Board and its special committees, gave full play to my own expertise in the process of the Company's major decision-making, earnestly considered the various resolutions, and actively offered advice and suggestions to promote scientific and efficient decision-making by the Board and safeguard the overall interests and legitimate rights and interests of all Shareholders, and made due contribution to the improvement of the Company's governance level.

In 2024, I will continue to uphold the principles of independence, objectivity and prudence, faithfully and diligently perform my duties as an Independent Director, give full play to the role of Independent Directors in corporate governance, utilize my professional knowledge and experience to provide more constructive suggestions for the Company's operation and development, and contribute to the enhancement of the Board of Directors' decision-making level to safeguard the overall interests of the Company and the legitimate rights and interests of all Shareholders.

**Independent Director: Hu Bin**

Leung Shek Ling Olivia

In 2023, as an Independent Director of GF Securities Co., Ltd. (hereinafter referred to as “GF Securities” or the “Company”), in accordance with the Company Law of the People’s Republic of China, the Measures for the Administration of Independent Directors of Listed Companies and other laws and regulations, and The Articles of Association of GF Securities Co., Ltd. (hereinafter referred to as the “Articles of Association”), I performed my duties independently and impartially, conscientiously and diligently, provided professional and objective advice on the operation and development of the Company to enhance the decision-making level of the Board of Directors and facilitated the decisions of the Board of Directors be in line with the overall interests of the Company and protect the legitimate rights and interests of investors. My duty performance report for the year 2023 is set out as follows:

## **I. BASIC INFORMATION OF INDEPENDENT DIRECTORS**

I have professional qualifications and relevant experience in accounting, finance and other fields, and comply with the independence requirements of Independent Directors as required in relevant laws, regulations, regulatory requirements, self-discipline rules and the Articles of Association. My basic information is as follows:

### **(I) Working experience, professional background and part-time job status**

**Ms. Leung Shek Ling Olivia** has served as an Independent Non-executive Director of the Company since June 2020. Ms. Leung Shek Ling Olivia has been the chief lecturer of the Faculty of Business and Economics of The University of Hong Kong since July 2011 and the associate dean of the Faculty of Business and Economics of The University of Hong Kong since January 2020. Her primary working experience includes: associate professor of accounting at The City University of Hong Kong from August 2004 to June 2011, program director of the International Business and Global Management Program and assistant dean of the Faculty of Business and Economics of The University of Hong Kong from June 2016 to December 2019, and an independent director of Yoho Group Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 2347) since July 2023. Ms. Leung Shek Ling Olivia obtained a bachelor’s degree from the University of British Columbia in Canada and a doctorate degree from The Chinese University of Hong Kong in June 1994 and June 2004, respectively.

### **(II) Independence**

In 2023, I did not hold any other position in the Company except as a director, and I have no direct or indirect interest relationship with the Company, its substantial shareholder, de facto controller or other relationship that might affect my independent and objective judgment, and there was no circumstances under which my independence would be affected.

After self-examination, in 2023, I have been in compliance with the independence requirements for Independent Directors continuously as stipulated in, among others, the Measures for the Administration of Independent Directors of Listed Companies, the Measures

for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating Institutions, the Guidelines for the Self-regulation of Listed Companies of the Shenzhen Stock Exchange No. 1 – Standard Operation of Companies Listed on the Main Board, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association.

## II. INDEPENDENT DIRECTORS' ANNUAL DUTY PERFORMANCE

### (I) Attendance at the Board Meetings and General Meetings

In 2023, the Company convened a total of 6 Board meetings and 1 general meeting. I actively attended such meetings and devoted sufficient time and efforts to perform my duties effectively. I reviewed the meeting materials carefully before the meetings and fully expressed professional and independent opinions on matters submitted to the Board for consideration at the meetings and was not influenced by the substantial shareholders and other interested units or individuals of the Company when making independent judgement. In 2023, I independently and objectively participated in the decision making on material matters and actively exercised voting rights in a prudent manner, without raising objections against any proposal or casting dissenting vote or abstention vote at the Board meetings.

Details of my attendance at the meetings in 2023 are set out as follows:

Name of Independent Director	Required	On-site attendance at Board meetings	Attendance at Board meetings by telecommunication	Attendance at Board meetings by proxy	Times of absence from Board meetings	Attendance at general meetings of Shareholders
	attendance at Board meetings during the Reporting Period					
Leung Shek Ling Olivia	6	1	5	0	0	1/1

### (II) Attendance at the Meetings of Special Committees Under the Board and Special Meetings of Independent Directors

In 2023, I was a member of each of the Remuneration and Appraisal Committee, Audit Committee, and Risk Management Committee of the Tenth Session of the Board of the Company.

In 2023, according to the rules of procedure for special committees of the Board of the Company, the Remuneration and Appraisal Committee of the Board held 1 meeting, the Audit Committee of the Board held 4 meetings and the Risk Management Committee held 2 meetings. I attended all the above meetings of the special committees, fulfilled the duties and obligations of committee members practicably and provided professional opinions and advice for the scientific decision-making of the Board.

According to the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) which came into effect in September 2023, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board (《深圳證券交易所上市公司自律監管指引第1號—主板上市公司規範運作》) and other relevant regulations, and taking into account the actual situation of the Company, the Company did not convene any special meeting of the Independent Directors in 2023 to discuss the matters. With the formulation or amendment of the relevant system for Independent Directors of the Company, the Company will carry out the work related to the special meeting of Independent Directors in accordance with the regulations in 2024.

### **(III) Exercise of Powers by Independent Directors**

In 2023, I conscientiously performed my duties as an independent director, exercised my powers as an Independent Director in accordance with the law, expressed my independent opinions on the Company's Internal Control and Evaluation Report, Profit Distribution Plan, and Distribution of Performance-based Remuneration for the Management, and expressed special description and independent opinions on the use of the Company's funds by the controlling Shareholders, de facto controllers or other related parties and guarantees provided by the Company. I expressed my pre-approval opinions and independent opinions on the Company's re-appointment of the accounting firm and the expected daily related party/connected transactions. I also expressed my professional opinions at the meetings of the Board and its special committees, and gave full play to the role of Independent Directors to safeguard the overall interests of the Company and protected the legitimate rights and interests of investors.

In 2023, there were no situations under which I, as an Independent Director, was required to engage an intermediary agency to conduct audit, consultation or verification of specific matters of the listed Company, propose to the Board to convene an extraordinary general meeting, or publicly solicit Shareholder' rights from Shareholders in accordance with the law.

### **(IV) Communication with Internal Auditors and Accounting Firms**

I maintained close communication with the internal audit department and external auditors of the Company. In 2023, I heard the quarterly internal audit work reports of the Company to gain an in-depth understanding of the establishment and implementation of the Company's internal control system. As a member of the Audit Committee and an Independent Director, I actively participated in the communication with the certified public accountants before and after the annual audit, listened to the reports of the annual audit institution on the audit team, audit scope, audit plan, audit focus, audit procedures, accounting policies, significant accounting and audit matters, and audit results, etc. as well as raised concerns or comment on the matter.

On December 18, 2023, I participated in a communication meeting between the audit institution and the Audit Committee and the Independent Directors prior to the commencement of on-site audit by the auditing institution for the year of 2023, and raised concerns about the impact of the Company's debt financing on the debt-to-equity ratio and liquidity ratio, and communicated on the reasons for the changes in investment income and gains and losses from changes in fair value, and the determination of the audit scope of the first-tier subsidiaries.

On March 21, 2024, I heard the reports of Ernst & Young on the annual audit of the Company for 2023 and its preliminary audit opinions. After full communication with Ernst & Young, I considered that Ernst & Young had implemented appropriate audit procedures during the annual audit in accordance with the requirements of the Auditing Standards for CPAs of China and the International Standards on Auditing.

**(V) Protection of the Legitimate Rights and Interests of Investors**

In 2023, in strict adherence to relevant laws and regulations as well as the relevant provisions of the Articles of Association of the Company, I attended the relevant meetings of the Board and its special committees in person, carefully reviewed the meeting materials before the meetings, made independent, objective and impartial judgments using their professional knowledge and fully and clearly expressed their opinions at the meetings to perform their duties in an independent manner free from the influence of the Company, its major Shareholders and other interested units or individuals of the Company, and effectively safeguarded the legitimate rights and interests of all investors.

**(VI) On-Site Work at the Company**

In 2023, through attending the Company's Shareholders' meeting and participating in the Board and its special committees, I was fully informed of the Company's major issues, operational development, financial management and internal control. At the same time, by studying the newsletters of the Company's Directors and Supervisors, the special documents on anti-money laundering, integrity and investor relationship management, the latest policies and regulations and information on the operation of the Company, and through various means, such as convening special meeting with the Chairman of the Board and communicating with intermediary institutions such as annual auditing accounting firm, I was able to performed my duties and kept abreast of the latest regulatory policies and developments in the securities industry, the development of the Company's operations and the progress of major issues in a timely manner; and I suggested that the Company should pay attention to the business opportunities that may be brought by family property inheritance and asset allocation in China. Thus, I actively and effectively fulfilled my duties as a Independent Director.

**(VII) The Company's Cooperation with the Independent Directors**

In 2023, the Company provided the necessary working conditions and personnel support for me to perform my duties, and ensured that I enjoyed the same right to information as other Directors, had smooth information flow with other Directors, senior management and other relevant personnel, and was able to obtain sufficient resources and necessary professional advice in the performance of my duties. The Company has issued to me, in a timely manner, notices and documents for meetings of the Board of Directors and its special committees, newsletters of the Directors and Supervisors and information on the operation of the Company, as well as replied my queries in a timely manner, organized us to participate in the relevant trainings, and there were no instances of restriction or impediment to the normal performance of my duties.

**III. AREAS FOCUSED BY THE INDEPENDENT DIRECTORS DURING THEIR PERFORMANCE OF DUTIES DURING THE YEAR****(I) Related Party/Connected Transactions that need to be disclosed**

The Audit Committee of the Board and the Board of Directors considered and approved the proposal on the expected daily related party/connected transactions of the Company for the year 2023 on March 2023, and the same was considered and approved at the general meeting on June 2023. As an Independent Director and a member of the Audit Committee, I considered the proposal and issued their pre-approval opinions and independent opinions.

My pre-approval opinion was: the Company's expected daily related/connected transactions in 2023 of the Company were normal trading based on business development and operating needs, were not detrimental to the interests of the Company and its minority Shareholders and would not adversely affect the financial position, operating results and the independence of the Company in the future. It was agreed that the proposal shall be submitted to the Board of the Company for consideration.

My independent opinion were: 1. The relevant daily related party/connected transactions were intended to be executed at a fair price and would not damage the interests of the Company and minority Shareholders; 2. carrying out the relevant daily related party/connected transactions was beneficial for promoting the business growth of the Company, which was in line with the actual business needs of the Company, and was beneficial for the long-term development of the Company; 3. the relevant daily related party/connected transactions shall be disclosed in the annual report and the interim report of the Company in accordance with the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and 4. It was agreed that the proposal shall be submitted to the Board for consideration.

The Announcement of Expected Daily Related Party/Connected Transactions of the Company in 2023 was disclosed by the Company on March 31, 2023.

**(II) Disclosure of financial information in financial reports and regular reports**

In 2023, before the Board considers and discloses the financial information in the financial reports and regular reports, the Audit Committee of the Board and the Independent Directors carefully reviewed the contents of the financial reports and regular reports. As an Independent Director and a member of the Audit Committee, I fully expressed my opinions on the key issues in the regular reports and financial reports, so as to ensure that the contents of the regular reports and financial reports were true, accurate and complete, and did not contain any false records, misleading statements or major omissions.

The Company disclosed the 2022 Annual Report, the 2023 First Quarterly Report, the 2023 Interim Report, and the 2023 Third Quarterly Report on March 31, April 29, August 31, and October 31, 2023, respectively.

**(III) Disclosure of the Internal Control and Evaluation Report**

In March 2023, the Audit Committee and the Risk Management Committee of the Board, and the Board of Directors considered and approved the Internal Control and Evaluation Report for the Year 2022. As an Independent Director, a member of the Audit Committee and a member of the Risk Management Committee, I considered the report and expressed my independent opinion that the Company had further established and refined its internal control systems covering the Company's various business and management areas for the year 2022, and that no significant deficiencies in the design or implementation of internal control had been identified as at December 31, 2022; the Internal Control and Evaluation Report comprehensively, truly and accurately reflected the actual situation of the Company's internal control and contained no false records, misleading statements or material omissions; they concurred with the Internal Control and Evaluation Report of GF Securities for the Year of 2022.

The Internal Control and Evaluation Report for the Year of 2022 was disclosed by the Company on March 31, 2023.

**(IV) Engagement of Auditors**

The Audit Committee of the Board and the Board of Directors considered and approved the resolution regarding engagement of auditors in 2023 in March 2023, and the same was considered and approved at the general meeting in June 2023, agreeing to re-appoint Ernst & Young Hua Ming LLP as the PRC domestic auditor of the Company in 2023, and Ernst & Young as the overseas auditor of the Company in 2023. The operating management of the Company was authorized at the general meeting to negotiate and determine the 2023 audit fee with the firms in accordance with market principle. As an Independent Director and a member of the Audit Committee, I considered the proposal and expressed my pre-approval opinions and independent opinions.

My pre-approval opinion of the Independent Directors was: Ernst & Young Hua Ming LLP and Ernst & Young diligently performed their duties and obligations as external auditors in the annual audit of the Company for the year of 2022. It was agreed to submit this proposal to the Board of Directors of the Company for consideration.

My independent opinion was: Ernst & Young Hua Ming LLP and Ernst & Young had the professional capability and extensive experience in providing domestic and overseas audit services to the Company; they were able to perform their duties in compliance with independent, objective and fair practice standards, delivered their work diligently and responsibly, provided professional audit services to the Company with a rigorous independent review attitude and an efficient quality control system; and had sufficient investor protection capabilities and good integrity status, which were conducive to protecting the Company and the interests of Shareholders, especially the interests of minority shareholders. The review procedures for the re-appointment of the accounting firm were in compliance with the relevant

provisions of the relevant laws and regulations. It was agreed to re-appoint Ernst & Young Hua Ming LLP as the Company's domestic auditor for the year of 2023 and to re-appoint Ernst & Young as the Company's overseas auditor for the year of 2023. It was agreed to submit the proposal to the general meeting of the Company for consideration.

The Company disclosed the Announcement on the Proposed Re-appointment of Accounting Firms on March 31, 2023.

#### **(V) Profit distribution**

The 2022 profit distribution proposal/plan was considered and approved by the Board of Directors in March 2023 and by the general meeting in June 2023. It was agreed that a cash dividend of RMB3.5 (tax inclusive) for every 10 shares will be distributed to all shareholders based on the number of shares as at the record date for registration of shareholdings of the Company for the purpose of distribution of dividends minus the number of shares held in the special securities account of the Company for repurchase purpose. As an Independent Director, I reviewed the proposal and expressed my independent opinion that the profit distribution proposal of the Company for 2022 was in compliance with the relevant provisions of laws, regulations, regulatory documents and the Articles of Association, and was in line with the actual operating conditions of the Company, and no harm to the Company's shareholders, especially the minority shareholders, was caused; consent was given to the profit distribution plan prepared by the Board of Directors and submission of the plan to the Company's 2022 annual general meeting for consideration.

On June 28, 2023 and August 5, 2023, the Company disclosed the Final Dividend for the Year Ended 31 December 2022 (H Shares) and the Announcement on the Implementation of Profit Distribution for A Shares for the Year 2022, respectively.

#### **(VI) Remuneration of Directors and Senior Management Officers**

In March 2023, the Remuneration and Appraisal Committee of the Board and the Board of Directors considered and approved the Resolution on Distribution of Performance-based Remuneration for the Management for the Year of 2022. As an Independent Director and a member of the Remuneration and Appraisal Committee, I considered the resolution and expressed my independent opinion, and there was no objection to the Resolution on Distribution of Performance-based Remuneration for the Management for the Year of 2022.

In March 2023, the Remuneration and Appraisal Committee of the Board and the Board of Directors considered and approved the special statement on the performance appraisal and remuneration of the directors of GF Securities for the year of 2022. As an Independent Director and a member of the Remuneration and Appraisal Committee, I considered the resolution and there was no objection to the resolution.

**(VII) External guarantees and use of funds**

In March 2023 and August 2023, as an Independent Director, I conscientiously understood and prudently examined the Company's funds used by and the Company's guarantees given to the controlling Shareholder, de facto controller and other related parties of the Company. In 2023, the Company did not have controlling Shareholder nor de facto controller, and there was no use of the Company's funds by related parties (except for operating business transactions). Save guarantees for subsidiaries given by the Company and guarantees given by the subsidiaries for their subsidiaries, no guarantee was provided to entities outside the scope of consolidated financial statements. I was of the view that the Company had strictly complied with the requirements of relevant laws and regulations, had taken practical measures to prevent the controlling Shareholder, the actual controller and other related parties from using the Company's funds, and had strictly controlled the matters of guarantees. The Company was always prudent in handling and strict in controlling the risks of liabilities arising from guarantees, and the guarantees provided were in compliance with the relevant requirements and statutory approval procedures, and the information disclosure obligations for guarantees were conscientiously fulfilled in accordance with the relevant regulations.

**(VIII) Implementation of Information Disclosure Management System**

In 2023, I strictly abided by the Guidelines on Self-discipline Supervision of Listed Companies on the Shenzhen Stock Exchange No. 5 – Management of Information Disclosure Affairs and other relevant regulations, reviewed the establishment and operation of the Company's information disclosure affairs management system, and examined and supervised the regular reports and interim announcements of the Company.

In 2023, I did not discover any material deficiencies in the implementation of the Company's information disclosure management system. The Company established and amended the relevant systems, such as the Management System of Information Disclosure Affairs and the Management Rules for Insiders of Inside Information during the year, which were effectively implemented, further standardizing the Company's information disclosure work and improving the management level of the Company's information disclosure affairs and the quality of information disclosure, so that the principle of fairness in information disclosure was maintained and the legitimate rights and interests of the general investors were protected.

Except for the above matters, in 2023, the following circumstances did not occur in the Company: (1) the Company and related parties changed or waived the undertakings; (2) the Board of Directors made decisions and took measures against the acquisition of the Company; (3) appointment or dismissal of the person in charge of the Company's financial affairs; (4) correction of accounting policies, accounting estimates or significant accounting errors due to reasons other than changes in accounting standards; (5) nomination or appointment or removal of directors; (6) appointment or dismissal of senior management officers; (7) formulation or change of the share incentive schemes, employee share ownership plans, granting of interests to incentive participants or fulfillment of conditions for exercise of interests; (8) such matters as the arrangement of shareholding plans by the directors and senior management officers in the subsidiaries proposed for a spin-off, etc.

**IV. OVERALL EVALUATION AND SUGGESTIONS**

In 2023, I strictly complied with the relevant laws and regulations, regulatory provisions, self-regulatory rules and the provisions of the Articles of Association of the Company, had sufficient time and energy to fulfill my duties as an Independent Director, actively undertook the duties of the Board and its special committees, gave full play to my own expertise in the process of the Company's major decision-making, earnestly considered the various resolutions, and actively offered advice and suggestions to promote scientific and efficient decision-making by the Board and safeguard the overall interests and legitimate rights and interests of all Shareholders, and made due contribution to the improvement of the Company's governance level.

In 2024, I will continue to uphold the principles of independence, objectivity and prudence, faithfully and diligently perform my duties as an Independent Director, give full play to the role of Independent Directors in corporate governance, utilize my professional knowledge and experience to provide more constructive suggestions for the Company's operation and development, and contribute to the enhancement of the Board of Directors' decision-making level to safeguard the overall interests of the Company and the legitimate rights and interests of all Shareholders.

**Independent Director: Leung Shek Ling Olivia**

Li Wenjing

In 2023, as an Independent Director of GF Securities Co., Ltd. (hereinafter referred to as “GF Securities” or the “Company”), in accordance with the Company Law of the People’s Republic of China, the Measures for the Administration of Independent Directors of Listed Companies and other laws and regulations, and The Articles of Association of GF Securities Co., Ltd. (hereinafter referred to as the “Articles of Association”), I performed my duties independently and impartially, conscientiously and diligently, provided professional and objective advice on the operation and development of the Company to enhance the decision-making level of the Board of Directors and facilitated the decisions of the Board of Directors be in line with the overall interests of the Company and protect the legitimate rights and interests of investors. My duty performance report for the year 2023 is set out as follows:

## I. BASIC INFORMATION OF INDEPENDENT DIRECTORS

I have professional qualifications and relevant experience in accounting, finance and other fields, and comply with the independence requirements of Independent Directors as required in relevant laws, regulations, regulatory requirements, self-discipline rules and the Articles of Association. My basic information is as follows:

### (I) Working experience, professional background and part-time job status

**Mr. Li Wenjing** has served as an Independent Non-executive Director of the Company since June 2020. Mr. Li Wenjing has been a professor at the Management School of Jinan University since October 2013 and the dean of the Management School of Jinan University since March 2019. His primary working experience includes: lecturer and associate professor at the School of Management of Jinan University, and deputy department head and department head of the Department of Accounting of Jinan University from July 2006 to July 2020. Mr. Li Wenjing served as an independent director of Midea Group Co., Ltd. (美的集團股份有限公司) (a company listed on SZSE, stock code: 000333) from March 2013 to September 2018, an independent director of Guangzhou Devotion Thermal Technology Co., Ltd. (廣州迪森熱能技術股份有限公司) (a company listed on SZSE, stock code: 300335) from December 2015 to April 2019, an independent director of Longse Technology Limited (長視科技股份有限公司) from December 2016 to August 2020, an independent director of Shenzhen Xunfang Technologies Co., Ltd. (深圳市訊方技術股份有限公司) from May 2017 to May 2020, an external supervisor of China Guangfa Bank Co., Ltd. (廣發銀行股份有限公司) from June 2017 to June 2023, an independent director of By-Health Co., Ltd. (湯臣倍健股份有限公司) (a company listed on SZSE, stock code: 300146) from September 2017 to September 2020, an independent director of Zhuhai Huajin Capital Co., Ltd. (珠海華金資本股份有限公司) (a company listed on SZSE, stock code: 000532) from December 2017 to March 2021. Mr. Li Wenjing obtained a bachelor’s degree and a doctorate degree from Sun Yat-sen University in June 2001 and June 2006, respectively.

**(II) Independence**

In 2023, I did not hold any other position in the Company except as a director, and I have no direct or indirect interest relationship with the Company, its substantial shareholder, de facto controller or other relationship that might affect my independent and objective judgment, and there was no circumstances under which my independence would be affected.

After self-examination, in 2023, I have been in compliance with the independence requirements for Independent Directors continuously as stipulated in, among others, the Measures for the Administration of Independent Directors of Listed Companies, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating Institutions, the Guidelines for the Self-regulation of Listed Companies of the Shenzhen Stock Exchange No. 1 – Standard Operation of Companies Listed on the Main Board, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association.

**II. INDEPENDENT DIRECTORS' ANNUAL DUTY PERFORMANCE****(I) Attendance at the Board Meetings and General Meetings**

In 2023, the Company convened a total of 6 Board meetings and 1 general meeting. I actively attended such meetings and devoted sufficient time and efforts to perform my duties effectively. I reviewed the meeting materials carefully before the meetings and fully expressed professional and independent opinions on matters submitted to the Board for consideration at the meetings and was not influenced by the substantial shareholders and other interested units or individuals of the Company when making independent judgement. In 2023, I independently and objectively participated in the decision making on material matters and actively exercised voting rights in a prudent manner, without raising objections against any proposal or casting dissenting vote or abstention vote at the Board meetings.

Details of my attendance at the meetings in 2023 are set out as follows:

Name of Independent Director	Required attendance at Board meetings during the Reporting Period	On-site attendance at Board meetings	Attendance at Board meetings by telecommunication	Attendance at Board meetings by proxy	Times of absence from Board meetings	Attendance at general meetings of Shareholders
Li Wenjing	6	2	4	0	0	1/1

**(II) Attendance at the Meetings of Special Committees Under the Board and Special Meetings of Independent Directors**

In 2023, I was a member of the Nomination Committee, the chairman of the Audit Committee and a member of the Risk Management Committee of the Tenth Session of the Board of the Company.

In 2023, according to the rules of procedure for special committees of the Board of the Company, the Nomination Committee of the Board held 1 meeting, the Audit Committee of the Board held 4 meetings and the Risk Management Committee held 2 meetings. I attended all the above meetings of the special committees, fulfilled the duties and obligations of committee members practicably and provided professional opinions and advice for the scientific decision-making of the Board.

According to the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) which came into effect in September 2023, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board (《深圳證券交易所上市公司自律監管指引第1號—主板上市公司規範運作》) and other relevant regulations, and taking into account the actual situation of the Company, the Company did not convene any special meeting of the Independent Directors in 2023 to discuss the matters. With the formulation or amendment of the relevant system for Independent Directors of the Company, the Company will carry out the work related to the special meeting of Independent Directors in accordance with the regulations in 2024.

**(III) Exercise of Powers by Independent Directors**

In 2023, I conscientiously performed my duties as an independent director, exercised my powers as an Independent Director in accordance with the law, expressed my independent opinions on the Company's Internal Control and Evaluation Report, Profit Distribution Plan, and Distribution of Performance-based Remuneration for the Management, and expressed special description and independent opinions on the use of the Company's funds by the controlling Shareholders, de facto controllers or other related parties and guarantees provided by the Company. I expressed my pre-approval opinions and independent opinions on the Company's re-appointment of the accounting firm and the expected daily related party/connected transactions. I also expressed my professional opinions at the meetings of the Board and its special committees, and gave full play to the role of Independent Directors to safeguard the overall interests of the Company and protected the legitimate rights and interests of investors.

In 2023, there were no situations under which I, as an Independent Director, was required to engage an intermediary agency to conduct audit, consultation or verification of specific matters of the listed Company, propose to the Board to convene an extraordinary general meeting, or publicly solicit Shareholder' rights from Shareholders in accordance with the law.

**(IV) Communication with Internal Auditors and Accounting Firms**

I maintained close communication with the internal audit department and external auditors of the Company. In 2023, I heard the quarterly internal audit work reports of the Company to gain an in-depth understanding of the establishment and implementation of the Company's internal control system. As chairman of the Audit Committee and an Independent Director, I actively participated in the communication with the certified public accountants before and after the annual audit, listened to the reports of the annual audit institution on the audit team, audit scope, audit plan, audit focus, audit procedures, accounting policies, significant accounting and audit matters, and audit results, etc. as well as raised concerns or comment on the matter.

On December 18, 2023, I participated in a communication meeting between the audit institution and the Audit Committee and the Independent Directors prior to the commencement of on-site audit by the auditing institution for the year of 2023, and exchanged views on the situation of the Company's investment banking revenue and reminded the Company and the audit team to pay attention to the reasonableness of the various parameter settings of the valuation and impairment models of different financial assets in the context of the trend of stringent regulation and the current macro-economic background, and to have a thorough discussion on the impacts that the current real economy and the capital market may have on the setting of the parameters and assumptions of the relevant models.

On March 21, 2024, I heard the reports of Ernst & Young on the annual audit of the Company for 2023 and its preliminary audit opinions. After full communication with Ernst & Young, I considered that Ernst & Young had implemented appropriate audit procedures during the annual audit in accordance with the requirements of the Auditing Standards for CPAs of China and the International Standards on Auditing.

**(V) Protection of the Legitimate Rights and Interests of Investors**

In 2023, in strict adherence to relevant laws and regulations as well as the relevant provisions of the Articles of Association of the Company, I attended the relevant meetings of the Board and its special committees in person, carefully reviewed the meeting materials before the meetings, made independent, objective and impartial judgments using their professional knowledge and fully and clearly expressed their opinions at the meetings to perform their duties in an independent manner free from the influence of the Company, its major Shareholders and other interested units or individuals of the Company, and effectively safeguarded the legitimate rights and interests of all investors.

I attended the 2022 annual results presentation of the Company on 3 April 2023. In order to fully protect the rights and interests of investors and enhance the pertinence of communication, the Company publicly solicits questions from investors in advance and listens to investors' opinions and suggestions. At the 2022 annual results briefing meeting, I answered the questions that investors were generally concerned about and listened to investors' opinions and suggestions.

**(VI) On-Site Work at the Company**

In 2023, through attending the Company's Shareholders' meeting and participating in the Board and its special committees, I was fully informed of the Company's major issues, operational development, financial management and internal control. At the same time, by studying the newsletters of the Company's Directors and Supervisors, the special documents on anti-money laundering, integrity and investor relationship management, the latest policies and regulations and information on the operation of the Company, and through various means, such as convening special meeting with the Chairman of the Board, communicating with intermediary institutions such as annual auditing accounting firms, and communicating with minority Shareholders, I was able to performed my duties and kept abreast of the latest regulatory policies and developments in the securities industry, the development of the Company's operations and the progress of major issues in a timely manner; and I suggested the Company to implement the concept of "One GF" with the support of digital technology, consider the organizational restructuring at the corporate level, and link up business processes and data to fully synchronize and unleash the efficiency, so as to better provide comprehensive financial services to customers. Thus, I actively and effectively fulfilled my duties as a Independent Director.

**(VII) The Company's Cooperation with the Independent Directors**

In 2023, the Company provided the necessary working conditions and personnel support for me to perform my duties, and ensured that I enjoyed the same right to information as other Directors, had smooth information flow with other Directors, senior management and other relevant personnel, and was able to obtain sufficient resources and necessary professional advice in the performance of my duties. The Company has issued to me, in a timely manner, notices and documents for meetings of the Board of Directors and its special committees, newsletters of the Directors and Supervisors and information on the operation of the Company, as well as replied my queries in a timely manner, organized us to participate in the relevant trainings, and there were no instances of restriction or impediment to the normal performance of my duties.

**III. AREAS FOCUSED BY THE INDEPENDENT DIRECTORS DURING THEIR  
PERFORMANCE OF DUTIES DURING THE YEAR****(I) Related Party/Connected Transactions that need to be disclosed**

The Audit Committee of the Board and the Board of Directors considered and approved the proposal on the expected daily related party/connected transactions of the Company for the year 2023 on March 2023, and the same was considered and approved at the general meeting on June 2023. As an Independent Director and chairman of the Audit Committee, I considered the proposal and issued their pre-approval opinions and independent opinions.

My pre-approval opinion was: the Company's expected daily related/connected transactions in 2023 of the Company were normal trading based on business development and operating needs, were not detrimental to the interests of the Company and its minority Shareholders and would not adversely affect the financial position, operating results and the independence of the Company in the future and. It was agreed that the proposal shall be submitted to the Board of the Company for consideration.

My independent opinion was: 1. The relevant daily related party/connected transactions were intended to be executed at a fair price and would not damage the interests of the Company and minority Shareholders; 2. carrying out the relevant daily related party/connected transactions was beneficial for promoting the business growth of the Company, which was in line with the actual business needs of the Company, and was beneficial for the long-term development of the Company; 3. the relevant daily related party/connected transactions shall be disclosed in the annual report and the interim report of the Company in accordance with the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and 4. It was agreed that the proposal shall be submitted to the Board for consideration.

The Announcement of Expected Daily Related Party/Connected Transactions of the Company in 2023 was disclosed by the Company on March 31, 2023.

## **(II) Disclosure of financial information in financial reports and regular reports**

In 2023, before the Board considers and discloses the financial information in the financial reports and regular reports, the Audit Committee of the Board and the Independent Directors carefully reviewed the contents of the financial reports and regular reports. As an Independent Director and chairman of the Audit Committee, I fully expressed my opinions on the key issues in the regular reports and financial reports, so as to ensure that the contents of the regular reports and financial reports were true, accurate and complete, and did not contain any false records, misleading statements or major omissions.

The Company disclosed the 2022 Annual Report, the 2023 First Quarterly Report, the 2023 Interim Report, and the 2023 Third Quarterly Report on March 31, April 29, August 31, and October 31, 2023, respectively.

## **(III) Disclosure of the Internal Control and Evaluation Report**

In March 2023, the Audit Committee and the Risk Management Committee of the Board, and the Board of Directors considered and approved the Internal Control and Evaluation Report for the Year 2022. As an Independent Director, chairman of the Audit Committee and a member of the Risk Management Committee, I considered the report and expressed my independent opinion that the Company had further established and refined its internal control systems covering the Company's various business and management areas for the year 2022, and that no significant deficiencies in the design or implementation of internal control had been identified

as at December 31, 2022; the Internal Control and Evaluation Report comprehensively, truly and accurately reflected the actual situation of the Company's internal control and contained no false records, misleading statements or material omissions; they concurred with the Internal Control and Evaluation Report of GF Securities for the Year of 2022.

The Internal Control and Evaluation Report for the Year of 2022 was disclosed by the Company on March 31, 2023.

#### **(IV) Engagement of Auditors**

The Audit Committee of the Board and the Board of Directors considered and approved the resolution regarding engagement of auditors in 2023 in March 2023, and the same was considered and approved at the general meeting in June 2023, agreeing to re-appoint Ernst & Young Hua Ming LLP as the PRC domestic auditor of the Company in 2023, and Ernst & Young as the overseas auditor of the Company in 2023. The operating management of the Company was authorized at the general meeting to negotiate and determine the 2023 audit fee with the firms in accordance with market principle. As an Independent Director and chairman of the Audit Committee, I considered the proposal and expressed my pre-approval opinions and independent opinions.

My pre-approval opinion of the Independent Directors was: Ernst & Young Hua Ming LLP and Ernst & Young diligently performed their duties and obligations as external auditors in the annual audit of the Company for the year of 2022. It was agreed to submit this proposal to the Board of Directors of the Company for consideration.

My independent opinion was: Ernst & Young Hua Ming LLP and Ernst & Young had the professional capability and extensive experience in providing domestic and overseas audit services to the Company; they were able to perform their duties in compliance with independent, objective and fair practice standards, delivered their work diligently and responsibly, provided professional audit services to the Company with a rigorous independent review attitude and an efficient quality control system; and had sufficient investor protection capabilities and good integrity status, which were conducive to protecting the Company and the interests of Shareholders, especially the interests of minority Shareholders. The review procedures for the re-appointment of the accounting firm were in compliance with the relevant provisions of the relevant laws and regulations. It was agreed to re-appoint Ernst & Young Hua Ming LLP as the Company's domestic auditor for the year of 2023 and to re-appoint Ernst & Young as the Company's overseas auditor for the year of 2023. It was agreed to submit the proposal to the general meeting of the Company for consideration.

The Company disclosed the Announcement on the Proposed Re-appointment of Accounting Firms on March 31, 2023.

**(V) Profit distribution**

The 2022 profit distribution proposal/plan was considered and approved by the Board of Directors in March 2023 and by the general meeting in June 2023. It was agreed that a cash dividend of RMB3.5 (tax inclusive) for every 10 shares will be distributed to all shareholders based on the number of shares as at the record date for registration of Shareholdings of the Company for the purpose of distribution of dividends minus the number of shares held in the special securities account of the Company for repurchase purpose. As an Independent Director, I reviewed the proposal and expressed my independent opinion that the profit distribution proposal of the Company for 2022 was in compliance with the relevant provisions of laws, regulations, regulatory documents and the Articles of Association, and was in line with the actual operating conditions of the Company, and no harm to the Company's Shareholders, especially the minority Shareholders, was caused; consent was given to the profit distribution plan prepared by the Board of Directors and submission of the plan to the Company's 2022 annual general meeting for consideration.

On June 28, 2023 and August 5, 2023, the Company disclosed the Final Dividend for the Year Ended 31 December 2022 (H Shares) and the Announcement on the Implementation of Profit Distribution for A Shares for the Year 2022, respectively.

**(VI) Remuneration of Directors and Senior Management Officers**

In March 2023, the Remuneration and Appraisal Committee of the Board and the Board of Directors considered and approved the Resolution on Distribution of Performance-based Remuneration for the Management for the Year of 2022. As an Independent Director, I considered the resolution and expressed my independent opinion, and there was no objection to the Resolution on Distribution of Performance-based Remuneration for the Management for the Year of 2022.

In March 2023, the Remuneration and Appraisal Committee of the Board and the Board of Directors considered and approved the special statement on the performance appraisal and remuneration of the directors of GF Securities for the year of 2022. As an Independent Director, I considered the resolution and there was no objection to the resolution.

**(VII) External guarantees and use of funds**

In March 2023 and August 2023, as an Independent Director, I conscientiously understood and prudently examined the Company's funds used by and the Company's guarantees given to the controlling Shareholder, de facto controller and other related parties of the Company. In 2023, the Company did not have controlling Shareholder nor de facto controller, and there was no use of the Company's funds by related parties (except for operating business transactions). Save guarantees for subsidiaries given by the Company and guarantees given by the subsidiaries for their subsidiaries, no guarantee was provided to entities outside the scope of consolidated financial statements. I was of the view that the Company had strictly

complied with the requirements of relevant laws and regulations, had taken practical measures to prevent the controlling Shareholder, the actual controller and other related parties from using the Company's funds, and had strictly controlled the matters of guarantees. The Company was always prudent in handling and strict in controlling the risks of liabilities arising from guarantees, and the guarantees provided were in compliance with the relevant requirements and statutory approval procedures, and the information disclosure obligations for guarantees were conscientiously fulfilled in accordance with the relevant regulations.

#### **(VIII) Implementation of Information Disclosure Management System**

In 2023, I strictly abided by the Guidelines on Self-discipline Supervision of Listed Companies on the Shenzhen Stock Exchange No. 5 – Management of Information Disclosure Affairs and other relevant regulations, reviewed the establishment and operation of the Company's information disclosure affairs management system, and examined and supervised the regular reports and interim announcements of the Company.

In 2023, I did not discover any material deficiencies in the implementation of the Company's information disclosure management system. The Company established and amended the relevant systems, such as the Management System of Information Disclosure Affairs and the Management Rules for Insiders of Inside Information during the year, which were effectively implemented, further standardizing the Company's information disclosure work and improving the management level of the Company's information disclosure affairs and the quality of information disclosure, so that the principle of fairness in information disclosure was maintained and the legitimate rights and interests of the general investors were protected.

Except for the above matters, in 2023, the following circumstances did not occur in the Company: (1) the Company and related parties changed or waived the undertakings; (2) the Board of Directors made decisions and took measures against the acquisition of the Company; (3) appointment or dismissal of the person in charge of the Company's financial affairs; (4) correction of accounting policies, accounting estimates or significant accounting errors due to reasons other than changes in accounting standards; (5) nomination or appointment or removal of directors; (6) appointment or dismissal of senior management officers; (7) formulation or change of the share incentive schemes, employee share ownership plans, granting of interests to incentive participants or fulfillment of conditions for exercise of interests; (8) such matters as the arrangement of shareholding plans by the directors and senior management officers in the subsidiaries proposed for a spin-off, etc.

#### **IV. OVERALL EVALUATION AND SUGGESTIONS**

In 2023, I strictly complied with the relevant laws and regulations, regulatory provisions, self-regulatory rules and the provisions of the Articles of Association of the Company, had sufficient time and energy to fulfill my duties as an Independent Director, actively undertook the duties of the Board and its special committees, gave full play to my own expertise in the process of the Company's major decision-making, earnestly considered the various resolutions,

and actively offered advice and suggestions to promote scientific and efficient decision-making by the Board and safeguard the overall interests and legitimate rights and interests of all Shareholders, and made due contribution to the improvement of the Company's governance level.

In 2024, I will continue to uphold the principles of independence, objectivity and prudence, faithfully and diligently perform my duties as an Independent Director, give full play to the role of Independent Directors in corporate governance, utilize my professional knowledge and experience to provide more constructive suggestions for the Company's operation and development, and contribute to the enhancement of the Board of Directors' decision-making level to safeguard the overall interests of the Company and the legitimate rights and interests of all Shareholders.

**Independent Director: Li Wenjing**

**Dear Shareholders,**

We hereby present the 2023 Final Financial Report of GF Securities as follows:

In 2023, facing the complex and tough market conditions, the operating management of the Company led all our staff to work together to overcome the challenges, and the Company has recorded stable operating results.

## **I. FINANCIAL POSITION OF 2023**

As of the end of 2023, total assets of the Group were RMB682,182 million, representing an increase of RMB64,925 million from the beginning of the year, mainly due to the increase in financial liabilities held for trading and margin financing. The total liabilities of the Group were RMB541,506 million, increasing by RMB49,043 million from the beginning of the year. Total liabilities excluding the balance of accounts payable to brokerage customers amounted to RMB409,495 million, representing an increase of RMB54,617 million as compared with the beginning of the year, which was mainly attributable to the increase in the balance of financial assets sold under repurchase agreements and accounts payables. Shareholders' equity attributable to the parent company was RMB135,718 million, increasing by RMB15,572 million from the beginning of the year, mainly resulted from the net profit, issuance of perpetual bonds, distribution of cash dividends and the provision of interest on perpetual bonds recorded during the year.

## **II. PROFITABILITY IN 2023**

In 2023, the Group realized operating revenue of RMB23,300 million, decreasing by 7.29% from the previous year. Among which: (1) the Group recorded net fee income and commission income from brokerage business of RMB5,810 million, decreasing by 9.03% from the previous year, mainly due to the decrease in commission rates and the shrinkage of stock trading volume; (2) the Group realized net fee income from investment banking business of RMB566 million, down 7.22% from the previous year, mainly affected by the decrease in the number of IPOs and refinancing; (3) the Group realized net fee income from asset management and fund management business of RMB7,728 million, a decrease of 13.55% compared with the previous year, mainly due to the decrease in management scale and management fee rate; (4) the Group realized net interest income of RMB3,136 million, a decrease of 23.53% compared with the previous year, mainly due to the increase in interest expenses on repurchase sales; (5) the Group realized net investment income of RMB5,301 million, a rise of 20.94% compared with the previous year, mainly due to the increase in investment income of financial instruments held for trading; (6) the Group realized gain from fair value changes of RMB-1,011 million, an increase of RMB1,171 million compared with the previous year, mainly from changes in the fair value of financial assets held for trading; (7) the Group realized other income of RMB982 million, a decrease of 31.45% compared with the previous year, mainly due to the year-on-year decrease in government incentives; (8) the Group realized other business income of RMB388 million, decreased by 64.09% from the previous year, mainly due to the decrease in income from the sale of bulk commodities.

The Group incurred a total of RMB14,505 million in operating expenses, a decrease of 1.22% from the previous year, mainly due to a 66.54% year-on-year decrease in other operating costs as a result of a decrease in cost of sales of bulk commodities; and a total of RMB13,885 million in operating and administrative expenses, an increase of 0.55% from the previous year.

The Group's non-operating revenue was RMB1 million, non-operating cost was RMB52 million. The total profit of the Group was RMB8,744 million after deducting the operating cost and net non-operating cost from operating revenue and the net profit attribute to the parent company was RMB6,978 million, decreasing by 15.82% and 12.00% from the previous year respectively.

### III. OPERATING CONDITIONS OF PARENT COMPANY AND SUBSIDIARIES

In 2023, the parent company realized operating revenue of RMB14,595 million and net profit of RMB6,985 million, decreasing by 3.76% and 11.00% from the previous year respectively.

The operating conditions of each subsidiary were as follows: GF Futures Co., Ltd. realized operating revenue of RMB1,420 million and net profit of RMB341 million; GFHK realized operating revenue of RMB381 million and net profit of RMB-159 million; GF Xinde realized operating revenue of RMB259 million and net profit of RMB26 million; GF Qianhe realized operating revenue of RMB560 million and net profit of RMB343 million; GF Asset Management realized operating revenue of RMB39 million and net profit of RMB-196 million; Guangfa Financial Leasing realized operating revenue of RMB23 million and net profit of RMB10 million; GF Fund realized operating revenue of RMB7,643 million and net profit of RMB1,950 million.

### IV. KEY FINANCIAL INDICATORS OF THE GROUP AND RISK CONTROL INDICATORS OF THE PARENT COMPANY

#### 1. Key financial indicators

Item	2023	2022
Earnings per share (RMB)	0.83	1.02
Net assets per share attributable to owners of the parent company (RMB) <sup>Note</sup>	17.81	15.76
Return on weighted average net assets	5.66%	7.23%

*Note:* Net assets per share attributable to owners of the parent company = Net assets attributable to owners of the parent company/Total share capital.

## 2. Key regulatory indicators of the parent company

Item	End of 2023	Pre-warning standard	Regulatory standard
Net capital	RMB93,166 million		
Risk coverage ratio	233.36%	≥120%	≥100%
Capital leverage ratio	12.03%	≥9.6%	≥8%
Liquidity coverage ratio	222.43%	≥120%	≥100%
Net stable funding ratio	129.57%	≥120%	≥100%
Net capital/net assets	77.48%	≥24%	≥20%
Net capital/liabilities	24.99%	≥9.6%	≥8%
Net assets/liabilities	32.25%	≥12%	≥10%
Proprietary equity securities and securities derivatives/net capital	31.10%	≤80%	≤100%
Proprietary non-equity securities and securities derivatives/net capital	294.25%	≤400%	≤500%

All regulatory indicators of the parent company were in compliance with the regulatory standards.

Please kindly consider the above report.

Dear Shareholders,

Pursuant to the requirements of the Regulations for Supervision and Administration of Securities Companies (《證券公司監督管理條例》), the Administrative Measures for Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》), the Provisions on Strengthening the Supervision and Administration of Listed Securities Companies (as amended in 2020) (《關於加強上市證券公司監管的規定》(2020年修訂)), the Provisions on the Investment Scope for Proprietary Securities Business of Securities Companies and Related Matters (《關於證券公司證券自營業務投資範圍及有關事項的規定》), the Norms for the Comprehensive Risk Management of Securities Companies (《證券公司全面風險管理規範》), the Guidelines on Proprietary Securities Business of Securities Companies (《證券公司證券自營業務指引》) and the Guidelines for the Liquidity Risk Management of Securities Companies (《證券公司流動性風險管理指引》), in order to further improve the authorization and management of proprietary investment of the Company, in combination with the actual situation of the Company, the authorization of the investment quota for the proprietary business of the Company is proposed as follows:

1. To authorize the Board of Directors of the Company, subject to compliance with the relevant requirements of the CSRC and self-regulation organization regarding the supervision and administration of securities companies, management of proprietary investment and risk management, and provided that the investment quota of the proprietary securities business of the Company shall not exceed the maximum limit prescribed in the rules and regulations and regulatory documents of the CSRC, to determine reasonably the total amount of maximum limit for the proprietary investment of the Company, and make adjustments to the allocation of the proprietary investment quota in accordance with market conditions, regulatory environment and operating performance, the scope of proprietary investment is limited to the types of securities listed in the List of Securities Investment Products of Proprietary Trading by Securities Companies (《證券公司證券自營投資品種清單》) and its subsequent amendments and recognized by the regulatory department.
2. To authorize the operating management of the Company to allocate the investment quota for the proprietary business scientifically within the scope of regulatory standards for risk control indicators prescribed under the Administrative Measures for the Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》), Rules on Computation Standards for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) and its subsequent amendments and carefully set the risk limit of proprietary business. To authorize the Board of the Company with the right to adjust the proprietary investment quota of the operating management of the Company within the extent authorized under Item 1.

3. To authorize the operating management of the Company to make reasonable adjustments to the size of the proprietary business and the risk limit as needed when amendments are made to external laws and regulations to ensure that the proprietary securities business quota of the Company will not exceed the requirements as stipulated in the rules and regulations and regulatory documents of the CSRC.

It should be noted that the above quota is the maximum limit for the proprietary investment quota determined according to the relevant requirements of the CSRC and the characteristics of market volatility, and its total quantity and variation are not representation of judgments made by the Board of Directors and the operating management of the Company in respect of the market. The above quota does not include the investment quota for long-term equities to be invested by the Company, and the investment quota for long-term equities is still required to be determined and executed in accordance with the relevant decision-making procedures of the Company.

Please kindly consider the above resolution.

**ANNEX G RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY**

Dear Shareholders,

Pursuant to the relevant requirements of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (hereinafter referred to as the “**SZSE Listing Rules**”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Hong Kong Listing Rules**”), and in consideration of its actual condition, the Company has made an estimation of the daily related party/connected transactions that will occur in 2024.

**I. ESTIMATION OF DAILY RELATED TRANSACTIONS UNDER THE SZSE LISTING RULES FOR 2024**

Category	Type of transaction	Particulars of the relevant transaction	Pricing principle and estimated amount in 2024	Related Parties <sup>Note 1</sup>	Actual amount as of the disclosure date	Actual amount in 2023 <sup>Note 2</sup>	Percentage in the same category of business
					(RMB ten thousand)	(RMB ten thousand)	(%)
Investment Banking	Income from securities underwriting and sponsorship	Income generated from the provision of securities underwriting and sponsorship business services by the Company and subsidiaries to related parties.	Pricing will be determined by reference to the market level. However, since the issue size of securities is greatly affected by market conditions, the trading volume is unpredictable. Therefore, it is difficult to predict such income of the Company. The actual amount incurred will be adopted for calculation.	Zhongshan Public Utilities and its parties acting in concert <sup>Note 3</sup>	70.75	70.75	0.14
				Other related parties	-	-	-

**ANNEX G      RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY**

Category	Type of transaction	Particulars of the relevant transaction	Pricing principle and estimated amount in 2024	Related Parties <sup>Note 1</sup>	Actual	Actual amount in 2023 <sup>Note 2</sup>	Percentage
					amount as of the disclosure date (RMB ten thousand)	Actual Amount (RMB ten thousand)	in the same category of business (%)
	Income from financial advisory service	Income generated from the provision of financial advisory business services by the Company and controlled subsidiaries to related parties.	Pricing will be determined by reference to the market level. However, since customer demand is unpredictable, it is difficult to predict such income of the Company. The actual amount incurred will be adopted for calculation.	All related parties of the Company	–	–	–
Wealth Management	Commission income from securities brokerage business	Seat income generated from the provision of trading service to related parties by the Company and controlled subsidiaries through specific trading seats; commission income from providing trading services to related parties, application fees, redemption fees, subscription fees, conversion fees, customer maintenance fees (trailing commissions) and other related income earned from selling funds and other products issued by related parties.	Pricing will be determined by reference to market level. However, since the trading volume is affected by market news and investment decisions, the transaction amount is unpredictable; subscription to funds is driven by customers and is subject to market conditions. The amounts of subscription and redemption is unpredictable; therefore, it is difficult to predict such income of the Company. The actual amount incurred will be adopted for calculation.	Jilin Aodong and its parties acting in concert <sup>Note 3</sup>	–	0.02	0.00
				E Fund Management Co., Ltd.	1,669.40	8,327.39	1.51
				Other related parties	0.33	0.92	0.00

**ANNEX G      RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY**

Category	Type of transaction	Particulars of the relevant transaction	Pricing principle and estimated amount in 2024	Related Parties <sup>Note 1</sup>	Actual	Actual amount	
					amount as of the disclosure date (RMB ten thousand)	in 2023 <sup>Note 2</sup> Actual Amount (RMB ten thousand)	Percentage in the same category of business (%)
	Income from investment consultancy businesses	Income generated from the provision of investment consultancy businesses by the Company and controlled subsidiaries to related parties.	Pricing will be determined by reference to the market level. However, since customer demand is unpredictable, it is difficult to predict such income of the Company. The actual amount incurred will be adopted for calculation.	All related parties of the Company	-	-	-
	Interest income from financing businesses including margin financing and securities lending, repurchase transactions, financial leasing and money lending business (Hong Kong)	Interest income received from the provision of financing businesses including margin financing and securities lending, repurchase transactions, financial leasing and money lending business (Hong Kong) by the Company and controlled subsidiaries to related parties.	Pricing will be determined by reference to market level. However, since the trading volume is affected by market news, the relevant business size is unpredictable. Therefore, it is difficult to predict such income of the Company. The actual amount incurred will be adopted for calculation.	All related parties of the Company	-	-	-

**ANNEX G      RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY**

Category	Type of transaction	Particulars of the relevant transaction	Pricing principle and estimated amount in 2024	Related Parties <sup>Note 1</sup>	Actual	Actual amount	
					amount as of the disclosure date (RMB ten thousand)	in 2023 <sup>Note 2</sup> Actual Amount (RMB ten thousand)	Percentage in the same category of business (%)
	Commission income from futures business	Commission income generated from the provision of services including transaction and consultation by GF Futures Co., Ltd. and controlled subsidiaries to related parties.	Pricing will be determined by reference to market level. However, since the trading volume is affected by market news and investment decisions, the transaction volume is unpredictable. Therefore, it is difficult to predict such income of the Company. The actual amount incurred will be adopted for calculation.	E Fund Management Co., Ltd. Other related parties	38.84 –	155.61 0.01	0.28 0.00
	Income from spot trading business	Business income generated from the spot trading business conducted by the controlled subsidiaries of the GF Futures Co., Ltd. with related parties.	Pricing will be determined by reference to market level. However, since market news and customer demand is unpredictable, it is difficult to predict the transaction volume and such income of the Company. The actual amount incurred will be adopted for calculation.	All related parties of the Company	–	–	–

**ANNEX G      RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY**

Category	Type of transaction	Particulars of the relevant transaction	Pricing principle and estimated amount in 2024	Related Parties <sup>Note 1</sup>	Actual	Actual amount	Percentage in the same category of business (%)
					amount as of the disclosure date (RMB ten thousand)	in 2023 <sup>Note 2</sup> Actual Amount (RMB ten thousand)	
Trading and Institution	Trading of securities and financial products	Amount of trading <sup>Note 4</sup> of shares, debentures, derivatives and other securities and financial products (excluding fund and other wealth management products issued by related parties) by the Company and controlled subsidiaries with related parties.	Pricing will be determined by reference to market level. However, since the trading of securities and financial products is discretionary act of customers and affected by market news, the transaction amount is unpredictable, it is difficult to predict such income of the Company.	E Fund Management Co., Ltd.	-	-	-
				Other related parties	81,943.90	830,808.27	0.03
				E Fund Management Co., Ltd.	719,283.51	467,634.95	5.06
		Balance of market value of fund and other wealth management products issued by related parties of the Company and held by the Company and controlled subsidiaries at the end of the period.	The actual amount incurred will be adopted for calculation	Other related parties	-	-	-

**ANNEX G      RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY**

Category	Type of transaction	Particulars of the relevant transaction	Pricing principle and estimated amount in 2024	Related Parties <sup>Note 1</sup>	Actual	Actual amount	Percentage in the same category of business
					amount as of the disclosure date	in 2023 <sup>Note 2</sup>	
					(RMB ten thousand)	(RMB ten thousand)	(%)
	Interest expenses for issuance of income certificates	Interest expenses incurred from the issuance of income certificates by the Company and controlled subsidiaries to related parties.	Pricing will be determined by reference to market level. However, since the subscription of income certificates is the discretionary act of customers and affected by	Liaoning Cheng Da and its parties acting in concert <sup>Note 3</sup> Other related parties	– 126.20	37.74 14.43	0.00 0.00
	Liabilities incurred from issuance of income certificates	Liabilities incurred when related parties purchase income certificates issued by the Company and controlled subsidiaries.	market news, the subscription amount is unpredictable. Therefore, it is difficult to predict the scale of such expenses/liabilities of the Company. The actual amount incurred will be adopted for calculation.	Liaoning Cheng Da and its parties acting in concert Other related parties	– 5,126.20	9,037.74 150.07	0.22 0.00
	Income from market- making business	Income generated from the provision of market-making services by the Company and controlled subsidiaries to related parties	Pricing will be determined by reference to market valuation. However, since the volume of market- making target and market volatility level are unpredictable, it is difficult to predict such income of the Company. The actual amount incurred will be adopted for calculation.	All related parties of the Company	–	–	–

**ANNEX G      RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY**

Category	Type of transaction	Particulars of the relevant transaction	Pricing principle and estimated amount in 2024	Related Parties <sup>Note 1</sup>	Actual	Actual amount	
					amount as of the disclosure date <i>(RMB ten thousand)</i>	in 2023 <sup>Note 2</sup> Actual Amount <i>(RMB ten thousand)</i>	Percentage in the same category of business <i>(%)</i>
	OTC transfer transaction	Income generated by the Company and controlled subsidiaries when providing liquidity for products held by customers of related parties in the OTC market.	Pricing will be determined by reference to market level. However, since the customer demand for liquidity is affected by market news, it is difficult to predict such income of the Company. The actual amount incurred will be adopted for calculation.	All related parties of the Company	-	-	-
	Custody and fund service business	Income generated from the provision of custody and fund service business by the Company to related parties.	Pricing will be determined by reference to market level. Since the scale of products of the custody and fund service business provided is unpredictable, it is difficult to predict such income of the Company. The actual amount incurred will be adopted for calculation.	All related parties of the Company	-	-	-

**ANNEX G      RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY**

Category	Type of transaction	Particulars of the relevant transaction	Pricing principle and estimated amount in 2024	Related Parties <sup>Note 1</sup>	Actual	Actual amount	
					amount as of the disclosure date (RMB ten thousand)	in 2023 <sup>Note 2</sup> Actual Amount (RMB ten thousand)	Percentage in the same category of business (%)
Investment Management	Income from entrusted customer asset management business	Management fees and other income generated from wealth management products held by related parties of the Company and managed by the Company, GF Securities Asset Management (Guangdong) Co., Ltd. and GF Futures Co., Ltd. and other subsidiaries.	Pricing will be determined by reference to market level. Since the asset size of the related party customers entrusted to the Company and the income generated according to management results are uncertain and affected by market news with relatively high volatility, it is difficult to predict such income of the Company. The actual amount incurred will be adopted for calculation.	Jilin Aodong and its parties acting in concert	1.83	9.48	0.03
				E Fund Management Co., Ltd.	-	-	-
				Other related parties	2.60	15.24	0.04

**ANNEX G RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY**

Category	Type of transaction	Particulars of the relevant transaction	Pricing principle and estimated amount in 2024	Related Parties <sup>Note 1</sup>	Actual	Actual amount	Percentage in the same category of business (%)
					amount as of the disclosure date (RMB ten thousand)	in 2023 <sup>Note 2</sup> Actual Amount (RMB ten thousand)	
Income of management fees from fund products		Management fees and other income generated from fund and other wealth management products issued by GF Fund Management Co., Ltd. and held by related parties of the Company.	The products are issued at net value and the management fees and other fees are charged according to market standards. The specific amount of income is subject to market news and investment judgment, and it is therefore difficult to predict such income. The actual amount incurred will be adopted for calculation.	Jilin Aodong and its parties acting in concert	6.75	59.36	0.01
				E Fund Management Co., Ltd.	2.78	13.59	0.00
				Other related parties	228.80	1,225.24	0.17
		Management fees and other income generated from fund and other products managed by GF Xinde Investment Management Co., Ltd. and held by related parties of the Company.		Jilin Aodong and its parties acting in concert	–	115.68	0.02
				Zhongshan Public Utilities and its parties acting in concert	–	1,669.85	0.23
				Other related parties	–	–	–
Joint investment with related parties	The establishment of equity investment fund partnership and investment related enterprises by the Company and its subsidiary engaged in investment business with related parties according to the needs of daily business development.	Investment amount will be determined by reference to market level and relevant agreements. Since the occurrence and size of business are uncertain, the actual amount incurred will be adopted for calculation.	Jilin Aodong and its parties acting in concert	–	1,000.00	0.44	
			Zhongshan Public Utilities and its parties acting in concert	–	22,750.00	9.98	
			E Fund Management Co., Ltd.	–	4,000.00	1.75	
			Other related parties	–	–	–	

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## ANNEX G RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY

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*Note 1:* The related parties mentioned in the above table refers to related legal entities and related natural persons as defined in accordance with the SZSE Listing Rules and the Notice on Matters Relating to Further Enhancing Supervision on Related Party Transactions of Securities Companies under Jurisdiction issued by Guangdong Bureau of the CSRC (《中國證監會廣東監管局關於進一步加強轄區證券公司關聯交易監管有關事項的通知》) (Guangdong Zheng Jian Fa [2018] No. 77).

*Note 2:* For details of expected daily related party transactions of the Company in 2023, please refer to the Announcement of Expected Daily Related Party/Connected Transactions of the Company in 2023 disclosed by the Company on March 31, 2023.

*Note 3:* “Jilin Aodong and its parties acting in concert” refer to Jilin Aodong Pharmaceutical Group Co., Ltd. and other related parties controlling, controlled by or under common control with Jilin Aodong. “Liaoning Cheng Da and its parties acting in concert” refer to Liaoning Cheng Da Co., Ltd. and other related parties controlling, controlled by or under common control with Liaoning Cheng Da. “Zhongshan Public Utilities and its parties acting in concert” refer to Zhongshan Public Utilities Group Co., Ltd. and other related parties controlling, controlled by or under common control with Zhongshan Public Utilities.

*Note 4:* The trading of shares, debentures, derivatives and other securities and financial products (excluding fund and other wealth management products issued by related parties) by the Company and controlled subsidiaries with related parties includes issuance and subscription, proprietary transactions, repurchase and lending (with interest included), equity investment, etc. (excluding transactions listed under Article 6.3.11 of the SZSE Listing Rules).

Other than the aforesaid expected daily related transactions, when the Company entered into the following related transactions with related parties, it is exempted from performing the relevant obligations pursuant to Article 6.3.11 of the SZSE Listing Rules and Article 33 of the Connected Transaction Management System of GF Securities (《廣發證券關聯交易管理制度》):

- (1) when one party subscribes in cash for shares and derivative products, corporate bonds or enterprise bonds of the other party under the public offering, except where related parties are included in pre-determined issuing targets;
- (2) when one party acts as a member of the underwriting syndicate to underwrite shares and derivative products, corporate bonds or enterprise bonds of the other party under the public offering;
- (3) when one party collects dividends, bonus or returns according to the resolution passed at a general meeting of the other party;
- (4) when the Company provides products and services to related natural persons stipulated under items (ii) to (iv) of paragraph 3 in Article 6.3.3 of the SZSE Listing Rules on the trading conditions same as those with non-related parties; and
- (5) other situations recognized by the Shenzhen Stock Exchange.

## **II. INTRODUCTION OF MAJOR RELATED PARTIES AND RELATED PARTY RELATIONSHIP UNDER THE SZSE LISTING RULES**

The legal representative of Jilin Aodong Pharmaceutical Group Co., Ltd. (“**Jilin Aodong**”) is Li Xiulin. Jilin Aodong has a registered capital of RMB1,168 million and its business scope includes: planting and breeding, business (except for special projects controlled by the state and franchise); machinery repair, warehousing, importing of raw and auxiliary materials, mechanical equipment, instruments, spare parts (except for the 12 imported items which are operated by the specified companies approved by the State) required for the production and scientific research by this enterprise; pharmaceutical industry, pharmaceutical business, pharmaceutical research and development, vehicle rental services, and self-owned real estate operating activities (requiring statutory approvals shall be operated only after receiving approval from relevant authorities). Its registered address is No. 2158, Aodong Street, Dunhua City, Jilin Province. As of September 30, 2023, the amount of total assets of Jilin Aodong was RMB32,168 million and the amount of its ownership equity attributable to shareholders of the listed company was RMB27,039 million. From January to September in 2023, Jilin Aodong had an operating revenue of RMB2,354 million and net profit attributable to shareholders of the listed company of RMB1,274 million. As of December 31, 2023, A Shares and H Shares held by Jilin Aodong and its parties acting in concert in the Company accounted for 20.00% of the Company’s total share capital. Mr. Li Xiulin, a director of the Company, serves as the chairman of the board of directors and legal representative of Jilin Aodong. Jilin Aodong has satisfied the requirements of related party relationship specified in paragraph 2 of Article 6.3.3 of the SZSE Listing Rules, and concurrently constitutes a connected person under the Hong Kong Listing Rules. Jilin Aodong has good contract performance and payment capabilities.

The legal representative of Liaoning Cheng Da Co., Ltd. (“**Liaoning Cheng Da**”) is Shang Shuzhi. It has a registered capital of RMB1,530 million and its business scope includes: self-operated and brokered import and export of goods and technology (other than those prohibited by the country; restricted varieties can only be operated after obtaining a license), imported processing and “three types of processing plus compensation trades” business, counter trade and re-export trade, contract for overseas projects and domestic international bidding projects in the industry, export of equipment and materials required for the above overseas projects, dispatch of labor personnel in the engineering, production and service industries of the industry, purchasing of agricultural and sideline products (except grain), chain operation of chemical fertilizers, cultivation of Chinese herbal medicine, house leasing, warehousing services, coal wholesale operations (requiring approval according to law, and business activities can only be carried out with the approval by the relevant authority). Its registered address is No. 71 Renmin Road, Zhongshan District, Dalian City. As of September 30, 2023, the amount of total assets of Liaoning Cheng Da was RMB46,750 million and the amount of its ownership equity attributable to shareholders of the listed company was RMB29,157 million. From January to September in 2023, Liaoning Cheng Da had an operating revenue of RMB7,771 million and net profit attributable to shareholders of the listed company of RMB598 million. As of December 31, 2023, A Shares and H Shares held by Liaoning Cheng

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**ANNEX G RESOLUTION REGARDING THE 2024 EXPECTED DAILY RELATED PARTY/CONNECTED TRANSACTIONS OF THE COMPANY**

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Da and its parties acting in concert in the Company accounted for 17.94% of the Company's total share capital. Mr. Shang Shuzhi, a director of the Company, serves as the chairman of the board of directors and legal representative of Liaoning Cheng Da. Liaoning Cheng Da has satisfied the requirements of related party relationship specified in paragraph 2 of Article 6.3.3 of the SZSE Listing Rules, and concurrently constitutes a connected person under the Hong Kong Listing Rules. Liaoning Cheng Da has good contract performance and payment capabilities.

The legal representative of Zhongshan Public Utilities Group Co., Ltd. ("**Zhongshan Public Utilities**") is Guo Jingyi. It has a registered capital of RMB1,475 million and its business scope includes: investment and management of public utilities, operation and management of markets, investment and investment planning, consultancy and management, and other businesses (activities subject to approval according to law may only be carried out with the approval by the relevant authority). Its registered address is North Tower, Caixing Building, 18 Xingzhong Road, Zhongshan, Guangdong Province. As of September 30, 2023, the amount of total assets of Zhongshan Public Utilities was RMB27,404 million and the amount of its ownership equity attributable to shareholders of the listed company was RMB16,234 million. From January to September in 2023, Zhongshan Public Utilities had an operating revenue of RMB3,068 million and net profit attributable to shareholders of the listed company of RMB828 million. As of December 31, 2023, A Shares and H Shares held by Zhongshan Public Utilities and its parties acting in concert in the Company accounted for 10.34% of the Company's total share capital. Mr. Guo Jingyi, a director of the Company, serves as the chairman of the board of directors and legal representative of Zhongshan Public Utilities. Zhongshan Public Utilities has satisfied the requirements of related party relationship specified in paragraph 2 of Article 6.3.3 of the SZSE Listing Rules, and concurrently constitutes a connected person under the Hong Kong Listing Rules. Liaoning Cheng Da has good contract performance and payment capabilities.

The legal representative of E Fund Management Co., Ltd. ("**E Fund**") is Liu Xiaoyan. E Fund has a registered capital of RMB132 million and its business scope includes: management of securities investment fund issued by public offering, sales of funds, asset management for specific customers (project requiring statutory approvals shall be operated only after receiving approval from relevant authorities). Its registered address is Sixth Floor, No. 188 Rongyue Road, Hengqin New District, Zhuhai, Guangdong Province. As of December 31, 2023, the amount of total assets of E Fund was RMB25,364 million and the amount of its net assets attributable to shareholders of the parent company was RMB16,547 million. In 2023, the operating revenue of E Fund was RMB12,501 million and net profit attributable to shareholders of the parent company was RMB3,381 million. As of December 31, 2023, the Company held 22.65% equity interest in E Fund and was its largest shareholder. Mr. Yi Yangfang, a deputy general manager of the Company, is also a director of E Fund. E Fund has satisfied the requirements of related party relationship specified in paragraph 2 of Article 6.3.3 of the SZSE Listing Rules but does not constitute a connected person under the Hong Kong Listing Rules. E Fund has good contract performance and payment capabilities.

**III. DAILY CONNECTED TRANSACTIONS UNDER THE HONG KONG LISTING RULES IN 2024**

For any connected transaction that satisfies the definition of the Hong Kong Listing Rules, the Company will conduct it and perform the relevant decision making and disclosure procedures strictly in accordance with the provisions under the Hong Kong Listing Rules and the Connected Transaction Management System of GF Securities.

Concurrently, the Company is exempted from performing the relevant obligations in accordance with the provisions under Chapter 14A of the Hong Kong Listing Rules and Article 27 of the Connected Transaction Management System of GF Securities, when the following connected transactions occur between the Company and connected parties:

- (1) transactions that meet the de minimis level;
- (2) financial assistance;
- (3) issuance of new securities by listed group companies;
- (4) trading of securities on stock exchanges;
- (5) repurchase of securities by listed group companies;
- (6) directors' service contracts and insurance;
- (7) purchase or sale of consumer products or consumer services;
- (8) sharing of administration and management services;
- (9) transactions with the associate(s) of passive investors; and
- (10) transactions with connected parties at the subsidiary level.

**IV. MAIN CONTENTS OF RELATED PARTY/CONNECTED TRANSACTIONS**

**(I) Main contents and pricing principles of related party/connected transactions**

All businesses between the Company and related/connected parties follow market-oriented pricing principles. The major operations and specific pricing principles of the Company are as follows:

1. Income from securities underwriting and sponsorship and financial advisory: pricing is determined with reference to the market level and industry practice;

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2. Commission income from brokerage business: pricing is determined with reference to the commission rates for similar trading services in the market;
3. Interest income from margin financing and securities lending, repurchase transaction services and money lending (Hong Kong): pricing is determined with reference to the market level;
4. Commission income from futures business: pricing is determined with reference to the commission rates for similar trading or consultation services in the market;
5. Income from agency sale of funds and other products: charges are made according to the unified sales policy when the products are issued by fund companies;
6. Trading of securities and financial products: pricing will be determined with reference to market level including market news, fair value and net value of products.
7. Issuance of income certificates: pricing is determined with reference to the market level and industry practice;
8. Income from market-making business: pricing is determined with reference to the market level;
9. Income from OTC transfer transactions: pricing is determined with reference to the market level;
10. Income from custody and fund service business: pricing is determined with reference to the market level;
11. Income from entrusted customer asset management business: pricing is determined by reference to the market level and industry practice;
12. Income from issuance of fund and other wealth management products: the products are issued at net value and the management fees and other related fees are charged with reference to the market level;
13. Joint investment: investment amount is determined by reference to market level and relevant agreements.

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**(II) Signing of related party/connected transactions agreements**

With the expected range of annual daily related party/connected transactions, when related party/connected transactions occur, the Company will enter into separate relevant agreements. Where related party/connected transactions occurred beyond the expected range, the Company will carry out the approval procedures and perform the obligation of information disclosure in a timely manner according to relevant internal and external requirements.

**V. PURPOSES OF THE TRANSACTIONS AND IMPACT ON THE COMPANY**

- (I) Each of the daily related/connected transactions contemplated by the Company is beneficial for the Company in developing new businesses and broadening its income stream during its daily operations;
- (II) The pricing of the relevant related/connected transactions can be made with reference to market prices available, for which the Company intends to implement at a fair price, which will not damage the interests of the Company and minority Shareholders;
- (III) The relevant related/connected transactions do not affect the independence of the Company. The major businesses of the Company have not relied on the related/connected parties as a result of the above related/connected transactions.

**VI. OPINIONS OF THE INDEPENDENT DIRECTORS**

The first special meeting of Independent Directors of the tenth session of Board of the Company in 2024 reviewed and approved this resolution and issued the following independent opinions:

- 1 The relevant daily related party/connected transactions are intended to be executed at a fair price and will not damage the interests of the Company and the Shareholders, particularly minority Shareholders;
- 2 Carrying out the relevant daily related party/connected transactions is in line with the actual business needs of the Company and beneficial for promoting the business growth and long-term development of the Company;
- 3 The relevant daily related party/connected transactions shall be disclosed in the Annual Report and the interim report of the Company in accordance with the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

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- 4    It is agreed to implement the daily related/connected transactions mentioned in this resolution. It is agreed that if the above related/connected transactions constitute connected transactions under the Hong Kong Listing Rules, the Company shall comply with the requirements of Chapter 14A of the Hong Kong Listing Rules in fulfilling the information disclosure obligations and the relevant approval procedures; and that this proposal be submitted to the general meeting of the Company for consideration.

**It is hereby proposed to the general meetings:**

1.    to agree the implementation of the related/connected transactions set out in this resolution; and agree that the Company shall perform its obligation of information disclosure and carry out the relevant approval procedures in accordance with the requirements under Chapter 14A of the Hong Kong Listing Rules, if the above related party/connected transactions constitute connected transactions under the Hong Kong Listing Rules;
2.    to propose to the general meeting to authorize the Board and agree the Board to delegate the operating management to enter into new agreements or renew the relevant agreements within the scope of the expected daily related/connected transactions in 2024 based on business needs.

Related/connected shareholders including Jilin Aodong Pharmaceutical Group Co., Ltd. and persons acting in concert, Liaoning Cheng Da Co., Ltd. and persons acting in concert, Zhongshan Public Utilities Group Co., Ltd. and persons acting in concert, shall abstain from voting on the resolution, and shall not accept appointment from other Shareholders as proxies in voting.

Please kindly consider the above resolution.

WORKING SYSTEM OF THE INDEPENDENT DIRECTORS OF  
GF SECURITIES CO., LTD.  
(DRAFT)

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to further improve the governance structure of GF Securities Co., Ltd. (hereinafter referred to as the “**Company**”), give full play to the role of independent directors in corporate governance, safeguard the overall interests of the Company and protect the legitimate rights and interests of all shareholders, especially minority shareholders, the Company has formulated this system in accordance with laws, regulations, regulatory provisions and self-regulatory rules, including the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Regulations on the Supervision and Administration of Securities Companies (《證券公司監督管理條例》), the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Institutions (《證券基金經營機構董事、監事、高級管理人員及從業人員監督管理辦法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Code of Corporate Governance for Securities Companies (《證券公司治理準則》), the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》), the Guidelines for the Self-discipline Supervision of Listed Companies on the Shenzhen Stock Exchange No. 1-Standardized Operation of Listed Companies on the Main Board (《深圳證券交易所上市公司自律監管指引第1號—主板上市公司規範運作》) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Listing Rules**” and The Stock Exchange of Hong Kong Limited as the “**Hong Kong Stock Exchange**”), as well as the relevant provisions of the Articles of Association of GF Securities Co., Ltd. (hereinafter referred to as the “**Articles of Association**”), and in light of the Company’s actual situation.

**Article 2** An independent director is a director who does not hold any position other than a director of the Company and has no direct or indirect interest relationship with the Company or its substantial shareholders or de facto controllers, or has any other relationship that may affect his/her independent and objective judgment.

Independent directors shall perform their duties independently and impartially, free from the influence of entities or individuals such as the Company and its substantial shareholders and de facto controllers.

**Article 3** Independent directors have the duty of loyalty and diligence to the Company and all shareholders, and shall conscientiously perform their duties in accordance with the laws and regulations, regulatory requirements and self-discipline rules of the place where the securities of the Company are listed, the Articles of Association and the provisions of this

system. Independent directors shall fully understand the operation of the Company and the contents of matters considered by the Board of Directors, and play a role in the Board of Directors in decision-making, supervision and balance, and professional consultation, so as to safeguard the overall interests of the Company and protect the legitimate rights and interests of minority shareholders.

**Article 4** The Board of Directors of the Company shall include at least three independent directors, and the proportion of independent directors in the Board of Directors shall not be less than one-third, and shall include at least one accounting professional. The Company shall appoint at least one independent director who is usually resident in Hong Kong.

Independent directors shall constitute more than half of the audit committee, the nomination committee and the remuneration and appraisal committee of the Board of Directors of the Company and shall act as the convener. The members of the audit committee of the Board of Directors of the Company shall be non-executive directors who are not senior management of the Company, and the convener shall be an accounting professional.

## CHAPTER 2 QUALIFICATION

**Article 5** The independent directors of the Company shall be:

- (1) persons who are qualified to serve as directors of a listed company in accordance with the laws and regulations, regulatory requirements and self-discipline rules of the place where the securities of the Company are listed and the Articles of Association;
- (2) persons who meet the independence requirements as stipulated in Articles 7 and 8 of this system;
- (3) persons who have basic knowledge of the operation of a listed company and are familiar with relevant laws and regulations such as securities and funds and the requirements and relevant rules of the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”);
- (4) persons with more than five years of legal, accounting or economic work experience necessary to perform the duties of an independent director;
- (5) persons with good personal moral character, integrity and honesty, good conduct and no bad record such as material breach of trust;
- (6) persons with management experience and operational management capabilities appropriate to the performance of their duties;

- (7) persons who comply with the relevant provisions of the Civil Servant Law of the People's Republic of China (《中華人民共和國公務員法》), the Notice of the Central Commission for Discipline Inspection of the Communist Party of China on Regulating the Resignation or Retirement of Central Administrative Cadres to Serve as Independent Directors and Independent Supervisors of Listed Companies and Fund Management Companies (中共中央紀委《關於規範中管幹部辭去公職或者退(離)休後擔任上市公司、基金管理公司獨立董事、獨立監事的通知》), the Opinions on Further Regulating the Part-time Employment (Employment) of Party and Government Leading Cadres in Enterprises issued by the Organization Department of the CPC Central Committee (中共中央組織部《關於進一步規範黨政領導幹部在企業兼職(任職)問題的意見》) and the Opinions on Strengthening the Construction of Anti-corruption and Promoting Honesty in Colleges and Universities issued by the Central Commission for Discipline Inspection of the Communist Party of China, the Ministry of Education and the Ministry of Supervision (中共中央紀委、教育部、監察部《關於加強高等學校反腐倡廉建設的意見》), if applicable;
- (8) persons who meet other requirements of the laws and regulations, regulatory requirements and self-discipline rules of the place where the securities of the Company are listed and the Articles of Association.

**Article 6** A candidate for an independent director nominated as an accounting professional shall possess extensive accounting expertise and experience and meet at least one of the following conditions:

- (1) possessing the qualification of certified public accountant;
- (2) having a senior professional title, an associate professor or above, or a doctorate degree in accounting, auditing or financial management;
- (3) having a senior professional title in economic management, and having more than five years of full-time working experience in accounting, auditing or financial management.

**Article 7** Independent directors must maintain their independence. The following persons shall not act as independent directors of the Company:

- (1) persons who hold a position in the Company or its subsidiaries and their spouses, parents, children and major social relationship members;
- (2) persons who directly or indirectly hold more than 1% of the issued shares of the Company or are the natural person shareholders among the top 10 shareholders of the Company and their spouse, parents or children;

- (3) persons who hold a position in shareholders who directly or indirectly hold more than 5% of the issued shares of the Company or the top 5 shareholders of the Company and their spouses, parents and children;
- (4) persons who hold a position in the subsidiaries of the controlling shareholder or de facto controller of the Company and their spouses, parents and children;
- (5) persons who have significant business dealings with the Company and its controlling shareholders, de facto controllers or their respective affiliated enterprises, or hold positions in the entities with significant business dealings and their controlling shareholders or de facto controllers;
- (6) persons who provide financial, legal, consulting, sponsorship and other services to the Company and its controlling shareholders, de facto controllers or their respective affiliated enterprises, including but not limited to all the project team members of the intermediary institutions providing services, reviewers at all levels, persons who sign reports, partners, directors, senior management and principals;
- (7) persons who have experienced any of the circumstances listed in items (1) to (6) in the last 12 months;
- (8) persons who have served in the Company and its related parties in the last 3 years;
- (9) persons whose immediate family members and major social relationship members work in the Company and its affiliates;
- (10) persons who have interests with senior management, other directors, supervisors and other key personnel of the Company and its related parties;
- (11) persons who work in institutions that have business dealings or interests with the Company;
- (12) persons who hold positions other than independent directors in other securities and fund institutions;
- (13) other persons who are not independent as required by the laws and regulations, regulatory requirements and self-discipline rules of the place where the securities of the Company are listed and the Articles of Association of the Company, or other persons who are assessed to be not independent by the stock exchange of the place where the securities of the Company are listed, or other persons who have other circumstances that may prevent them from making independent and objective judgments.

Independent directors shall conduct self-inspection on their independence annually and submit the self-inspection to the Board of Directors. The Board of Directors shall assess the independence of the incumbent independent directors and issue special opinions each year, which shall be disclosed together with the annual report.

If there is any change in circumstances that may affect the independence of the independent directors, the independent directors shall notify the Hong Kong Stock Exchange as soon as practicable and confirm their independence to the Company annually. The Company must confirm in its annual report every year whether it still considers such independent director to be independent.

**Article 8** Except as provided in Article 7 of this system, the Company shall avoid selecting and employing the following persons when assessing its independence:

- (1) persons who have acquired any interests in the securities of the Company from the Company itself or its core connected persons (as defined in the Hong Kong Listing Rules, the same below) in the form of gifts or other financial assistance (except as permitted under the Hong Kong Listing Rules);
- (2) directors, partners or principals of professional consultants who are or have provided services to the following companies/persons at that time or have provided services to the following companies/persons in the past two years prior to their appointment, or persons who are or were or for the same period were employees of a professional adviser providing relevant services to the following companies/persons:
  1. the Company, its holding company or any of their respective subsidiaries or core connected persons;
  2. any person who has been a controlling shareholder of the Company within 2 years prior to the date of his/her proposed appointment as an independent director, or, if the Company has no controlling shareholder, any person who was the chief executive or director (other than an independent director) of the Company, or any close associate (as defined in the Hong Kong Listing Rules);
- (3) a person who has, or has had a material interest in any of the principal activities of the Company, its holding company or their respective subsidiary within 1 year prior to the date of his/her proposed appointment as an independent director; or a person who is or has been involved in a material commercial transaction with the Company, its holding company or their respective subsidiaries or with any core connected person of the Company;
- (4) a person who serves as Board member for the purpose of protecting an entity whose interests are different from those of the shareholders as a whole;
- (5) a person who has been connected with a director, chief executive or substantial shareholder holding 10% or more of the shares of the Company at the time or within 2 years prior to the date of his/her proposed appointment as an independent director;

- (6) a person who is (or has been within 2 years prior to the date of his/her proposed appointment as a director) an executive or director (other than an independent director) of the Company, its holding company or any of their respective subsidiaries, or any core connected person of the Company; and
- (7) a person who is financially dependent on the Company, its holding company or any of its respective subsidiaries or a core connected person of the Company.

**Article 9** Independent directors of the Company shall, in principle, serve as independent directors of up to three domestic listed companies and may serve as independent directors of up to two securities and fund institutions, and shall ensure that they have sufficient time and energy to effectively perform their duties as independent directors.

**Article 10** Candidates for independent directors should have good personal moral character, and should not be subject to any circumstances that prevent them from being nominated as directors of the Company under the laws, regulations, supervisory regulations and self-discipline rules of the place where the securities of the Company are listed, as well as the Articles of Association, and should not have the following bad records:

- (1) received administrative penalties by the CSRC or criminal penalties by judicial authorities for any violation or crime of securities and futures within the last 36 months;
- (2) being investigated by the CSRC or investigated by the judicial authorities for suspected securities and futures crimes but no clear conclusion has been reached;
- (3) publicly condemned by the stock exchange or criticized more than 3 times in the past 36 months;
- (4) poor record such as material breach of trust;
- (5) during the previous term as an independent director, he/she was dismissed by the Board of Directors at the general meeting due to the fact that he/she failed to attend Board meetings in person and did not entrust other independent directors to attend Board meetings twice in a row for less than 12 months;
- (6) other circumstances stipulated or recognized by the laws and regulations, regulatory requirements and self-discipline rules of the place where the securities of the Company are listed and the Articles of Association.

If a person has served as an independent director of the Company for 6 consecutive years, he/she shall not be nominated as a candidate for independent director of the Company within 36 months from the date of such occurrence.

**CHARTER 3 APPOINTMENT OR DISMISSAL**

**Article 11** The Company's Board of Directors, the Supervisory Committee and the shareholders who individually or collectively hold more than 1% of the issued shares of the Company may nominate candidates for independent directors, who shall be elected and decided by the general meeting.

A legally established investor protection institution may publicly request shareholders to entrust them to exercise the right to nominate independent directors on their behalf.

The nominators stipulated in the first paragraph shall not nominate persons who have interests with him/her or those who are closely related to him/her or who may affect his/her independent performance of his/her duties as candidates for independent directors.

**Article 12** Nominators of independent directors should obtain the consent of the nominee before nomination. The nominator shall fully understand the nominee's occupation, educational background, title, detailed work experience, all part-time jobs, and whether there is any material breach of trust and other bad records, and shall express his/her opinion on his/her independence and other conditions for serving as an independent director. The nominee shall make a public statement of his/her independence and other conditions for being an independent director.

**Article 13** The nomination committee of the Board of Directors of the Company shall review the qualifications of the candidates for independent directors and formulate clear review opinions.

**Article 14** The Company shall disclose relevant information in accordance with Article 12 and Article 13 of this system before the general meeting for election of independent directors. The relevant materials (including the nominors' declarations and undertakings, candidates' declarations and undertakings, resumes of independent directors, etc.) of all candidates for independent directors shall be submitted to the Shenzhen Stock Exchange at the latest when the notice of the general meeting on election of independent directors is issued. The relevant submitted materials shall be true, accurate and complete. The nominee shall undertake in the statement and undertaking that there is no interest between the nominee and the nominator or other circumstances that may affect the independent performance of duties by the nominee.

The Company's Board of Directors, candidates for independent directors and nominors for independent directors shall truthfully answer the inquiries (if any) of the Shenzhen Stock Exchange within the prescribed time limit and provide them with supplemental materials in a timely manner as required.

**Article 15** The Shenzhen Stock Exchange will review the relevant materials of the candidates for independent directors in accordance with the regulations, and prudently judge whether the candidates for independent directors meet the qualifications and have the right to raise objections. If the Shenzhen Stock Exchange raises any objection, the Company shall disclose it in a timely manner.

When the general meeting is held for election of independent directors, the Board of Directors of the Company shall state whether the Shenzhen Stock Exchange has raised any objection to the candidates for independent directors. If an independent director candidate is objected by the Shenzhen Stock Exchange, the Company shall not submit the relevant candidate to the general meeting for election. If the relevant proposal has been submitted to the general meeting for consideration, the Company shall cancel the proposal.

The Company shall file with the dispatched office of the CSRC at the place of its domicile within 5 working days from the date of the resolution of the election of independent directors at the general meeting.

**Article 16** Where more than two independent directors are elected at a general meeting, the cumulative voting system shall be adopted. The voting results of minority shareholders shall be counted separately and disclosed.

**Article 17** The term of office of an independent director shall be the same as that of other directors of the Company. An independent director may be re-elected upon expiry of his/her term of office, but shall not serve for more than six consecutive years. Independent directors are subject to retirement by rotation and re-election (if any) in accordance with the requirements of the Hong Kong Listing Rules.

**Article 18** Before the expiration of the term of office of an independent director, the Company may remove his/her office in accordance with the statutory procedures. If an independent director is removed from office prior to the expiration of his term of office, the Company shall disclose the specific reasons and basis in a timely manner. If an independent director has any objection, the Company shall disclose it in a timely manner. The Company shall file with the dispatched office of the CSRC at the place of domicile of the Company within 5 working days from the date of the decision to dismiss an independent director. The Company and the independent directors shall submit written explanations to the dispatched office of the CSRC of the Company's domicile and the shareholders' general meeting within 20 working days.

If an independent director is not qualified to be a director of a listed company or does not meet the independence requirements of an independent director, he/she shall immediately cease to perform his/her duties and resign from his/her position. If an independent director does not propose to resign, the Board of Directors shall immediately dismiss his/her office as required when it becomes aware of, or shall be aware of, such fact. If an independent director resigns or is removed from office due to the circumstances stipulated in the preceding paragraph, resulting in proportion of independent directors in the Board of Directors or its special committees failing to meet the requirements of the Measures for the Administration of Independent Directors of Listed Companies or the Articles of Association, or a lack of accounting professionals among the independent directors, the Company shall complete the by-election within 60 days from the date of occurrence of the foregoing facts.

If an independent director should be dismissed from his/her office but has not yet been dismissed, his/her voting at the meetings of the Board of Directors and its special committees and the special meetings of independent directors shall be invalid.

**Article 19** An independent director may resign before the expiration of his term of office. An independent director who resigns shall submit a written resignation report to the Board of Directors, and shall state in the resignation report the time of resignation, reason for resignation, position resigned and whether he/she will continue to hold office in the Company and its controlled subsidiaries after resignation (if he/she continues to hold office, state the details of the position), etc., and to explain any circumstances that are relevant to his/her resignation or that he/she considers necessary to be brought to the attention of the Company's shareholders and creditors. The Company shall disclose the reasons for the resignation of independent directors and their concerns. The Company and the independent directors shall submit written explanations to the branch office of the CSRC at the place of the Company's domicile and the shareholders' general meeting in respect of their resignation.

If the resignation of an independent director will result in the proportion of independent directors in the Board of Directors or its special committees not in compliance with the provisions of the Measures for the Administration of Independent Directors of Listed Companies or the Articles of Association, or a lack of accounting professionals among independent directors, then the independent director intends to resign shall continue to perform his/her duties until the date of appointment of a new independent director, unless his/her resignation was under any of the circumstances stipulated in Article 18 of this system. The Company shall complete a by-election within 60 days from the date of the resignation of the independent director.

**CHAPTER 4 RESPONSIBILITIES AND PERFORMANCE OF DUTIES**

**Article 20** Independent directors shall perform the following duties:

- (1) Participate in the decision-making of the Board of Directors and express clear opinions on the matters under consideration;
- (2) Supervise the potential material conflict of interests between the Company and its controlling shareholders, de facto controllers, directors and senior management officers as stipulated in Article 22 and Article 30 of this system, to facilitate the Board of Directors to make decisions in line with the interests of the Company as a whole and protect the lawful rights and interests of minority shareholders;
- (3) Provide professional and objective advice on the operation and development of the Company, to facilitate enhancement in the decision-making standard of the Board of Directors;
- (4) Other duties as stipulated in the laws and regulations, regulatory requirements and self-discipline rules of the place where the Company's securities are listed, and the Articles of Association.

If the matter under consideration is found to have any influence on his/her independence, he/she shall make a statement to the Company and recuse from participation. In the event that there is any obvious impact on independence during his/her term of office, he/she shall notify the Company in a timely manner, propose measures for resolutions, and shall resign, if necessary.

**Article 21** Independent directors shall exercise the following special powers:

- (1) independently engage an intermediary to conduct audit, consultation or verification on specific matters of the Company;
- (2) make proposal to the Board of Directors to convene an extraordinary general meeting;
- (3) propose to convene a Board meeting;
- (4) solicit shareholder's rights from shareholders publicly in accordance with the law;
- (5) express independent opinions on matters that may harm the interests of the Company or minority shareholders;

- (6) other functions and powers as stipulated in the laws and regulations, regulatory requirements and self-discipline rules of the place where the Company's securities are listed, and the Articles of Association.

The exercise of the functions and powers listed in items 1 to 3 of the preceding paragraph shall obtain the consent of more than half of all independent directors.

Where an independent director exercises the functions and powers listed in the first paragraph, the Company shall make disclosure in a timely manner. If the above-mentioned functions and powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

**Article 22** The following matters shall be submitted to the Board of Directors for consideration after approval by more than half of all independent directors of the Company:

- (1) related-party/connected transactions that should be disclosed;
- (2) plans for the Company and related parties to change or waive commitments;
- (3) decisions and measures taken by the Company's Board of Directors regarding the acquisition against the Company;
- (4) other matters as stipulated by the laws and regulations, regulatory requirements and self-discipline rules of the place where the Company's securities are listed, and the Articles of Association.

**Article 23** Prior to the convening of a Board meeting, the independent directors may communicate with the secretary to the Board of Directors to make inquiries, request for supplementary information, and provide opinions and suggestions on matters to be considered. The Board of Directors and relevant personnel shall carefully study the issues, requirements and opinions raised by the independent directors, and provide timely feedback to the independent directors on the implementation of the amendments to the proposals.

**Article 24** Independent Directors shall attend the Board meetings in person. If they are unable to attend the meetings in person for some reasons, the independent directors shall review the meeting materials in advance, form clear opinions, and appoint other independent directors to attend the meeting on their behalf in writing.

If an independent director fails to attend the Board meeting in person for two consecutive times and does not appoint another independent director to attend the meeting on his behalf, the Board of Directors shall propose to convene a general meeting to remove such independent director within 30 days from the date of occurrence of such fact.

**Article 25** Where an independent director expresses an independent opinion, the opinion expressed shall be explicit and clear and shall at least include the following contents:

- (1) basic information of major matters;
- (2) the basis for expressing opinions, including the procedures performed, the documents to be checked and the content of the on-site inspection;
- (3) lawfulness and compliance of major matters;
- (4) the impact on the Company and the interests of minority shareholders, the possible existing risks and the effectiveness of the measures adopted by the Company;
- (5) concluding opinions expressed, including consent opinions, reservations and their reasons, objections and their reasons, inability to express opinions and their obstacles.

The independent directors shall sign and confirm their independent opinions, report the above opinions to the Board of Directors in a timely manner, and disclose them together with the relevant announcements of the Company.

**Article 26** If the independent directors vote against or abstain from voting at the Board meeting, they shall state the specific reasons and basis, the lawfulness and compliance of the matters involved in the resolutions, the possible existing risks and the impact on the interests of the Company and the minority shareholders. When disclosing the resolutions of the Board of Directors, the Company shall also disclose the dissenting opinions of the independent directors, which shall be stated in the resolutions and the minutes of meetings of the Board of Directors.

**Article 27** The independent directors shall continue to pay attention to the implementation of the resolutions of the Board of Directors in relation to the matters listed in Article 22 and Article 30 of this system, and if they find any violation of the laws and regulations, regulatory requirements and self-discipline rules of the place where the Company's securities are listed, and the Articles of Association, or any violation of the resolutions of the shareholders' general meeting and the Board of Directors, they shall report to the Board of Directors in a timely manner and may request the Company to make a written explanation. Where the matters involve disclosure requirements, the Company shall make disclosure in a timely manner.

If the Company fails to make an explanation or timely disclosure in accordance with the provisions of the preceding paragraph, the independent directors may report to the CSRC and the Shenzhen Stock Exchange.

**Article 28** The Company shall convene meetings attended by all independent directors on a regular or ad hoc basis (hereinafter referred to as the “**special meetings of the independent directors**”). The matters listed in items (1) to (3) in paragraph 1 of Article 21 and Article 22 of this system shall be reviewed at a special meeting of the independent directors.

The special meetings of the independent directors may study and discuss other matters of the Company as needed.

The special meeting of the independent directors shall be convened and presided over by one independent director jointly elected by more than half of the independent directors; in the event that the convener fails to or is unable to perform his/her duties, two or more independent directors may convene and elect one representative to preside over the meeting.

The Company shall facilitate and support the convening of special meetings of the independent directors.

The Company shall arrange at least one meeting per year to be attended only by the Chairman of the Board of Directors and the independent directors of the Company, without the presence of other directors.

**Article 29** The independent directors shall perform their duties in the special committees of the Board of Directors of the Company in accordance with the laws and regulations, regulatory requirements and self-discipline rules of the place where the Company’s securities are listed, and the Articles of Association. Independent directors shall attend the meetings of the special committees in person. If they are unable to attend the meetings in person for any reason, they shall review the meeting materials in advance, form clear opinions, and appoint other independent directors to attend the meetings on their behalf. If the independent directors are concerned about major matters of the Company within the terms of reference of the special committees, they may promptly submit such matters to the special committees for discussion and deliberation in accordance with the procedures.

**Article 30** Independent directors shall pay particular attention to the following matters considered or recommended by the Audit Committee, the Nomination Committee or the Remuneration and Appraisal Committee of the Board:

- (1) disclosure of financial information in financial accounting reports and regular reports, and internal control assessment reports;
- (2) appointment or dismissal of the accounting firm undertaking the audit affairs of the Company;
- (3) appointment or dismissal of the person in charge of finance of the Company;

- (4) changes in accounting policies, accounting estimates or correction of significant accounting errors due to reasons other than changes in accounting standards;
- (5) nomination, appointment or dismissal of directors;
- (6) appointment or dismissal of senior management officers;
- (7) remuneration of the directors and senior management officers;
- (8) formulation or changes in the equity incentive schemes and employee stock ownership plans, and the fulfilment of conditions for the grant of rights and interests to incentive participants and the exercise of such rights and interests;
- (9) shareholding arrangements for directors and senior management officers in the subsidiaries proposed to be spinned off;
- (10) other matters stipulated in the laws and regulations, regulatory requirements and self-discipline rules of the place where the Company's securities are listed, and the Articles of Association.

The matters listed in items (1) to (4) of the preceding paragraph shall be submitted to the Board of Directors for consideration after approval by more than half of all members of the Audit Committee of the Board. Matters listed in items (5) to (6) shall be proposed by the Nomination Committee of the Board to the Board of Directors, and matters listed in items (7) to (9) shall be recommended by the Remuneration and Appraisal Committee of the Board to the Board of Directors.

**Article 31** Independent directors shall work on-site in the Company for no less than 15 days per year.

In addition to attending general meetings of the shareholders, meetings of the Board of Directors and its special committees, and special meetings of the independent directors in accordance with requirements, the independent directors may perform their duties through regularly obtaining information on the operation of the Company, listening to reports from the management, communicating with the person in charge of the internal audit department and the intermediaries such as the accounting firm undertaking the audit affairs of the Company, conducting on-site inspection and communicating with minority shareholders.

**Article 32** Minutes of the meetings of the Board of Directors of the Company and its special committees and the special meetings of the independent directors shall be prepared in accordance with the regulations, and the opinions of the independent directors shall be stated in the minutes of meetings. The independent directors shall sign on the minutes of meeting for confirmation.

Independent directors shall compile work records to record in detail the performance of their duties. The information obtained by the independent directors in the course of performing their duties, relevant minutes of meetings, and the communication records between the Company and the staff of the intermediaries, among others, shall form an integral part of the work records. For important contents of the work records, the independent directors may request the secretary to the Board of Directors and other relevant personnel to sign for confirmation, and the relevant personnel shall cooperate.

The work records of the independent directors and the information provided by the Company to the independent directors shall be kept for at least 10 years.

**Article 33** The Company shall improve the communication mechanism between independent directors and minority shareholders, and independent directors may verify with the Company in a timely manner regarding issues raised by investors.

**Article 34** The independent directors shall submit an annual report on the performance of their duties to the annual general meeting of the Company to explain the status of their duty performance. The annual work report of the independent directors shall be disclosed at the latest when the Company issues the notice of the annual general meeting, and the annual work report shall include the following contents:

- (1) the number of attendances, manner of attendance and voting at the meetings of the Board of Directors and the number of attendances at the general meetings of the shareholders throughout the year;
- (2) participation in the work of special committees of the Board of Directors and special meetings of independent directors;
- (3) the review of the matters listed in Article 22 and Article 30 of this system and the exercise of the special functions and powers of independent directors as set out in paragraph 1 of Article 21 of this system;
- (4) information on major matters, methods and results of communication with the internal audit institution and the accounting firm undertaking the audit affairs of the Company in respect of the financial and business conditions of the Company;
- (5) communication and exchange with minority shareholders;
- (6) the time and content of on-site work at the Company;
- (7) other circumstances in respect of the performance of duties.

**Article 35** Independent directors shall continue to strengthen their study of securities laws and regulations and continuously improve their ability to perform their duties. The Company shall be responsible for arranging suitable training for independent directors and providing the relevant funding, and the independent directors shall provide records of their trainings to the Company.

#### CHAPTER 5 ASSURANCE FOR DUTY PERFORMANCE

**Article 36** The Company shall provide necessary working conditions and personnel support for independent directors to perform their duties, and shall designate special departments and special personnel, such as the office of the Board of Directors and the secretary to the Board of Directors, to assist the independent directors in performing their duties.

The secretary to the Board of Directors shall ensure that there is a clear flow of information between the independent directors and other directors, senior management officers and other relevant personnel, and ensure that the independent directors are provided with sufficient resources and necessary professional advice in discharging their duties.

**Article 37** The Company shall ensure that independent directors enjoy the same right of information as other directors. In order to ensure that the independent directors can effectively exercise their powers, the Company shall regularly notify the independent directors of the operation status of the Company, provide information, organize or cooperate with the independent directors to conduct on-site inspections.

Before the Board of Directors considers major and complicated matters, the Company may organize independent directors to participate in research and reasoning sessions, so as to fully listen to the opinions of independent directors and provide feedback to the independent directors on the adoption of their opinions in a timely manner.

**Article 38** The Company shall promptly issue notices of Board meetings to independent directors, provide relevant meeting materials and provide effective communication channels for independent directors no later than the notice period for Board meetings prescribed by the laws and regulations, regulatory requirements and self-discipline rules of the place where the Company's securities are listed, and the Articles of Association. Where a special committee of the Board of Directors convenes a meeting, in principle, the Company shall provide relevant materials and information no later than three days before the date of holding the meeting of the special committee. The Company shall keep the above meeting materials for at least 10 years.

**Article 39** If two or more independent directors consider that the meeting materials are incomplete, the reasoning of which is insufficient or they are not provided in a timely manner, they may propose to the Board of Directors in writing to propose a postponement of the meeting or postpone the consideration of the matter to a later date, and the Board of Directors shall accept such recommendation. Where independent directors exercise their powers, the

directors, senior management officers and other relevant personnel of the Company shall cooperate, and shall not refuse, obstruct or conceal relevant information, and shall not interfere with the independent exercise of their powers.

Where an independent director encounters obstacles in exercising his/her functions and powers in accordance with the law, he/she may explain the situation to the Board of Directors and request the cooperation of the directors, senior management officers and other relevant personnel, and shall record the specific circumstances of the obstacles and the solutions in their work records. If the obstacles still cannot be resolved, he/she may also report to the CSRC and the Shenzhen Stock Exchange.

Where the performance of duties of an independent director involves information that should be disclosed, the Company shall make such disclosure in a timely manner. If the Company fails to disclose, the independent director may directly apply for disclosure or report to the CSRC and the Shenzhen Stock Exchange.

**Article 40** In any of the following circumstances, the independent directors shall report to the Shenzhen Stock Exchange in a timely manner:

- (1) when he/she is removed from office by the Company, and he/she believes that the reason for such removal is improper;
- (2) resignation of an independent director is caused by the circumstances of the Company preventing the independent director from exercising his powers in accordance with the law;
- (3) the materials of the Board meeting are incomplete or the reasoning is insufficient, and the proposal of two or more independent directors in writing to postpone the Board meeting or postpone the consideration of relevant matters has not been adopted;
- (4) the Board of Directors fails to take effective measures on suspected violations of laws and regulations by the Company or its directors, supervisors or senior management officers after the same is reported to the Board of Directors;
- (5) other circumstances that seriously impede the performance of duties by the independent directors.

**Article 41** The Company shall bear the expenses incurred by the independent directors in hiring professional institutions and exercising other functions and powers.

**Article 42** The Company may establish a liability insurance system for independent directors to reduce the risks that may be caused by the independent directors during normal performance of their duties.

**Article 43** The Company shall provide allowances to the independent directors commensurate with their duties. The standard of allowances shall be formulated by the Board of Directors, considered and approved at the general meeting of shareholders, and disclosed in the annual report of the Company.

Except for the above allowances, independent directors shall not obtain other benefits from the Company and its substantial shareholders, de facto controllers or interested entities and persons.

## CHAPTER 6 SUPPLEMENTARY PROVISIONS

**Article 44** The following terms in these rules shall have the following meanings:

- (1) Substantial shareholders refer to shareholders who hold more than 5% shares of the Company, or hold less than 5% shares of the Company but have significant influence on the Company;
- (2) Minority shareholders refer to shareholders who individually or collectively hold less than 5% of the shares of the Company and do not act as directors, supervisors and senior management officers of the Company;
- (3) Affiliated enterprises refer to enterprises directly or indirectly controlled by relevant entities;
- (4) Immediate family members refer to spouse, parents and children;
- (5) Major social relationships include brothers and sisters, spouses of brothers and sisters, parents of spouses, brothers and sisters of spouses, spouses of children, parents of spouses of children, etc.
- (6) Significant business transactions refer to matters that need to be submitted to the shareholders' general meeting for consideration in accordance with the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and other relevant regulations of the Shenzhen Stock Exchange or the Articles of Association, or other significant matters identified by the Shenzhen Stock Exchange.;
- (7) Appointment refers to serving as directors, supervisors, senior management officers and other staff.

**Article 45** The Board of Directors of the Company is responsible for the interpretation and modification of this system. Matters not covered by this system shall be implemented in accordance with relevant laws and regulations, regulatory requirements, self-discipline rules and the Articles of Association. In the event that the provisions of this system are inconsistent with the provisions of the newly promulgated relevant laws and regulations, regulatory requirements, self-discipline rules and the Articles of Association, the provisions of the newly promulgated relevant laws and regulations, regulatory requirements, self-discipline rules and the Articles of Association shall prevail.

**Article 46** This system shall come into effect on the date of approval at the general meeting of the Company, and the existing Working Rules for Independent Directors of GF Securities Co., Ltd. shall be repealed at the same time.

**Li Xiulin (李秀林)**, male, born in March 1953, has served as non-executive Director of the Company since May 2014. Mr. Li Xiulin has been the chairman of Jilin Aodong Pharmaceutical Group Co., Ltd. (a company listed on SZSE, stock code: 000623, formerly known as Yanbian AoDong Pharmaceutical Co., Ltd.) since February 2000. His primary working experience includes: educated youth of Dashan Commune in Dunhua City, Jilin Province from February 1970 to June 1972; doctor of Dunhua Deer Farm in Yanbian, Jilin Province from June 1972 to August 1982; general manager and engineer of Yanbian AoDong Pharmaceutical Company from August 1982 to December 1987; general manager of Yanbian Dunhua Deer Farm from December 1987 to February 1993; chairman and general manager of Yanbian AoDong Pharmaceutical Co., Ltd. (renamed as Jilin Aodong Pharmaceutical Group Co., Ltd. in October 1998) from February 1993 to February 2000. Mr. Li Xiulin obtained an academic diploma of bachelor's degree qualification in economics from Open College of Central Party School of the Communist Party of China in June 1992 and completed the 28th training course in business administration at Tsinghua University School of Economics and Management from February 2000 to June 2000. Mr. Li Xiulin has connected relationship with Jilin Aodong Pharmaceutical Group Co., Ltd., a Shareholder of the Company holding more than 5% of the shares of the Company. He does not have connected relationship with other Directors, Supervisors or senior management of the Company. Mr. Li does not hold any shares of the Company. He has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange within the latest five years. He has not been subject to any case of investigation commenced by judicial authorities due to suspected offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. He has not committed any discreditable behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. He has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

**Shang Shuzhi (尚書志)**, male, born in October 1952, has served as non-executive Director of the Company since July 2001. Mr. Shang Shuzhi has been the chairman of Liaoning Cheng Da Co., Ltd. (a company listed on SSE, stock code: 600739, formerly known as Liaoning Cheng Da (Group) Co., Ltd. (遼寧成大(集團)股份有限公司)) since August 1993. His primary working experience includes: deputy general manager of Liaoning Province Textiles Import and Export Corporation from December 1987 to February 1991; deputy manager of Liaoning Province Knitwear and Home Textiles Import and Export Corporation in charge of operation and general manager thereof from February 1991 to July 1993; and chairman of

Liaoning Cheng Da Group Ltd. from January 1997 to December 2017. Mr. Shang Shuzhi graduated from Dongbei University of Finance and Economics in August 1977, majoring in international trade, and obtained the qualification of senior economist and the qualification of senior international business-engineer from Liaoning Provincial Department of Personnel (now known as Liaoning Provincial Department of Human Resources and Social Security) in September 1993 and December 1994, respectively, and obtained an executive master of business administration degree (EMBA) from Dongbei University of Finance and Economics in June 2005. Mr. Shang Shuzhi has connected relationship with Liaoning Cheng Da Co., Ltd., a Shareholder of the Company holding more than 5% of the shares of the Company. He does not have connected relationship with other Directors, Supervisors or senior management of the Company. Mr. Shang does not hold any shares of the Company. He has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. He has not been subject to any case of investigation commenced by judicial authorities due to suspected offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. He has not committed any discreditable behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. He has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

**Guo Jingyi (郭敬誼)**, male, born in June 1975, has served as non-executive Director of the Company since October 2020. Mr. Guo Jingyi has served as Secretary of the Party Committee and chairman of Zhongshan Public Utilities Group Co., Ltd. (a company listed on SZSE, stock code: 000685) since September 2020. His primary working experience includes: an employee of Zhongshan Environmental Protection Engineering Co., Ltd. (中山市環保工程有限公司) from July 1998 to May 2004; manager of Zhongshan Sanxiang Water Supply Co., Ltd. (中山市三鄉供水有限公司) from May 2004 to May 2008; manager of Zhongshan Water Supply Co., Ltd. Sanxiang branch, deputy general manager and managing deputy general manager of Zhongshan Water Supply Co., Ltd. from May 2008 to November 2009; deputy general manager of water business department of Zhongshan Public Utilities Group Co., Ltd. and general manager of Zhongshan Water Supply Co., Ltd. from November 2009 to February 2011; deputy general manager of Zhongshan Zhonghui Investment Group Company Limited, deputy general manager of water business department of Zhongshan Public Utilities Group Co., Ltd. and general manager of Zhongshan Water Supply Co., Ltd. from February 2011 to July 2011; deputy general manager of Zhongshan Zhonghui Investment Group Company Limited from July 2011 to October 2013; general manager of Zhongshan Transportation Development

Group Co., Ltd. from October 2013 to July 2019, during which he also served as executive director and general manager of Zhongshan Rail Transit Co., Ltd. (中山市轨道交通有限公司), executive director of Zhongshan East Outer Ring Expressway Co., Ltd. (中山市東部外環高速公路有限公司), executive director of Zhongshan Transportation Development Investment Co., Ltd. (中山市交發投資有限公司); and director and general manager of Zhongshan Zhonghui Investment Group Company Limited from July 2019 to August 2020. Mr. Guo Jingyi obtained a bachelor's degree in engineering from Wuyi University in June 1998 and completed in-service postgraduate studies majoring in economics (economic management) at the Graduate School of the Party School of the Communist Party of China in July 2013. Mr. Guo Jingyi has connected relationship with Zhongshan Public Utilities Group Co., Ltd., a Shareholder of the Company holding more than 5% of the shares of the Company. He does not have connected relationship with other Directors, Supervisors or senior management of the Company. Mr. Guo does not hold any shares of the Company. He has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. He has not been subject to any case of investigation commenced by judicial authorities due to suspected offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. He has not committed any discreditable behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. He has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

**Lin Chuanhui (林傳輝)**, male, born in February 1964, has served as general manager of the Company since December 2020, executive Director of the Company since January 2021 and chairman of the Board of the Company since July 2021. His primary working experience includes: cadre of the scientific research office and deputy division researcher of the organization bureau of the Party School of the Central Committee of CPC from July 1985 to December 1995; general manager of Beijing business unit of the investment banking department, deputy general manager of the investment banking department, general manager of the Shanghai business headquarters, and standing deputy general manager of the investment banking department of the Company successively from December 1995 to October 2002; general manager of GF Fund (planning) from October 2002 to August 2003; general manager and vice chairman of GF Fund from August 2003 to December 2020, during which, also as chairman and general manager of Ruiyuan Capital Management Co., Ltd., chairman of the board of directors of GF International Investment Management Limited; chairman of the board of directors of GFHK from September 2021 to December 2021; and director of China

Securities Inter-agency Quotation System Co., Ltd. since December 2021. Mr. Lin Chuanhui obtained a bachelor's degree in economics from Jilin University in July 1985. Mr. Lin Chuanhui does not have connected relationship with any Shareholder of the Company holding more than 5% of the shares of the Company, or other Directors, Supervisors or senior management of the Company. Mr. Lin does not hold any shares of the Company. He has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. He has not been subject to any case of investigation commenced by judicial authorities due to suspected offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. He has not committed any discreditable behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. He has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

**Sun Xiaoyan (孫曉燕)**, female, born in June 1972, has served as executive Director of the Company since December 2014, as chief financial officer of the Company since March 2006, and deputy general manager of the Company since April 2011. Her primary working experience includes: staff of capital operation department, finance department and investment banking department, consecutively, since joining the Company in July 1993; deputy general manager of accounting department, deputy general manager of investment and proprietary trading department and general manager of finance department of the Company from September 1998 to March 2014; chief financial officer of GF Fund (planning) from October 2002 to August 2003; chief financial officer and deputy general manager of GF Fund from August 2003 to March 2005; director of GFHK from August 2013 to May 2019; director of GF Fund since June 2007; and chairman and supervisor of the Supervisory Committee of ECT since December 2014. Ms. Sun Xiaoyan obtained a bachelor's degree in economics from Renmin University of China in July 1993 and a master's degree in business administration from China Europe International Business School in September 2007. Ms. Sun Xiaoyan does not have connected relationship with any Shareholder of the Company holding more than 5% of the shares of the Company, or other Directors, Supervisors or senior management of the Company. Ms. Sun does not hold any shares of the Company. She has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. She has not been subject to any case of investigation commenced by judicial authorities due to suspected offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are

pending. She has not committed any discreditable behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. She has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

**Qin Li (秦力)**, male, born in May 1968, has served as executive Director of the Company since April 2011 and a corporate chief officer since December 2020. His primary working experience includes: standing deputy general manager at the department of investment banking administration, general manager of the investment and wealth management department, general manager of capital operation department, general manager of planning and development department, general manager of investment department, assistant to general manager, deputy general manager and standing deputy general manager of the Company from March 1997 to December 2020; director of E Fund from March 2002 to October 2004 and from May 2012 to March 2023; director of GF Fund (planning) from October 2002 to August 2003; director of GF Fund from August 2003 to March 2005; chairman of GF Xinde from May 2010 to August 2013; chairman of the board of Guangdong Equity Exchange Co., Ltd. from September 2013 to April 2017; chairman of GF Asset Management from June 2018 to October 2019; director and chairman of GFHK from September 2006 to September 2021; and chairman and general manager of GF Asset Management since December 2021. Mr. Qin Li obtained a bachelor's degree in economics from Shanghai University of Finance and Economics in July 1992, a master's degree in commercial economics from Jinan University in June 1995, a doctorate degree in economics from Renmin University of China in July 2003 and completed business administration program for senior executives from Cheung Kong Graduate School of Business in September 2013. Mr. Qin Li does not have connected relationship with any Shareholder of the Company holding more than 5% of the shares of the Company, or other Directors, Supervisors or senior management of the Company. Mr. Qin does not hold any shares of the Company. He has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. He has not been subject to any case of investigation commenced by judicial authorities due to suspected offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. He has not committed any discreditable behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies

Listed on Main Board. He has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

**Xiao Xuesheng (肖雪生)**, male, born in November 1972, has served as the director of GF Xinde Investment Management Co., Ltd. (a wholly-owned subsidiary of the Company) since July 2010 and the chairperson of GF Xinde Investment Management Co., Ltd. since September 2021. His primary working experience includes: trader of sales department at Jianhua South Road in Beijing, office clerk, deputy general manager of the administrative department, general manager of the administrative department, general manager of the office, general manager of the merger and acquisition department, deputy general manager of the investment banking business management headquarter of the Company successively from July 1994 to July 2010; general manager of GF Xinde Investment Management Co., Ltd. from July 2010 to September 2021. Mr. Xiao Xuesheng obtained a bachelor's degree in law from Renmin University of China in June 1994. Mr. Xiao Xuesheng does not have connected relationship with any Shareholder of the Company holding more than 5% of the shares of the Company, or other Directors, Supervisors or senior management of the Company. Mr. Xiao does not hold any shares of the Company. He has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange within the latest five years. He has not been subject to any case of investigation commenced by judicial authorities due to suspected commission of offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. He does not have any dishonest behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. He has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

**Leung Shek Ling Olivia (梁碩玲)**, female, born in December 1971, has served as independent non-executive Director of the Company since June 2020. She has been the principal lecturer of the Faculty of Business and Economics of the University of Hong Kong since July 2011 and the associate dean of the Faculty of Business and Economics of the University of Hong Kong since January 2020. Her primary working experience includes: associate professor of accounting at the City University of Hong Kong from August 2004 to June 2011; director of the International Business and Global Management Program and assistant dean of the Faculty of Business and Economics of the University of Hong Kong from June 2016 to December 2019; and independent director of Yoho Group Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 2347) since July 2023. Ms. Leung Shek Ling Olivia obtained a bachelor's degree from the University of British Columbia in Canada and a doctorate degree from the Chinese University of Hong Kong in June 1994 and June 2004, respectively. Ms. Leung Shek Ling Olivia does not have connected relationship with any Shareholder of the Company holding more than 5% of the shares of the Company, or other Directors, Supervisors or senior management of the Company. Ms. Leung does not hold any shares of the Company. She has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. She has not been subject to any case of investigation commenced by judicial authorities due to suspected offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. She has not committed any discreditable behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. She has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

**Li Wenjing (黎文靖)**, male, born in July 1979, has served as an independent non-executive Director of the Company since June 2020. Mr. Li Wenjing served as professor of the management faculty of Jinan University since October 2013 and served as the dean of the management faculty of Jinan University since March 2019. His primary working experience includes: lecturer and associate professor at the management faculty and deputy director and director of the Accounting Department of Jinan University from July 2006 to July 2020; an independent director of Longse Technology Co., Ltd from December 2016 to August 2020; an independent director of Shenzhen Xunfang Technology Co., Ltd from May 2017 to May 2020; an external supervisor of China Guangfa Bank Co., Ltd. from June 2017 to June 2023; an independent director of By-Health Co., Ltd. (a company listed in Shenzhen Stock Exchange, stock code: 300146) from September 2017 to September 2020; an independent director of Zhuhai Huajin Capital Co., Ltd. (a company listed in Shenzhen Stock Exchange, stock code: 000532) from December 2017 to March 2021. Mr. Li Wenjing obtained a bachelor's degree and a doctoral degree from Sun Yat-Sen University in June 2001 and June 2006, respectively. Mr. Li Wenjing does not have connected relationship with any Shareholder of the Company holding more than 5% of the shares of the Company, or other Directors, Supervisors or senior

management of the Company. Mr. Lin does not hold any shares of the Company. He has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. He has not been subject to any case of investigation commenced by judicial authorities due to suspected commission of offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. He does not have any dishonest behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. He has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

**Zhang Chuang (張闖)**, male, born in May 1978, has served as professor at and dean of the School of Law of Changchun University of Science and Technology since September 2015 and since August 2020, respectively. His primary working experience includes: lecturer, associate professor, professor, deputy director of scientific research division, deputy director and director of social sciences division of the School of Law of Changchun University of Science and Technology from June 2004 to May 2020, during which he also served as a part-time lawyer at Jilin Zhihui Law Firm (吉林智輝律師事務所) from June 2008 to June 2010. Mr. Zhang Chuang obtained an academic diploma of bachelor's degree qualification in Chinese language and literature from Northeast Normal University in December 2001 and a master's degree and a doctorate degree in law from Jilin University in June 2004 and in June 2008, respectively. Mr. Zhang Chuang does not have connected relationship with any Shareholder holding more than 5% of the shares of the Company, or other Directors, Supervisors or senior management of the Company. Mr. Zhang does not hold any shares of the Company. He has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. He has not been subject to any case of investigation commenced by judicial authorities due to suspected offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. He has not committed any discreditable behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. He has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

**Wang Dashu** (王大樹), male, born in September 1956, has served as a professor at the Economics faculty of Peking University since August 2003. His primary working experience includes: an independent director of Huadian Power International Corporation Limited (a company listed in Shanghai Stock Exchange, stock code: 600027) from May 2015 to June 2021; an independent director of Jilin Jien Nickel Industry Co., Ltd since December 2018; an independent director of China Green Electricity Investment of Tianjin Co., Ltd.(a company listed in Shenzhen Stock Exchange, stock code: 000537) since December 2023. Mr. Wang Dashu obtained a Bachelor's degree and a Master's degree in Economics from Peking University in August 1982 and December 1984 respectively. He obtained a doctorate degree in Economics from LaTrobe University in Australia in August 1999. Mr. Wang Dashu does not have connected relationship with any Shareholder of the Company holding more than 5% of the shares of the Company, or other Directors, Supervisors or senior management of the Company. Mr. Wang does not hold any shares of the Company. He has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. He has not been subject to any case of investigation commenced by judicial authorities due to suspected commission of offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. He does not have any dishonest behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. He has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

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**ANNEX K      DETAILED BIOGRAPHIES OF CANDIDATES FOR SHAREHOLDER  
REPRESENTATIVE SUPERVISORS TO THE ELEVENTH SESSION  
OF THE SUPERVISORY COMMITTEE OF THE COMPANY**

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**SUPERVISORS**

**Wang Zhenyu (王振宇)**, male, born in December 1981, has served as secretary to the board of directors of Jilin Aodong Pharmaceutical Group Co., Ltd. since July 2017, director of Jilin Aodong Pharmaceutical Group Co., Ltd. since July 2020, and deputy general manager of Jilin Aodong Pharmaceutical Group Co., Ltd. since January 2022 (during which, also as director of Zhongshan Public Small Amount Loans Company Limited since May 2013). His primary working experience includes: secretary of the office of the board of directors, assistant to the secretary of the board of directors and representative of securities affairs of Jilin Aodong Pharmaceutical Group Co., Ltd. from July 2004 to June 2009, secretary to the board of directors of Yan Bian Road Construction Co., Ltd. (延邊公路建設股份有限公司) from July 2009 to February 2010; representative of securities affairs of Jilin Aodong Pharmaceutical Group Co., Ltd. from March 2010 to July 2017 (during which, also as employee representative supervisor of Jilin Aodong Pharmaceutical Group Co., Ltd. from July 2014 to July 2017. Mr. Wang Zhenyu obtained a bachelor's degree in law and a bachelor's degree in finance from Changchun Taxation College (長春稅務學院) and a master's degree from Jilin University in December 2003, July 2004 and December 2017, respectively; he completed the postgraduate programme of business management held by the School of Continuing Education of Tsinghua University from April 2007 to April 2008; completed the Executive Master of Business Administration (EMBA) programme from the School of Management of Jilin University from December 2009 to December 2010. Mr. Wang Zhenyu has connected relationship with Jilin Aodong Pharmaceutical Group Co., Ltd., a Shareholder of the Company holding more than 5% of the shares of the Company. He does not have connected relationship with other Directors, Supervisors or senior management of the Company. Mr. Wang does not hold any shares of the Company. He has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. He has not been subject to any case of investigation commenced by judicial authorities due to suspected offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. He has not committed any discreditable behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. He has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

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**ANNEX K      DETAILED BIOGRAPHIES OF CANDIDATES FOR SHAREHOLDER  
REPRESENTATIVE SUPERVISORS TO THE ELEVENTH SESSION  
OF THE SUPERVISORY COMMITTEE OF THE COMPANY**

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**Zheng Chunmei (鄭春美)**, female, born in February 1965, has served as a professor in the Accountancy department of the Economics and Management Faculty of Wuhan University since September 2007. Her primary working experience includes: teaching assistant, lecturer and associate professor of the Accountancy department of Wuhan University successively from June 1986 to June 2007; an independent director of Huachangda Intelligent Equipment Co., Ltd (a company listed in Shenzhen Stock Exchange, stock code: 300278) from May 2013 to May 2020; an independent director of HNA Technology Co., Ltd. (a company listed in Shanghai Stock Exchange, stock code: 600751) from June 2014 to June 2020; an independent director of Routon Electronic Co., Ltd. (a company listed in Shanghai Stock Exchange, stock code: 600355) from August 2015 to June 2021; an independent director of Accelink Technologies Co., Ltd. (a company listed in Shenzhen Stock Exchange, stock code: 002281) from May 2016 to August 2022; an independent director of Hubei Hongyu New Packaging Materials Co., Ltd. (a company listed in Beijing Stock Exchange, stock code: 837174) from March 2021 to December 2023; an independent director of Shenzhen Zhongheng Huafa Co., Ltd. (a company listed in Shenzhen Stock Exchange, stock code: 000020) since September 2019; an independent director of Hubei Bank Corporation Limited since December 2020; an independent director of Hubei Yihua Chemical Industry Co., Ltd. (a company listed in Shenzhen Stock Exchange, stock code: 000422) since February 2022; an independent director of Huachangda Intelligent Equipment Co., Ltd (a company listed in Shenzhen Stock Exchange, stock code: 300278) from April 2022; an independent director of Hubei Chenke Agriculture And Animal Husbandry Group Co., Ltd. since January 2024. Ms. Zheng Chunmei obtained a bachelor's degree in Economics, a Master's degree in Management and a doctorate degree in Economics from Wuhan University in June 1986, June 1997 and June 2005, respectively. Ms. Zheng Chunmei does not have connected relationship with any Shareholder of the Company holding more than 5% of the shares of the Company, or other Directors, Supervisors or senior management of the Company. Ms. Zheng does not hold any shares of the Company. She has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. She has not been subject to any case of investigation commenced by judicial authorities due to suspected commission of offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. She does not have any dishonest behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. She has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

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**ANNEX K      DETAILED BIOGRAPHIES OF CANDIDATES FOR SHAREHOLDER  
REPRESENTATIVE SUPERVISORS TO THE ELEVENTH SESSION  
OF THE SUPERVISORY COMMITTEE OF THE COMPANY**

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**Zhou Feimei (周飛媚)**, female, born in February 1985, has served as secretary to the board of directors of the Zhongshan Public Utilities Group Co., Ltd. since October 2021. Her primary working experience includes: investment specialist of the project planning center, vice director of the investment and development department and deputy manager of the investment and operation department (presiding over work) of the Zhongshan Transportation Development Group Co., Ltd. from July 2010 to July 2018; researcher (department manager level) of the research department II of Zhongshan Financial Securities Research Institute Co., Ltd. (中山市金融證券研究所有限公司 研究二部) from July 2018 to March 2020; the investment director of the investment department of Zhongshan Zhonghui Investment Group Company Limited from March 2020 to February 2021; assistant to general manager (investment direction) of Zhongshan Public Utilities Group Co., Ltd. from February 2021 to October 2021. Ms. Zhou Feimei obtained a bachelor's degree in management from Hebei University of Science and Technology in June 2007 and a master's degree in economics from Jinan University in June 2010. Ms. Zhou Feimei has connected relationship with Zhongshan Public Utilities Group Co., Ltd., a Shareholder of the Company holding more than 5% of the shares of the Company. She does not have connected relationship with other Directors, Supervisors or senior management of the Company. Ms. Zhou does not hold any shares of the Company. She has not been subject to any penalties imposed by the CSRC and other relevant authorities or disciplinary sanctions by any stock exchange. She has not been subject to any case of investigation commenced by judicial authorities due to suspected offences and not been subject to any case of investigation commenced by the CSRC due to suspected violation of laws and regulations for which definitive conclusions are pending. She has not committed any discreditable behaviors and has not been publicly named by the CSRC on the securities and futures market platform for public enquiry of information on legal violations and discredit or included by a people's court in a list of discredited parties subject to enforcement. There are no circumstances as set out in Rule 3.2.2 of the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board. She has met the qualifications required by the relevant laws, administrative regulations, departmental rules, normative documents, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Self-Regulatory Guidelines No. 1 for Companies Listed on the Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board, other relevant provisions of the relevant stock exchanges and the Articles of Association.

**Tabular Comparison Between Existing Articles and Amended  
New Articles of the Articles of Association of GF SECURITIES CO., LTD.**

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 9	<p>Upon approval through a resolution at the general meeting <b>and by the securities regulatory authority of the PRC</b>, these Articles of Association take effect on the date <b>when the overseas listed foreign shares (H Shares) issued by the Company are listed on the Hong Kong Stock Exchange</b>. As of the effective date of these Articles of Association, the previous Articles of Association of the Company shall become void automatically.</p> <p style="text-align: center;">.....</p>	Article 9	<p>These Articles of Association take effect on the date upon approval through a resolution at the general meeting. As of the effective date of these Articles of Association, the previous Articles of Association of the Company shall become void automatically.</p> <p style="text-align: center;">.....</p>	To amend according to Article 122 of the Securities Law with reference to the actual situation.
Article 44	<p>Shareholders of the Company shall have full knowledge of shareholders' rights and obligations, fully understand the operation and management condition, potential risks and other information of the Company, have reasonable investment expectation and genuine willingness to make capital contributions, and perform the necessary internal decision-making procedures.</p>	Article 44	<p>Shareholders of the Company shall have full knowledge of shareholders' <b>conditions and their</b> rights and obligations, fully understand the operation and management condition, potential risks and other information of the Company, have reasonable investment expectation and genuine willingness to make capital contributions, and perform the necessary internal decision-making procedures.</p>	To amend according to Article 20 of the Administrative Provisions for the Equity of Securities Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 45	<p>Shareholders shall hold shares for a period in compliance with laws, administrative regulations and relevant requirements of the CSRC.</p> <p>The de facto controllers of shareholders shall be subject to the same lock-up period as the shareholders of the Company with respect to the equity interests under their control, except for the circumstances as recognized by the CSRC according to the law.</p>	Article 45	<p>Shareholders shall hold shares for a period in compliance with laws, administrative regulations and relevant requirements of the CSRC.</p> <p><b><u>If the major assets</u></b> of a shareholder <b><u>of the Company are equities in the Company, the controlling shareholders</u></b> <b>and</b> the de facto controllers of the shareholder shall be subject to the same lock-up period as the shareholders of the Company with respect to the equity interests under their control, except for the circumstances as recognized by the CSRC according to the law.</p>	To amend according to Article 24 of the Administrative Provisions for the Equity of Securities Companies.
Article 49	<p>The shareholders of the Company and their de facto controllers shall not:</p> <p>.....</p> <p>In the event of the Company notices that the shareholders and their de facto controllers have been involved in the above circumstances, it shall take timely measures to prevent such violation from aggravating and report it to the branches of the CSRC at the places where the Company is domiciled within two working days.</p>	Article 49	<p>The shareholders of the Company and their <b><u>controlling shareholders</u></b> and de facto controllers shall not:</p> <p>.....</p> <p>In the event of the Company notices that the shareholders and their <b><u>controlling shareholders</u></b> and de facto controllers have been involved in the above circumstances, it shall take timely measures to prevent such violation from aggravating and report it to the branches of the CSRC at the places where the Company is domiciled within two working days.</p>	To amend according to the Article 29 of the Administrative Provisions for the Equity of Securities Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 73	Shareholders holding or controlling 5% or above voting shares of the Company shall notify the Company <u>within three working days after</u> occurrence of any of the following circumstances:  .....	Article 73	Shareholders holding or controlling 5% or above voting shares of the Company shall <u>promptly</u> notify the Company in any of the following circumstances:  .....	To amend according to the Article 39 of Administrative Measures for Information Disclosure by Listed Companies.
Article 75	The controlling shareholders and the de facto controllers of the Company shall not use the connected relations to damage the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.  .....  The undertakings of the controlling shareholder, the actual controller and the relevant parties of the <u>listed</u> company shall be clear, specific and executable, and shall not undertake to judge matters that are obviously impossible as per the circumstances at the time. The undertaking party shall make, in his/her undertaking, a statement of fulfillment of its commitments, and clarify his/her responsibility in the event breach of commitments, and will endeavor his/her best to fulfill the commitments.  .....	Article 75	The controlling shareholders and the de facto controllers of the Company shall not use the connected relations to damage the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.  .....  The undertakings of the controlling shareholder, the actual controller and the relevant parties of the Company shall be clear, specific and executable, and shall not undertake to judge matters that are obviously impossible as per the circumstances at the time. The undertaking party shall make, in his/her undertaking, a statement of fulfillment of its commitments, and clarify his/her responsibility in the event breach of commitments, and will endeavor his/her best to fulfill the commitments.  .....	To polish expressions.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 76	<p>The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to law:</p> <p>.....</p> <p>(12) To examine and approve the external guarantees specified in Article 77;</p> <p>(13) To consider the Company's purchase or disposal of major assets within one year with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (after deducting clients' margins);</p> <p>(14) To examine and approve matters relating to the changes in the use of proceeds;</p> <p>(15) To consider equity incentive scheme;</p> <p>.....</p>	Article 76	<p>The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to law:</p> <p>.....</p> <p>(12) To examine and approve the external guarantees <b>and financial assistance matters</b> specified in Article 77;</p> <p>(13) To consider the Company's purchase or disposal of major assets within one year with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (after deducting clients' margins);</p> <p>(14) To examine and approve matters relating to the changes in the use of proceeds;</p> <p>(15) To consider equity incentive scheme <b>and employee stock ownership plan</b>;</p> <p>.....</p>	<p>To amend according to the Guideline 41 of the Guidelines for the Articles of Association of Listed Companies and Article 6.1.2 of the Self-regulatory Guideline No. 1 for Listed Companies of the Shenzhen Stock Exchange – Standardized Operation of Companies Listed on the Main Board (Revised in December 2023).</p>

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 77	<p>The following external guarantees to be given by the Company shall be examined and approved by the general meeting:</p> <p>(1) Provision of any external guarantee by the Company and its subsidiaries, the total amount of which <b>reaches or</b> exceeds 50% of the latest audited net assets of the Company;</p> <p>(2) Provision of any external guarantee by the Company, the total amount of which <b>reaches or</b> exceeds 30% of the latest audited total assets of the Company (after deducting clients' margins);</p> <p>(3) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;</p> <p>(4) Provision of a single guarantee whose amount exceeds 10% of the latest audited net assets of the Company; and</p> <p>(5) Provision of guarantees to the shareholders, de facto controllers and their related parties.</p>	Article 77	<p>The following external guarantees <b>and financial assistance</b> to be given by the Company shall be examined and approved by the general meeting:</p> <p><b>(I) Where the external guarantees are under any of the following circumstances:</b></p> <p><b>1.</b> Provision of any external guarantee by the Company and its subsidiaries, the total amount of which exceeds 50% of the latest audited net assets of the Company;</p> <p><b>2.</b> Provision of any external guarantee by the Company <b>and its subsidiaries</b>, the total amount of which exceeds 30% of the latest audited total assets of the Company (after deducting clients' margins);</p> <p><b>3. The cumulative amount of guarantees in the last twelve months exceeds 30% of the latest audited total assets (after deducting clients' margins) of the Company;</b></p> <p><b>4.</b> Provision of guarantee to anyone whose liability-asset ratio exceeds 70% <b>based on the data in the latest financial statements;</b></p> <p><b>5.</b> Provision of a single guarantee whose amount exceeds 10% of the latest audited net assets of the Company;</p>	To amend according to the Guideline 42 of the Guidelines for the Articles of Association of Listed Companies, Rules 6.1.9, 6.1.10 and 6.3.13 of the Rules Governing the Listing of Shares on Shenzhen Stock Exchange, Section 1 Provision of Financial Assistance to the Chapter 6 Major Matter Management of the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the Main Board, and Article 123 of the Securities Law of the PRC.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
			<p><u>6. Provision of guarantees to the shareholders, de facto controllers and their related parties;</u></p> <p><u>7. Other external guarantee matters which are required to submit to a general meeting for consideration by the relevant laws, administrative regulations and documents or the stock exchange of the listing place.</u></p> <p><u>(II) Where the financial assistance is under any of the following circumstances:</u></p> <p><u>1. Provision of a single financial assistance whose amount exceeds 10% of the latest audited net assets of the Company;</u></p> <p><u>2. Provision of financial assistance to anyone whose asset-liability ratio exceeds 70% based on the data in the latest financial statements;</u></p> <p><u>3. The cumulative amount of the financial assistance in the last twelve months exceeds 10% the latest audited net assets of the Company.</u></p> <p><u>4. Other financial assistance matters which are required to submit to a general meeting for consideration by the relevant laws, administrative regulations and documents or the stock exchange of the listing place.</u></p>	

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
			<p><u>Where the Company provides subsidies to a subsidiary which is under the combined financial statements of the Company and owned as to 50% or above by the Company, and other shareholders of such subsidiary do not include any controlling shareholder, de facto controller and related party of the Company, the granting of financial assistance may be exempted from the relevant requirement of these Articles of Association in relation to financial assistance.</u></p> <p><u>In breach of the requirements of these Articles of Association in respect of approval authority and approval procedures of general meeting, board of directors' external guarantees, and financial assistance, the Company shall pursue the corresponding legal and economic liabilities of the responsible person(s) in accord with the circumstances.</u></p>	
Article 81	<p>The Company shall engage lawyers to attend the general meetings and advise on the following issues with announcements made thereon:</p> <p>(1) Whether the convening of the general meeting and its procedures are in compliance with laws, administrative regulations and the Articles of Association;</p> <p>.....</p>	Article 81	<p>The Company shall engage lawyers to attend the general meetings and advise on the following issues with announcements made thereon:</p> <p>(1) Whether the convening of the general meeting and its procedures are in compliance with <u>the requirements of</u> laws, administrative regulations and the Articles of Association;</p> <p>.....</p>	To polish expressions.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 85	<p>Where the Supervisory Committee or shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the Board in writing and file with <b><u>the local office of the CSRC and the stock exchange in the place where the Company is located according to relevant requirements.</u></b></p> <p>The shareholding of shareholders who convene the general meeting shall be no less than 10% before a resolution passed at the general meeting is announced.</p> <p>The convening shareholders shall, when the notice of general meeting is issued and a resolution made at the general meeting is announced, submit relevant evidential documents to <b><u>the local office of the CSRC and the stock exchange in the place where the Company is located.</u></b></p>	Article 85	<p>Where the Supervisory Committee or shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the Board in writing and file with <b><u>the Shenzhen Stock Exchange.</u></b></p> <p>The shareholding of shareholders who convene the general meeting shall be no less than 10% before a resolution passed at the general meeting is announced. <b><u>The convening shareholders shall, not later than the date of the notice of the general meeting, undertake not to reduce his/her shareholding in the Company from the date of proposing to convene the general meeting to the date of the general meeting.</u></b></p> <p><b><u>The Supervisory Committee or</u></b> the convening shareholders shall, when the notice of general meeting is issued and a resolution made at the general meeting is announced, submit relevant evidential documents to <b><u>the Shenzhen Stock Exchange.</u></b></p>	To amend according to Guideline 50 of the Guidelines for the Articles of Association of Listed Companies and Rule 4.2.2 of the Rules Governing the Listing of Shares on Shenzhen Stock Exchange.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 86	For the general meeting convened by the supervisory committee or shareholders on its/their own, the Board and the secretary to the Board shall cooperate. The Board <b>shall</b> provide the register of shareholders on the record date of the equity interests.	Article 86	For the general meeting convened by the supervisory committee or shareholders on its/their own, the Board and the secretary to the Board shall cooperate. The Board <b>will</b> provide the register of shareholders on the record date of the equity interests.	To amend according to Guideline 51 of the Guidelines for the Articles of Association of Listed Companies.
Article 88	A motion proposed at the general meetings shall satisfy the following criteria: (1) The substance of the motion proposed shall not conflict with laws, administrative regulations and the requirements set forth in Articles of Association, and fall within <b>the scope of business of the Company and</b> the functions of the general meeting; (2) There is a clear subject of discussion and a specific resolution; and (3) The motion shall be submitted or delivered to <b>the Board</b> in writing.	Article 88	A motion proposed at the general meetings shall satisfy the following criteria: (1) The substance of the motion proposed shall not conflict with laws, administrative regulations, <b>departmental rules</b> and the requirements set forth in <b>these</b> Articles of Association, and <b>shall</b> fall within the functions of the general meeting; (2) There is a clear subject of discussion and a specific resolution; and (3) The motion shall be submitted or delivered to <b>the convener</b> in writing.	To amend according to Rules 9 and 13 of the Rules for the General Assemblies of Shareholders of Listed Companies and to polish expressions.
Article 91	A notice of general meeting shall be made in writing and include the following contents:  ..... (10) <b>if a general meeting is held online or otherwise</b> , the designated time and procedure for voting online or through other means shall be expressly stated in the notice of such meeting.  .....	Article 91	A notice of general meeting shall be made in writing and include the following contents:  ..... (10) the designated time and procedure for voting online or through other means shall be expressly stated <b>by the Company</b> in the notice of such meeting.  .....	To amend according to Guideline 56 of the Guidelines for the Articles of Association of Listed Companies and Rule 21 of the Rules for the General Assemblies of Shareholders of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 92	<p>Unless the Articles of Association otherwise requires, the notice of a general meeting shall be sent to shareholders (regardless of whether they are entitled to vote at the general meeting) by personal delivery or <u>by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of members. For holders of domestic shares, such notice of the general meeting may also be given by way of announcement.</u></p> <p>In respect of the holders of domestic shares, the announcement referred to in the preceding paragraph shall be published on the websites of the relevant stock exchange and in the media that meet the requirements stipulated by the CSRC and other regulatory authorities. Once such an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the general meeting.</p>	Article 92	<p>Unless the Articles of Association otherwise requires, the notice of a general meeting shall be <u>issued to</u> shareholders (regardless of whether they are entitled to vote at the general meeting) by announcement, <u>by mail or by means permitted by the relevant stock exchanges and regulatory authorities at the location where the Company's shares are listed.</u></p> <p>In respect of the holders of domestic shares, the announcement referred to in the preceding paragraph shall be published on the websites of the relevant stock exchange and in the media that meet the requirements stipulated by the CSRC and other regulatory authorities. Once such an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the general meeting.</p>	To amend according to the Hong Kong Listing Rules in relation to the proposed expansion of paperless listing regime.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
	<p><u>The notification, materials or written announcement of the shareholders' assembly meeting should be delivered to the shareholders of overseas-listed foreign shares in any of the following manners:</u></p> <p><u>(1) such notification or announcement should be delivered to every shareholder of overseas-listed foreign shares by person or by mail in accordance with the addresses of every shareholder. The notification for shareholders of H Shares should be sent at Hong Kong;</u></p> <p><u>(2) announced at the website of the Company or websites designated by the local stock exchange where shares of the Company are listed in accordance with relevant laws, regulations and listing rules;</u></p> <p><u>(3) other manners required by the local stock exchange where shares of the Company are listed and listing rules.</u></p>			

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 116	<p>The following matters shall be resolved by way of special resolutions at a general meeting:</p> <p>.....</p> <p>(4) Demerger, merger, dissolution or change in the form of the Company;</p> <p>.....</p>	Article 116	<p>The following matters shall be resolved by way of special resolutions at a general meeting:</p> <p>.....</p> <p>(4) Demerger, <b>spinoff</b>, merger, dissolution, <b>liquidation</b> or change in the form of the Company;</p> <p>.....</p>	To amend according to Guideline 78 of the Guidelines for the Articles of Association of Listed Companies.
Article 117	<p>Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.</p> <p>When material issues affecting the interests of minority shareholders are considered at a general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.</p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.</p>	Article 117	<p>Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.</p> <p>When material issues affecting the interests of minority shareholders are considered at a general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.</p> <p>Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.</p>	To amend according to Guideline 79 of the Guidelines for the Articles of Association of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
	<p>The Board, independent directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the requirements of the CSRC may act as collectors to publicly request by themselves or entrust securities companies and securities service institutions to publicly request the shareholders of the Company to appoint them as proxies to attend the general meeting of shareholders and exercise the proposal rights, voting rights and other shareholders' rights on their behalf.</p> <p>Where shareholders' rights are collected in accordance with the provisions of the preceding paragraph, the collector shall disclose the collection documents and the Company shall cooperate. Consideration or de facto consideration for collecting the shareholders' rights publicly is prohibited. Where the public collection of shareholders' rights violates laws, administrative regulations or the relevant requirements of the CSRC, causing losses to the Company or its shareholders, the collector shall be liable for damages.</p>		<p><b><u>If a shareholder buys voting shares of the Company in violation of the provisions of Article 63 (1) and (2) of the Securities Law, such shares in excess of the prescribed proportion shall not be entitled to exercise voting rights for a period of thirty-six months after the purchase, and shall not be counted as part of the total number of voting shares present at the general meeting.</u></b></p> <p>The Board, independent directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the requirements of the CSRC may act as collectors to publicly request by themselves or entrust securities companies and securities service institutions to publicly request the shareholders of the Company to appoint them as proxies to attend the general meeting of shareholders and exercise the proposal rights, voting rights and other shareholders' rights on their behalf.</p>	

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
			<p>Where shareholders' rights are collected in accordance with the provisions of the preceding paragraph, the collector shall disclose the collection documents and the Company shall cooperate. Consideration or de facto consideration for collecting the shareholders' rights publicly is prohibited. <b><u>Except for statutory conditions, the Company shall not propose a minimum shareholding limit for the solicitation of voting rights.</u></b> Where the public collection of shareholders' rights violates laws, administrative regulations or the relevant requirements of the CSRC, causing losses to the Company or its shareholders, the collector shall be liable for damages.</p>	
Article 122	<p>While ensuring the lawfulness and validity of a general meetings, the Company shall facilitate the participation of shareholders at the general meetings by various means and ways, with priority first giving to the provision of modern information technology means, such as an online voting platform, etc.</p>	–	Delete this Article.	To adjust according to the updated laws and regulations.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 124	<p>The list of candidates for directors and supervisors shall be submitted to the general meeting for voting by way of proposal.</p> <p>When a voting is made on election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the requirement of these Articles of Association or the resolutions of the general meeting.</p> <p>.....</p>	Article 123	<p>The list of candidates for directors and supervisors shall be submitted to the general meeting for voting by way of proposal.</p> <p>When a voting is made on election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the requirement of these Articles of Association or the resolutions of the general meeting. <b><u>When the Company's general meeting elects two or more independent directors, a cumulative voting system shall be implemented. The voting results of small and medium-sized shareholders shall be counted separately and disclosed.</u></b></p> <p>.....</p>	To amend according to Guideline 12 of the Guidelines for the Articles of Association of Listed Companies.
Article 129	<p>Before the relevant proposed resolution is voted on at the general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is <b>interested</b> in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.</p> <p>.....</p> <p>Shareholders of <b>listed companies</b> or their proxies, who vote online or by other means, shall have the right to check the voting results in the way in which they have cast their votes.</p>	Article 128	<p>Before the relevant proposed resolution is voted on at the general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is <b>affiliated</b> in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.</p> <p>.....</p> <p>Shareholders of the Company or their proxies, who vote online or by other means, shall have the right to check the voting results in the way in which they have cast their votes.</p>	To amend according to Guideline 87 of the Guidelines for the Articles of Association of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 130	<p>The ending time of a general meeting shall not be earlier than that of online or other access to the meeting. The Chairman of the meeting shall announce the status and results of voting in respect of each proposed resolution, and whether or not such proposed resolution has been passed according to such voting results.</p> <p>Prior to the formal announcement of voting results, the relevant parties from the <u>listed</u> company, the persons responsible for counting votes and scrutinizing the conduct of the relevant poll, the major shareholders, the person in charge of the relevant internet service provider involved in relation to voting at the general meeting, online or by other means, shall be obliged to keep the status of voting confidential.</p>	Article 129	<p>The ending time of a general meeting shall not be earlier than that of online or other access to the meeting. The Chairman of the meeting shall announce the status and results of voting in respect of each proposed resolution, and whether or not such proposed resolution has been passed according to such voting results.</p> <p>Prior to the formal announcement of voting results, the relevant parties from the Company, the persons responsible for counting votes and scrutinizing the conduct of the relevant poll, the major shareholders, the person in charge of the relevant internet service provider involved in relation to voting at the general meeting, online or by other means, shall be obliged to keep the status of voting confidential.</p>	To polish expressions.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 146	<p>Directors are natural persons and need not hold shares of the Company. Directors shall be honest, with good character, be familiar with securities laws and administrative regulations, and with the operating and management capabilities as required for discharging the duties.</p> <p>Directors include executive directors and non-executive directors. Executive directors mean the directors entering into employee contracts with the Company or the controlled subsidiaries of the Company, receiving fixed remuneration monthly and receiving performance remuneration after annual evaluation. Directors other than executive directors are non-executive directors, which include independent directors.</p>	Article 145	<p>Directors are natural persons and need not hold shares of the Company. Directors shall be honest, with good character, be familiar with securities laws and administrative regulations, and with the operating and management capabilities as required for discharging the duties.</p> <p>Directors include executive directors and non-executive directors. Executive directors mean the directors entering into employee contracts with the Company or the controlled subsidiaries of the Company, receiving fixed remuneration monthly and receiving performance remuneration after annual evaluation. <b><u>In addition to executive directors,</u></b> directors other than executive directors are non-executive directors, which include independent directors.</p>	To polish expressions.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 151	<p>A director may resign before his term of office expires. When a director resigns, he shall submit a written resignation notice to the Board. The Board will disclose the relevant information within 2 days.</p> <p>If the number of directors of the Board falls below the quorum as a result of any resignation, <u>the said</u> director shall continue fulfilling <u>the duties as director</u> pursuant to laws, administrative regulations, departmental rules and Articles of Association <u>until a new director is elected.</u></p> <p>Save as provided in the preceding paragraph, a director's resignation shall be effective when his resignation is served to the Board.</p>	Article 150	<p>A director may resign before his term of office expires. When a director resigns, he shall submit a written resignation notice to the Board. The Board will disclose the relevant information within 2 days.</p> <p>If the number of directors of the Board falls below the quorum as a result of any resignation, <u>or the resignation of independent directors results in the proportion of independent directors on the board of directors or its special committees not complying with laws, regulations or the Company's Articles of Association, or there is a lack of accounting professionals among independent directors, the resignation shall not take effect until the next director fills the vacancy due to the resignation, save for the resignation of an independent director due to his/her not being qualified for serving as a director of a listed company or not meeting the independence requirement of an independent director; the proposed resigned</u> director shall <u>continue</u> fulfilling <u>the duties</u> pursuant to laws, administrative regulations, departmental rules and Articles of Association.</p> <p>Save as provided in the preceding paragraph, a director's resignation shall be effective when his resignation is served to the Board.</p>	To amend according to the Article 4.3.13 of the Rules Governing the Listing of Shares on Shenzhen Stock Exchange and the Article 3.2.8 of the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the Main Board.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 155	<p>The Company shall establish an independent director system.</p> <p>Independent Directors are Directors who do not maintain with the Company and its substantial Shareholders a connection which may possibly <u>hamper</u> their independent and objective judgments. Independent Directors should not hold any position other than special committees under the board of Directors. Independent Directors shall have independence in accordance with the requirements of Rule 3.13 of Hong Kong Listing Rules.</p>	Article 154	<p>The Company shall establish an independent director system.</p> <p>Independent Directors are Directors <b><u>who do not hold any positions in the Company other than as Director and</u></b> do not maintain with the Company and its substantial Shareholders, <b><u>and beneficial controllers, a direct or indirect interests, or other</u></b> connection which may possibly <b><u>affect</u></b> their independent and objective judgments. Independent Directors should not hold any position other than special committees under the board of Directors. Independent directors shall have independence in accordance with the requirements of Rule 3.13 of Hong Kong Listing Rules.</p>	To amend according to the Article 2 of the Measures for the Administration of Independent Directors of Listed Companies.
Article 156	<p>The Board of directors, Supervisory Committee or shareholders individually or jointly holding 1% or above of issued shares of the Company are entitled to nominate candidates for independent directors to be elected at a general meeting.</p>	Article 155	<p>The Board of directors, Supervisory Committee or shareholders individually or jointly holding 1% or above of issued shares of the Company are entitled to nominate candidates for independent directors to be elected at a general meeting. <b><u>The above nominators shall not nominate persons who have an interest in them or persons who have other close relations that may affect their independent performance of duties as independent director candidates.</u></b></p>	To amend according to the Article 9 of the Measures for the Administration of Independent Directors of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 157	<p>The independent directors have <b>integrity</b> and diligence duties towards the Company and all shareholders of the Company. The independent directors shall perform their duties <b>diligently</b> so as to protect the Company's interests, <b>in particular</b>, to ensure that the legal rights of <b>the public shareholders will not be affected.</b></p> <p>The independent directors shall perform their duties independently, and shall not be influenced by the Company's substantial shareholders, beneficial controllers or other entities or parties <b>that have interests in the Company and its substantial shareholders and beneficial controllers.</b></p>	Article 156	<p>The independent directors have <b>loyalty</b> and diligence duties towards the Company and all shareholders of the Company. The independent directors shall perform their duties <b>prudently in compliance with the provisions of laws, administrative regulations, departmental rules, the CSRC and the Articles of Association</b>, to protect the Company's interests and the legal rights of <b>the small-and-medium</b> shareholders.</p> <p>The independent directors shall perform their duties independently, and shall not be influenced by the Company <b>and its</b> substantial shareholders, beneficial controllers <b>or other</b> entities or parties.</p>	To amend according to the Articles 2 and 3 of the Measures for the Administration of Independent Directors of Listed Companies.
Article 158	<p><b><u>One third or above of the members of the Board shall be independent directors,</u></b> which contain one finance and accountant professional person at least, and meet the requirements of the rule 3.10(2) of Hong Kong Listing Rules.</p> <p>.....</p>	Article 157	<p><b><u>The member proportion of the Board by independent directors</u></b> of the Company <b>shall not be less than one-third</b>, which contain one finance and accountant professional person at least, and meet the requirements of the rule 3.10(2) of Hong Kong Listing Rules.</p> <p>.....</p>	To amend according to the Article 5 of the Measures for the Administration of Independent Directors of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 159	<p>An independent director shall meet the following basic conditions:</p> <p>(1) Having the qualifications as a director of a listed company in accordance with the laws and administrative regulations of the listing venue, rules of the stock exchange on which shares are listed and other relevant provisions;</p> <p>(2) Being independent as required by the CSRC;</p> <p>(3) <b>Knowing</b> the basic knowledge about operations of companies, and being proficient in relevant laws, administrative regulations, regulations and rules;</p> <p>(4) Having five or above years' experience in securities, financial, legal and economic work or other work required for fulfilling duties as independent director;</p> <p>(5) Having <b>sufficient time and energy required for fulfilling independent duties</b>;</p> <p>(6) Other conditions required by the Articles of Association.</p>	Article 158	<p>An independent director shall meet the following basic conditions:</p> <p>(1) Having the qualifications as a director of a listed company in accordance with the laws and administrative regulations of the listing venue, rules of the stock exchange on which shares are listed and other relevant provisions;</p> <p>(2) Being independent as required by the CSRC <b>and the stock exchange where the Company's Shares are listed</b>;</p> <p>(3) <b>Having</b> the basic knowledge about operations of <b>listed</b> companies, and being proficient in relevant laws, administrative regulations, regulations and rules of <b>securities and funds</b>;</p> <p>(4) Having five or above years' experience in securities, financial, legal and economic, <b>accounting</b> work or other work required for fulfilling duties as independent director;</p> <p>(5) Having <b>good morality and no misconduct records such as material breach of trust</b>;</p> <p>(6) <b>Having management experience and operational management ability appropriate for the performance of duties</b>;</p>	To amend according to the Articles 7 and 34 of the Measures for the Administration of Independent Directors of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
			<p><u>(7) Complying with the relevant provisions of the Civil Servants Law of the People’s Republic of China, the provisions of the Notice on Regulating Central Management Officers from Serving as Independent Directors and Independent Supervisors of Listed Companies and Fund Management Companies After Resignation or Retirement promulgated by the Central Commission for Discipline Inspection of the Chinese Communist Party, the Opinions on Further Regulating Party and Government Senior Officers from Concurrently Serving in Companies promulgated by the Organization Department of the Chinese Communist Party, the Opinions on Strengthening the Establishment of Anti-corruption and Integrity in Colleges and Universities promulgated by the Central Commission for Discipline Inspection, the Ministry of Education and the Ministry of Supervision (if applicable);</u></p> <p><u>(8) Other conditions required by the laws, administrative regulations, departmental rules, the CSRC and the stock exchange where the Company’s Shares are listed, and the Article of Association.</u></p> <p><u>Independent directors should continue to strengthen their study of securities laws, regulations and rules, and continuously improve their ability to perform their duties.</u></p>	

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 160	<p>Independent directors shall have the independence, the following persons shall not act as independent directors:</p> <p>(1) Persons employed by the Company or its affiliated companies and their <b>immediate family members</b> and major social connections (<b>immediate family members shall include spouse, parents and children</b> and major social connections shall include siblings, <b>parents-in-law, sons/daughters-in-law</b>, spouses of siblings, siblings of spouse) and core connected persons as defined in the Hong Kong Listing Rules;</p> <p>(2) Natural person shareholders who directly or indirectly hold 1% or above of the issued shares of a <b>listed</b> company or natural persons who are the top 10 shareholders of a <b>listed</b> company and their <b>immediate family members</b>;</p> <p>(3) Persons employed by the <b>corporate</b> shareholders which directly or indirectly hold 5% or above of <b>the company's</b> issued shares or employed by the top five corporate shareholders of a <b>listed</b> company and their <b>immediate family members</b>;</p> <p>(4) Persons providing financial, legal or consulting services to the Company <b>or its</b> affiliated companies;</p> <p>(5) Persons who fell within the <b>four</b> aforesaid categories within the <b>preceding year</b>;</p> <p>(6) Persons holding positions <b>other than</b> independent directors in other securities <b>companies</b>;</p> <p>(7) <b>Other persons unfit to serve as independent directors</b> upon <b>confirmation</b> by the CSRC, the securities regulatory authority at the location where the Company's shares are listed and other relevant regulatory authorities.</p>	Article 159	<p>Independent directors shall have the independence, the following persons shall not act as independent directors:</p> <p>(1) Persons employed by the Company or its affiliated companies and their <b>spouse, parents, children</b> and major social connections (major social connections shall include siblings, siblings-in-law, <b>parents-in-law</b>, siblings of spouse, <b>daughter/son-in-law and parents of daughter/son-in-law</b>) and core connected persons as defined in the Hong Kong Listing Rules;</p> <p>(2) Natural person shareholders who directly or indirectly hold 1% or above of the issued shares of the Company or natural persons who are the top 10 shareholders of the Company and their <b>spouse, parents and daughters/sons</b>;</p> <p>(3) Persons employed and <b>their spouse, parents and daughters/sons</b> who directly or indirectly hold 5% or above of the issued shares of the Company or who are the top five shareholders of the Company;</p> <p>(4) <b>Persons working in subsidiaries of the Company's controlling shareholder or actual controller and their spouses, parents, and children</b>;</p> <p>(5) <b>Persons who have significant business relationship with the Company, its controlling shareholders, beneficial controllers, or their respective subsidiaries, or persons who serve in entity with significant business relationship, their controlling shareholders or beneficial controllers</b>;</p>	To amend according to the Articles 6 and 47 of the Measures for the Administration of Independent Directors of Listed Companies and the Article 9 of the Measures for the Supervision and Administration of Directors, Supervisors, Senior Managers and Practitioners of Securities and Fund Business Institutions.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
			<p><u>(6) Persons providing financial, legal, consulting or sponsor services to the Company and its controlling shareholders, beneficial controllers or their respective affiliated companies, including but not limited to all members of the project team that provides the service, reviewers at all levels, those who signed the report, partners, directors, senior managers and principals of the intermediary;</u></p> <p><u>(7) Persons who have experienced the conditions listed in the first six items in the past twelve months;</u></p> <p><u>(8) Serving in the Company and its related parties in the past 3 years;</u></p> <p><u>(9) Immediate family members and key social relations personnel serving in the Company and its related parties;</u></p> <p><u>(10) Having interests in the senior management, other directors, supervisors and other key personnel of the Company and its related parties;</u></p> <p><u>(11) Serving in an organization with which the Company has business dealings or in which the Company has interests;</u></p> <p><u>(12) Persons holding positions other than independent directors in other securities fund business institutions;</u></p> <p><u>(13) Other persons unfit of independence as stipulated by laws, administrative regulations, departmental rules and the provisions of the CSRC, the securities regulatory authority at the location where the Company's shares are listed and other relevant regulatory authorities and the Article of Association, or other personnel who is being in other circumstances that may prevent him/her from making independent and objective judgments.</u></p>	

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
			<p><u>Independent directors should conduct self-examinations on their independence annually and submit their self-examination results to the Board. The Board shall evaluate the independence of serving independent directors annually and issue specific opinions, which shall be disclosed correspondingly with the annual report.</u></p>	
Article 161	<p>Independent directors shall perform his duties diligently, and discharge his duties with sufficient time.</p> <p>Independent directors <b><u>shall attend Board meetings in person.</u></b> Where the independent director is unable to attend a meeting for any reason, he <b><u>may</u></b> by a written power of attorney appoint another independent director to attend the meeting on his behalf.</p> <p>The proxy form shall set out the name of the proxy, the matter and <b><u>authority</u></b> of the proxy, the effective period and such form shall be signed and sealed by the authorizing party.</p> <p>.....</p>	Article 160	<p>Independent directors shall perform his duties diligently, and discharge his duties with sufficient time.</p> <p><b><u>Independent directors shall work on-site at the company for no less than fifteen days each year.</u></b></p> <p>Independent directors <b><u>shall attend Board and its special committees meetings in person.</u></b> Where the independent director is unable to attend a meeting <b><u>in person</u></b> for any reason, <b><u>independent directors shall review the meeting documents in advance and form concrete opinions, and by</u></b> a written power of attorney appoint another independent director to attend the meeting on his behalf.</p> <p>The proxy form shall set out the name of the proxy, the matter and <b><u>scope of authority</u></b> of the proxy, the effective period and such form shall be signed and sealed by the authorizing party.</p> <p>.....</p>	To amend according to the Articles 20 and 30 of the Measures for the Administration of Independent Directors of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 162	Independent directors shall have the same term of office as other directors. The term of office of an independent director is renewable upon re-election when it expires, but no independent director shall serve more than <b>two consecutive sessions</b> . Prior to expiry of the term of his office, an independent director <b>may not be removed in the absence of proper reasons</b> . In case of <b>such removal</b> prior to expiry of term of office, the Company shall make disclosure <b>of such occurrence as a special item of</b> disclosure.	Article 161	Independent directors shall have the same term of office as other directors. The term of office of an independent director is renewable upon re-election when it expires, but no independent director shall serve more than <b>six years</b> . <b><u>Independent Directors are subject to retirement by rotation and re-election pursuant to the Hong Kong Listing Rules. The Company may dismiss any independent director in accordance with statutory procedures</u></b> prior to expiry of the term of his office. <b><u>In case of such</u></b> early dismissal, the Company <b>shall</b> disclose <b><u>the specific reasons and basis in a timely manner.</u></b> <b><u>If the independent directors have any objections, the Company shall</u></b> make disclosure <b><u>timely.</u></b>	To amend according to the Articles 13 and 14 of the Measures for the Administration of Independent Directors of Listed Companies and provision B.2.2 of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 163	<p>.....</p> <p><u>If the resignation of independent director(s) result(s) in the number of independent directors of the Board to fall below the required proportion required by the Articles of Association, the out-going independent director shall continue to perform his duties in accordance with the provisions of laws, administrative regulations, department rules and the Articles of Association until the new director is re-elected to take up his office. The Board shall convene a general meeting to re-elect an independent director for replacement within two months. If no general meeting is convened upon expiry of the period, the outgoing independent director may cease performing his duties.</u></p>	Article 162	<p>.....</p> <p><u>If the resignation of independent director(s) shall result(s) in the proportion of independent directors in the Board of the Company or its special committees to fail to comply with laws, regulations or the provisions of the Articles of Association or a lack of accounting professionals among the independent directors, the independent director(s) who intend(s) to resign shall continue to perform his/her/their duties until the date when the new independent director(s) is/are appointed, save for the resignation of an independent director due to his/her not being qualified for serving as a director of a listed company or not meeting the independence requirement of an independent director. The Company shall complete the by-election within sixty days from the date of the resignation of the independent director(s).</u></p>	To amend according to the Articles 15 of the Measures for the Administration of Independent Directors of Listed Companies, Rule 4.3.13 of the Rules Governing the Listing of Shares on Shenzhen Stock Exchange, and the Article 3.2.8 of the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the Main Board.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 164	<p>An independent director <u>may also express independent opinion to the Board or general meeting on the following matters, except performing the aforesaid duties:</u></p> <p>(1) <u>The nomination and removal of directors;</u></p> <p>(2) <u>The appointment or dismissal of senior officers;</u></p> <p>(3) <u>Determination of the remuneration of directors and senior officers;</u></p> <p>(4) <u>Flow of funds between shareholders of the Company, beneficial controllers, related companies and the Company, and whether effective steps shall be taken by the Company to recover the arrears;</u></p> <p>(5) <u>Profit distribution proposal proposed to exclude cash dividends in annual Board meeting of the Company;</u></p> <p>(6) <u>Material matters such as connected transactions required to be disclosed, external guarantee (excludes guarantee provided by subsidiaries in combined statement), entrusted financial management, provision of external financial assistance and change the usage of raised fund;</u></p>	Article 163	<p>The independent directors perform <u>the following duties:</u></p> <p>(1) <u>Participating in the decision-making of the Board and expressing clear opinions on the matters discussed;</u></p> <p>(2) <u>Supervising potential material conflicts of interests among the Company and its controlling shareholders, actual controllers, directors and senior executives, playing a leading and guiding role, and urging the Board to make decisions in line with the overall interests of the Company and protecting the legitimate rights and interests of minority shareholders in accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies;</u></p> <p>(3) <u>Providing professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making of the Board;</u></p> <p>(4) <u>Serving as a member of the Audit Committee, Nomination Committee, Remuneration and Appraisal Committee and other governance committees upon invitation;</u></p>	To amend according to the Articles 17 and 18 of the Measures for the Administration of Independent Directors of Listed Companies and provision C.1.2(b)(c)(d) of Part II of the Corporate Governance Code in Appendix C1 to the Hong Kong Listing Rules.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
	<p><u>(7) Scheme on material asset reorganization, Share Option Incentive Scheme;</u></p> <p><u>(8) Matters that the independent directors consider would impair the interests of minority shareholders;</u></p> <p><u>(9) Other matters stipulated by laws, administrative regulations, departmental rules, regulated documents, operational rules of stock exchange and the Articles of Association.</u></p> <p><u>The independent directors shall present one of the following written opinions on the matters referred to above: consent; qualified opinion with reason given; objection with reason given; and inability to express an opinion with stated obstacle.</u></p> <p><u>Opinions of the independent directors shall be clearly stated in the resolutions of the Board.</u></p>		<p><u>(5) Carefully checking whether the Company's performance has achieved the set corporate goals and objectives, and monitoring and reporting on the Company's performance;</u></p> <p><u>(6) Other duties stipulated in laws, administrative regulations, the China Securities Regulatory Commission, the Hong Kong Listing Rules and the Articles of Association.</u></p>	

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
	<p>The independent directors <u>have</u> the following special authorities:</p> <p><u>(1) Power of prior approval for major connected transactions;</u></p> <p><u>(2) Power of recommendation and prior approval for the appointment and removal of accountants' firms;</u></p> <p><u>(3) Special powers such as the giving of independent opinion on the major matters of the Company;</u></p> <p><u>(4) Power to recommend the convening of extraordinary general meetings;</u></p> <p><u>(5) Power to recommend the convening of board meetings;</u></p> <p><u>(6) Power to recommend the convening of meetings solely for independent directors;</u></p> <p><u>(7) Power to publicly collect voting rights from Shareholders prior to the convening of general meetings;</u></p> <p><u>(8) Special authorities such as the appointment of intermediary service providers for specific matters.</u></p>		<p>The independent directors <u>exercise</u> the following special authorities:</p> <p><u>(1) To independently engage intermediary agencies to audit, consult or verify specific matters of the Company;</u></p> <p><u>(2) To propose to the Board to convene an extraordinary general meeting;</u></p> <p><u>(3) To recommend the convening of Board meetings;</u></p> <p><u>(4) To publicly soliciting shareholder rights from shareholders in accordance with the law;</u></p> <p><u>(5) To express independent opinions on matters that may harm the rights and interests of the Company or small and medium-sized shareholders;</u></p> <p><u>(6) To exercise other functions and powers conferred by laws, administrative regulations, CSRC, the Hong Kong Listing Rules and the Articles of Association.</u></p> <p><u>Independent directors who exercise the functions and powers as set out in items (1) to (3) of the preceding paragraph shall obtain the consent of more than half of all independent Directors.</u></p> <p><u>If independent directors exercise the functions and powers as set out in item (1), the Company shall promptly disclose the same. If the above-mentioned functions and powers cannot be exercised normally, the Company shall disclose the specific situations and reasons.</u></p>	

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
-	Newly added article.	Article 164	<p><u>The following matters shall be submitted to the Board for review after being approved by more than half of the independent directors of the Company:</u></p> <p><u>(1) Related party transactions that shall be disclosed;</u></p> <p><u>(2) Plans for the Company and related parties to change or waive commitments;</u></p> <p><u>(3) Decisions and measures taken by the board of directors of the Company regarding the acquisition of the Company;</u></p> <p><u>(4) Other matters stipulated by laws, administrative regulations, the CSRC, the Hong Kong Listing Rules and the Articles of Association.</u></p>	To amend according to Article 23 of the Measures for the Administration of Independent Directors of Listed Companies.
-	Newly added article.	Article 165	<p><u>The Company shall regularly or irregularly convene meetings with the participation of all independent directors (hereinafter referred to as “special meetings of independent directors”) to review matters stipulated by laws and regulations such as the Measures for the Administration of Independent Directors of Listed Companies. The special meeting of independent directors can discuss other matters of the Company as needed. The special meetings of independent directors shall be convened and presided over by an independent director jointly elected by more than half of the independent directors; when the convener fails or is unable to perform his duties, two or more independent directors may convene and elect a representative to preside on their own.</u></p>	To amend according to Article 24 of the Measures for the Administration of Independent Directors of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 165	<p><u>Independent directors shall attend board meetings on a regular basis, understand the business and operation conditions of the Company, actively investigate and obtain the relevant information required for making a decision.</u></p> <p>Independent directors shall submit an annual <b>report</b> of <b>all the independent directors</b> at the annual general meeting of the Company and state the circumstances for the performance of their powers and duties.</p>	Article 166	<p><u>In addition to attending general meetings, meetings of the Board and the committees thereunder and meetings of independent directors as required, independent directors can fulfill their duties through various means such as regularly obtaining information on the Company's operations, listening to management reports, communicating with the heads of internal audit institutions and intermediary agencies such as accounting firms that handle the Company's audit matters, conducting on-site inspections and communicating with small and medium-sized shareholders.</u></p> <p>Independent directors shall submit an annual <b>duty report</b> at the annual general meeting of the Company and state the circumstances for the performance of their powers and duties.</p>	To amend according to Article 30 and Article 33 of the Measures for the Administration of Independent Directors of Listed Companies, Rule 33 of the Rules for Governance of Securities Companies and Rule 3.5.25 of the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the Main Board.
Article 166	<p>The Company shall set up a working system for the independent directors and the Board Secretary should actively co-operate with the independent directors to enable smooth performance of their duties. The Company should <b>ensure</b> that the Independent directors shall enjoy the same right to information as other directors. The Company shall <b>timely provide</b> the independent directors <b>with relevant materials and information</b>, regularly notify them of the operation of the Company and organize on-site visit by the independent directors <b>if necessary</b>.</p>	Article 167	<p>The Company shall set up a working system for the independent directors and the Board Secretary should actively co-operate with the independent directors to enable smooth performance of their duties. The Company should <b>undertake</b> that the Independent directors shall enjoy the same right to information as other directors. <b>The Company shall</b> regularly notify the Independent directors of the operation of the Company, <b>provide information</b>, and organize the Independent directors <b>or cooperate with</b> them to <b>conduct</b> on-site visits <b>and others</b>.</p>	To amend according to Article 36 of the Measures for the Administration of Independent Directors of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 167	The fees of engaging <b>intermediate</b> companies by independent directors and other fees incurred in the process of exercising their authorities shall be borne by the Company.	Article 168	The fees of engaging <b>professional</b> companies by independent directors and other fees incurred in the process of exercising their authorities shall be borne by the Company.	To amend according to the Article 39 of the Measures for the Administration of Independent Directors of Listed Companies.
Article 168	The Company shall grant <b>appropriate</b> allowances to the independent directors. The standards of such allowances shall be formulated by the Board and resolved after examination at the general meeting.	Article 169	The Company shall grant to allowances <b>commensurate with their duties</b> to the independent directors. The standards of such allowances shall be formulated by the Board and resolved after examination at the general meeting. <b><u>In addition to the above allowances, the independent directors shall not obtain other benefits from the Company and its substantial Shareholders, actual controllers or interested entities and personnel.</u></b>	To amend according to the Article 41 of the Measures for the Administration of Independent Directors of Listed Companies.
Article 170	The Board shall consist of 11 directors, including four independent directors <b><u>(including at least one financial or accounting professional)</u></b> . The Board shall have one chairman and may have one to two vice chairmen.	Article 171	The Board shall consist of 11 directors, including four independent directors. The Board shall have one chairman and may have one to two vice chairmen.	To remove duplicate content.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 171	<p>The Board shall exercise the following functions and powers:</p> <p>.....</p> <p>(9) To decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting;</p> <p>(10) To resolve on the establishment of internal management organizations of the Company;</p> <p>(11) To appoint or dismiss the Company's general manager, the secretary to the Board, the chief compliance officer, the chief risk officer, the chief audit officer, etc. as nominated by the chairman of the Board; to appoint or dismiss the Company's deputy general manager, the chief financial officer, the chief information officer and other senior management members as nominated by the general manager; and determine their remunerations and rewards and penalties;</p> <p>.....</p> <p>(19) To undertake the ultimate responsibility for the overall risk management, to fulfil the significant risk management policies including the validation of risk preference and the corresponding duties including the consideration and approval of the Company's periodic risk assessment reports;</p> <p>.....</p>	Article 172	<p>The Board shall exercise the following functions and powers:</p> <p>.....</p> <p>(9) To decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, <b>donations</b>, etc. of the Company within the authority granted by the general meeting;</p> <p>(10) To resolve on the establishment of internal management organizations of the Company;</p> <p>(11) To appoint or dismiss the Company's general manager, the secretary to the Board, the chief compliance officer, the chief risk officer, the chief audit officer, etc. as nominated by the chairman of the Board; <b>to decide</b> to appoint or dismiss the Company's deputy general manager, the chief financial officer, the chief information officer and other senior management members as nominated by the general manager; and determine their remunerations and rewards and penalties;</p> <p>.....</p> <p>(19) To undertake the ultimate responsibility for the overall risk management, <b>to ensure the independence of the chief risk officer and establish a direct communication mechanism with the chief risk officer</b>, to fulfil the significant risk management policies including the validation of risk preference and the corresponding duties including the consideration and approval of the Company's periodic risk assessment reports;</p> <p>.....</p>	To amend according to the Article 107 of the Guidelines for the Articles of Association of Listed Companies and the Articles 7 and 16 of the Norms for Overall Risk Management of Securities Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 175	<p>The Board shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, asset pledge, external guarantee, consigned financial management and connected transactions, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the general meeting for approval.</p> <p>The Board's scope of authority for external investment, financing, external guarantee, asset disposal and donation is as follows:</p> <p>.....</p> <p>(4) Other guarantees in addition to those as stipulated by Article 77 in these Articles of Association.</p> <p>Matters set forth in paragraphs (1) and (2) of this Article exclude transactions arising in the ordinary course of business such as securities proprietary trading, securities underwriting and sponsorship, securities asset management, margin financing and securities lending.</p> <p>The matters related to external guarantees by the Board <b>must</b> be approved and resolved by 2/3 or above of directors who attend the meeting.</p>	Article 176	<p>The Board shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, asset pledge, external guarantee, <b><u>financial assistance</u></b>, consigned financial management, connected transactions, <b><u>donations</u></b>, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the general meeting for approval.</p> <p>The Board's scope of authority for external investment, financing, external guarantee, <b><u>financial assistance</u></b>, asset disposal and donation is as follows:</p> <p>.....</p> <p>(4) Other guarantees <b><u>and financial assistance</u></b> in addition to those as stipulated by Article 77 in these Articles of Association.</p> <p>Matters set forth in paragraphs (1) and (2) of this Article exclude transactions arising in the ordinary course of business such as securities proprietary trading, securities underwriting and sponsorship, securities asset management, margin financing and securities lending.</p> <p>The matters related to external guarantees <b><u>and financial assistance</u></b> by the Board <b><u>shall not only be considered and approved by more than half of all directors, but also</u></b> be approved and resolved by 2/3 or above of directors who attend the meeting.</p>	<p>To amend according to the Article 110 of the Guidelines for the Articles of Association of Listed Companies, Rules 6.1.9 and 6.1.10 of the Rules Governing the Listing of Shares on Shenzhen Stock Exchange, the Article 6.1.2 of the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the Main Board; and to polish expressions.</p>

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 180	Board Meetings shall be held at least four times a year. Meetings shall be convened by the chairman of the Board. Written notice shall be given to all directors and supervisors at least 14 days before the meeting is held. The aforesaid time limit may not apply if written consent is given by all directors present at the meeting.	Article 181	<b><u>Board Meetings shall be held at regular intervals</u></b> and at least four times a year <b><u>at approximately quarterly intervals</u></b> . Meetings shall be convened by the chairman of the Board. Written notice shall be given to all directors and supervisors at least 14 days before the meeting is held. The aforesaid time limit may not apply if written consent is given by all directors present at the meeting.	To amend according to Code C.5.1 of the Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules.
Article 183	The notice of the Board meeting shall include the following:  ..... If two or more independent Directors deem the <b><u>information</u></b> incomplete <b><u>or</u></b> if the rationales inadequate, they may <b><u>jointly</u></b> file a written request with the board of Directors to postpone the consideration of the matter in writing. The board of Directors shall accept the case and <b><u>the Company shall promptly disclose the relevant information.</u></b>	Article 184	The notice of the Board meeting shall include the following:  ..... If two or more independent Directors deem the <b><u>meeting materials</u></b> incomplete, the rationales inadequate <b><u>or the provision of the same not timely</u></b> , they may file a written request with the board of Directors to postpone the consideration of the matter in writing. The board of Directors shall accept the case.	To amend according to Article 37 of the Measures for the Administration of Independent Directors of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 186	<p>The vote on board resolutions shall be taken by way of voting on a site poll or on a show of hands or through communication.</p> <p>.....</p> <p>The procedures of the Board to form a resolution through communication and conference shall be:</p> <p>(1) The resolution must be sent to every director by personal delivery, fax, email or letter <b>two days</b> in advance;</p> <p>.....</p>	Article 187	<p>The vote on board resolutions shall be taken by way of voting on a site poll or on a show of hands or through communication.</p> <p>.....</p> <p>The procedures of the Board to form a resolution through communication meeting shall be:</p> <p>(1) The resolution must be sent to every director by personal delivery, fax, email or letter <b>three</b> days in advance;</p> <p>.....</p>	To amend according to Code C.5.8 of the Corporate Governance Code in Appendix C1 of the Hong Kong Listing Rules.
Article 189	<p>The minutes of the Board shall consist of the following:</p> <p>(1) The date and venue of the meeting and the name of the convener;</p> <p>(2) The names of the directors present and names of directors being appointed to attend the meeting on the other's behalf (proxy);</p> <p>(3) The agenda;</p> <p>(4) The main points of directors' speeches;</p> <p>(5) The voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).</p>	Article 190	<p>The minutes of the Board shall consist of the following:</p> <p>(1) The date and venue of the meeting and the name of the convener;</p> <p>(2) The names of the directors present and names of directors being appointed to attend the meeting on the other's behalf (proxy);</p> <p>(3) The agenda;</p> <p>(4) The main points of directors' speeches <b>and <u>opinions of independent directors</u></b>;</p> <p>(5) The voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).</p>	To amend according to Article 31 of the Measures for the Administration of Independent Directors of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 192	The Board consists of five special committees, namely the Audit Committee, the Risk Management Committee, the Nomination Committee, the Remuneration and Evaluation Committee and the Strategic Committee. All members of the special committees shall be Directors. Half or above of the members of the Audit Committee the Nomination Committee and the Remuneration and Evaluation Committee shall be independent Directors, one of whom shall act as the chairman of the committee. All members of the Audit Committee shall be non executive Directors, and there shall be at least one Independent Director who shall be an accounting professional with more than 5 years of working experience in accounting or related financial management. The chairmen of the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee shall be an Independent Director. Chairman of the Audit Committee shall be an accounting professional.	Article 193	The Board consists of five special committees, namely the Audit Committee, the Risk Management Committee, the Nomination Committee, the Remuneration and Evaluation Committee and the Strategic Committee. All members of the special committees shall be Directors. Half or above of the members of the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee shall be independent Directors, one of whom shall act as the chairman of the committee. All members of the Audit Committee <b><u>shall</u></b> be non-executive Directors <b><u>who do not hold any senior management position in the Company</u></b> , and there shall be at least one Independent Director who shall be an accounting professional with more than 5 years of working experience in accounting or related financial management. The chairmen of the Audit Committee, the Nomination Committee and the Remuneration and Evaluation Committee <b><u>(being the chairman of the committee as defined in the Hong Kong Listing Rules, hereinafter referred to as the same)</u></b> shall be an Independent Director. Chairman of the Audit Committee shall be an accounting professional.	To amend according to Article 5 of the Measures for the Administration of Independent Directors of Listed Companies and Rule 3.21 of the Hong Kong Listing Rules.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 194	<p>All special committees are a specialized working body under the Board which shall be accountable to the Board. Each special committee shall submit its annual work report to the Board within four months from the end of every financial year.</p> <p>The Board shall seek advice of the special committees before making any decision on matters related to the duties of the special committees.</p> <p>I. The main duties and responsibilities of the Audit Committee include:</p> <p>.....</p> <p><b>(13)</b> Other duties under the authorization of the Board.</p> <p>II. The main duties and responsibilities of the Risk Management Committee include:</p> <p>.....</p> <p>(e) the effectiveness of the processes of the Company for financial reporting and the Listing Rules compliance.</p> <p>.....</p> <p>IV. The main duties and responsibilities of the Remuneration and Evaluation Committee include:</p> <p>.....</p> <p><b>(8)</b> Other duties under the authorization of the Board.</p> <p>V. The main responsibilities of the Strategic Committee are:</p> <p>.....</p> <p>(3) Analyzing and preparing the medium to long-term development strategies of the Company;</p> <p>.....</p> <p><b>(9)</b> Other duties under the authorization of the Board.</p>	Article 195	<p>All special committees are a specialized working body under the Board which shall be accountable to the Board. Each special committee shall submit its annual work report to the Board within four months from the end of every financial year.</p> <p>The Board shall seek advice of the special committees before making any decision on matters related to the duties of the special committees.</p> <p>I. The main duties and responsibilities of the Audit Committee include:</p> <p>.....</p> <p><b>(13) Submitting a report to the Board on the Company's compliance with the relevant requirements of the Hong Kong Listing Rules and the Corporate Governance Code;</b></p> <p><b>(14)</b> Other duties and responsibilities authorized by the Board of the Company.</p> <p><b>The following matters shall be submitted to the Board for review after being approved by more than half of the members of the Audit Committee:</b></p> <p><b>(1) Disclosure of financial information and internal control evaluation report in financial accounting reports and periodic reports;</b></p> <p><b>(2) Engagement or dismissal of accounting firms that undertake audit services for the Company;</b></p> <p><b>(3) Engagement or dismissal of the financial manager of the Company;</b></p> <p><b>(4) Changes in accounting policies, estimates or significant accounting errors due to reasons other than changes in accounting standards;</b></p>	<p>To amend according to Rule 12 of ESG Reporting Guide set out in Appendix C2 to the Hong Kong Listing Rules, Rule 28(2)(d) of Disclosure of Financial Information set out in Appendix D2 and amendments to Chapter 17 of the Hong Kong Listing Rules, Article 40 of the Listed Company Governance Standards, and amend according to Articles 26 and 28 of the Measures for the Administration of Independent Directors of Listed Companies; and to polish expressions.</p>

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
			<p><u>(5) Other matters stipulated by laws, administrative regulations, CSRC, the stock exchange in the place where the Company's shares are listed and the Articles of Association.</u></p> <p>II. The main duties and responsibilities of the Risk Management Committee include:</p> <p>.....</p> <p>(e) the effectiveness of the processes of the Company for financial reporting and the <u>Hong Kong Listing Rules</u> compliance;</p> <p>.....</p> <p>IV. The main duties and responsibilities of the Remuneration and Evaluation Committee include:</p> <p>.....</p> <p><u>(8) Reviewing and/or approving matters relating to share scheme under Chapter 17 of the Hong Kong Listing Rules;</u></p> <p>(9) Other duties and responsibilities authorized by the Board of the Company.</p> <p><u>The Remuneration and Evaluation Committee shall make recommendations to the Board on the following matters:</u></p> <p><u>(1) Remuneration of directors and senior management members;</u></p> <p><u>(2) Formulation or modification of equity incentive plans and employee stock ownership plans, and conditions for granting equity to participants and fulfilment of exercising conditions;</u></p>	

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
			<p><u>(3) Arrangement plan for stock ownership by directors and senior management in the subsidiary to be spin off;</u></p> <p><u>(4) Other matters stipulated by laws, administrative regulations, CSRC, the stock exchange in the place where the Company's shares are listed and the Articles of Association.</u></p> <p>V. The main duties and responsibilities of the Strategic Committee include:</p> <p>.....</p> <p>(3) Analyzing and preparing the medium to long-term development strategies of the Company and providing recommendations <u>and making recommendations;</u></p> <p>.....</p> <p><u>(9) Reviewing the ESG report of the Company and providing recommendations to the Board on decision-making matters related to ESG governance, including visions, target and initiatives;</u></p> <p><u>(10) Other duties and responsibilities authorized by the Board.</u></p>	
Article 200	Staff of the controlling shareholders and the actual controllers of the Company who serve positions other than directors and supervisors of the controlling shareholders shall not serve as senior management of the Company.	Article 206	<p>Staff of the controlling shareholders and the actual controllers of the Company who serve positions other than directors and supervisors of the controlling shareholders shall not serve as senior management of the Company.</p> <p><u>Senior management members of the Company shall only receive salaries within the Company and shall not receive salaries from controlling shareholders.</u></p>	To amend according to Article 126 of the Guidelines for the Articles of Association of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 207	The general manager, vice general managers and other senior management can tender his resignation before the expiry of his term of office, however with a notice to the Board in writing <b>three months in advance</b> . The procedure and measures for such resignation shall be governed by the employment contract between the general manager, vice general managers or other senior management and the Company.	Article 208	The general manager, vice general managers and other senior management can tender his resignation before the expiry of his term of office, however with a notice to the Board in writing. The procedure and measures for such resignation shall be governed by the employment contract between the general manager, vice general managers or other senior management and the Company.	To amend according to actual situation.
Article 208	If a senior management violates any laws, administrative rules, departmental rules and regulations and the provisions stipulated in these Articles of Association in the course of performing his duties of the Company and subsequently causes <b>losses</b> to the Company, he shall be liable for compensation.	Article 209	Senior management members <b><u>of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. If a senior management fails to faithfully perform his duties or violate his integrity obligations, or</u></b> violates any laws, administrative rules, departmental rules and regulations and the provisions stipulated in these Articles of Association in the course of performing his duties of the Company and subsequently causes <b><u>damages</u></b> to the Company <b><u>and the interests of the general public and shareholders</u></b> , he shall be liable for compensation.	To amend according to Article 135 of the Guidelines for the Articles of Association of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 211	<p>The term of office of a supervisor shall be three years. A supervisor may serve consecutive terms upon expiration of his term if re-appointed.</p> <p>Shareholder supervisors shall be elected or replaced at the general meetings, employee supervisors shall be elected or replaced democratically by employees of the Company.</p>	Article 212	<p>The term of office of a supervisor shall be three years. A supervisor may serve consecutive terms upon expiration of his term if re-appointed.</p> <p>Shareholder <b>representative</b> supervisors shall be elected or replaced at the general meetings, employee <b>representative</b> supervisors shall be elected or replaced democratically by employees of the Company.</p>	To amend according to Article 144 of the Guidelines for the Articles of Association of Listed Companies.
Article 218	<p>The Company shall have a supervisory committee. The Supervisory Committee comprises 5 supervisors, among which 3 supervisors shall be shareholder representatives <b>elected by the general meeting</b>, while 2 supervisors shall be employee representatives of the Company. The Supervisory Committee shall have one chairman, who shall be appointed or removed by the votes of two thirds or above of the members of the Supervisory Committee.</p>	Article 219	<p>The Company shall have a supervisory committee. The Supervisory Committee comprises 5 supervisors, among which 3 supervisors shall be shareholder representatives, while 2 supervisors shall be employee representatives of the Company. The Supervisory Committee shall have one chairman, who shall be appointed or removed by the votes of two thirds or above of the members of the Supervisory Committee.</p>	To delete repeated statements as set out above.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 228	<p>The chief compliance officer shall perform the following duties:</p> <p>(1) To organize the <b>formulation</b> of the Company's basic compliance system and other compliance management systems and supervise their implementation; advise the Board or senior management of any changes to the laws, regulations and rules in time and urge the relevant departments to assess their effect on compliance management and to amend and optimize relevant management rules and business processes;</p> <p>.....</p> <p>(3) To monitor and check the compliance of the Company's operational and management <b>activities and personnel's</b> occupational behaviors;</p> <p>.....</p>	Article 229	<p>The chief compliance officer shall perform the following duties:</p> <p>(1) To organize the <b>formulation</b> of the Company's basic compliance management system and other compliance <b>management</b> systems and supervise their implementation; advise the Board or senior management of any changes to the laws, regulations and rules in time and urge the relevant departments to assess their effect on compliance management and to amend and optimize relevant management rules and business processes;</p> <p>.....</p> <p>(3) To monitor and check the compliance of the operational and management and occupational behaviors <b>of the Company and its staff;</b></p> <p>.....</p>	To amend according to Articles 12, 14 and 15 of the Compliance Management Measures for Securities Companies and Securities Investment Fund Management Companies; and to polish expressions.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
	<p>(7) To report the compliance of the Company's operation and management and the implementation of the compliance management work to the Board and the general manager;</p> <p>If the Company's conduct is against the relevant laws and regulations or there are potential compliance risks, <b>the chief compliance officer</b> shall report to the Board and the <b>general manager</b> in time in accordance with these Articles of Association and the relevant regulations, provide advice and urge for remedies, and procure the Company to report to <b>regulatory authorities and self-regulatory organizations</b> in time in accordance with the relevant regulations; if the Company fails to report in time, the chief compliance officer shall report directly to the <b>regulatory authorities and self-regulatory organizations</b>;</p> <p>.....</p> <p>(9) To exercise other duties <u>specified by laws, regulations and the regulatory authorities</u>.</p>		<p>(7) To report the compliance of the Company's operation and management and the implementation of the compliance management work to the Board and the general manager;</p> <p>If <b>the chief compliance officer finds that</b> the Company's conduct is against the relevant laws and regulations or there are potential compliance risks, the chief compliance officer shall report to the Board and the <b>main person in charge of business management</b> in time in accordance with these Articles of Association and the relevant regulations, provide advice and urge for remedies, and procure the Company to report to <b>local branch of CSRC</b> in time in accordance with the relevant regulations; if the Company fails to report in time, the chief compliance officer shall report directly to <b>local branch of CSRC; if any industry norms or rules of self-regulation are violated, the chief compliance officer shall also report to the relevant self-regulation organizations</b>;</p> <p>.....</p> <p>(9) To exercise other duties <u>specified by laws, administrative regulations, department rules, normative documents and the Articles of Association or granted by the Company</u>.</p>	

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 233	<p>The following person shall not serve as Director, Supervisor, general manager or other senior management of the Company:</p> <p>(1) persons without capacity or with limited capacity of civil conduct;</p> <p>(2) persons who have committed offences relating to corruption, bribery, misappropriation of fund, misappropriation of property or disruption of social economic order and have been sentenced to criminal punishment, where less than five years has elapsed since the date of completion of the sentence, or who have been deprived of their political rights due to a criminal offense, where less than five years has elapsed since the date of restoring their political rights;</p> <p>.....</p> <p>(6) persons who are <b>subject to the CSRC's punishment</b> which prohibits them from entering into the securities market for <b>a period which has not yet expired</b>;</p> <p>.....</p> <p><b>(10)</b> government officers and other persons who are prohibited by law and administrative regulations from concurrently holding position in a company;</p>	Article 234	<p>The following person shall not serve as Director, Supervisor, general manager or other senior management of the Company:</p> <p>(1) persons without capacity or with limited capacity of civil conduct;</p> <p>(2) persons who have committed offences relating to corruption, bribery, misappropriation of fund, misappropriation of property or disruption of social economic order and have been sentenced to criminal punishment, where less than five years has elapsed since the date of completion of the sentence, or who have been deprived of their political rights due to a criminal offense, where less than five years has elapsed since the date of restoring their political rights; <b><u>or persons who have been sentenced to criminal punishment for endangering national security, terrorism, crime of a gangland nature, or persons who have been deprived of political rights for the commission of a crime</u></b>;</p> <p>.....</p> <p>(6) persons who are <b>subject to the CSRC's punishment</b> which prohibits them from entering into the securities market <b>for a period of five years which has not yet expired</b>;</p> <p>.....</p> <p><b><u>(10) employees of stock dealing institutions, securities companies, securities registration and clearing institution, securities service institutions who have been dismissed for any act against law or relevant discipline, and government officers who had been dismissed</u></b>;</p>	To amend according to Article 125 of the Securities Law of the PRC, Article 95 of the Guidelines for the Articles of Association of Listed Companies, Article 7 of the Measures for the Supervision and Administration of Directors, Supervisors, Senior Managers and Practitioners of Securities and Fund Business Institutions and Rule 4.3.3 of the Rules Governing the Listing of Shares on Shenzhen Stock Exchange.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
	<p>(11) persons who were subject to administrative penalties by the financial regulatory department due to material illegal or improper behavior where less than <b>three years</b> has elapsed since the date of completion of the penalties;</p> <p>(12) persons who are <b><u>disqualified</u></b> by the CSRC <b><u>where less than three years has elapsed since the date of disqualification;</u></b></p> <p>(13) persons who are determined to be unfit by the CSRC where less than <b>two years has elapsed since the date of the determination;</b></p> <p>(14) persons who are prohibited from acting as a leader of an enterprise by virtue of laws or administrative regulations;</p> <p>(15) persons other than a natural person;</p> <p>(16) persons who are <b><u>under the investigation of the legal authority in accordance with the criminal laws and the trials have not yet finished;</u></b></p> <p>.....</p> <p>Any election, designation or appointment of Directors, Supervisors, the general manager or other senior management in violation of this provision shall be invalid. The Company shall dismiss the Director, Supervisor, the general manager or other senior management if they are involved in the said circumstances during their respective term of office.</p>		<p>(11) government officers and other persons who are prohibited by law and administrative regulations from concurrently holding position in a company;</p> <p>(12) persons who were subject to administrative penalties by the financial regulatory department due to material illegal or improper behavior where less than <b>five</b> years has elapsed since the date of completion of the penalties;</p> <p>(13) persons whose <b><u>fund practicing qualification has been revoked by the CSRC or fund practicing qualification has been cancelled by the Asset Management Association of China in the past 5 years;</u></b></p> <p>(14) <b><u>a person who is a former legal representative and principal person in charge of the operation and management of an institution that has been taken over, cancelled, declared bankrupt or revoked its business license, where less than 5 years have elapsed since the date of the company was taken over, cancelled, declared bankrupt or revoked its business license, unless it is proved that such person is not personally liable for such issues;</u></b></p> <p>(15) persons who are determined to be unfit by the CSRC <b><u>or relevant regulatory authorities at the place where the shares of the Company are listed or imposed on disciplinary sanction by an industry association of being unsuitable for engaging in the relevant business, and the relevant limitation period has not expired;</u></b></p>	

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
			<p>(16) persons who are prohibited from acting as a leader of an enterprise by virtue of laws or administrative regulations;</p> <p>(17) persons other than a natural person;</p> <p><b><u>(18) persons who are under the investigation of administrative authorities or under the detection of judicial authorities for suspected illegal crimes, and such case has not yet been closed to form a final opinion;</u></b></p> <p>.....</p> <p>Any election, designation or appointment of Directors, Supervisors, the general manager or other senior management in violation of this provision shall be invalid. The Company shall dismiss the Director, Supervisor, the general manager or other senior management if they are involved in the said circumstances during their respective term of office. <b><u>If such director or supervisor should be removed but has not been removed, and participates in any board meeting and its special committees, special meetings of independent directors and meeting of the supervisory committee and votes thereat, his/her vote(s) shall be invalid.</u></b></p>	

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 241	<p>.....</p> <p>Except as provided in <b>Note 1 to Appendix III</b> of the Hong Kong Listing Rules or exceptions permitted by the Hong Kong Stock Exchange, a Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement in which he or any of his close associates as defined in the Hong Kong Listing Rules has any material interest or any other relevant proposals.</p> <p>.....</p>	Article 242	<p>.....</p> <p>Except as provided in <b>Rule 13.44</b> of the Hong Kong Listing Rules or exceptions permitted by the Hong Kong Stock Exchange, a Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement in which he or any of his close associates as defined in the Hong Kong Listing Rules has any material interest or any other relevant proposals.</p> <p>.....</p>	To adjust according to the updated laws and regulations.
Article 252	<p>The Company shall prepare its annual <b>financial</b> reports and submit to the CSRC and the stock exchange(s) within four months from the ending date of each financial year, prepare the <b>half year financial</b> reports and submit to the local office of the CSRC and the stock exchange(s) within two months from the ending date of <b>the first six months</b> of each financial year, <b>and prepare the quarterly reports and submit to the local office of the CSRC and the stock exchange(s) within one month from the ending dates of the first three and first nine months of each financial year respectively.</b></p>	Article 253	<p>The Company shall prepare its annual reports and submit <b>and disclose</b> to the CSRC and the stock exchange(s) within four months from the ending date of each financial year, and prepare its interim reports and submit <b>and disclose</b> to the local branch of the CSRC and the stock exchange(s) within two months from the ending date of <b>the first six months</b> of each financial year.</p>	To amend according to Article 151 of the Guidelines for the Articles of Association of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 253	The aforesaid <b><u>financial reports</u></b> shall be prepared in accordance with the relevant laws, administrative regulations and <b><u>departmental rules</u></b> .	Article 254	The aforesaid <b><u>annual reports and interim reports</u></b> shall be prepared in accordance with the relevant laws, administrative regulations, and <b><u>the requirements of the CSRC and the stock exchange in the place where the Company's shares are listed.</u></b>	To amend according to Article 151 of the Guidelines for the Articles of Association of Listed Companies.
Article 255	<p>The financial reports of the Company shall be made available for shareholders' inspection at the Company premises twenty days before the date of every annual general meeting. Each shareholder of the Company shall be entitled to obtain a copy of the financial reports referred to in this chapter.</p> <p>Unless otherwise specified in these Articles of Association, the Company <b><u>shall deliver by hand or send to each shareholder of overseas listed foreign Shares by prepaid mail</u></b> a copy of the aforesaid report or the report of Directors together with the balance sheet (including each document shall be included as appendix to the balance sheet as required by the laws) and profit and loss account or statement of income and expenditure, or summary financial report not later than twenty-one days before the date of every annual general meeting, <b><u>and the addresses of recipient shall be the addresses appear on the register of shareholders.</u></b></p>	Article 256	<p>The financial reports of the Company shall be made available for shareholders' inspection at the Company premises twenty days before the date of every annual general meeting. Each shareholder of the Company shall be entitled to obtain a copy of the financial reports referred to in this chapter.</p> <p>Unless otherwise specified in these Articles of Association, the Company shall <b><u>issue a notice and an announcement of</u></b> the aforesaid report or the report of Directors together with the balance sheet (including each document shall be included as appendix to the balance sheet as required by the laws) and profit and loss account or statement of income and expenditure, or summary financial report not later than twenty-one days before the date of every annual general meeting <b><u>in accordance with the relevant requirements of Chapter 11 of these Articles of Association.</u></b></p>	To amend according to the Hong Kong Listing Rules in relation to the proposed expansion of paperless listing regime.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 260	The Company shall distribute its after-tax profit for the current year in the order of: (1) Recovering losses of the <b>preceding year</b> ;  .....	Article 261	The Company shall distribute its after-tax profit for the current year in the order of: (1) Recovering losses of the <b>previous years</b> ;  .....	To amend according to Article 153 of the Guidelines for the Articles of Association of Listed Companies.
Article 261	..... When the Company formulates its cash dividend plan, the Board of Directors shall carefully study and discuss about the matters concerning the Company's cash dividend distribution, including the timing, conditions, the lowest payout ratio, conditions for adjustment and the decision-making procedures. Independent Directors <b>shall express their specific</b> opinions thereon. <b><u>The Independent Directors may collect opinions from minority shareholders and put forward a profit distribution proposal which will be directly submitted to the Board of Directors for consideration.</u></b>  .....	Article 262	..... When the Company formulates its cash dividend plan, the Board of Directors shall carefully study and discuss about the matters concerning the Company's cash dividend distribution, including the timing, conditions, the lowest payout ratio, conditions for adjustment and the decision-making procedures. Independent Directors <b>have the right to express independent opinions if they believe that the specific cash dividend distribution plan may harm the interests of the Company or the minority shareholders.</b>  .....	To amend according to the Article 18 of the Measures for the Administration of Independent Directors of Listed Companies

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 262	If the Company needs to make adjustment on one of the dividends policies due to material changes in the external operation environment or internal operation conditions, the Company shall actively and adequately listen to the opinions of <b><u>independent directors</u></b> , actively communicate with minority shareholders through many channels, collect proposals and appeals from minority shareholders and publish a general meeting notice within 3 days since the date of shareholding registration following a general meeting announcement. The adjusted profit distribution policy shall be passed through the special resolution in shareholders' general meeting.	Article 263	If the Company needs to make adjustment on one of the dividends policies due to material changes in the external operation environment or internal operation conditions, the Company shall actively and adequately listen to the opinions of <b><u>minority shareholders</u></b> , actively communicate with minority shareholders through many channels, collect proposals and appeals from minority shareholders and publish a general meeting notice within 3 days since the date of shareholding registration following a general meeting announcement. The adjusted profit distribution policy shall be passed through the special resolution in shareholders' general meeting.	To amend according to Article 153 of the Guidelines for the Articles of Association of Listed Companies.
Article 263	Any amount paid up in advance of calls on any shares may bear interest but shall not entitle the holder of the shares to participate in respect thereof in a dividend subsequently declared.  Subject to the relevant laws, regulations, rules <b><u>and</u></b> normative documents, the Company may exercise the power to forfeit unclaimed dividends, provided that it does so only after the expiration of the applicable relevant period.  .....	Article 264	Any amount paid up in advance of calls on any shares may bear interest but shall not entitle the holder of the shares to participate in respect thereof in a dividend subsequently declared.  Subject to the relevant laws, <b><u>administrative</u></b> regulations, <b><u>departmental</u></b> rules <b><u>and</u></b> normative documents, the Company may exercise the power to forfeit unclaimed dividends, provided that it does so only after the expiration of the applicable relevant period.  .....	To polish expressions.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 267	After the profit distribution plan has been resolved at the shareholders' general meeting, the Company <b>shall</b> complete the dividend (or share) distribution <b><u>within two months after the holding of the shareholders' general meeting.</u></b>	Article 268	After the profit distribution plan has been resolved at the shareholders' general meeting, <b><u>or the Board</u></b> of the Company <b><u>formulates a specific plan based on the next year's interim dividend conditions and upper limit considered and approved by the annual</u></b> general meeting, the dividend (or share) distribution <b><u>must be</u></b> completed <b><u>within 2 months.</u></b>	To amend according to Article 155 of the Guidelines for the Articles of Association of Listed Companies.
Article 270	The Company shall appoint an independent accounting firm which is qualified under the <b><u>relevant</u></b> regulations of <b><u>PRC</u></b> to audit the financial statements, verify the net assets and provide other related consulting services.  The accounting firm appointed by the Company shall hold office for one year from the conclusion of the annual general meeting at which it was appointed until the conclusion of the next annual general meeting. The accounting firm is eligible to be re-appointed.	Article 271	The Company shall appoint an independent accounting firm which is qualified under the <b><u>Securities Law</u></b> to audit the financial statements, verify the net assets and provide other related consulting services.  The accounting firm appointed by the Company shall hold office for one year from the conclusion of the annual general meeting at which it was appointed until the conclusion of the next annual general meeting. The accounting firm is eligible to be re-appointed.	To amend according to Article 159 of the Guidelines for the Articles of Association of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 272	If there is a vacancy in the position of auditor of the Company, <b><u>the Board may appoint an accounting firm to fill such vacancy before the convening of the general meeting, but the appointment shall be confirmed by the shareholders in the next general meeting.</u></b> Any other accounting firm which has been appointed by the Company may continue to act during the period of existence of such vacancy.	Article 273	<b><u>The appointment of an accounting firm by the Company shall be approved by the general meeting, and the Board shall not appoint an accounting firm before obtaining approval from the general meeting.</u></b> If there is a vacancy in the position of auditor of the Company, any other accounting firm which has been appointed by the Company may continue to act during the period of existence of such vacancy.	To amend according to Article 160 of the Guidelines for the Articles of Association of Listed Companies.
Article 274	..... Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accounting firm which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm, <b><u>the re-appointment of a retiring accounting firm which was appointed by the Board to fill a casual vacancy,</u></b> or the dismissal of an accounting firm before the expiration of its term of office, the following provisions shall apply: .....	Article 275	..... Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accounting firm which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm or the dismissal of an accounting firm before the expiration of its term of office, the following provisions shall apply: .....	To amend according to Article 160 of the Guidelines for the Articles of Association of Listed Companies.
Article 276	The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined at the general meeting. <b><u>The remuneration of an accounting firm appointed by the Board shall be determined by the Board.</u></b>	Article 277	The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined at the general meeting.	To amend according to Article 160 of the Guidelines for the Articles of Association of Listed Companies.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 277	<p>Where the accounting firm resigns its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.</p> <p>.....</p> <p>The Company shall send a copy of the notice referred to in the preceding paragraph to the relevant governing authority within 14 days after receipt. If the notice contains a statement as mentioned in clause (ii) of Article 274, a copy of such statement shall be placed at the Company for the inspection of shareholders.</p> <p><b><u>Unless otherwise stated in the Articles of Association, the Company shall also send a copy of such statement by prepaid mail to each shareholder who is entitled to receive the report regarding financial conditions of the Company at the address registered in the register of shareholders.</u></b></p> <p>.....</p>	Article 278	<p>Where the accounting firm resigns its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.</p> <p>.....</p> <p>The Company shall send a copy of the notice referred to in the preceding paragraph to the relevant governing authority within 14 days after receipt. If the notice contains a statement as mentioned in clause (ii) of Article 275, a copy of such statement shall be placed at the Company for the inspection of shareholders.</p> <p>.....</p>	To amend according to the Hong Kong Listing Rules in relation to the proposed expansion of paperless listing regime.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 278	<p>Notices of the Company shall be served by one or a combination of the following methods:</p> <p>(1) by hand;</p> <p>(2) by mail;</p> <p>(3) by facsimile or e-mail;</p> <p>(4) <u>by making announcement on the website designated by the Company and stock exchanges in accordance with laws, administrative regulations, departmental rules, normative documents, relevant requirements of the regulatory authorities, the Articles of Association and the listing rules at the location where the Company's shares are listed;</u></p> <p>(5) <u>by announcement;</u></p> <p>(6) <u>by other means agreed before between the Company and the recipient or accepted by the recipient after receiving notice;</u></p> <p>(7) by other means approved by the relevant regulatory authorities in the place where the Company's shares are listed or specified in the Articles of Association.</p>	Article 279	<p><u>In accordance with laws, administrative regulations and the relevant rules of the stock exchanges in the place where the Company's shares are listed,</u></p> <p>notices of the Company shall be served by one or a combination of the following methods:</p> <p>(1) by hand;</p> <p>(2) by mail;</p> <p>(3) by facsimile or e-mail;</p> <p>(4) <u>by announcement on the websites of the stock exchanges in the place where the Company's shares are listed and the Company;</u></p> <p>(5) by other means approved by the relevant regulatory authorities in the place where the Company's shares are listed or specified in the Articles of Association.</p>	To amend according to the Hong Kong Listing Rules in relation to the proposed expansion of paperless listing regime.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
	<p>Any notice for convening a meeting of the Board or the Supervisory Committee of the Company shall be given by hand, by fax, by mail or by email.</p> <p>Pursuant to the Hong Kong Listing Rules, subject to the laws and regulations and listing rules of the place where the Company is listed as well as these Articles of Association, <b>corporate communications may be provided or sent to holders of H shares by making announcement on the websites designated by the Company and/or the website of the Hong Kong Stock Exchange or by other electronic means.</b></p> <p><b><u>Corporate communications referred to in the preceding article means any document issued or to be issued by the Company for the information or action of the holders of H shares of the Company or other individuals required under the Hong Kong Listing Rules, including but not limited to:</u></b></p> <p><b><u>1. the annual report of the Company (including the report of the Directors, annual financial statements, the auditing report and the financial summary of the Company (if applicable));</u></b></p> <p><b><u>2. the interim report and the summary of the interim report of the Company (if applicable);</u></b></p>		<p>Any notice for convening a meeting of the Board or the Supervisory Committee of the Company shall be given by hand, by fax, by mail or by email.</p> <p>Pursuant to the Hong Kong Listing Rules, subject to the laws and regulations and listing rules of the place where the Company is listed as well as these Articles of Association, <b><u>corporate communications (hereinafter with the meaning ascribed to it in the Hong Kong Listing Rules) can be published by the Company by means provided by item (3) above or by other means provided by the listing rules and the regulatory authorities in the place where the Company's shares are listed, in place of sending corporate communications to each holder of H shares by hand or by mail.</u></b></p> <p>Where notices are given by way of announcements under authorization conferred by these Articles, such announcements shall be published by means specified in the Hong Kong Listing Rules.</p> <p>With regard to joint shareholders, the Company is only required to deliver or send any notice, information or other documents to one of such joint shareholders.</p>	

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
	<p><u>3. notices of meetings;</u> <u>4. listing documents;</u> <u>5. circulars;</u> <u>6. proxy forms (as defined in the listing rules of the stock exchange where the shares of the Company are listed).</u></p> <p>Where notices are given by way of announcements under authorization conferred by these Articles, such announcements shall be published by means specified in the Hong Kong Listing Rules.</p> <p>With regard to joint shareholders, the Company is only required to deliver or send any notice, information or other documents to one of such joint shareholders.</p>			
Article 283	<p>In the case where the listing rules of the place where the Company's shares are listed require the Company to send, post, dispatch, issue, publish or otherwise provide the relevant documents of the Company in both the English version and the Chinese version, if the Company has made appropriate arrangements to confirm whether the shareholders wish to receive the English version only or the Chinese version only, the Company may, to the extent permitted under the applicable laws and regulations, only send the English version or the Chinese version of such documents to the relevant shareholder (in accordance with the intention expressed by the shareholder).</p>	–	Delete this Article.	To amend according to the Hong Kong Listing Rules in relation to the proposed expansion of paperless listing regime.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 287	<p>The merger or division of the Company shall be proposed by the Board and the proposal shall be submitted to the general meeting for approval in accordance with the procedures set out in these Articles of Association. Approval for merger or division shall be sought in accordance with the relevant legal requirements. A shareholder who disagrees with the proposed merger or division shall have the right to demand the Company or the consenting shareholders to acquire his shares at a fair price. The resolution of merger or division of the Company shall be contained in a special document for inspection by shareholders.</p> <p><b><u>The foregoing documents shall also be sent by mail to shareholders of overseas listed shares of companies which are listed in Hong Kong.</u></b></p>	Article 287	<p>The merger or division of the Company shall be proposed by the Board and the proposal shall be submitted to the general meeting for approval in accordance with the procedures set out in these Articles of Association. Approval for merger or division shall be sought in accordance with the relevant legal requirements. A shareholder who disagrees with the proposed merger or division shall have the right to demand the Company or the consenting shareholders to acquire his shares at a fair price. The resolution of merger or division of the Company shall be contained in a special document for inspection by shareholders.</p>	To amend according to the Hong Kong Listing Rules in relation to the proposed expansion of paperless listing regime.

Existing Provision		New Provision		Reason for Change
Provision	Content of Provision	Provision	Content of Provision	
Article 314	These Articles of Association are written in Chinese. In case of any inconsistency between these Articles and the articles of association in any other language or of different version, the latest Chinese version of these Articles of Association approved by and registered with the company registration authority shall prevail.	Article 314	These Articles of Association are written in Chinese. In case of any inconsistency between these Articles and the articles of association in any other language or of different version, the latest Chinese version of these Articles of Association approved by and registered with the company registration authority shall prevail.  <u>In case of any inconsistency between any matters not covered by the Articles of Association and provisions of the laws, administrative regulations, departmental rules, other relevant regulatory documents and the listing rules of the place where the shares of the Company are listed as stipulated from time to time, the provisions of the latter shall prevail.</u>	To amend according to the actual situation.
Article 316	The Board shall be responsible for the interpretation of these Articles of Association.	Article 316	The Board shall be responsible for the interpretation of these Articles of Association. <u>Appendixes to the Articles of Association include the rules of procedures for shareholders' general meetings, the rules of procedures for Board meetings and the rules of procedures for the Supervisory Committee.</u>	To amend according to Article 109 of the Guidelines for the Articles of Association of Listed Companies with reference to the actual situation of the Company.

*Note:* The numbering of articles of the amended Articles of Association will be re-numbered due to the additions and deletion of certain articles. The amended Articles of Association will also be revised accordingly for any changes in the numbering of the articles with cross-reference made in the previous Articles of Association.

Dear Shareholders,

In 2023, according to the relevant requirements of laws and regulations including the Company Law (《公司法》) and the Rules for Governance of Securities Companies (《證券公司治理準則》), as well as the Articles of Association of GF Securities Co., Ltd., the Duty Performance Appraisal and Remuneration Management Regulations for Directors and Supervisors of GF Securities (《廣發証券董事、監事履職考核與薪酬管理辦法》) and the Performance Appraisal and Remuneration Management Regulations for the Operating Management of GF Securities (《廣發証券經營管理層績效考核與薪酬管理辦法》), by taking the actual circumstances of the Company into consideration and making reference to industry standards, the Company conducted duty performance appraisal of its Directors for the year of 2023 and determined the remuneration of its Directors on this basis. The particulars are set out as follows:

#### **I. PRINCIPLES OF DUTY PERFORMANCE APPRAISAL AND REMUNERATION FOR DIRECTORS IN 2023**

According to the requirements of the Duty Performance Appraisal and Remuneration Management Regulations for the Directors and Supervisors of GF Securities (《廣發証券董事、監事履職考核與薪酬管理辦法》), the duty performance appraisal on Directors in 2023 was performed by the Company based on the principles that “duty performance appraisal on directors shall include, inter alia, attendance at meetings as required under the law, speeches at legally convened meetings, whether punishment has been imposed by the regulatory authorities and whether the interest of the Company has been seriously harmed”.

Remuneration of non-executive Directors of the Company is in the form of annual allowance and distributed in equal amounts on a monthly basis. The Company withholds and pays individual income tax on their behalf. Remuneration of executive Directors of the Company includes salaries, bonus and welfare benefits, which is distributed according to the applicable human resources management policies and other relevant requirements. Personnel subject to the Performance Appraisal and Remuneration Management Regulations for the Operating Management of GF Securities (《廣發証券經營管理層績效考核與薪酬管理辦法》) shall also follow the requirements of these Regulations.

#### **II. THE PROCEDURE OF DUTY PERFORMANCE APPRAISAL FOR DIRECTORS IN 2023**

The duty performance appraisal for Directors of the Company is composed of three stages, namely self-appraisal by Directors, appraisal by the Remuneration and Appraisal Committee of the Board, and consideration and determination by the Board. When the Remuneration and Appraisal Committee of the Board and the Board deliberate on the duty performance of each Director, the Director being appraised shall abstain from voting.

Other relevant requirements, including the human resources management policies and the Performance Appraisal and Remuneration Management Regulations for the Operating Management of GF Securities are also applicable to the procedure of duty performance appraisal for executive Directors of the Company.

### **III. DUTY PERFORMANCE APPRAISAL RESULTS AND REMUNERATION OF DIRECTORS IN 2023**

According to the aforementioned principles and procedure, the duty performance appraisal results and remuneration for each of the Directors in 2023 are set out below:

- (I) The duty performance appraisal results for each of the Directors of the Company in 2023 are competent.
- (II) The annual remuneration of non-executive Directors has adopted the allowance policies, under which the annual allowance for an Independent Non-executive Director is RMB270,000 per annum (tax inclusive), the annual allowance of non-executive Director employed by a unit of the Shareholder is RMB180,000 per annum (tax inclusive). The above allowances are distributed by the Company on a monthly basis, and individual income tax is withheld and paid on their behalf. The expenses incurred by non-executive Directors relating to attending the Board meetings and general meetings of the Company and performing the duties of Directors shall be borne by the Company.
- (III) Executive Directors shall be appraised, and their remuneration shall be determined, in accordance with the relevant policies of the Company.

Please kindly listen to the above report.

**Dear Shareholders,**

In 2023, according to the relevant requirements of laws and regulations including the Company Law (《公司法》), the Rules for Governance of Securities Companies (《證券公司治理準則》), and Measures for the Supervision and Administration of Directors, Supervisors, Senior Managers and Practitioners of Securities and Fund Business Institutions (《證券基金經營機構董事、監事、高級管理人員及從業人員監督管理辦法》) as well as the Articles of Association, the Duty Performance Appraisal and Remuneration Management Regulations for Directors and Supervisors (《董事、監事履職考核與薪酬管理辦法》) and the Performance Appraisal and Remuneration Management Regulations for Chairman of Supervisory Committee (《監事長績效考核與薪酬管理辦法》), by taking the actual circumstances of the Company into consideration and making reference to industry standards, the Company formulated the Duty Performance Supervision and Assessment Implementation Plan of the Supervisory Committee of GF Securities for Supervisors for the year of 2023 (《廣發証券監事會對監事2023年度履職監督評價實施方案》), and according to such implementation plan, conducted duty performance appraisal of its Supervisors for the year of 2023 and determined the remuneration of its Supervisors on this basis. The particulars are set out as follows:

#### **I. PRINCIPLES OF DUTY PERFORMANCE APPRAISAL FOR SUPERVISORS IN 2023**

According to the requirements of the Duty Performance Appraisal and Remuneration Management Regulations for the Directors and Supervisors (《董事、監事履職考核與薪酬管理辦法》), the duty performance appraisal on Supervisors in 2023 was performed by the Company based on the principles that “duty performance appraisal on supervisors shall include, inter alia, attendance at meetings as required under the law, speeches at legally convened meetings, whether punishment has been imposed by the regulatory authorities and whether the interest of the Company has been seriously harmed”.

#### **II. THE PROCEDURE OF DUTY PERFORMANCE APPRAISAL FOR SUPERVISORS IN 2023**

The duty performance appraisal for Supervisors of the Company is composed of three stages, namely self-appraisal by Supervisors, mutual appraisal by Supervisors, and consideration and determination by the Supervisory Committee. When the Supervisory Committee deliberates on the duty performance of each Supervisor, the Supervisor being appraised shall abstain from voting.

The human resources management policies and other relevant requirements are also applicable to the appraisal and remuneration determination of employee Supervisor of the Company. Meanwhile, the employee Supervisor of the Company has submitted an annual work report to all staff representatives of the Company and received comments in a democratic manner from staff representatives. The Performance Appraisal and Remuneration Management Regulations for Chairman of Supervisory Committee (《監事長績效考核與薪酬管理辦法》) are also applicable to the Chairman of the Supervisory Committee.

**III. DUTY PERFORMANCE APPRAISAL RESULTS AND REMUNERATION OF SUPERVISORS IN 2023**

According to the aforementioned principles and procedure, and pursuant to the Duty Performance Supervision and Assessment Implementation Plan of the Supervisory Committee of GF Securities for Supervisors for the Year of 2023 (《廣發証券監事會對監事2023年度履職監督評價實施方案》), the duty performance appraisal results and remuneration for each of the Supervisors in 2023 are set out below:

- (I) The duty performance appraisal results for each of the Supervisors of the Company in 2023 are competent.
- (II) A Supervisor is entitled to receive commensurate remuneration if the annual appraisal result is competent. The annual remuneration of non-employee Supervisor has adopted the allowance policies, under which the standard allowance for a non-employee Supervisor is RMB150,000 per annum (tax inclusive). The above allowances are distributed by the Company on a monthly basis, and individual income tax is withheld and paid on his behalf. The expenses incurred by a non-employee Supervisor relating to attending the Supervisory Committee meetings, participating in Board meetings and attending general meetings of the Company and performing the duties of Supervisors shall be borne by the Company.
- (III) The human resources management policies and other relevant requirements are applicable to determine the remuneration of employee Supervisor of the Company, and the Performance Appraisal and Remuneration Management Regulations for Chairman of Supervisory Committee (《監事長績效考核與薪酬管理辦法》) are applicable to the Chairman of the Supervisory Committee.

Please kindly listen to the above report.

**Dear Shareholders,**

In 2023, according to the relevant requirements of laws and regulations including the Company Law (《公司法》) and the Rules for Governance of Securities Companies (《證券公司治理準則》), as well as the Articles of Association of GF Securities Co., Ltd., the Duty Performance Appraisal and Remuneration Management Regulations for Directors and Supervisors of GF Securities (《廣發證券董事、監事履職考核與薪酬管理辦法》), the Performance Appraisal and Remuneration Management Regulations for the Operating Management of GF Securities (《廣發證券經營管理層績效考核與薪酬管理辦法》) and the Duty Performance Appraisal and Remuneration Management Regulations for Chief Compliance Officer of GF Securities (《廣發證券合規總監履職考核與薪酬管理辦法》), by taking the actual circumstances of the Company into consideration and making reference to industry standards, the Company conducted appraisal of the duty performance of the Operating management for the year of 2023 and determined the remuneration of the Operating management on this basis. The particulars are set out as follows:

#### **I. DUTY PERFORMANCE OF THE OPERATING MANAGEMENT IN 2023**

In 2023, the Operating Management of the Company was able to implement all resolutions of the general meetings, Board meetings and meetings of the Supervisory Committee of the Company conscientiously, and performed its duties diligently. It actively pursued and completed each of the work plans and arrangements of the Company with strong execution ability. It regulated its own practice and conduct in a voluntary manner, applied for abstention from voting to avoid matters with conflicts of interest, and operated the business with integrity. Non-compliance acts under laws and regulations or corporate systems and rules did not occur, nor incidents of harmful acts to the interest of the Company or rights and interests of Shareholders. The Operating Management was able to perform the obligations of honesty and diligence practicably to protect the legitimate interests of customers, employees and Shareholders.

#### **II. APPRAISAL OF THE OPERATING MANAGEMENT IN 2023**

In 2023, the procedure of performance appraisal for the Operating Management of the Company was implemented according to the human resources management system and other relevant regulations including the Performance Appraisal and Remuneration Management Regulations for the Operating Management of GF Securities (《廣發證券經營管理層績效考核與薪酬管理辦法》). The duty performance appraisal for the Chief Compliance Officer was implemented by the Company according to the regulatory requirements and the requirements of the Performance Appraisal and Remuneration Management Regulations for the Operating Management of GF Securities and the Duty Performance Appraisal and Remuneration Management Regulations for Chief Compliance Officer of GF Securities (《廣發證券合規總監履職考核與薪酬管理辦法》), and performed relevant procedures with the Guangdong Securities Regulatory Bureau according to regulatory requirements.

**III. REMUNERATION OF THE OPERATING MANAGEMENT IN 2023**

The annual remuneration of the Operating Management was composed of two parts, namely basic remuneration and performance-based remuneration. The basic remuneration was determined in accordance with the human resources management and remuneration policies of the Company. Independent opinions were expressed by Independent Directors and written opinions were issued by the Remuneration and Appraisal Committee on the distribution plan of performance-based remuneration, the final decision of which will be determined by the Board according to the comprehensive operating conditions and results of the Company.

The distribution of performance-based remuneration will be implemented according to the relevant requirements of the Rules for Governance of Securities Companies (《證券公司治理準則》) and the relevant regulations of the Company.

Please kindly listen to the above report.