
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in ZHONGTAI FUTURES Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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ZHONGTAI FUTURES Company Limited

中泰期貨股份有限公司

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

(Stock Code: 01461)

**PROPOSAL ON THE WORK REPORT OF THE BOARD OF DIRECTORS FOR
THE YEAR 2023**

**PROPOSAL ON THE WORK REPORT OF THE SUPERVISORY COMMITTEE
FOR THE YEAR 2023**

PROPOSAL ON THE ANNUAL REPORT FOR THE YEAR 2023

PROPOSAL ON THE FINAL FINANCIAL ACCOUNTS FOR THE YEAR 2023

PROPOSAL ON THE PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023

PROPOSAL ON THE FINANCIAL BUDGETS FOR THE YEAR 2024

PROPOSAL ON THE APPOINTMENT OF THE ACCOUNTING FIRM

FOR THE YEAR 2024

PROPOSAL ON ELECTION OF NON-EXECUTIVE DIRECTOR

AND

NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM to be held by way of on-site meeting at 9:30 a.m. on Thursday, 27 June 2024 at Conference Room 1616, 16/F, Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC is set out on pages 12 to 14 of this circular. A letter from the Board is set out on pages 3 to 11 of this circular.

Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. The form of proxy should be returned in person or by post not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. before 9:30 a.m. on Wednesday, 26 June 2024) to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H Shares) and the Board's office of the Company (for holders of Domestic Shares). Completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the AGM or any adjournment thereof in person if such Shareholder so wishes.

29 May 2024

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DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings in this circular:

“AGM” or “2023 AGM”	the annual general meeting of the Company for the year 2023 to be held by way of on-site meeting at 9:30 a.m. on Thursday, 27 June 2024 at Conference Room 1616, 16/F, Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC
“Articles of Association”	the Articles of Association of ZHONGTAI FUTURES Company Limited, as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China, in this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”	ZHONGTAI FUTURES Company Limited (中泰期貨股份有限公司) (previously known as LUZHENG FUTURES Company Limited (魯証期貨股份有限公司)), a joint stock limited company incorporated in the PRC and its H Shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 01461)
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary share(s) issued in the share capital of the Company, with a nominal value of RMB1.00 each, subscribed for and fully paid-up in RMB
“Group”	the Company and its subsidiaries (or, the Company and any of its subsidiaries or various subsidiaries, as the context requires)
“H Share(s)”	overseas listed foreign ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and subscribed for and traded in HK\$
“HK\$”	the lawful currency of Hong Kong

DEFINITIONS

“holder(s) of Domestic Share(s)”	the holder(s) of the Domestic Share(s)
“holder(s) of H Share(s)”	the holder(s) of H Share(s)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Non-executive Director(s)”	independent non-executive Director(s) of the Company
“Latest Practicable Date”	22 May 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“RMB”	the lawful currency of the PRC
“Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including domestic shares and H shares of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	percentage

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

LETTER FROM THE BOARD



ZHONGTAI FUTURES Company Limited

中泰期貨股份有限公司

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

(Stock Code: 01461)

Executive Directors:

Mr. ZHONG Jinlong (*Chairman*)
Mr. LIU Qingbin
Mr. LIANG Zhongwei

Registered office & Headquarters in the PRC:

15-16/F, No. 86 Jingqi Road
Shizhong District, Jinan
Shandong Province, 250001, the PRC

Non-executive Directors:

Mr. ZHENG Hanyin
Mr. MING Gang
Mr. LIU Feng

Principal Place of Business in Hong Kong:

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

Independent Non-executive Directors:

Mr. ZHENG Jianping
Mr. CHEN Hua
Mr. LUO Xinhua

29 May 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSAL ON THE WORK REPORT OF THE BOARD OF DIRECTORS FOR
THE YEAR 2023**

**PROPOSAL ON THE WORK REPORT OF THE SUPERVISORY COMMITTEE
FOR THE YEAR 2023**

PROPOSAL ON THE ANNUAL REPORT FOR THE YEAR 2023

PROPOSAL ON THE FINAL FINANCIAL ACCOUNTS FOR THE YEAR 2023

PROPOSAL ON THE PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023

PROPOSAL ON THE FINANCIAL BUDGETS FOR THE YEAR 2024

**PROPOSAL ON THE APPOINTMENT OF THE ACCOUNTING FIRM
FOR THE YEAR 2024**

**PROPOSAL ON ELECTION OF NON-EXECUTIVE DIRECTOR
AND**

NOTICE OF ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

INTRODUCTION

This circular contains the notice of AGM, which sets out the details of the resolutions to be proposed at the AGM, which enable you to make informed decision on whether to vote for, against or abstain from voting on the resolutions to be proposed at the AGM.

MATTERS TO BE RESOLVED AT THE AGM

Ordinary resolutions will be proposed at the AGM to approve: (1) Proposal on the work report of the Board of Directors for the year 2023; (2) Proposal on the work report of the Supervisory Committee for the year 2023; (3) Proposal on the annual report for the year 2023; (4) Proposal on the final financial accounts for the year 2023; (5) Proposal on the profit distribution plan for the year 2023; (6) Proposal on the financial budgets for the year 2024; (7) Proposal on the appointment of the accounting firm for the year 2024; and (8) Proposal on election of non-executive Director.

ORDINARY RESOLUTIONS

1. Proposal on the Work Report of the Board of Directors for the Year 2023

The work report of the Board of Directors for the year 2023 has been approved by the Board, and is hereby proposed at the AGM for consideration and approval. The details of the work report of the Board of Directors are set out in the Appendix I to this circular.

2. Proposal on the Work Report of the Supervisory Committee for the Year 2023

The work report of the Supervisory Committee for the year 2023 has been approved by the Supervisory Committee, and is hereby proposed at the AGM for consideration and approval. The details of the work report of the Supervisory Committee are set out in the Appendix II to this circular.

3. Proposal on the Annual Report for the Year 2023

The annual report for the year 2023 has been approved by the Board and the Supervisory Committee, and is hereby proposed at the AGM for consideration and approval. The annual report has been published on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.ztqh.com) on 30 April 2024.

LETTER FROM THE BOARD

4. Proposal on the Final Financial Accounts for the Year 2023

The financial statements of the Company for the year 2023 have been audited by an external auditor. Having finished the audit, the external auditor believes that the financial statements of the Company for the year 2023 have been prepared in accordance with the provisions of the China Accounting Standards for Business Enterprises and give a fair picture of the financial position of the Company as at 31 December 2023 and the operating results and cash flows in 2023 in all material aspects, and has issued a standard unqualified audit report. The audited financial position and operating results of the Company are hereby presented below.

I. Financial Position of the Company in 2023

(1) Assets

As at the end of 2023, the total consolidated assets of the Company amounted to RMB30,126 million, representing a year-on-year increase of RMB1,267 million or 4.39%. The consolidated current assets of the Company amounted to RMB29,802 million, representing a year-on-year increase of RMB1,161 million or 4.05%. Among them, the net increase in margin deposit amounted to RMB3,021 million, while the net decrease in margin paid to the exchanges amounted to RMB1,710 million.

(2) Liability

As at the end of 2023, the total consolidated liability of the Company amounted to RMB27,566 million, representing a year-on-year increase of RMB1,149 million or 4.35%. Among them, currency margin payable amounted to RMB23,138 million, representing a year-on-year increase of RMB2,488 million or 12.05%.

(3) Shareholders' equity and net capital

As at the end of 2023, the consolidated Shareholders' equity of the Company amounted to RMB2,560 million, representing a year-on-year increase of RMB118 million or 4.83%. This was mainly due to the increase in net profit. Owner's equity is comprised of share capital of RMB1,002 million, capital reserve of RMB662 million, general risk reserve of RMB138 million and retained earnings of RMB757 million.

As at the end of 2023, net capital of the Company amounted to RMB1,431 million, representing a year-on-year increase of RMB44 million or 3.16%; total risk capital reserves amounted to RMB748 million, representing a year-on-year increase of RMB26 million or 3.61%. The Company exercised strict control over risks. The ratio of net capital to total risk capital reserves is 191.17%. All risk regulatory indicators are in compliance with the relevant requirements of the CSRC.

LETTER FROM THE BOARD

II. Operating Results in 2023

(1) Operating revenue

In 2023, the Company realized consolidated operating revenue of RMB2,153 million, representing a year-on-year decrease of RMB294 million or 12.03%, primarily due to the decrease in income from other businesses realized from the futures and spot commodities trading by its subsidiaries.

(2) Operating expenses

In 2023, the consolidated operating expenses of the Company amounted to RMB1,969 million, representing a year-on-year decrease of RMB253 million or 11.40%, primarily due to the decrease in other operating cost arising from the futures and spot commodities trading by its subsidiaries.

(3) Profit

In 2023, the Company realized net profit attributable to shareholders of the parent company of RMB134 million, representing a year-on-year decrease of RMB32 million or 19.50%. Weighted average return on net assets was 5.33%, representing a year-on-year decrease of 1.68 percentage points. Earnings per Share was RMB0.13, representing a year-on-year decrease of RMB0.04 or 23.53%.

III. Cash Flow in 2023

In 2023, the net increase in the Company's consolidated cash and cash equivalents amounted to RMB2,592 million, representing a year-on-year decrease of RMB3,464 million, of which the net cash inflow from operating activities amounted to RMB2,853 million, which was mainly due to the increase in customers' equity; the net cash outflow from investing activities amounted to RMB21 million, which was mainly due to the increase in expenditures on the acquisition of fixed assets, etc.; and the net cash outflow from financing activities amounted to RMB240 million, which was mainly due to the repayment of borrowings by subsidiaries.

The above proposal has been approved by the Board and the Supervisory Committee, and is hereby proposed to the AGM for consideration and approval.

LETTER FROM THE BOARD

5. Proposal on the Profit Distribution Plan for the Year 2023

As audited by ShineWing Certified Public Accountants LLP, being the auditor of the Company, the Company's net profit attributable to the parent company under the China Accounting Standards for Business Enterprises for the year 2023 is RMB130.5010 million. In accordance with the Articles of Association, after setting aside 10% of the net profits to each of the statutory reserve and the general risk reserve, the profit for the year 2023 available for distribution to Shareholders is RMB104.4008 million and the accumulated profit available for distribution to Shareholders is RMB624.9577 million.

In light of the current development of the industry and the operating conditions of the Company, with due regard for the capital structure and the requirement on risk regulatory indicators and the future development planning of the Company, the Company proposes a cash dividend payment of RMB0.14 (tax inclusive), amounting to a total cash dividend payment of RMB14,026,600.00 (tax inclusive) to Shareholders for every 10 Shares held based on the entire share capital of 1,001,900,000 Shares as at the end of 2023. The remaining undistributed profits will be carried forward to next year.

The proposed dividend will be denominated and declared in RMB, and will be paid in RMB and in HK\$ to holders of Domestic Shares and holders of H Shares, respectively. The actual distribution in HK\$ will be calculated based on the average benchmark exchange rate of RMB against HK\$ announced by the People's Bank of China for the five business days prior to the date of the 2023 AGM.

The aforesaid profit distribution plan for the year 2023 has been approved by the Board and the Supervisory Committee, and is hereby proposed to the AGM for consideration and approval.

In order to determine the entitlement of holders of H Shares to the 2023 final dividend, the H Share register of members of the Company will be closed from Thursday, 4 July 2024 to Wednesday, 10 July 2024, both days inclusive, during which period no transfer of H Shares will be registered. Shareholders whose names appear on the register of members of the Company on Wednesday, 10 July 2024 will be entitled to the 2023 final dividend. In order to qualify for the 2023 final dividend, holders of H Shares shall lodge all their share transfer documents accompanied by the relevant share certificates with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 3 July 2024.

Subject to the approval of the aforesaid profit distribution plan at the AGM, the 2023 final dividend is expected to be paid on 8 August 2024 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 10 July 2024.

LETTER FROM THE BOARD

6. Proposal on the Financial Budgets for the Year 2024

In accordance with the principles of ensuring operations and complying with regulatory requirements and on the basis of making best use of existing assets, and in light of the Company's actual situation, the Company's consolidated capital budget for 2024 was set at RMB28.0991 million, including RMB17.6491 million intended for fixed asset investment, and RMB10.4500 million intended for intangible asset investment.

The budget for fixed asset investment is mainly intended for purchase and maintenance of electronic equipments and office equipments, and renovation, relocation and transformation of business premises. The budget for the intangible assets investment is mainly intended for purchase of trading and quotation softwares.

The above proposal has been considered and approved by the Board and the Supervisory Committee, and is hereby submitted to the AGM for consideration and approval.

7. Proposal on the Appointment of the Accounting Firm for the Year 2024

In order to maintain the consistency and integrity of the Company's audit work, after taking into account various factors, the Company intends to re-appoint ShineWing Certified Public Accountants LLP to audit our annual financial report and review our interim financial statement under China Accounting Standards for Business Enterprises in 2024.

Currently, based on the quantity of time committed by all levels of staff of ShineWing Certified Public Accountants LLP to audit work in 2023 and having taken into account the prevailing market rates and other factors, the service fees for audit of the annual financial report and review of the interim financial statements under China Accounting Standards for Business Enterprises for the year 2024 shall be RMB1.05 million, representing a decrease of RMB0.15 million from 2023.

The above proposal has been considered and approved by the Board, and is hereby submitted to the AGM for consideration and approval.

8. Proposal on Election of Non-executive Director

Reference is made to the announcement of the Company dated 27 May 2024 in relation to the proposed election of non-executive Director. The Board of Directors has approved the proposal on election of Ms. WANG Hui ("**Ms. Wang**") as a non-executive Director of the Company on 27 May 2024, and the Company approved the nomination of Ms. Wang as a candidate for non-executive Director of the Company.

LETTER FROM THE BOARD

The biographical details of Ms. Wang that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules are set out below:

Ms. WANG Hui (without former name), aged 42, currently serves as a dedicated external director and supervisor of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司). Ms. WANG Hui served as a human resources officer of Dangdai Investment Group Co., Ltd. (當代投資集團有限公司) from July 2005 to July 2007; a human resources officer of AVIC First Group Finance Co., Ltd. (中航第一集團財務有限責任公司) from July 2007 to July 2008; a senior human resources officer of Jinan Zhonghai Land Property Co., Ltd. (濟南中海地產有限公司) from July 2008 to June 2009; the cadre management and training supervisor of the human resources department of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from June 2009 to June 2012; the senior business manager of the human resources department of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from June 2012 to December 2015; the deputy head of the human resources department of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from December 2015 to November 2018; the senior business manager of the human resources department of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from July 2018 to November 2018; the deputy general manager and senior business manager of the capital operation center of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from November 2018 to April 2020; the general manager of the capital operation center of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from April 2020 to May 2023; the deputy head (middle level official title) of the corporate management department of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) from June 2023 to March 2024; and has serves as a dedicated external director and supervisor of Shandong State-owned Assets Investment Holdings Co., Ltd. (山東省國有資產投資控股有限公司) since March 2024. Ms. WANG Hui graduated from Shandong Normal University in July 2003 with a bachelor's degree in applied psychology and graduated from Peking University in July 2005 with a master's degree in applied psychology.

Save as disclosed above, as at the Latest Practicable Date, Ms. Wang has confirmed that she: (1) has not held any directorships in other listed companies, or held any other major appointments and professional qualifications in the past three years; (2) does not hold any position in the Company and the subsidiaries of the Company; (3) has no relationship with any Director, Supervisor, senior management, substantial Shareholder or controlling Shareholder of the Company or any subsidiary of the Company; (4) has no interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance; and (5) there is no other information required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor is there any other matter concerning her appointment that needs to be brought to the attention of the Shareholders.

If Ms. Wang is appointed as a non-executive Director of the Company, the Company will enter into a service contract with Ms. Wang. The term of office of Ms. Wang shall commence on the date when her appointment is approved at the AGM and end on the expiry of the term of the fourth session of the Board of the Company, and she is eligible for re-election and re-appointment upon expiry of her term. Ms. Wang will not receive any Director's remuneration from the Company during her tenure.

The above proposal has been considered and approved by the Board, and is hereby submitted to the AGM for consideration and approval.

LETTER FROM THE BOARD

AGM

A notice convening the AGM to be held by way of on-site meeting at 9:30 a.m. on Thursday, 27 June 2024 at Conference Room 1616, 16/F, Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC is set out on pages 12 to 14 of this circular.

All the resolutions proposed at the AGM will be taken by poll. As at the Latest Practicable Date, no Shareholder, to the knowledge and belief of the Directors having made all reasonable enquiries, will be required to abstain from voting at the AGM in respect of relevant resolutions.

A form of proxy for use at the AGM are also enclosed herein and published on the HKEXnews website of Hong Kong Stock Exchange (www.hkexnews.com.hk) and the website of the Company (www.ztqh.com). Shareholders who intend to appoint a proxy to attend the AGM shall complete, sign and return the appropriate form of proxy in accordance with the instructions printed thereon.

For holders of H Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no less than 24 hours (i.e. before 9:30 a.m. on Wednesday, 26 June 2024) before the time appointed for holding the AGM in order for such documents to be valid. For holders of Domestic Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority, must be delivered to the Board's office of the Company in the PRC at Room 1608, 16/F, Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC, not less than 24 hours before the time appointed for holding the AGM (i.e. before 9:30 a.m. on Wednesday, 26 June 2024) in order for such documents to be valid. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person should you so wish.

Pursuant to the Articles of Association, for the purpose of determining the entitlements of the Shareholders to attend and vote at the AGM, the register of members of H Shares will be closed from Tuesday, 28 May 2024 to Thursday, 27 June 2024 (both days inclusive), during which period no transfer of H Shares will be registered. Shareholders whose names appear on the register of members of the Company on Thursday, 27 June 2024 will be entitled to attend and vote at the AGM.

LETTER FROM THE BOARD

In order to be eligible to attend the AGM, holders of H Shares shall lodge all their transfer documents accompanied by the relevant share certificates to Computershare Hong Kong Investor Services Limited, the Company's H share registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 27 May 2024.

RECOMMENDATION

The Directors believe that all the resolutions to be proposed at the AGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

By order of the Board
ZHONGTAI FUTURES Company Limited
ZHONG Jinlong
Chairman

NOTICE OF ANNUAL GENERAL MEETING



ZHONGTAI FUTURES Company Limited

中泰期货股份有限公司

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

(Stock Code: 01461)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that 2023 annual general meeting (the “AGM”) of ZHONGTAI FUTURES Company Limited (the “Company”) will be held by way of on-site meeting at Conference Room 1616, 16/F Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the People's Republic of China (the “PRC”) at 9:30 a.m. on Thursday, 27 June 2024 for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and approve the proposal on the work report of the board of directors for the year 2023;
2. To consider and approve the proposal on the work report of the supervisory committee for the year 2023;
3. To consider and approve the proposal on the annual report for the year 2023;
4. To consider and approve the proposal on the final financial accounts for the year 2023;
5. To consider and approve the proposal on the profit distribution plan for the year 2023;
6. To consider and approve the proposal on the financial budgets for the year 2024;
7. To consider and approve the proposal on the appointment of the accounting firm for the year 2024; and
8. To consider and approve the proposal on election of Ms. WANG Hui as a non-executive director of the Company.

By order of the Board
ZHONGTAI FUTURES Company Limited
ZHONG Jinlong
Chairman

Jinan, the PRC, 29 May 2024

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. As such, each of the resolutions set out in the notice of AGM will be voted by poll. After the closure of the AGM, results of the poll voting will be published on the Company's website at www.ztqh.com and the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.
2. Any shareholder of the Company (the "Shareholder") entitled to attend and vote at the AGM is entitled to appoint one proxy or more proxies to attend and vote at the meeting instead of him/her. A proxy need not be a Shareholder.
3. In order to be valid, the form of proxy together with the notarized power of attorney or other documents of authorization, if any, must be completed and returned to the Board's office of the Company (for holders of domestic shares) or the H share registrar of the Company, Computershare Hong Kong Investor Services Limited (for holders of H shares), not less than 24 hours before the time appointed for holding the AGM (i.e. before 9:30 a.m. on Wednesday, 26 June 2024) or any adjournment thereof. The address of Board's office of the Company is Room 1608, 16/F Securities Tower, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC. The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof should he/she so wish.
4. For the purpose of determining the entitlements of the Shareholders to attend and vote at the AGM and their entitlement to the final dividend for 2023, the register of members of H Shares will be closed respectively for the period from Tuesday, 28 May 2024 to Thursday, 27 June 2024 (both days inclusive), and for the period from Thursday, 4 July 2024 to Wednesday, 10 July 2024 (both days inclusive) during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Thursday, 27 June 2024 will be entitled to attend and vote at the AGM. Shareholders whose names appear on the Company's register of members of the Company on Wednesday, 10 July 2024 will be entitled to receive the final dividend for 2023.

In order for holders of H shares of the Company to qualify for attending and voting at the AGM, share transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 27 May 2024. In order for holders of H shares of the Company to qualify for receiving the final dividend for 2023 subject to the approval of Shareholders at AGM, share transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company at the aforementioned address, no later than 4:30 p.m. on Wednesday, 3 July 2024.

5. In case of joint holders of any shares, the one whose name stands first in the register of members of the Company shall be entitled to attend and vote at the AGM in respect of such shares.

NOTICE OF ANNUAL GENERAL MEETING

6. Below is the principal place of business of the Company in the PRC:

15-16/F, No. 86 Jingqi Road, Shizhong District, Jinan, Shandong Province, the PRC
Tel: +86-531-81678006
Fax: +86-531-81916777

Below is the contact of Computershare Hong Kong Investor Services Limited, the H share registrar of the Company:

17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
Tel: +852-28628555
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As at the date of this notice, the board of directors of the Company comprises Mr. ZHONG Jinlong, Mr. LIU Qingbin and Mr. LIANG Zhongwei as executive directors; Mr. ZHENG Hanyin, Mr. MING Gang and Mr. LIU Feng as non-executive directors; and Mr. ZHENG Jianping, Mr. CHEN Hua and Mr. LUO Xinhua as independent non-executive directors.

**ZHONGTAI FUTURES COMPANY LIMITED
WORK REPORT OF THE BOARD OF DIRECTORS FOR 2023**

2023 marks the first year of following out the spirit of the 20th National Congress of the Communist Party of China, and it is also a crucial year for carrying on the 14th Five-Year Plan. In this year, due to the complicated international environment, combined with domestic cycle fluctuation and structural disequilibrium, the economic recovery in China was characterized by wave-like development. The overall economic operation rebounded for improvement as a result of strong high-quality development, showing solid progress towards building a socialist modern country in an all-round way. In this context, China's futures market forged ahead. Leveraging its risk management functions, it played an active role in securing the supply and price stability of bulk commodities, and maintaining healthy development of the futures market, thus contributing to the high-quality development of the real economy. In 2023, the cumulative trading volume and the cumulative turnover of the futures market of China recorded a year-on-year increase of 25.60% and 6.28%, respectively. However, the futures industry in our country continued to face the challenge of "increased volume but stagnant revenue", and the main operating indicators of futures companies have shown a persistent downward trend, extending the performance observed in 2022.

In 2023, the Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly studied and implemented the spirit of the 20th CPC National Congress, resolutely implemented the decisions and plans made by the party committee of Zhongtai Securities, focused on the main business, deepened reform and innovation, implemented the "talent-aided empowering" strategy, insisted on solution through investigation and research and improvement through benchmarking against out-performers and acting out its words, pushed business transformation under the "research plus" model, built a continuous supportive care customer service system, strengthened compliance and risk control, and made new operational achievements. On a consolidation basis, the total assets of the Company as at the end of the period amounted to RMB30,126 million, representing a year-on-year increase of 4.39%; Shareholders' equity attributable to the parent company was RMB2,560 million, representing a year-on-year increase of 4.83%; the operating revenue for the year was RMB2,153 million, representing a year-on-year decrease of 12.03%; net profit attributable to shareholders of the parent company was RMB134 million, representing a year-on-year decrease of 19.50%. In 2023, the Company's end-of-period client equity amounted to RMB26,677 million, representing a market share of 1.88%, up by 0.16 percentage point from 2022; the fee income for the year amounted to RMB354 million, representing a market share of 1.51%, up by 0.05 percentage point from 2022.

The major work of the Board of the Company in 2023 and the major work plan for 2024 are as follows:

I. PERFORMANCE OF DUTY BY DIRECTORS IN 2023

In 2023, the election of new session of the Board was successfully completed. In accordance with the requirements and responsibilities conferred by the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Articles of Association, all members of the new session of the Board diligently and earnestly performed their obligations and exercised their functions and power, carefully considered each resolution submitted for the Board's consideration, and offered advice and suggestions in connection with the Company's strategic planning and improvement of governance structure, and acted as professional gatekeepers on such issues, which ensured those major decisions were made in a scientific and standardized way, preserved the interests of the Shareholders practically and contributed to the sustainable and healthy development of the Company. For the sake of independence, objectiveness and fairness, the Independent Non-executive Directors faithfully performed their duties and safeguarded the overall interests of the Company, and was particularly concerned with the legitimate rights and interests of small and medium Shareholders, ensuring that the Board makes scientific and fair decisions independently. The attendance of Directors at the Board meetings in 2023 is as follows.

The attendance of directors at the Board meetings in 2023

Name of Directors	Number of Board meetings required to attend	Number of meetings attended in person	Number of meetings attended by proxy	Number of resolutions required to vote	Number of resolutions actually voted
ZHONG Jinlong	11	11	0	46	46
HU Kainan	11	9	2	46	46
ZHENG Hanyin	11	11	0	46	46
MING Gang	11	11	0	46	46
LIU Feng	11	9	2	46	46
ZHENG Jianping	11	11	0	46	46
CHEN Hua	11	9	2	46	46
LUO Xinhua	11	11	0	46	46
LIANG Zhongwei	11	11	0	46	46

II. MAJOR WORK IN 2023

In 2023, in the light of the principles of being accountable to the Company and the Shareholders as a whole, the Board strictly observed its duties, and effectively performed each of its functions and powers conferred upon by the general meetings, diligently convened the general meetings and strictly implemented the meeting resolutions, diligently and conscientiously carried out various activities, safeguarded the legitimate rights and interests of the Company and Shareholders, supervised and guided the management in organising and implementing the resolutions and decisions of the Board, and effectively guaranteed the timely implementation of major business management issues. Over the past year, the Board primarily carried out the following activities:

(1) Successfully completed the election of new session of the Board to continuously improve the corporate governance system

Firstly, the chairman of new session of the Board was elected; the members of the special committees under the Board were elected by taking into account factors such as Directors' professional backgrounds and work needs, so as to give full play to the professional support of the special committees under the Board; and senior management personnel were appointed. Secondly, the Company has taken strengthening corporate governance as an important approach to promote the high-quality development of the Company. In accordance with the relevant laws, regulations and regulatory requirements both domestically and internationally, and based on the needs of corporate governance, the Company amended the Articles of Association, the Rules of Procedures for the Board of Directors and other fundamental management rules to clarify the boundaries of the rights and responsibilities of governance subjects, improve the operation mechanism, enhance the effectiveness of governance, and continuously improve the governance system with legal rights and responsibilities, transparency of rights and responsibilities, coordinated operation and effective checks and balances, so as to promote steady development of corporate governance capability.

(2) Standardized and efficient decision-making on major matters and conscientious implementation of the resolutions of general meetings

The Board diligently performed its duties, made scientific decisions, and carried out its work in a solid and effective manner. Throughout the year, the Board convened a total of 11 meetings, and considered and passed 46 proposals, including the election of the chairman of the Board and members of the special committees under the Board, the appointment of senior management personnel, regular reports, the optimization of internal organization structure, and the amendments to the basic management rules and regulations. The special committees under the Board played the role of professional support, convened a total of 14 meetings throughout the year, and submitted a total of 30 proposals to the Board. The Board duly performed its responsibility as the convener of the general meetings, convened a total of two general meetings throughout the year, considered and adopted 15 proposals, including the election of new session of non-employee representative Directors and Supervisors, amendments to the basic management rules, work reports of the Board and the Supervisory Committee, annual report, annual financial budgets and final financial accounts, annual profit distribution plan, the engagement of the accounting firm and entering into framework agreements of continuing connected transactions with the controlling Shareholders. The Board was able to strictly and diligently implement the resolutions considered and adopted by the general meetings.

(3) Put efforts in deepening reform and innovation and made new achievements in operation and development

The Board supervised and guided the management in implementing the resolutions and decisions of the Board, and actively supported the Company's management in performing their duties, which significantly improved the quality and efficiency of the Company's operation and management. In 2023, the Company's market share in terms of daily average customer equity and fee income were 1.86% and 1.51%, respectively, representing an increase of 0.05 and 0.05 percentage point, respectively, from 2022.

Firstly, the Company honed the capability of our headquarters to empower front-line business entities, leading to a breakthrough in the transformation of brokerage business. We enabled subordinated business entities to transform and upgrade by establishing the industry and finance development business headquarters, and the percentage of daily average equity and net profit from the operating entities under management increased by 5.38 and 5.04 percentage points year-on-year, respectively, in 2023. We also created a continuous supportive care customer service system to empower front-line business entities. Secondly, we benchmarked against genuine and comparable standards, visited outstanding peers and acquired experiences from them, and achieved breakthroughs through transformation. Thirdly, we closely aligned with customer needs and continuously enhanced practical research capabilities. Fourthly, we steadily improved the returns on capital management, further increased interest income, and steadily developed asset management business. Fifthly, we practiced the concept of "One Zhongtai In Union", creating new business synergy. Sixthly, we adhered to the leadership of Party building and made new achievements by integrating Party building into operation.

(4) Continuously optimized the organizational structure to enhance the Company's management efficiency

Firstly, we established the industry-finance development headquarters, which relies on a team of practical industry research experts. By leveraging conference marketing, continuous supportive care customer service system, and IB business, we harnessed our research advantages, and actively drove the transformation of our operating entities towards improved professional service capabilities under the "research plus" model. Secondly, we established the investment management department to strengthen the management of the Company's own capital investments, determine an investment management model that pursues stable and absolute returns, and continuously adjust investment portfolios and positions. Thirdly, we established the digital finance department (now renamed as the customer service center) to create a continuous supportive care customer service system. We utilized various customer service tools, including Corporate WeChat, WeChat Official Account, APP, and a live training reservation system. Through these channels, we offered a range of services such as online training courses, market analysis, trading strategies, and conference activities, so as to provide high-quality and customized professional services that cater to the needs of our clients at different stages, ultimately empowering our frontline operating entities.

(5) Implemented the “talent-aided empowering” strategy and made new achievements in pooling cadre talents

Firstly, we promoted a system where cadres can be promoted or demoted based on their abilities, aiming to optimize the structure of the cadre team. The transition of the management team has been completed, resulting in an improved leadership structure. We have also made improvements in the hierarchical structure of middle-level cadres, with significant progress in cultivating young talents. Currently, young cadres (aged 41 and below for middle-level executives, and 36 and below for middle-level deputy positions) account for 44.44% of the total middle-level cadre population, with over 70% being promoted through internal training and development. Secondly, we implemented the high-quality “Three Ones” talent development project to enhance the overall talent quality. Among our staff, the proportion of individuals with fund-related qualifications has increased by 7.13 percentage points since the beginning of the year, and the number of individuals with investment consulting qualifications has increased by 2.86 percentage points since the beginning of the year. Thirdly, we facilitated smooth career progression for our employees, and the total number of employees remained stable with gradual increases, consistently achieving growth in both workforce and productivity.

(6) Unswervingly adhered to the goal of zero deduction for compliance and risk control and effectively enhanced the risk management capability

We unswervingly adhered to the goal of zero deduction for compliance and risk control, adhered to the principle of “supervision-orientation, problem-orientation and result-orientation”, and continuously enhanced the Company’s refined compliance management and quantitative risk management capabilities. Firstly, we held fast to the compliance red line, promoted the concept of “compliance and risk control first”, advanced the construction of a compliance culture, effectively improved the development of systems of the Company, and strengthened prevention prior facts, control in the process and finding accountability after facts. Secondly, we strengthened the construction of risk management systems, institutional frameworks, and talent teams, diligently carried out risk monitoring, analysis, and investigation to ensure that the overall risks of the Company are measurable, controllable and bearable. Thirdly, we effectively enhanced the quality and effectiveness of anti-money laundering efforts. We adhered to the risk-based approach, improved the system and framework for anti-money laundering, promoted the monitoring and reporting of suspicious transactions and continuously upgrade our anti-money laundering systems.

(7) Conducted information disclosure in accordance with relevant laws to protect investors' right to information

High-quality information disclosure plays a vital role in showcasing the Company's brand image and effectively communicating its values. The Board strictly adheres to legal and regulatory requirements, including the Listing Rules and the Management Measures of Corporate Information Disclosure, and continuously enhances our information disclosure mechanism, taking into account new regulatory frameworks and industry-specific considerations, so as to continuously improve the relevance of information disclosure and effectively enhance the quality of information disclosure of the Company. In 2023, the Company released information on a total of 39 occasions, which demonstrated its good public image, protected investors' right to information and earnestly safeguarded the legitimate rights and interests of its Shareholders.

(8) Implemented the profit distribution plan for the year 2022

Taking into account the long-term interests of the Company, the overall interests of all Shareholders and the Company's plan for future development, the Board actively implemented the cash dividend policy to repay Shareholders practically and effectively safeguard the Shareholders' interests. In 2023, pursuant to the resolutions of the third meeting of the fourth session of the Board and the annual general meeting of 2022, the Company distributed a dividend of RMB0.16 (including tax) to Shareholders for every ten shares held, totaling more than RMB16 million.

(9) Actively fulfilled social responsibilities to demonstrate the fidelity and commitment as a state-owned enterprise

The Board firmly upholds the political and people-oriented nature of financial work and actively fulfills our social responsibilities. The Company leveraged on its professional expertise to provide financial service support for rural revitalization. The Company signed more than 30 "paired assistance agreements" with former state-level poverty-stricken counties and rural revitalization areas in Shandong Province, and carried out more than 200 "insurance+futures" projects in respect of 11 varieties such as pigs, corn and soybeans, insurance coverage of more than RMB3.0 billion. The Company purchased agricultural and sideline products of more than RMB470,000 from rural revitalization areas in Huachuan County, Heilongjiang Province. At the same time, leveraging on our technical advantage, we assisted local enterprises in establishing sales platforms. We have taken various measures in promoting rural revitalization. In the evaluation for 2022 to 2023 conducted by China Futures Association, the Company ranked second in the futures sector for rural revitalization, and the fourth in its sector for the "insurance+futures".

III. MAJOR WORK PLAN FOR THE YEAR 2024

The year 2024 is the 75th anniversary of the founding of the People's Republic of China, the opening year of the in-depth implementation of the spirit the Central Financial Work Conference, and a critical year for the Company to accelerate its high-quality development, so it is essential to perform well in all aspects of the work. In 2024, the Board will conscientiously follow out the spirit of the Second Party Representative Congress of Zhongtai Securities and the decisions and arrangements of the Party Committee of Zhongtai Securities, adhere to the leadership of the Party building, adhere to focusing on the main business, adhere to benchmarking against out-performers and acting out its words, increase the investment research competence, intensify the business transformation, accelerate the construction of a continuous supportive care customer service system, create new momentum for accelerated development, continuously enhance the effectiveness of the compliance and risk control system, strive to hedge against the impacts and effects of policy changes, and promote the Company's high-quality development. We will take multiple measures to tap the income-generating potential of brokerage business; strive to improve the operating quality of our risk management subsidiaries; accelerate transformation of our research services and enhance the practical capability of our research services; adhere to prudent and compliant operation to enhance the return on fund management; make sufficient preparations to lay the foundation for the full-scale development of asset management business with futures characteristics; continue to optimize the collaboration mechanism and deeply explore the potential of business synergy; optimize the talent structure and improve the quality of our talent team; unswervingly adhere to the goal of zero deduction for compliance and risk control and effectively enhance the risk management capability; persist in and strengthen the leadership of the Party, with Party building guiding our business development; strengthen corporate governance and continuously improve the standard of compliant operation and decision-making; improve information disclosure quality, and properly manage investor relationship so as to build a positive image of the Company in the capital market; give full play to its professional advantages to actively fulfill its social responsibility.

**ZHONGTAI FUTURES COMPANY LIMITED
WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023**

In 2023, the Supervisory Committee of the Company earnestly performed and independently exercised its supervision powers and functions in strict compliance with the requirements of the Company Law of the People's Republic of China, the Futures and Derivatives Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association and the Rules of Procedure of the Supervisory Committee, and relevant laws and regulations. Subject to the principle of being accountable to the Company and all Shareholders, it actively understood and supervised the Company's operating activities, financial status, execution of major decisions, resolutions of general meetings and the Board, and also supervised the operation of the Company according to laws and the performance of duties by the Directors and senior management of the Company. The work report of the Supervisory Committee in 2023 is as follows.

I. MAJOR WORK OF THE SUPERVISORY COMMITTEE IN 2023**(1) Meetings of the Supervisory Committee in 2023 and the attendance of Supervisors at such meetings**

During the reporting period, the Supervisory Committee held four meetings, details of which are as follows:

1. The 10th meeting of the third session of the Supervisory Committee was held through voting by correspondence on 10 January 2023, at which the Proposal on Election of Non-staff Representative Supervisors of the Fourth Session of the Supervisory Committee of ZHONGTAI FUTURES Company Limited to Be Considered at the General Meeting was considered and approved;
2. The first meeting of the fourth session of the Supervisory Committee was held by voting on site and through video on 15 February 2023, at which the Proposal on Election of An Tie as Chairman of the Fourth Session of the Supervisory Committee of ZHONGTAI FUTURES Company Limited was considered and approved;
3. The second meeting of the fourth session of the Supervisory Committee was held by voting on site on 30 March 2023, at which the following proposals were considered and approved: the Proposal on the Work Report of the General Manager of ZHONGTAI FUTURES Company Limited for the Year 2022, the Proposal on the Work Report of the Supervisory Committee of ZHONGTAI FUTURES Company Limited for the Year 2022, the Proposal on the Internal Control Evaluation Report of ZHONGTAI FUTURES Company Limited for the Year 2022, the Proposal on the Annual Report of ZHONGTAI FUTURES Company Limited for the Year 2022 (Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited), the Proposal on the Annual Report of ZHONGTAI FUTURES Company Limited for the Year 2022 (Guidelines of the CSRC Regarding the Contents and Formats of Annual Reports of Futures Companies), the Proposal on the Final Financial Accounts Plan of ZHONGTAI FUTURES Company Limited for the Year 2022, the Proposal on the Profit Distribution Plan of ZHONGTAI FUTURES Company Limited for the Year 2022 and the Proposal on the Financial Budgets of ZHONGTAI FUTURES Company Limited for the Year 2023;

4. The third meeting of the fourth session of the Supervisory Committee was held by voting on site and through video on 24 August 2023, at which the Proposal on the Work Report of the General Manager of ZHONGTAI FUTURES Company Limited for First Half of the Year 2023 and the Proposal on the Interim Report of ZHONGTAI FUTURES Company Limited for 2023 were considered and approved.

Details of attendance and voting of Supervisors at the meetings in 2023 are as follows:

Name of Supervisor	Capacity	Attendance at meetings of the Supervisory Committee					Number of meetings not attended	Are there two consecutive meetings not attended in person	Votes
		Number of meetings required to attend	Number of meetings attended in person	Number of meetings attended by means of correspondence	Number of meetings attended by proxy	Number of meetings not attended			
An Tie	Chairman of the Supervisory Committee	4	4	0	0	0	No	For all	
Tan Shaojie	Supervisor (resigned on 15 February 2023)	1	1	0	0	0	No	For all	
Ding Jian	Supervisor (appointed on 15 February 2023)	3	2	0	1	0	No	For all	
Liu Pu	Staff representative Supervisor	4	4	0	0	0	No	For all	
Wang Hairan	Staff representative Supervisor (resigned on 15 February 2023)	1	1	0	0	0	No	For all	
Lin Zongheng	Staff representative Supervisor (resigned on 15 February 2023)	1	1	0	0	0	No	For all	
Mou Yong	Supervisor (resigned on 15 February 2023)	1	1	0	0	0	No	For all	

(2) Attending important meetings of the Company to perform monitoring duties

The Supervisory Committee arranged Supervisors to attend important meetings of the Company as a voting member or not, including the general meetings and the Board meetings held during the reporting period. By attending the above-mentioned meetings, it made sure that the decision-making process of major matters of the Company complied with laws and best practices, and supervised the performance of duties by the Directors and senior management personnel of the Company, continuously monitored the effectiveness of the Company's internal control, and thus earnestly performed their supervisory duties.

(3) Carrying out information disclosure, connected transactions and financial supervision

In 2023, the Supervisory Committee supervised whether the procedures for preparing and approving the Company's periodic reports, and the contents and formats of such reports conform with laws and regulatory requirements by regularly reviewing the Company's periodic reports, and kept a close eye on information disclosure and connected transactions; monitored the truthfulness, accuracy and completeness of the Company's financial information by reviewing the Company's financial reports to be updated about the Company's assets and liabilities, cash flow and operating results, and other financial information in a timely manner and following the liquidity of the Company's own funds and customer margin deposit, and risk regulatory indicators such as net capital and others.

(4) Carrying out a combination of daily supervision and special supervision

In 2023, the Supervisory Committee persevered in daily supervision and inspection of the Company's operating activities, and carried out supervision and inspection of 10 branches in Jinan, Zibo, Shanghai, Ningbo, Yantai, Wuhan, Shenzhen, Hangzhou, Wuxi and Weifang; during the reporting period, special internal compliance inspections were carried out in the form of special inspection on Zhongtai Huirong Capital, a risk management subsidiary; carried out special supervision and inspection on the Company's IT management, self-owned fund investment management, anti-money laundering management, etc., and effectively improved the effectiveness of supervision by putting forward suggestions for the problems found.

(5) Supervision and inspection of the duty-performance of the Directors and senior management personnel

In 2023, members of the Supervisory Committee implemented their supervision and inspection functions, stayed informed of the Company's business management activities and decision-making process on major issues in a timely manner by attending the general meetings, the Board meetings and the annual management meeting of the Company, and reviewing and approving the summary minutes of the meetings held by the general manager's office, and monitored how the Directors and the senior management personnel of the Company discharged their duties.

(6) Improving the ability of the Supervisory Committee to perform their duties

In 2023, the Supervisory Committee continuously made arrangements for its members to study the latest regulatory policies and regulations, familiarize themselves with the relevant laws, regulations and regulatory rules for listed companies, enhance the ability of its members to perform their duties, and ensure that the Supervisory Committee functions in all aspects effectively in accordance with the requirements of the Hong Kong Stock Exchange for the operation of listed companies and based on the Company's actual situation.

II. REVIEW OPINIONS OF THE SUPERVISORY COMMITTEE ON RELEVANT MATTERS IN 2023

During the reporting period, the Supervisory Committee of the Company performed its supervisory duties in accordance with the Company Law, the Futures and Derivatives Law of the People's Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association, the Terms of Reference of the Supervisory Committee and relevant laws and regulations, and expressed the following opinions:

(1) Lawful operation of the Company

In 2023, the Company operated in accordance with the law, continuously improved its corporate governance level, and strengthened and perfected its internal control system. All business management activities were in compliance with laws and regulations, regulatory policies and the Articles of Association, and the decision-making procedures for major issues were legal and compliant. During the reporting period, the Supervisory Committee did not find any material breach of laws and regulations by the Company.

(2) Financial management of the Company

The Company has established and continuously improved its financial system. The financial report of 2023 has been audited by ShineWing Certified Public Accountants LLP who has issued a standard unqualified audit report. The Supervisory Committee believed that the financial statements have been prepared under the requirements of China Accounting Standards for Business Enterprises, and give a true and fair picture of the financial status and results of operation of the Company in 2023.

(3) Performance of Duties by the Directors and Senior Management Personnel

The Directors and senior management personnel of the Company have diligently performed their duties and strictly implemented the resolutions of the general meetings and the Board. During the reporting period, the Supervisory Committee did not find violations of laws and regulations and the Articles of Association on the part of the Directors and senior management personnel in performing their duties for the Company or any acts detrimental to the interests of the Company.

(4) Connected transactions

The transactions between the Company and its connected parties were entered into on normal terms, the prices are fair and the transactions are fair and reasonable. During the reporting period, the Supervisory Committee did not find any connected transaction being used to harm the interests of the Company and other minority Shareholders.

(5) Internal control of the Company

The Company has prepared the Internal Control Evaluation Report of the Company for 2023. The Supervisory Committee believes that as of the benchmark reporting date (31 December 2023), the Company has maintained effective internal control over financial reporting in all material aspects in accordance with the requirements of the enterprise internal control standard system and relevant regulations, and there are no material defects in internal control over financial reporting, and no material defects in internal control over non-financial reporting have been found.

(6) Preparation and approval of the 2023 annual report

The Supervisory Committee believes that the preparation and approval procedures for the Company's 2023 annual report are in compliance with relevant laws, regulations, normative documents, the Articles of Association and the Company's internal regulations; the content and format satisfied all the requirements of the CSRC, the Hong Kong Stock Exchange and other relevant authorities, and can give a true, accurate and complete picture of the Company's business management and financial status in 2023; the Supervisory Committee did not find violation of the confidentiality provisions about inside information on the part of the personnel involved in the preparation and approval of the report.

III. WORK PLANS OF THE SUPERVISORY COMMITTEE FOR 2024

In 2024, for the purpose of the Company's business development, the Supervisory Committee will continue to strengthen its supervision tools and diversify its approaches, conduct effective supervision on key areas and important matters, and give full play to the role of consistent supervision and continuous supervision. Firstly, it will continue to strictly supervise material matters such as the Company's operation according to laws, financial management, construction and implementation of the internal control system, connected transactions, external investment, and management of inside information, make proactive inspections of operations at all levels to understand the actual conditions for the purpose of analysis and solution of any problem; secondly, it will continue to diligently investigate issues that the Company's shareholders and employees are concerned with, through effective means such as attending the general meetings, Board meetings and management meetings as non-voting delegates and regularly convening meetings of the Supervisory Committee and provide comments and rational proposals to the Board of Directors in a timely manner, and promote the high-quality development of the Company; thirdly, it will keep frequent communication and contact with the internal audit and the accounting firm engaged by the Company, make full use of internal and external audit information, to understand and master the relevant situation of the Company in a timely manner; fourthly, it will continuously make arrangements for members of the Supervisory Committee to learn national laws and regulations, the latest regulatory policies and regulations, and financial knowledge, and train them for identifying, analyzing and solving problems, so that they dare to supervise, be good at supervision, and conduct targeted and effective supervision, pushing the Supervisory Committee to function better and better.