
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 advisor.

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



中信建投証券股份有限公司
CSC FINANCIAL CO., LTD.

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

(Stock Code: 6066)

- (1) 2023 WORK REPORT OF THE BOARD OF DIRECTORS**
- (2) 2023 WORK REPORT OF THE SUPERVISORY COMMITTEE**
- (3) 2023 FINAL FINANCIAL ACCOUNTS PLAN**
- (4) PROFIT DISTRIBUTION PLAN OF THE COMPANY IN 2023**
- (5) 2023 ANNUAL REPORT**
- (6) 2023 WORK REPORTS OF INDEPENDENT
NON-EXECUTIVE DIRECTORS**
- (7) 2024 INTERIM PROFIT DISTRIBUTION PLAN**
- (8) ELECTION OF MS. HUA SHURUI AS A NON-EXECUTIVE
DIRECTOR OF THE COMPANY**
- (9) EXPECTED DAILY RELATED PARTY TRANSACTIONS/
CONTINUING CONNECTED TRANSACTIONS IN 2024**
- (10) REAPPOINTMENT OF 2024 ACCOUNTING FIRMS
AND**
- (11) NOTICE OF THE 2023 ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 1 to 17 of this circular. Please refer to pages 62 to 65 of this circular for the notice convening the Annual General Meeting.

Please complete and return the proxy form in accordance with the instructions printed thereon, if the Shareholders are to appoint a proxy to attend the Annual General Meeting.

For H Shareholders, the proxy form and any authorization documents should be returned to Computershare Hong Kong Investor Services Limited (whose address is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) as soon as possible, but in any event not less than 24 hours before the time appointed for holding the Annual General Meeting (i.e. 2:30 p.m. on Thursday, June 27, 2024). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or at any adjourned meetings should you so wish.

June 7, 2024

CONTENTS

	<i>Page</i>
DEFINITIONS	ii
LETTER FROM THE BOARD	1
1. INTRODUCTION	1
2. BUSINESS TO BE CONSIDERED AT THE AGM	2
3. RESPONSIBILITY STATEMENT	16
4. ANNUAL GENERAL MEETING	16
5. VOTING BY POLL	17
6. RECOMMENDATIONS	17
APPENDIX I 2023 WORK REPORT OF THE BOARD OF DIRECTORS ..	18
APPENDIX II 2023 WORK REPORT OF THE SUPERVISORY COMMITTEE	26
APPENDIX III 2023 FINAL FINANCIAL ACCOUNTS PLAN	35
APPENDIX IV 2023 WORK REPORTS OF INDEPENDENT NON-EXECUTIVE DIRECTORS	38
NOTICE OF THE 2023 ANNUAL GENERAL MEETING	62

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

DEFINITIONS

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

“A Share(s)”	the ordinary shares in the share capital issued of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“AGM” or “Annual General Meeting”	the 2023 annual general meeting or any adjournment thereof of the Company to be held at 2:30 p.m. on Friday, June 28, 2024 at the Conference Room, 13/F, Taikang Group Tower, Building 1, Courtyard 16, Jinghui Street, Chaoyang District, Beijing, the PRC
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of Directors of the Company
“Board Meetings”	the board meetings convened by the Company on Thursday, March 28, 2024 and Thursday, May 30, 2024
“Company”	CSC Financial Co., Ltd. (中信建投証券股份有限公司), a joint stock company incorporated in the People’s Republic of China with limited liability, the H Shares of which have been listed and traded on the main board of the Hong Kong Stock Exchange (stock code: 6066) and the A Shares of which have been listed and traded on the Shanghai Stock Exchange (stock code: 601066)
“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
“H Share(s)”	overseas listed foreign invested ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange, and traded in Hong Kong dollars
“H Shareholders”	holders of H Shares
“HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Independent Non-executive Director(s)” or “Independent Director(s)”	the independent non-executive director(s) of the Company
“Non-executive Director(s)”	the non-executive director(s) of the Company
“PRC” or “China”	the People’s Republic of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Supervisory Committee Meetings”	the Supervisory Committee meetings convened by the Company on Thursday, March 28, 2024 and Thursday, May 30, 2024
“SSE”	Shanghai Stock Exchange
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (as amended from time to time)
“%”	percentage

LETTER FROM THE BOARD



中信建投証券股份有限公司
CSC FINANCIAL CO., LTD.

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

(Stock Code: 6066)

Mr. Wang Changqing (*Chairman,
Executive Director*)
Mr. Zou Yingguang (*Executive Director*)
Mr. Li Min (*Vice Chairman,
Non-executive Director*)
Mr. Wu Ruilin (*Vice Chairman,
Non-executive Director*)
Mr. Yan Xiaolei (*Non-executive Director*)
Mr. Liu Yanming (*Non-executive Director*)
Mr. Yang Dong (*Non-executive Director*)
Ms. Wang Hua (*Non-executive Director*)
Mr. Po Wai Kwong (*Independent
Non-executive Director*)
Mr. Lai Guanrong (*Independent
Non-executive Director*)
Mr. Zhang Zheng (*Independent
Non-executive Director*)
Mr. Wu Xi (*Independent
Non-executive Director*)
Mr. Zheng Wei (*Independent
Non-executive Director*)

Registered office in the PRC:
Unit 4, No. 66 Anli Road
Chaoyang District
Beijing
the PRC

Principal place of business in the PRC:
No. 10 Guanghua Road
Chaoyang District
Beijing
the PRC

*Principal place of business
in Hong Kong, the PRC:*
18/F, Two Exchange Square,
Central, Hong Kong

To the Shareholders:

Dear Sir or Madam,

- (1) 2023 WORK REPORT OF THE BOARD OF DIRECTORS
- (2) 2023 WORK REPORT OF THE SUPERVISORY COMMITTEE
- (3) 2023 FINAL FINANCIAL ACCOUNTS PLAN
- (4) PROFIT DISTRIBUTION PLAN OF THE COMPANY IN 2023
- (5) 2023 ANNUAL REPORT
- (6) 2023 WORK REPORTS OF INDEPENDENT
NON-EXECUTIVE DIRECTORS
- (7) 2024 INTERIM PROFIT DISTRIBUTION PLAN
- (8) ELECTION OF MS. HUA SHURUI AS A NON-EXECUTIVE DIRECTOR OF
THE COMPANY
- (9) EXPECTED DAILY RELATED PARTY TRANSACTIONS/ CONTINUING
CONNECTED TRANSACTIONS IN 2024
- (10) REAPPOINTMENT OF 2024 ACCOUNTING FIRMS
AND
- (11) NOTICE OF THE 2023 ANNUAL GENERAL MEETING

1. INTRODUCTION

On behalf of the Board, I invite you to attend the AGM to be held at 2:30 p.m. on Friday, June 28, 2024 at the Conference Room, 13/F, Taikang Group Tower, Building 1, Courtyard 16, Jinghui Street, Chaoyang District, Beijing, the PRC.

LETTER FROM THE BOARD

2. BUSINESS TO BE CONSIDERED AT THE AGM

Resolutions will be proposed at the AGM to approve: (1) the 2023 work report of the Board of Directors; (2) the 2023 work report of the Supervisory Committee; (3) the 2023 final financial accounts plan; (4) the profit distribution plan of the Company in 2023; (5) the 2023 annual report; (6) the 2023 work reports of Independent Non-executive Directors; (7) the 2024 interim profit distribution plan; (8) the election of Ms. Hua Shurui as a Non-executive Director of the Company; (9) the expected daily related party transactions/continuing connected transactions in 2024; and (10) the reappointment of 2024 accounting firms.

The above resolutions are subject to approval by the Shareholders at the AGM by way of ordinary resolutions.

The purpose of this circular is to provide you with the information on the above resolutions to enable you to vote for or against the proposed resolutions at the AGM under fully informed condition.

(1) 2023 Work Report of the Board of Directors

The 2023 work report of the Board of Directors of the Company was considered and approved by the Board of the Company on March 28, 2024 and is hereby proposed at the AGM for Shareholders' consideration and approval, details of which are set out in Appendix I to this circular.

(2) 2023 Work Report of the Supervisory Committee

The 2023 work report of the Supervisory Committee of the Company was considered and approved by the Supervisory Committee of the Company on March 28, 2024 and is hereby proposed at the AGM for Shareholders' consideration and approval, details of which are set out in Appendix II to this circular.

(3) 2023 Final Financial Accounts Plan

The 2023 final financial accounts plan prepared in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards was considered and approved by the Board on March 28, 2024 and is hereby proposed at the AGM for Shareholders' consideration and approval, details of which are set out in Appendix III to this circular.

(4) Profit Distribution Plan of the Company in 2023

As confirmed by the external auditors, the Company (referred to the "Parent Company", the same thereafter) achieved a net profit of RMB5,955,325,137.17 in 2023.

LETTER FROM THE BOARD

According to the relevant provisions of the Company Law, the Securities Law, the Financial Regulations of Financial Enterprises (《金融企業財務規則》), the Interim Measures for the Supervision and Administration of the Risk Reserves of Public 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》) and the Articles of Association, the Company intended to distribute its net profit for 2023 according to the following orders:

RMB595,532,513.72, representing 10% of the net profit, was appropriated to statutory reserve;

RMB595,532,513.72, representing 10% of the net profit, was appropriated to general risk reserve;

RMB595,532,513.72, representing 10% of the net profit, was appropriated to trading risk reserve;

RMB1,608,144.34 was appropriated to risk reserve for mutual funds custodian business;

RMB16,187,085.82 was appropriated to risk reserve for large-scale collective product asset management business.

The above appropriations amounted to RMB1,804,392,771.32 in total, and subtracting the Company's interest on perpetual subordinated bonds of RMB983,750,000.00 and the cash dividends for 2022 distributed in the year 2023 of RMB2,094,307,595.19 and adding undistributed profit at the beginning of the year of RMB23,921,483,913.60, the Company's undistributed profit at the end of 2023 was RMB24,994,358,684.26.

Based on an overall consideration of the long-term development of the Company and the interests of Shareholders, the profit distribution plan of the Company in 2023 is as follows:

The Company proposes to distribute in the form of cash dividends, on the basis of 7,756,694,797 Shares in the total share capital as of December 31, 2023, RMB2.50 (tax inclusive) for every 10 Shares to all Shareholders, amounting to RMB1,939,173,699.25 (tax inclusive) in aggregate, representing 32.05% of net profit (excluding interest on perpetual subordinated bonds) attributable to Shareholders of the Parent Company in the consolidated financial statements for 2023. The remaining undistributed profit will be carried forward to the subsequent year. If there is any change of the total share capital of the Company before the equity registration date for conducting equity distribution, the distribution percentage per share shall remain unchanged, while the total distribution amount will be adjusted accordingly, particulars of which will be further announced.

LETTER FROM THE BOARD

Cash dividend is denominated and declared in RMB and payable in RMB to the A Shareholders and in Hong Kong dollars to the H Shareholders. The actual amount declared in Hong Kong dollars will be calculated based on the average of the intermediate exchange rate for conversion of Hong Kong dollars to RMB as announced by the People's Bank of China for one calendar week prior to the date of convening the Shareholders' general meeting for considering and approving the resolution on profit distribution.

The above resolution was considered and approved by the Board on March 28, 2024 and is hereby proposed at the AGM for Shareholders' consideration and approval.

Cash dividend is expected to be distributed to the H Shareholders listed on the register of members on Wednesday, July 10, 2024. For the purpose of determining the entitlement of H Shareholders to receive the cash dividend to be distributed, the register of members of the Company will be closed from Friday, July 5, 2024 to Wednesday, July 10, 2024 (both days inclusive). In order to be entitled to the receipt of cash dividend to be distributed which will be approved at the AGM, the H Shareholders should ensure that all transfer documents together with relevant share certificates, are lodged with the Company's Hong Kong Share registrar, 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 Thursday, July 4, 2024. Cash dividends for 2023 (if approved by the Shareholders of the Company at the AGM) is expected to be distributed on or about Thursday, August 22, 2024 to the H Shareholders listed on the register of members of the Company on Wednesday, July 10, 2024.

(5) 2023 Annual Report

The 2023 annual report of the Company was considered and approved by the Board on March 28, 2024 and is hereby proposed at the AGM for the Shareholders' consideration and approval. The annual report has been published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.csc108.com) on Friday, April 12, 2024.

(6) 2023 Work Reports of Independent Non-executive Directors

The 2023 Work Reports of Independent Non-executive Directors of the Company were considered and approved by the Board of the Company on March 28, 2024 and are hereby proposed at the AGM for Shareholders' consideration and approval. Details of the reports are set out in Appendix IV to this circular.

LETTER FROM THE BOARD

(7) 2024 Interim Profit Distribution Plan

To enhance the awareness of rewarding Shareholders, improve the profit distribution mechanism and gradually increase the balance, timeliness and stability of profit distribution, in accordance with the requirements of the Listed Company Supervision Guidelines No. 3 – Cash Dividends of Listed Companies (Revised in 2023) (《上市公司監管指引第3號–上市公司現金分紅(2023年修訂)》), Opinions on Strengthening the Supervision of Listed Companies (Trial) (《關於加強上市公司監管的意見(試行)》) and other normative documents published by CSRC and the relevant provisions of the Articles of Association, and after taking into comprehensive consideration the performance of the Company, the risk control indicators and the capital requirements for normal operation, as well as the long-term interests of the Company and the interests of Shareholders, the Company has planned to implement the 2024 interim profit distribution, which is summarized as follows:

The Company's 2024 interim profit distribution plan will be implemented on the basis of the financial report for the first half of 2024 reviewed by the accounting firm, taking into reasonable account the performance for the current period, and subject to the fact that the Company has profits available for distribution for the first half of 2024 and that the Company's various risk control indicators do not fall within the early warning standards stipulated in the Administrative Measures for Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》) after the implementation of the profit distribution plan.

Subject to the compliance with the provisions of the Articles of Association, the Company's 2024 interim profit distribution will be preferentially made by way of cash dividend, and the proposed profit distribution will not be more than 35% of the net profit attributable to equity holders of the Parent Company (excluding interest on perpetual subordinated bonds) realized in the interim period of 2024. Subsequently, when the Company formulates the 2024 profit distribution plan, the interim profit distribution amount already distributed will be taken into full account.

The Company's 2024 interim profit distribution plan will be implemented in accordance with relevant laws and regulations and the relevant provisions of the Articles of Association after fulfillment of corporate governance procedures.

The above resolution was considered and approved by the Board on May 30, 2024 and is hereby proposed at the AGM for Shareholders' consideration and approval.

LETTER FROM THE BOARD

(8) Election of Ms. Hua Shurui (華淑蕊) as a Non-Executive Director of the Company

According to the requirements of the Articles of Association, the Board of the Company shall consist of 14 Directors. Currently, the Board of the Company has a total of 13 Directors, with one Non-independent Director still vacant. In order to further improve the corporate governance, Ms. Hua Shurui has been nominated by Central Huijin Investment Ltd. (中央匯金投資有限責任公司), a Shareholder of the Company, as a candidate for Non-executive Director of the third session of the Board of the Company.

Ms. Hua Shurui complies with the laws, regulations and the requirements of the listing rules of the stock exchanges where the Company's Shares are listed for the appointment of directors of listed securities companies. She has no affiliated relationship with the substantial Shareholders of the Company other than those stated in her biography, nor she holds any Shares of the Company, and has not been subject to any punishment by the securities regulatory authorities, the governmental authorities and the stock exchanges. Ms. Hua Shurui will officially assume office from the date when the resolution on her appointment is considered and approved at the general meeting and her term of office will be until the term of the third session of the Board of the Company expires.

In view of the foregoing, it is hereby proposed to the general meeting to elect Ms. Hua Shurui as a Non-executive Director of the third session of the Board the Company and to authorize the Board, and the Board to delegate the power to the executive management of the Company, to handle filings and other matters relating to the appointment of Director.

Biographical details of Ms. Hua Shurui are as follows:

Ms. Hua Shurui, born in June 1979, is currently a dispatched director of Central Huijin Investment Ltd.

Ms. Hua Shurui was the deputy general manager of Jilin Province Trust Co., Ltd. (吉林省信託有限責任公司), the general manager of the Wealth Management Center of Everbright Securities Co., Ltd., the assistant to the general manager of China Huadian Capital Holdings Co., Ltd., the chairman of the board of directors of Yibin Development Holding Group Company (宜賓發展控股集團公司), the vice mayor of Yibin Municipal Government, and served as a director of China Fortune International Trust Co., Ltd. (華鑫國際信託有限公司), a director of CCB Principal Asset Management Co., Ltd. and a director of Yibin Tianyuan Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange), as well as a director of the Financial Services Bureau of Yibin City (宜賓市金融工作局).

Ms. Hua Shurui obtained a bachelor's degree in engineering from Jilin Institute of Technology (currently Changchun University of Technology), and a master's degree in arts and a doctoral degree in economics from Jilin University.

LETTER FROM THE BOARD

Other Information

Save as disclosed above, Ms. Hua Shurui has confirmed that: (i) she does not hold directorship in other listed companies, nor any position in the Company or its subsidiary for the last three years; (ii) she does not have any relationship with any Directors, Supervisors, senior management or substantial or controlling Shareholders of the Company; and (iii) she does not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, Ms. Hua Shurui has confirmed that there are no other matters related to her appointment that need to be brought to the attention of the Shareholders of the Company, and there is no other information required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

The aforesaid resolution is hereby proposed at the AGM for approval. Upon the appointment of Ms. Hua Shurui is approved at the AGM, the Company will enter into an appointment letter with Ms. Hua Shurui. As a Non-executive Director of the Company, Ms. Hua Shurui will not receive any Director's emolument from the Company.

(9) Expected Daily Related Party Transactions/Continuing Connected Transactions in 2024

To further standardize the management on daily related party transactions/continuing connected transactions of the Company, the Company made a reasonable forecast on the daily related party transactions/continuing connected transactions that may be entered into during the period of 2024 and up to the convening of the 2024 Annual General Meeting, details of which are as follows:

I. General information of daily related party transactions/continuing connected transactions

(I) Overview of daily related party transactions/continuing connected transactions

Daily related party transactions refer to related party transactions that occur in connection with the daily operations of a listed company as defined in the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the "SSE Listing Rules"); continuing connected transactions refer to connected transactions as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") involving the provision of goods, services or financial assistance, which occur on a continuing or recurring basis and are expected to be maintained for a period of time.

LETTER FROM THE BOARD

Pursuant to the SSE Listing Rules, the Hong Kong Listing Rules and the Guidelines No. 5 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號–交易與關聯交易》) (the “Guidelines on Transactions and Related Party Transactions”) and other regulations, the Articles of Association of CSC Financial Co., Ltd., the Requirements of the Management Systems on Related Party Transactions of CSC Financial Co., Ltd. (《中信建投證券股份有限公司關聯交易管理制度》), and other internal systems, the Company made a reasonable forecast on its daily related party transactions/continuing connected transactions that may be entered into in 2024 and up to the 2024 Annual General Meeting, and submitted to the Board and the Shareholders’ general meeting for consideration and approval. The daily related party transactions/continuing connected transactions of the Company falling within the scope of forecast will not be separately subject to the procedures of the Board and Shareholders’ general meetings for consideration and disclosure (except as otherwise required to be considered and disclosed under the SSE Listing Rules and the Hong Kong Listing Rules).

(II) Overview of the expected related/connected parties and related party/connected relationship

1. Related parties that are expected to be subject to related party transactions under the SSE Listing Rules

1.1. Legal persons holding more than 5% Shares of the Company and their acting-in-concert persons

Beijing Financial Holdings Group Limited (“Beijing Financial Holdings Group”): as of December 31, 2023, Beijing Financial Holdings Group directly held 35.81% of the Shares of the Company and is a related party under the SSE Listing Rules.

Beijing Financial Holdings Group was established on October 19, 2018, with Fan Wenzhong as its legal representative, and a registered capital of RMB12,000 million. It carries out financial holding company business subject to the approval of the People’s Bank of China.

The acting-in-concert persons of Beijing Financial Holdings Group refer to investors who act in concert with Beijing Financial Holdings Group in the Company’s acquisitions and relevant activities involving equity changes in shares as defined in Article 83 of the Measures for the Administration of

LETTER FROM THE BOARD

the Takeover of Listed Companies. As of December 31, 2023, there were no acting-in-concert persons of Beijing Financial Holdings Group under the Measures for the Administration of the Takeover of Listed Companies. During the period of 2024 and up to the convening of the 2024 Annual General Meeting, if there are acting-in-concert persons of Beijing Financial Holdings Group who meet the aforementioned conditions, they will be included in the Company's management on related parties and related party transactions.

1.2. Legal persons directly or indirectly controlled by, or whose directors or senior management are, associated natural persons of the Company

1.2.1 China Everbright Group Limited (“Everbright Group”): Mr. Wang Xiaolin, former Director of the Company, also served as a director of Everbright Group¹. Everbright Group was established on November 12, 1990, with the legal representative Wu Lijun and the registered capital of RMB78,134,503,680. Its business scope includes investment and management of the financial business, including bank, securities, insurance, funds, trust, futures, leasing, gold and silver transactions and asset management as well as investment and management of non-financial business. Information source: National Enterprise Credit Information Publication System, the same thereafter.

1.2.2 Beijing Jinkong Capital Co., Ltd. (北京金控資本有限公司) (“Beijing Jinkong Capital”): Mr. Yan Xiaolei, Director of the Company, also served as a director of Beijing Jinkong Capital². Beijing Jinkong Capital was established on November 25, 2020, with the legal representative Wang Guanglong and the registered capital of RMB500,000,000. Its business scope includes equity investment and management, corporate management consulting, investment management and investment consulting. Beijing Jinkong Capital is also a subsidiary of Beijing Financial Holdings Group.

1.2.3 Jingquan Private Equity Fund Management (Beijing) Co., Ltd. (璟泉私募基金管理(北京)有限公司) (“Jingquan Private Equity”): Ms. Zhu Jia³, former Director of the Company, also serves as a director of Jingquan Private Equity and Mr. Yan Xiaolei, Director of the Company,

LETTER FROM THE BOARD

also served as a director of Jingquan Private Equity⁴. Jingquan Private Equity was established on October 30, 2020, with the legal representative Wu Yinnan and the registered capital of RMB100,000,000. Its business scope includes private equity investment fund management, venture capital fund management services, asset management, investment management, investment consulting and etc. Jingquan Private Equity is also a subsidiary of Beijing Financial Holdings Group.

1.2.4 China Jianyin Investment Limited (中國建銀投資有限責任公司) (“JIC”): Mr. Wang Xiaoguang, Supervisor of the Company, also serves as a director of JIC. JIC was established on June 21, 1986, with the legal representative Dong Shi and the registered capital of RMB20,692,250,000. Its business scope includes investment and investment management, asset management and disposal, corporate management, real estate leasing and consulting.

1.2.5 JIC Trust Co., Ltd. (中建投信託股份有限公司) (“JIC Trust”): Mr. Wang Xiaoguang, Supervisor of the Company, also serves as a director of JIC Trust. JIC Trust was established on August 27, 1979, with the legal representative Liu Gongsheng and the registered capital of RMB5,000,000,000. It operates business approved by the China Banking Regulatory Commission in accordance with relevant laws, administrative regulations and other provisions.

1.2.6 CITIC Urban Development & Operation Co., Ltd. (“CITIC Urban Development”): Ms. Wang Hua, Director of the Company, also serves as a director of CITIC Urban Development. CITIC Urban Development was established on May 7, 2015, with the legal representative Nie Xuequn and the registered capital of RMB13.68 billion. Its business scope includes real estate development, real estate brokerage, sales and rental of commercial properties, project investment, investment consulting, corporate management, catering management, property management and real estate information consultation.

LETTER FROM THE BOARD

2. Connected persons who are expected to have connected transactions under the Hong Kong Listing Rules

As of December 31, 2023, Beijing Financial Holdings Group directly held 35.81% of the Shares of the Company and is a shareholder holding more than 10% of the Shares of the Company; Beijing Financial Holdings Group and its subsidiaries are connected parties under the Hong Kong Listing Rules. For details of the basic information of Beijing Financial Holdings Group, please refer to the information shown in Section 1.1 above.

Notes:

1. Mr. Wang Xiaolin resigned as Vice Chairman and Non-executive Director of the Company in March 2023 and resigned as non-executive director of Everbright Group in February 2023, having served as a Director of the Company within the past 12 months.
2. Mr. Yan Xiaolei resigned as a director of Beijing Jinkong Capital in July 2023, and Beijing Jinkong Capital was a related legal entity of the Company within the past 12 months.
3. Ms. Zhu Jia resigned as a Non-executive Director of the Company in April 2024, having served as a Director of the Company within the past 12 months.
4. Mr. Yan Xiaolei resigned as a director of Jingquan Private Equity in June 2023.

(III) Approval procedures for daily related party transactions/continuing connected transactions

Pursuant to the SSE Listing Rules, the Hong Kong Listing Rules and the Transactions and Related Party Transactions Guidelines and other relevant regulations, the expected daily related party transactions/continuing connected transactions of the Company are required to perform the review procedure for the Board and Shareholders' general meetings.

When the Board considers the resolution, the related/connected Directors should avoid voting on relevant matters in this proposal. When the resolution is considered at the Shareholders' general meeting, related/connected Shareholders shall abstain from voting on relevant matters. For matters other than this resolution that require separate procedures for consideration by the Board or general meeting, the related/connected Directors are also required to refrain from voting on relevant matters and the related/connected Shareholders are also required to abstain from voting on relevant matters.

LETTER FROM THE BOARD

(IV) Expected daily related party transactions/continuing connected transactions for 2024

1. Pursuant to the SSE Listing Rules, expected related party transactions with legal persons holding more than 5% of the Shares of the Company and their acting-in-concert persons, or legal persons which are directly or indirectly controlled by associated natural persons of the Company or in which they serve as Directors or senior management, of which such related parties include Beijing Financial Holdings Group and its acting-in-concert persons, Everbright Group, Beijing Jinkong Capital, Jingquan Private Equity, JIC, JIC Trust and CITIC Urban Development.

Type of transactions	Description of transactions	Expected amount for 2024
Securities and financial products transactions and services	<p>Transactions: Over-the-counter interchangeable financial derivatives business, distribution trading, spot trading, repurchase transactions, interbank lending, subscription of private bonds or income certificates, etc.</p> <p>Services: Provide securities and futures brokerage services; provide asset management services; provide underwriting, sponsorship and financial consultation services; provide stock pledge and margin financing services; provide investment consulting services, provide fund custody and outsourcing services, etc.</p>	Subject to actual amount due to uncertainty of transaction and its volume

Note: As the Company is a financial institution whose main business is the provision of securities and financial products transactions and services, the securities market conditions and the trading volume are difficult to estimate. By referring to the market practice, the expected amounts are based on the actual amount which will be disclosed in the semi-annual and annual reports.

LETTER FROM THE BOARD

2. Pursuant to the Hong Kong Listing Rules, expected connected transactions with shareholders holding more than 10% of the Shares of the Company and its subsidiaries, of which such connected persons include Beijing Financial Holdings Group and its subsidiaries.

It is expected that the types of connected transactions that may occur between the Company and Beijing Financial Holdings Group and its subsidiaries are securities and financial products transactions and services, of which the relevant transactions include but not limited to interbank lending, subscription of private placement bonds or income certificates, bonds, positive bond repos, over-the-counter derivatives and other businesses; and relevant services include but not limited to the provision of securities and futures brokerage, asset management, sponsorship and underwriting, financial advisory, fund custody and outsourcing services.

The Company will continue to monitor the actual connected transactions with Beijing Financial Holdings Group and its subsidiaries in accordance with the requirements of the Hong Kong Listing Rules and estimate the applicable ratios of assets ratio, revenue ratio, consideration ratio, equity capital ratio and others under the Hong Kong Listing Rules based on the actual transactions. Once the applicable ratio reaches 0.1%, such connected transactions shall be implemented after consideration and approval by the Board and information disclosure procedures shall be carried out according to the rules; once the applicable ratio reaches 5%, such connected transactions shall be executed after consideration and approval by the Board and general meeting and information disclosure procedures shall be carried out according to the rules.

II. Main contents and pricing principle of daily related party transactions/continuing connected transactions

Daily related party transactions/continuing connected transactions of the Company that occur are in the ordinary business and priced based on market price level and with reference to industry practice. The pricing is fair and there is no circumstance which is detrimental to the interests of the Company and its non-related/connected Shareholders, in particular those of minority Shareholders.

LETTER FROM THE BOARD

III. Purpose of daily related party transactions/continuing connected transactions and the effect on the Company

- (1) Such transactions are occurred in the normal course of business of the Company, which are conducive to the Company's business development and facilitate the Company's overall competitiveness.
- (2) Such transactions are priced based on market prices. The pricing principle is reasonable and fair and there is no circumstance which is detrimental to the interests of the non-related/connected Shareholders of the Company. The relations between the Company and related/connected parties are equal and mutually beneficial and there is no detriment to the rights and interests of the Company.
- (3) Such transactions have no effect on the independence of the Company. The primary businesses of the Company do not rely on related/connected persons as a result.

The following matters are hereby proposed at the Shareholders' general meeting for consideration:

1. Approval for the expected daily related party transactions/continuing connected transactions of the Company with Beijing Financial Holdings Group and its acting-in-concert persons/subsidiaries in 2024;
2. Approval for the expected daily related party transactions of the Company with Everbright Group in 2024;
3. Approval for the expected daily related party transactions of the Company with Beijing Jinkong Capital in 2024;
4. Approval for the expected daily related party transactions of the Company with Jingquan Private Equity in 2024;
5. Approval for the expected daily related party transactions of the Company with JIC in 2024;
6. Approval for the expected daily related party transactions of the Company with JIC Trust in 2024;
7. Approval for the expected daily related party transactions of the Company with CITIC Urban Development in 2024.

LETTER FROM THE BOARD

This resolution was considered and approved at the Board meeting of the Company and is hereby proposed at the Shareholders' general meeting for consideration on item-by-item basis. When the proposals are considered at the Shareholders' general meeting item by item, Shareholders who have conflicts of interests in relation to the above related party/connected transactions shall abstain from voting on the relevant matters.

(10) Reappointment of 2024 Accounting Firms

At the 2022 Annual General Meeting, the Company appointed KPMG Huazhen LLP and its overseas member firm, KPMG (collectively referred to as "KPMGs"), as the external auditors of the Company for 2023, which should be responsible for the provision of the relevant annual audit and interim review services in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards, respectively. KPMGs performed their duties in accordance with the professional standards of independence, objectivity and impartiality, and successfully completed the relevant audit and review work.

Having conducted a comprehensive evaluation of the 2023 annual audit and review services provided by KPMGs, KPMGs have the qualifications for acting as an accounting firm for financial enterprises under the Administrative Measures for State-owned Financial Enterprises to Select and Appoint Accounting Firms prescribed by the Ministry of Finance. Their independence and integrity are in compliance with regulatory requirements, and they have the experience and expertise to continue to provide audit services to the Company. It is proposed to re-appoint KPMGs as the Company's external audit agencies in 2024. For details of KPMGs, please refer to the announcement of the Company on the re-appointment of the accounting firm dated March 28, 2024 which was published on the website of the Shanghai Stock Exchange (www.sse.com.cn) and the HKEXnews website (www.hkexnews.hk).

The Shareholders' general meeting is proposed to consider the following matters:

1. Approval for the reappointment of KPMG Huazhen LLP and its overseas member firm, KPMG, as the external auditors of the Company for 2024, which shall be responsible for the provision of the relevant annual audit and interim review services in accordance with the China Accounting Standards for Business Enterprises and IFRSs, respectively;
2. Approval for the reappointment of KPMG Huazhen LLP as the auditor for internal control of the Company for 2024;
3. Approval for aforesaid domestic and overseas audit and review fees shall not exceed RMB3.825 million in total (excluding the audit fee of the subsidiaries, of which RMB0.32 million is the audit fee for internal control), and the Shareholders' general meeting is requested to authorize the Board to determine the specific fees based on the scope and content of the actual audit and review in the event that the change of the scope and content of the audit and review lead to an increase in fees.

LETTER FROM THE BOARD

3. RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company 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 facts the omission of which would make any content or other matter contained in this circular misleading.

4. ANNUAL GENERAL MEETING

The 2023 Annual General Meeting will be held at 2:30 p.m. on Friday, June 28, 2024 at the Conference Room, 13/F, Taikang Group Tower, Building 1, Courtyard 16, Jinghui Street, Chaoyang District, Beijing, the PRC. The notice of the Annual General Meeting is set out on pages 62 to 65 of this circular.

A form of proxy to be used at the Annual General Meeting, is enclosed. If you intend to appoint a proxy to attend the Annual General Meeting, please complete and return the enclosed proxy form in accordance with the instructions printed thereon. For H Shareholders, the proxy form or any other authorization documents should be returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, which is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or at any adjourned meeting if you so wish.

In order to determine the list of Shareholders who are entitled to attend the Annual General Meeting, the Company will close the register of members of H Shares during the period from Tuesday, June 25, 2024 to Friday, June 28, 2024 (both days inclusive), during which no registration of Shares will be made. H Shareholders who wish to attend the Annual General Meeting are required to send all the transfer documents together with the relevant share certificates to Computershare Hong Kong Investor Services Limited which is at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to register before 4:30 p.m. on Monday, June 24, 2024. At the close of business of the aforementioned date, H Shareholders registered in Computershare Hong Kong Investor Services Limited or the office of the Board of Directors of the Company (if applicable) are entitled to attend the Annual General Meeting.

LETTER FROM THE BOARD

5. VOTING BY POLL

In accordance with Rule 13.39(4) of the Hong Kong Listing Rules, any vote made by the Shareholders at the Annual General Meeting meeting shall be conducted by way of poll, except where the chairman of the meeting, in good faith, decides to allow a resolution which only relates to a procedural or administrative matter to be voted. Accordingly, the resolutions proposed at the Annual General Meeting will be voted by way of poll.

In considering and approving the resolution on the Company's expected daily related party transactions/continuing connected transactions in 2024 (resolution number 9), Beijing Financial Holdings Group (the number of Shares held in the Company was 2,684,309,017 A Shares and 93,080,000 H Shares, representing 34.61% and 1.20% of the total number of Shares of the Company, respectively) is interested in the expected daily related party transactions/continuing connected transactions between the Company and Beijing Financial Holdings Group and its acting-in-concert persons/subsidiaries, the Company and Beijing Jinkong Capital, the Company and Jingquan Private Equity in 2024. Therefore, it will abstain from voting on the relevant sub-proposals of the resolution at this AGM. Central Huijin Investment Ltd. (the number of Shares held in the Company was 2,386,052,459, representing approximately 30.76% of the total number of Shares of the Company) is interested in the expected daily related party transactions between the Company and Everbright Group, the Company and JIC, the Company and JIC Trust in 2024. Therefore, it will abstain from voting on the relevant sub-proposals of the resolution at this AGM. Glasslake Holdings Limited (the number of Shares held in the Company was 351,647,000, representing approximately 4.53% of the total number of Shares of the Company) is interested in the expected daily related party transactions between the Company and CITIC Urban Development in 2024. Therefore, it will abstain from voting on the relevant sub-proposals of the resolution at this AGM.

6. RECOMMENDATIONS

The Directors consider that all resolutions proposed above are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be submitted at the 2023 Annual General Meeting.

By order of the Board
CSC Financial Co., Ltd.
Wang Changqing
Chairman

Beijing, the PRC
June 7, 2024

I. COMPOSITION OF BOARD MEMBERS AND CONVENING OF BOARD MEETINGS IN 2023

As of the end of 2023, the Board comprised 13 Directors, including: Mr. Wang Changqing, Mr. Li Min, Mr. Wu Ruilin, Mr. Zou Yingguang, Mr. Yan Xiaolei, Ms. Zhu Jia, Mr. Yang Dong, Ms. Wang Hua, Mr. Po Wai Kwong, Mr. Lai Guanrong, Mr. Zhang Zheng, Mr. Wu Xi and Mr. Zheng Wei. Of which, Mr. Wang Changqing served as the Chairman, Mr. Li Min and Mr. Wu Ruilin served as the Vice Chairmen, and Mr. Po Wai Kwong, Mr. Lai Guanrong, Mr. Zhang Zheng, Mr. Wu Xi and Mr. Zheng Wei served as Independent Directors. Among the above Directors, Mr. Wang Changqing and Mr. Zou Yingguang were Executive Directors while other Directors were Non-executive Directors. The composition of board members of the Company complies with the requirements of laws and regulations and provisions of Articles of Association, which strongly guarantee the stable and efficient operation of the Board.

In 2023, the Board convened a total of 11 meetings for the consideration/review of 62 resolutions and reports; and convened a total of 5 Shareholders' general meetings for the consideration/review of 15 resolutions and reports. In addition to the general mandate for the issuance of debt financing instruments, election of Directors, final financial accounts plan, profit distribution plan, related/connected transactions, reappointment of accounting firms, and other resolutions which were required to be submitted to the general meeting for consideration, the Board also considered resolutions on matters such as basic management system, appointment and removal of senior management personnel, external investment, risk management policies, adjustment of branch authorization, external donations, periodic reports, compliance reports, risk reports, anti-money laundering reports and internal control evaluation reports, and facilitated the effective implementation of various resolutions upon consideration and approval, promoting the sustainable and healthy development of the Company.

II. IMPLEMENTATION OF MAJOR TASKS OF THE BOARD OF DIRECTORS FOR 2023

(I) Adhering to the strategic leadership and strengthening strategic implementation

The Board adhered to the guidance of XI Jinping Thought on Socialism with Chinese Characteristics for a New Era, implemented the spirit of the 20th CPC National Congress, the Central Financial Work Conference and the Central Economic Work Conference, and closely focused on the central task of serving China's modernization, the primary task of high-quality development and the strategic task of constructing a new development pattern. It continued to uphold ideals and beliefs, insist on "strategic leadership" and "five first class", and work to realize the Company's vision of becoming "a first-class investment bank in China that clients trust, employee respect, and shareholders are satisfied with", thus achieving sustainable and high-quality development.

In 2023, the Board further standardized the preparation and management of strategic development planning, formulated the Administrative Measures on the Strategic Development Planning of CSC Financial Co., Ltd. (Trial) (《中信建投証券股份有限公司戰略發展規劃管理辦法(試行)》), and continued to make such planning more scientific and applicable; it also pushed the completion of the mid-term re-examination of the “14th Five-Year Plan” by assessing the reasonableness and effectiveness of the plan’s implementation and objectives, so as to further strengthen the leading role of strategic planning. The Board fully supported the executive management in actively responding to the national strategic deployment, taking the service of the real economy as the starting and ending point of all work, and adhering to the “two unswerving commitments”. **In terms of the unswerving commitment to consolidating and developing the public-owned economy**, the Company completed 24 equity financing projects for central state-owned enterprises, with an underwriting amount of RMB40.9 billion, and 4 IPO projects for central state-owned enterprises, ranking first for five consecutive years. It also underwrote 612 central state-owned enterprise bonds with an underwriting amount of RMB359.4 billion, and 1,395 local state-owned enterprise bonds with an underwriting amount of RMB575.7 billion. **In terms of the unswerving commitment to encouraging, supporting and guiding the development of non-public economy**, the Company completed 43 equity financing projects for private enterprises with an amount of RMB53.9 billion. It also underwrote 100 private enterprise bonds with an amount of RMB34.2 billion, and 26 special financial bonds for small and micro enterprises with an amount of RMB31.6 billion.

According to China Accounting Standards for Business Enterprises, in 2023, the Company achieved consolidated operating revenue of RMB23.243 billion, a net profit attributable to equity holders of the Parent Company of RMB7.034 billion. As of the end of 2023, the total consolidated assets of the Company amounted to RMB522.752 billion, the equity attributable to equity holders of the Parent Company amounted to RMB97.478 billion, and the return on weighted average equity was 8.59%, which continued to be at the forefront of the industry. The Company achieved good development in all its business, and continued to enhance its ability and effectiveness in serving real economy. Details of the development of the Company’s core businesses are set out in the Company’s 2023 annual report.

(II) Constantly optimising liability structure and effectively controlling financial costs

The Board focused on high-quality development requirements, on the premise of ensuring risk control indicators continue to meet the requirements of external regulation and internal control, supervised the executive management to improve the foresight and initiative in financing work, continuously promoted subordinated capital replenishment, constantly optimised the liability term structure and effectively controlled financial costs.

In 2023, in order to continuously meet the debt financing needs of the Company, the Board and the general meeting considered and approved the Resolution on General Mandate to Issue Onshore and Offshore Debt Financing Instruments, which ensured that the Company seized the market opportunities in a timely manner and continuously improved its financing efficiency. The Company has strengthened the refined management and control of liquidity indicators and rationally coordinated the scale and term structure of assets and liabilities to effectively enhance the allocation efficiency while ensuring liquidity safety. During the year, the Company issued RMB36.8 billion mid-to long-term bonds in an accumulative manner on the Shanghai Stock Exchange, of which the balance of 10-year bonds increased by RMB5.0 billion to RMB9.0 billion, which effectively replenished the long-term stable capital while meeting the capital requirements of various businesses, laying a solid foundation for the Company's steady development, and at the same time continued to reduce the cost of financing, with the weighted interest rate of debt financing declining for consecutive years.

(III) Strengthening risk control compliance and improving the comprehensive risk management capability

The Board always took risk prevention and resolution as the eternal theme of financial work, insisted on the principle of full coverage of risk management and control, improved the management system of comprehensive risk control indicators, perfected the mechanism of refined capital management, continuously enhanced risk management capabilities, pushed the Company to strengthen forward-looking risk management and control, practiced a sound risk management culture, maintained the lifeline of compliant operation, and ensured that the risks are controllable, measurable and bearable to support the sound development of business.

In 2023, the Board regularly reviewed the management effectiveness of the Company's risks, compliance and internal controls by considering/reviewing proposals on risk management policy, basic risk management and compliance management systems, risk report, compliance report and anti-money laundering report, and by listening to special reports on risk management and compliance management. With a focus on operational risks such as investment banking practice risks and asset management trading risks, the Board actively promoted the management of "one client, one business risk" and the construction of risk data governance and risk management systems to further enhance our risk management capabilities. All risk control indicators of the Company were in compliance with the regulatory requirements and the risk appetite, risk tolerance and risk limits set by the Board.

(IV) Constantly improving information disclosure and deepening investor relationship management

The Board continuously optimised the information disclosure mechanism, performed the obligation of information disclosure in compliance with the laws and regulations, and effectively protected investor's right to information. In 2023, the Company disclosed its periodic reports and more than 200 other information disclosure documents in relation to the A Shares and H Shares markets, involving the Company's performance, dividend distribution, resolutions of the Board and the Supervisory Committee, notices and poll results of Shareholders' general meetings, increase of shareholding by major Shareholders, changes in Directors, Supervisors and senior management, and other voluntary announcements and overseas regulatory announcements.

The Company attached great importance to maintain investor relations and continued to optimize its diversified Shareholder communication mechanism by holding performance briefings in a timely manner to convey the Company's values after the publication of its annual, semi-annual and third-quarter results and to actively communicate with investors, especially small and medium-sized investors, on the Company's business development. At the same time, through the investor contact hotline, investor contact email and "SSE E Interactive" platform, the Company responded to investors' questions in a timely manner and provided more convenient communication ways for the investors' understanding on the Company. The Company actively enhanced its communication with investment institutions and analysts to promote full market understanding on the Company's investment value. In 2023, the Company distributed dividends for 2022 of RMB2.70 per 10 Shares (tax inclusive) to Shareholders in the aggregate amount of RMB2,094 million with a cumulative dividend of RMB13,921 million since the listing of the H Shares in December 2016 through a stable cash dividend policy to create value for Shareholders.

(V) Actively fulfilling the social responsibility and establishing a good corporate image

1. Cultural construction. In 2023, the Company issued the Administrative Measures for Cultural Construction of CSC Financial Co., Ltd. (Trial) (《中信建投証券股份有限公司文化建設管理辦法(試行)》), the Work Plan for Cultural Brand Building of CSC Financial Co., Ltd. (《中信建投証券股份有限公司文化品牌建設工作方案》) and the Work Plan on Responding to the Initiatives of the Association for Deeply Practicing the Sense of Honor and Shame of the Industry (《關於響應協會倡議深入踐行行業榮辱觀的工作方案》), and actively participated in the national civic morality construction, the creation of mass spiritual civilization and other assessment activities, and was awarded the honors of "Pioneer among Workers" and "Demonstration Sites for the Activity of Learning from Lei Feng within Financial System".

2. Social public welfare. In 2023, the Company completed a total of nine bond financing projects in poverty alleviation areas, with a total financing scale of RMB5.871 billion; and completed 1 IPO project, with a financing scale of RMB425 million. China Futures launched 76 “insurance + futures” projects, providing risk coverage of RMB5.523 billion for farmers and enterprises. The Company accumulated an annual public welfare expenditure of approximately RMB20.74 million with consumption support of RMB13.58 million.
3. Practicing the ESG concept. The Company thoroughly implemented the “dual carbon” strategy and the concept of serving the real economy, actively incorporating ESG factors into its corporate governance, business strategy and risk management. In 2023, the Company provided financing support for green and low-carbon industries such as energy conservation and environmental protection, clean production, clean energy, ecological environment and green upgrading of infrastructure through initial public offering, refinancing issuance, bond issuance and financial advisory services. It completed 12 green and low-carbon equity financing projects such as Hunan Yuneng and Risen Energy, with a lead underwriting amount of RMB27.657 billion and a financing scale of RMB29.889 billion; led the underwriting of 105 green bonds, with a lead underwriting scale of RMB62.621 billion, and raised capital of RMB360.234 billion, among which, there were 21 carbon neutral bonds, with a lead underwriting scale of RMB7.702 billion, and the capital raised amounted to RMB27.183 billion; and assisted SPIC in successfully issuing the first new energy public REITs for state-owned enterprises in China, and raised capital of RMB7.840 billion. The Company continued to arrange its carbon finance business, and implemented various infrastructure construction tasks for domestic carbon market transactions. It completed its first carbon quota transaction on the Shanghai Environment and Energy Exchange and concluded two-way trading of carbon quota forward contracts with different maturities in the near and far months, actively participating in the construction of the carbon financial market, and continuously providing new solutions and injecting new vitality to activate the domestic carbon financial market. In 2023, the Company’s ESG Committee considered and published statement documents on ESG risk management, data security and privacy protection management. The Company’s MSCI ESG rating rose to level A, ranking among the top tier in domestic securities firms. For details of the Company’s ESG work, please refer to the 2023 Social Responsibility & Environmental, Social and Governance (ESG) Report of CSC Financial Co., Ltd.

(VI) Strengthening the self-improvement and enhancing corporate governance capability

In 2023, the Board continuously strengthened its self-improvement, and continued to enhance corporate governance capability. Firstly, the Board continued to improve the governance system and systematic processes to enhance the compliance and

effectiveness of corporate governance. It made timely amendments to the rules of procedure for the remuneration and nomination committee of the Board, improved the diversity policy of the Company's Board, and continued to foster a good corporate governance culture. Secondly, the Board strengthened the tracking and research on the capital market and securities industry, issued information briefings on the securities industry and special reports on strategic research on a regular or irregular basis to provide strategic support to Directors in the performance of their duties. Thirdly, the Board attached great importance to the management of related/connected transactions, improving the decision-making procedures for related/connected transactions, making proper disclosure of information on related/connected transactions in strict accordance with the regulatory rules of the place where the Shares are listed, and gradually improving the digitalization level of the management of related/connected transactions. Fourthly, the Board continuously strengthened training and research, and organized internal trainings and made coordination to participate in special trainings organized by Shanghai Stock Exchange, China Association for Public Companies and The Listed Companies Association of Beijing for a total of 86 person-times throughout the year, with topics including the interpretation of domestic and foreign regulations, policies and market trend, market value management of listed companies, reform of the independent directorship system and standard performance of duties by directors and supervisors, etc., to ensure the timely understanding of the latest requirements of laws, regulations and supervisory rules. Following the national development strategy and based on the Company's core business, the Board conducted research and studies on bond business risk management, securities and financial business risk management, branch business development and quality and efficacy of service to the real economy, so as to further enhance the capability of Directors in performing their duties. Fifthly, the Board strengthened the team building of its working departments, enhanced its staffing and information management capability and kept improving the management level of the Board's affairs. In 2023, the Board's working departments of the Company won the "Best Practice Case Award" issued by the China Association for Public Companies.

III. IMPLEMENTATION OF TASKS OF THE SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS FOR 2023

In 2023, the Development Strategy Committee, the Risk Management Committee, the Audit Committee and the Remuneration and Nomination Committee under the Board of the Company conducted in-depth research on specific issues and actively expressed opinions in accordance with the working responsibilities and rules of procedure to facilitate scientific and efficient decision making by the Board.

The Development Strategy Committee of the Board convened four meetings for the consideration and discussion of six resolutions and hearing of three reports, topics of which include analysis on macro economy and market trend, the Company's operation, work plans, financial plans and external investment, strategic development planning system and other issues.

The Risk Management Committee of the Board convened five meetings for the consideration and discussion of nine resolutions and hearing of four reports, topics of which include risk report, compliance report, internal control report, anti-money laundering report, risk management policy, handling of risk events, risk management system and other issues.

The Audit Committee of the Board convened eight meetings for the consideration and discussion of 14 resolutions and hearing of four reports, topics of which include internal audit report, external audit plan and report, periodic report, internal control report, related party/connected transactions, appointment of accounting firms and other issues.

The Remuneration and Nomination Committee of the Board convened five meetings for the consideration and discussion of eight resolutions, topics of which include appointment of senior management personnel, assessment on compliance responsible person, qualification review of candidates for directorship, revision of systems and other issues.

For the composition and specific work of the special committees of the Board, please refer to the 2023 annual report of the Company.

IV. PERFORMANCE OF DUTIES OF DIRECTORS IN 2023

In 2023, the Directors of the Company strictly complied with the relevant provisions of the laws and regulations, the listing rules and the Articles of Association, and performed their duties diligently and conscientiously. All Directors actively participated in the regular or interim meetings of the Board, fully communicated and conducted research before the meetings, seriously deliberate the proposals at the meetings, and made use of their professional expertise and experience to actively express constructive opinions and suggestions while making decisions on the Company's development strategies, business plans, financial plans, external investments, related/connected transactions, internal control management, organization setups, social responsibilities, system construction, etc., which strongly ensured scientific decision-making and efficient operation of the Board, earnestly safeguarded Shareholders' rights and interests and promoted the sustainable and healthy development of the Company.

The executive Directors earnestly performed their dual duties in decision making and execution, actively implemented the resolutions of Shareholders' general meetings and Board, and conducted in-depth study of the development and operating strategies of the Company to boost the Company to achieve outstanding operating results. Non-executive Directors played an active role in optimizing internal control and management and achieving stable operation based on the preservation and enhancement of the value of

state-owned financial capital. Independent Directors focused on the protection of the legitimate rights and interests of small and medium-sized shareholders, expressed their views independently and objectively, and gave full play to their roles in participating in the decision-making, supervision and balance, and professional consultation in the Board.

In addition to attending the meetings of the Board and the special committees of the Board, the Directors of the Company read documents and information, participated in researches and training, and attended thematic meetings, etc., in order to gain a comprehensive understanding of the Company's operation and problems in its development, and to gain a timely understanding of the policies and the current situation of the industry, so as to get ready for performing their duties for the purpose of making scientific decisions.

V. WORK PLAN OF THE BOARD FOR 2024

In 2024, the Board will keep adhering to the guidance of XI Jinping Thought on Socialism with Chinese Characteristics for a New Era, further study and implement the spirit of the 20th CPC National Congress and the Second Plenary Session of the 20th CPC Central Committee, carry forward the spirit of the Central Economic Work Conference and the Central Financial Work Conference, comprehensively strengthen Party building, uphold the general principle of seeking progress while maintaining stability, build a solid risk prevention and control system, actively explore breakthrough points, cultivate growth points, and strengthen the foundation to promote the Company's high-quality development.

The Board will focus on the following key tasks: Firstly, constantly strengthen the guidance of the Party building, adhere to the comprehensive leadership of the Party, deeply grasp the laws of financial work, deepen the understanding of the political and people-oriented nature of financial work, and comprehensively strengthen the Party building; promote the in-depth integration of the Party's leadership and corporate governance, promote the in-depth integration of the Party building and business development, and ensure the correct, stable and sustainable development of the Company; secondly, continue to improve the corporate governance system and comprehensively revise the internal systems, such as the Articles of Association and the rules of procedures of the three meetings, in accordance with the new requirements of the Company Law and the Measures for the Administration of Independent Directors of Listed Companies, etc., so as to promote the formation of a more scientific system of corporate governance and to continuously improve the quality of our governance; thirdly, enhance risk management and compliance management, strengthen trend research and judgment, and continuously optimize risk management means and tools to prevent major operational risks and maintain sustainable and high-quality development; and fourthly, improve its professionalism in information disclosure and investor relations management, actively perform its corporate social responsibility, and strengthen the Company's brand influence.

This proposal has been considered and approved by the Board and is hereby submitted to the Shareholders' general meeting for consideration.

I. IMPLEMENTATION OF MAJOR TASKS OF THE SUPERVISORY COMMITTEE FOR 2023

In 2023, the Supervisory Committee of the Company participated in the review of the material decisions of the Company with strict compliance with relevant provisions of the Company Law, Securities Law and the Articles of Association. It regularly inspected the financial condition and operations of the Company as well as its business operation and risk and compliance management, supervised the performance of the Board of the Company, executive management and its respective members, and actively safeguarded the legitimate interests of the Shareholders, Company, employees and other stakeholders. The Supervisory Committee performed its duties of supervision conscientiously and gave full play to its supervisory role in corporate governance.

In 2023, the Supervisory Committee of the Company held six Supervisory Committee meetings in total, during which 22 resolutions were considered and passed. The Supervisors of the Company observed all Board Meetings and considered resolutions proposed at the meetings. The Supervisors of the Company observed all 2023 Shareholders' general meetings and supervised the implementation of resolutions. In 2023, the Supervisory Committee of the Company focused on the following tasks:

(I) Paying attention to the significant matters of the Company and earnestly performing the duty of supervision

In 2023, Supervisors of the Company observed the Board Meetings and Shareholders' general meetings. The chairman of the Supervisory Committee of the Company attended meetings of the Executive Committee of the Company and gave full play to its role in supervision, support and guarantee. The Supervisory Committee carefully supervised the implementation of the resolutions of the Shareholders' general meetings by the Board, supervised the performance of the Company's senior management, paid attention to the whole implementation process of the development plan, business plan and work objectives by the executive management, and actively safeguarded the legitimate interests of Shareholders.

The members of Supervisory Committee made full use of the right to information, the right to propose, the right to inquire, the right to examine and the right to investigate, supervised the major matters such as the Company's information disclosure, use of proceeds raised, management of related/connected transactions, final financial accounts plan and profit distribution plan on the basis of inspecting the Company's finance and business and supervising the performance of directors and senior management, performed its supervision duties conscientiously, and gave full play to its supervision role in corporate governance.

(II) Improving the Company's anti-risk capability with internal audit

In 2023, the Supervisory Committee guided the Audit Department to further clarify the positioning of audit as “identifying problems, solving problems, preventing risks and creating value” by focusing on the work target of the Company, actively implemented the annual key work, and conscientiously fulfilled the important responsibility of internal audit as the third line of defense in the Company's risk management system.

In 2023, the Company carried out a total of 192 internal audit cases, including 35 audit projects at headquarters, 4 audit projects at subsidiaries and 153 audit cases at branch offices. The scope of the audit covered the special audits of the effectiveness evaluation of the Company's internal control, the effectiveness evaluation of compliance management, the comprehensive risk management, the management of capital expenditure, the management of information technology, the investment banking business, the sales business of financial products, the securities proprietary business and the asset management business, as well as the special audit of controlled subsidiaries.

(III) Organising and conducting compliance management, internal effectiveness audit assessment to promote further improvement of the company's internal control mechanism

The Supervisory Committee instructed Audit Department to take the lead in organizing the legal compliance department, the risk management department and other departments, evaluating the effectiveness of the Company's compliance management for the year 2023, focusing on the compliance risk matters during the evaluation period, to identify compliance management deficiencies, to analyze the causes of the deficiencies, to track correction and accountability as well as rectification in terms of system and mechanism construction, system and mechanism operation to further improve the effectiveness of compliance management.

The Supervisory Committee instructed Audit Department to strengthen the audit supervision of internal control to evaluate the effectiveness of the Company's internal control for the year 2023, at the same time, to launch a special evaluation of the effectiveness of internal control for the investment banking business, public fund sales business and others in conjunction with regulatory requirements, and to conduct a comprehensive evaluation on the Company's internal control in respect of internal environment, risk identification, control activities, information and communication and internal supervision and other elements.

After evaluation, the Supervisory Committee is of the view that the Company has respectively established and effectively implemented a management system for the businesses and matters that have been included in the scope of evaluation, which have achieved the Company's objectives of compliance management, and there is no

significant compliance risk. However, there is room for improvement. Based on the identification of internal control deficiencies in financial report of the Company, the Company did not have any internal control deficiencies in financial report as at the base date of the internal control evaluation report; based on the identification of internal control deficiencies in non-financial report of the Company, the Company did not identify significant and material deficiencies in internal control in non-financial report as at the base date of the internal control evaluation report.

(IV) Emphasizing investigation and research and training of duty performance, fully playing the role of support and guarantee

Investigation and research are effective means for the Supervisory Committee to perform duties. In 2023, following the national development strategy and based on the Company's core business, the Supervisory Committee successively conducted special research and studies on bond business risk management, branch business development and quality and efficacy of service to the real economy. By conducting face-to-face research with business departments, subsidiaries and branches, the Supervisory Committee fully understood the current status of the Company's business development, coordinated and resolved problems affecting business development, and better escorted the steady development of the Company.

Adequate training is necessary for Supervisors to enhance their ability to perform duties. Supervisors of the Company received continuous training on duty performance, covering topics such as interpretation of domestic and foreign laws and regulations, policies and market trend, and performance standards; newly appointed Supervisors also received training on first appointment, covering topics such as national strategy and industry development, corporate governance, and corporate management. The training of Supervisors of the Company met the requirements of regulatory authorities and stock exchanges, and the average duration of training related to the performance of their duties exceeded 15 hours.

II. MEETINGS OF SUPERVISORY COMMITTEE AND PERFORMANCE OF DUTIES OF THE SUPERVISORS IN 2023

In 2023, the Supervisory Committee of the Company held six meetings in total and the relevant information of the meetings are as follows:

- (1) On March 30, 2023, the 27th meeting of the second session of the Supervisory Committee of the Company considered and approved the Resolution on the 2022 Work Report of the Supervisory Committee of the Company, the Resolution on 2022 Internal Audit Work and 2023 Work Plan of the Company, the Resolution on the 2022 Final Financial Accounts Plan of the Company, the Resolution on the Profit Distribution Plan of the Company in 2022, the Resolution on the 2022 Annual Report of the Company, the Resolution on the 2022 Risk Report of the Company, the Resolution on the 2022 Compliance Report of the Company, the Resolution on the

2022 Anti-Money Laundering Work Report of the Company, the Resolution on the 2022 Internal Control Evaluation Report of the Company, the Resolution on the 2022 Social Responsibility & Environmental, Social and Governance (ESG) Report of the Company, the Resolution on the 2023 Anti-Money Laundering Work Plan of the Company and the Resolution on the Additional Appointment of Supervisors of the Company.

- (2) On April 27, 2023, the 28th meeting of the second session of the Supervisory Committee of the Company considered and approved the Resolution on the 2023 First Quarterly Report of the Company.
- (3) On May 29, 2023, the 29th meeting of the second session of the Supervisory Committee of the Company considered and approved the Resolution on the Expected Daily Related Party Transactions/Continuing Connected Transactions of the Company in 2023.
- (4) On August 30, 2023, the 30th meeting of the second session of the Supervisory Committee of the Company considered and approved the Resolution on the 2023 Semi-annual Report of the Company, the Resolution on Amendments to the Company's System Management Measures, the Resolution on Formulation of the Company's Integrity Management Measures, the Resolution on the Construction Plan of the Company's Money Laundering Risk Management Culture and the Resolution on the 2023 Interim Internal Audit Work Report of the Company, and heard the 2023 Interim Risk Management Work Report of the Company, the 2023 Interim Compliance Management Work Report of the Company and the 2023 Interim Anti-Money Laundering Compliance Management Work Report of the Company.
- (5) On October 26, 2023, the 31st meeting of the second session of the Supervisory Committee of the Company considered and approved the Resolution on the 2023 Third Quarterly Report of the Company.
- (6) On December 20, 2023, the 32nd meeting of the second session of the Supervisory Committee of the Company considered and approved the Resolution on Formulation of the Management Measures for the Company's Strategic Development Plan (Trial) and the Resolution on Amendments to the Management Measures for the Company's Reputation Risk.

APPENDIX II 2023 WORK REPORT OF THE SUPERVISORY COMMITTEE

The attendance of Supervisors of the Company to the meetings of the Supervisory Committee is as follows:

Name	Position	Number of meetings of Supervisory Committee	Attendance in person	Attendance by proxy	Absence
Zhou Xiaoyu	Chairman of the Supervisory Committee	6	6	0	0
Dong Hongfu	Supervisor	3	3	0	0
Ai Bo	Supervisor	6	6	0	0
Wang Xiaoguang	Supervisor	6	6	0	0
Lin Xuan	Employee Supervisor	6	6	0	0
Zhao Ming	Employee Supervisor	6	6	0	0

Note: Mr. Dong Hongfu has served as a Supervisor of the Company since May 30, 2023.

III. SPECIAL OPINION ISSUED BY THE SUPERVISORY COMMITTEE IN 2023

In 2023, the Supervisors of the Company attended the Board Meetings and Shareholders' general meetings and reviewed the meeting resolutions, supervised and inspected major decisions of the Company, major operating activities and the financial position of the Company, supervised the performance of Directors and senior management, and issued the following special opinions on this basis:

- (1) In 2023, the Company was able to maintain sound operation in strict accordance with the Company Law, the Securities Law, the Articles of Association and regulatory requirements, the corporate governance procedures were legal and compliant, the internal control mechanism was sound and effective, and the Supervisory Committee raised no objection of the supervision matters during the reporting period.
- (2) In 2023, the financial condition of the Company was good. The reporting accountant of the Company had audited the annual financial report and issued standard auditors' report without qualified opinions. The financial report truly and objectively reflects the Company's financial conditions and operating performance.
- (3) In 2023, the management level of the Company's information disclosure affairs and the quality of information disclosure were steadily improved to protect the legitimate rights and interests of investors. At the same time, the reporting,

transmission, review and disclosure of major events of the Company complied with the provisions of the Administrative Measures for Corporate Information Disclosure (《公司信息披露事務管理辦法》) and other systems, and were well implemented.

- (4) In 2023, the audit opinion of the Supervisory Committee on the Company's 2022 annual report was as follows: the preparation and review procedures of the annual report complied with the requirements of relevant laws, regulations, normative documents and the Articles of Association and other internal systems; the content and format complied with the requirements of regulatory authorities and stock exchanges, and could truthfully, accurately, completely and objectively reflect the operational management and financial position of the Company in 2022. There was no objection to the report, and no violation of the confidentiality of insider information by the personnel involved in the preparation and review of the report.
- (5) In 2023, the Supervisory Committee expressed the following opinions on other periodic reports of the Company: the preparation and review procedures of the periodic reports were in compliance with the relevant laws, regulations, normative documents and internal policies such as the Articles of Association; the contents and format were in compliance with the requirements of the supervisory authorities and stock exchanges, which were able to reflect the Company's operation, management and financial position and other matters in a true, accurate, complete and objective manner; there were no dissenting opinions on the contents of the reports and no personnel involved in the preparation and review of the reports were found to have breached the confidentiality of inside information.
- (6) In 2023, the consideration, voting, disclosure and performance of the Company's ordinary related party transactions/continuing connected party transactions were in compliance with the relevant provisions of the laws and regulations and the Articles of Association. The related party transactions/continuing connected party transactions of the Company were priced with reference to the market price level and industry practice. The pricing was fair and no circumstance which was detrimental to the interests of the Company and its Shareholders was found.

In addition, the Supervisory Committee supervised the implementation of the cash dividend policy and shareholder return planning by the Board as well as the fulfillment of corresponding decision-making procedures and information disclosure, and no violations of the regulations were found.

IV. ASSESSMENT ON PERFORMANCE OF DUTIES OF THE BOARD AND THE EXECUTIVE MANAGEMENT**(1) Assessment on the performance of duties of the Board and its members**

In 2023, the Board adhered to the political and people-oriented nature of financial work, promoted the organic integration of Party leadership and corporate governance, insisted on the concepts of compliance and sustainable development, continued to improve the quality and efficiency of operation and management, and furthered to achieve good operating results. In particular:

In terms of strategic management, the Board adhered to the guidance of XI Jinping Thought on Socialism with Chinese Characteristics for a New Era, actively implemented the spirit of the 20th CPC National Congress, the Central Financial Work Conference and the Central Economic Work Conference, and led the executive management to conduct work by closely focusing on the central task of serving China's modernization, the primary task of high-quality development and the strategic task of constructing a new development pattern. During the year, the Board formulated the Administrative Measures on the Strategic Development Planning of CSC Financial Co., Ltd. (Trial) and completed the mid-term re-examination of the "14th Five-Year Plan", constantly strengthening the leading role of strategic planning.

In terms of corporate governance, the Board worked to promote the sustainable and healthy development of the Company by organizing meetings of the Board and special committees of the Board, convening Shareholders' general meetings and making scientific decisions on major issues of operation and management in accordance with the authorization system of the Company. It advanced the replenishment of subordinated capital and optimized the maturity structure of liabilities to achieve effective control of financing costs. It also improved the information disclosure mechanism to earnestly protect investors' right to know, and optimized the diversified Shareholder communication mechanism to actively respond to the concerns of investors, especially small and medium-sized investors.

In terms of risk and compliance management, the Board followed the concept of full coverage of risk management and control, prudently set risk appetite, risk tolerance and important risk limit indicators, optimized the comprehensive risk management system and enhanced risk management capability. It advocated and promoted the development of a compliance culture, improved the compliance management structure, continuously evaluated the effectiveness of the Company's compliance management, and supervised the resolution of issues in compliance management. During the year, the Board increased its supervision over the important work of risk and compliance management, and optimized the internal control and management mechanism in a timely manner to ensure that risks are controllable, measurable and bearable.

In terms of social responsibility, the Board actively pushed forward culture building, thoroughly implemented the “dual carbon” strategy and the concept of serving the real economy, and actively incorporated ESG factors into corporate governance, business strategy and risk management. It continued to prepare annual social responsibility and environmental, social and governance (ESG) reports, and regularized our social welfare and external donations. During the year, the Board also formulated the Administrative Measures for Cultural Construction of CSC Financial Co., Ltd. (Trial), and the Company’s MSCI ESG rating rose to level A, ranking among the top tier in domestic securities firms.

In 2023, members of the Board strictly complied with relevant laws and regulations, regulatory requirements and the Articles of Association, and complied with the relevant regulations on clean practices, and faithfully and diligently discharged their duties and responsibilities, thereby strongly safeguarding the scientific decision-making and efficient operation of the Board. No Director of the Company has been found to have violated any laws and regulations, the Articles of Association or resolutions of the general meeting in the performance of duties.

(2) Assessment on the performance of duties of the executive management and senior management

In 2023, amidst a complex market environment, the Company’s executive management continued to strengthen the leadership and political guidance of the Party, served the real economy and national strategy in an all-round manner, and united all cadres and employees to work hard to ensure that the Company maintained high-quality development. Core indicators of the Company’s major businesses continued to rank at the forefront of the market, with some hitting a new record high, and the Company fairly accomplished its full-year operating tasks. At the same time, the executive management has made practical efforts in annual key works, fulfilled social responsibilities in various fields, improved risk management capability, and achieved milestone results in the construction of customer service system, balanced development strategy and digitalization transformation.

In 2023, senior management personnel of the Company strictly complied with relevant laws and regulations, regulatory requirements and the Articles of Association, and complied with the relevant regulations on clean practices. They have been diligent and cooperative in exercising their operation and management duties in compliance with the law and regulations to ensure the efficient operation of the Company’s management work. No senior management personnel of the Company have been found to have violated any laws and regulations, the Articles of Association or resolutions of the general meeting or the Board in the performance of duties.

V. WORK PLAN IN 2024

In 2024, the Supervisory Committee will focus on the promotion and implementation of the following tasks:

- (1) Members of the Supervisory Committee will supervise the major decision-making activities of the Company's operational management by attending Board Meetings and meetings of the Executive Committee, supervise the implementation of the resolutions of the Shareholders' general meetings by the Board, supervise the implementation of the Shareholders' general meetings and Board's resolutions by the executive management, supervise Directors and senior management in the performance of their duties, earnestly perform the supervisory duties stipulated in the Articles of Association, and urge the Company to strictly comply with laws and regulations, regulatory requirements, self-regulatory organization requirements and the internal systems of the Company.
- (2) The Supervisory Committee will regularly convene meetings of the Supervisory Committee according to operational need to review material issues, internal control, compliance management, risk management and matters of the Supervisory Committee priorities during the development of the Company.
- (3) The Supervisory Committee will carry out special seminars and research from time to time according to operational need to identify problems, make recommendations, and continuously improve the supervision level and performance ability of the Supervisory Committee.
- (4) The Supervisory Committee guides the internal audit department to supervise and inspect the business management activities of the Company, carries out internal control and compliance effectiveness assessment, and performs supervision and inspection duties by guiding internal audit, supervising the implementation of rectification, etc.. In 2024, the internal audit work of the Company will focus on the Company's development strategy and annual work objectives, strengthen the auditing of major risky businesses, key management links and the effectiveness of internal control, and enhance the rectification and supervision of auditing issues to play a protective and value-added role in promoting the standardized operation and healthy development of the Company.

This proposal has been considered and approved by the Supervisory Committee and is hereby submitted to the Shareholders' general meeting for consideration.

The external auditors have audited and confirmed the financial statement of the Company for the year 2023, and issued an audit report with standard unqualified opinion. According to their opinion, the Company's financial statement has been prepared in accordance with the provisions of the China Accounting Standards for Business Enterprises and IFRSs, and has fairly reflected its financial position as of December 31, 2023 and its operating results and cash flows in 2023 in each major aspect. The reports of financial position, operating results and other related matters of the Company (unless otherwise stated, the financial data in this resolution are based on the data from the audited consolidated statements (A Shares), involving Shareholders' equity, net profit, and total comprehensive income based on those attributable to the Shareholders of the Parent Company) are presented below for your consideration.

Financial position and operating results of the Company for 2023

Item (RMB'00 million)	A-Share Statement			H-Share Statement		
	End of 2023	End of 2022	Increase/ Decrease	End of 2023	End of 2022	Increase/ Decrease
Total assets	5,227.52	5,092.06	2.66%	5,227.52	5,092.06	2.66%
Total liabilities	4,252.26	4,159.10	2.24%	4,252.26	4,159.10	2.24%
Shareholders' equity	974.78	932.51	4.53%	974.78	932.51	4.53%
Net capital	668.59	662.52	0.92%	668.59	662.52	0.92%

Item (RMB'00 million)	A-Share Statement			H-Share Statement		
	2023	2022	Increase/ Decrease	2023	2022	Increase/ Decrease
Operating revenue/total revenue and other income	232.43	275.65	-15.68%	339.79	364.71	-6.83%
Operating revenue/total revenue and other income (excluding bulk trade revenue, etc.)	209.77	209.69	0.04%	317.14	298.74	6.16%
Operating expenses/total expenses	137.45	180.64	-23.91%	256.15	270.12	-5.17%
Operating expenses/total expenses (excluding bulk trade expenses, etc.)	114.95	114.71	0.21%	233.66	204.19	14.43%
Net profit	70.34	75.19	-6.45%	70.34	75.19	-6.45%
Total comprehensive income	73.05	74.16	-1.50%	73.05	74.16	-1.50%

Note: In the financial statement of A Shares and H Shares, the difference between operating revenue and operating expenses mainly represents revenue and expenses of handling fees and interests. A Shares are reflected on net basis and H Shares are reflected on separate basis.

I. FINANCIAL POSITION OF THE COMPANY IN 2023**(I) Asset Position**

As of the end of 2023, total assets of the Company on consolidated basis amounted to RMB522,752 million, representing a year-on-year (“YoY”) increase of RMB13,546 million, or 2.66% (after deducting accounts payable to brokerage clients, total assets of the Company on consolidated basis amounted to RMB421,828 million, representing a YoY increase of 5.48%). The main changes are as follows: assets in investments (mainly including investments in financial assets) showed a YoY increase of RMB33,293 million.

(II) Liability Position

As of the end of 2023, total liabilities of the Company on consolidated basis amounted to RMB425,226 million, representing a YoY increase of RMB9,316 million, or 2.24% (after deducting accounts payable to brokerage clients, total liabilities of the Company on consolidated basis amounted to RMB324,302 million, representing a YoY increase of 5.77%). The main changes are as follows: short-term financing instruments payable recorded a YoY increase of RMB18,160 million.

(III) Shareholders’ Equity and Net Capital

As of the end of 2023, Shareholders’ equity of the Company on consolidated basis amounted to RMB97,478 million, representing a YoY increase of RMB4,227 million, or 4.53%. The main changes are as follows: a net profit of RMB7,034 million of the year, and distributed cash dividend for 2022 of RMB2,094 million.

As of the end of 2023, net capital of the Company (Parent Company) amounted to RMB66,859 million, representing a YoY increase of RMB607 million, or 0.92%. The Company strictly controlled the risks, with a risk coverage ratio of 162.21% as of the end of 2023, a liquidity coverage ratio of 208.63% and a net stable funding ratio of 151.21%. The above indicators and other risk control indicators of business complied with regulatory requirements.

II. OPERATING RESULTS IN 2023

(I) Operating Revenue

In 2023, the consolidated operating revenue of the Company amounted to RMB23,243 million, representing a YoY decrease of RMB4,322 million, or 15.68%, among which:

1. Net fee income from brokerage business amounted to RMB5,563 million, representing a YoY decrease of RMB367 million, mainly attributable to a YoY decrease in the trading volume of market stocks and funds;
2. Net fee income from investment banking business amounted to RMB4,796 million, representing a YoY decrease of RMB1,130 million, mainly attributable to a YoY decrease in the financing scale of equity financing projects sponsored and underwritten by the Company;
3. Net fee income from asset management and fund management business amounted to RMB1,314 million, representing a YoY decrease of RMB160 million, mainly attributable to a YoY decrease in the size of asset management;
4. Investment gains (inclusive of changes in fair value) amounted to RMB6,849 million, representing a YoY increase of RMB2,303 million, mainly attributable to a YoY increase in the revenue of the Company's fixed income as a result of the better-than-expected bond index in the secondary market;
5. Net interest income amounted to RMB1,712 million, representing a YoY decrease of RMB679 million, primarily attributable to the YoY increase in interest expenses on financial assets sold under repurchase agreements;
6. Other business income was RMB2,369 million, representing a YoY decrease of RMB4,276 million, mainly attributable to the decrease in revenue from bulk commodity trading of the futures business subsidiary.

(II) Operating Expenses

In 2023, the consolidated operating expenses of the Company amounted to RMB13,745 million, representing a YoY decrease of RMB4,319 million or 23.91%, mainly attributable to the decrease in expenses of bulk commodity trading of the futures business subsidiary.

(III) Profit

In 2023, the Company realized net profit on consolidated basis of RMB7,034 million, representing a YoY decrease of RMB485 million, or 6.45%; return on weighted average equity of 8.59%, representing a YoY decrease of 1.42 percentage points. Upon incorporating other comprehensive income, the Company realized RMB7,305 million of total comprehensive income on consolidated basis, representing a YoY decrease of RMB111 million or 1.50%.

This proposal has been considered and approved by the Board and is hereby submitted to the Shareholders' general meeting for consideration.

**2023 Work Report of Independent Non-executive Director
(PO Wai Kwong)****I. GENERAL INFORMATION**

I, PO Wai Kwong, have been serving as an Independent Director of CSC Financial Co., Ltd. (the “Company”) since May 14, 2021, and a member of the Audit Committee of the Board and a member of the Remuneration and Nomination Committee of the Board of the Company since May 26, 2021.

For details of my work experience, professional background and part-time positions, please refer to the 2023 annual report of the Company. I have not held any position in the Company other than the Independent Director, and have no relationship with the Company and its substantial Shareholders that might hinder my independent and objective judgment. Therefore, my independence is in compliance with regulatory requirements.

II. PERFORMANCE OF DUTIES

In 2023, I, in accordance with the laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Independent Directors of Listed Companies, the Guidelines on the Duty Performance of Independent Directors of Listed Companies and the Guidelines No. 1 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Standardised Operation, and related requirements of the listing rules of the place where the Shares of the Company are listed and the Articles of Association, performed the following duties faithfully and diligently:

(I) Attendance of the meeting and voting

In 2023, I actively attended Shareholders’ general meetings, Board Meetings and meetings of the special committee of the Board, giving full play to my professional strengths, maintaining independent judgment and expressing professional opinions and advice on major decisions of the Company. Before the meeting, I carried out sufficient communication with the executive management, the working departments under the Board and the departments related to the matters under consideration with regard to the matters proposed to the Board and the special committees of the Board for consideration, so as to acquire sufficient understanding and basis of judgement for the matters under consideration; at the meeting, I conducted discussion and analysis with other Directors to make prudent decisions. During the year, I voted in favour of all matters proposed by the Company to the Board and the special committees of the Board for consideration without objection or abstention. Details of my attendance of the meetings are set out in the following table. For details of the resolutions, please refer to the 2023 annual report of the Company.

Name	Shareholders' General Meeting	Board	Development Strategy Committee	Risk Management Committee	Remuneration and	
					Audit Committee	Nomination Committee
PO Wai Kwong	5/5	11/11	-	-	8/8	5/5

Note: The above table is in the form of “Actual attendance/Number of meetings requiring attendance”; “Actual attendance” includes on-site attendance and communication attendance.

(II) Participation in training

In 2023, I focused on the learning of business and regulatory policies and the improvement of performance capabilities. During the non-conference period, I actively participated in various trainings arranged by the Board of the Company through on-site and telecommunication means, including (1) the 2023 first-phase subsequent training for independent directors of listed companies organised by the Shanghai Stock Exchange in April 2023, the training content of which mainly included the regulatory rules for information disclosure of listed companies, standardised performance of independent directors and etc.; (2) the training to convey the 2023 regulation meeting of listed companies within Beijing organised by the Company in April 2023, to timely understand the regulation focuses of regulatory institutions on listed companies; (3) the training related to the forbidden performance behaviour for directors and supervisors of listed companies organised by the Company in November 2023; and (4) the special training on interpretation of 2023 new policies of Hong Kong market regulation organised by the Company in December 2023.

(III) Research inspections and interviews

In 2023, the executive management of the Company continuously maintained effective communication mechanism with the Independent Directors to safeguard the information rights of the Independent Directors and provide necessary conditions and support for the due performance of the Independent Directors. During the year, I reviewed the Company’s operation reports on a monthly basis to regularly keep myself informed of the Company’s operation and development; focusing on the core business of the Company, I participated in special research and inspection activities in relation to the Company’s implementation effectiveness of national strategies, the risk management status of bond business and the business development of branches.

During the audit of the annual financial report, I reviewed the reports submitted by the executive management regarding the Company’s operations, financial situation and investment and financing activities in the previous year before the annual report was prepared. Before the entry of the annual audit accountants, after the issuance of the preliminary examination results and prior to the Board’s deliberation, I maintained good communication with the executive management and the annual audit accountants, and fully communicated with the annual audit accountants in respect of auditors’ arrangement, audit plan, audit method and audit focus.

III. MAJOR CONCERNS RAISED AND INDEPENDENT OPINIONS ISSUED

In 2023, according to the duties authorized by laws and regulations as well as the Articles of Association, as an Independent Director, I focused on profit distribution, internal control evaluation, related party/connected transactions, guarantee, appointment of accounting firms, nomination, appointment and removal of Directors, appointment and dismissal of senior management personnel and other matters of the Company, and issued independent opinions together with other Independent Directors of the Company.

1. Profit distribution plan: the profit distribution plan to be implemented by the Company during the reporting period complies with the relevant requirements of relevant laws and regulations as well as the Articles of Association and other internal systems, is in line with the actual situation of the Company, is in the interests of the Shareholders as a whole and long-term, and is conducive to the long-term development of the Company, and there is no circumstance which is detrimental to the rights and interests of minority Shareholders.
2. Internal control evaluation: the Company has established and effectively implemented an internal control system for each business and management matters included in the scope of internal control assessment, which has achieved the objectives of the Company's internal control, and the internal control evaluation report of the Company is in compliance with the relevant requirements of laws and regulations as well as the Company's internal governance system, which is complete and true.
3. Related party/connected transactions: the relevant related party/connected transactions involved in the daily related party/connected transactions of the Company shall be priced according to the market price, and the pricing principle shall be reasonable and fair and there is no damage to the interests of the non-related/connected Shareholders of the Company. The Company and the related/connected party are equal and mutually beneficial, and there is no damage to the interests of the Company. Relevant related party/connected transactions do not affect the Company's independence, and the Company's main business does not become dependent on the related/connected party as a result of related party/connected transactions. During the reporting period, the related party/connected transactions of wholly-owned subsidiaries related to the entering into framework agreement and the joint investment with their shareholders are necessary to the normal business of the subsidiaries, and are conducive to the improvement of the Company's comprehensive competitiveness. The contribution is in compliance with general commercial principles and industry practices, there is no circumstance which is detrimental to the lawful rights and interests of the Company and other Shareholders, and is in the interests of the Company and the Shareholders as a whole.

4. Guarantee: the Company has complied with the requirements of laws and regulations, regulatory rules and the Articles of Association regarding guarantee, and has strictly fulfilled its decision-making procedures and information disclosure obligations. There is no non-compliance with guarantees. There is no circumstance beyond the authority of the Shareholders' general meeting, and there is no circumstance which is detrimental to the lawful rights and interests of the Company and Shareholders.
5. Appointment of accounting firms: after a comprehensive evaluation on the proposed entity, the proposed entity is in compliance with the regulatory requirements in terms of practicing qualifications, professional competence, investor protection competence, independence and integrity, and the approval procedure of such appointment is in compliance with the relevant requirements of relevant laws and regulations as well as the Articles of Association.
6. Nomination, appointment and removal of Directors: the Director candidates nominated during the reporting period meet the requirements of laws and regulations as well as the listing rules of the places where the Company's Shares are listed for the appointment of directors of listed securities companies, and the nomination procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association. In addition to satisfying the above criteria, the candidates of Independent Directors are not subject to any circumstances affecting their independence.
7. Appointment and removal of senior management personnel: the senior management personnel appointed during the reporting period meet the qualification criteria for senior management of listed securities companies, are conducive to the optimisation of corporate governance and meet the needs of operation and management, and the appointment procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association; the resignation of the senior management personnel during the reporting period will not have a significant impact on the operation, development and corporate governance of the Company, and the relevant procedures are complete and in compliance with the requirements of laws and regulations as well as the Articles of Association.

In addition, based on my past experience accumulated in the long-term practice in financial regulatory institutions, I focused on the implementation effectiveness of mechanism construction and internal control measures of the Company in terms of risk prevention and control, compliance management, anti-money laundering management and other aspects. Meanwhile, leveraging on my understanding on domestic and overseas economic development trend and external market environment evolution, I devoted more energy to assist the Company in enhancing the understanding on domestic and overseas macroeconomic policies and preventing the risk of market fluctuations.

IV. ASSESSMENT ON PERFORMANCE OF DUTIES

In 2023, in strict compliance with the requirements of laws and regulations as well as the Articles of Association, I devoted sufficient time and energy to perform my duties as an Independent Director. In particular, I worked on site for more than 15 days, which is in compliance with regulatory requirements, including but not limited to participation in Board meetings, meetings of special committees of the Board, communication meetings for Board resolutions, special meetings and surveys of Directors, trainings for Directors and etc.; gave full play to my professional strengths, and participated in the affairs of the Board with integrity, diligence, independence and rigor, provided independent and objective advice, acted in good faith and with diligence, played the role of decision-making, supervising balance and professional advisory in the Board, and continuously paid attention to the matters related to the minority Shareholders. I effectively safeguarded the interests of the Company as a whole and the lawful rights and interests of the Shareholders, in particular the minority Shareholders, and duly performed the duties as an Independent Director.

Reporter: PO Wai Kwong

June 28, 2024

**2023 Work Report of Independent Non-executive Director
(LAI Guanrong)****I. GENERAL INFORMATION**

I, LAI Guanrong, have been serving as an Independent Director of CSC Financial Co., Ltd. (the “Company”) since May 14, 2021, and a member of the Development Strategy Committee of the Board and a member of the Audit Committee of the Board of the Company from May 26, 2021, and was redesignated as the chairman of the Remuneration and Nomination Committee of the Board and a member of the Development Strategy Committee of the Board from September 27, 2022.

For details of my work experience, professional background and part-time positions, please refer to the 2023 annual report of the Company. I have not held any position in the Company other than the Independent Director, and have no relationship with the Company and its substantial Shareholders that might hinder my independent and objective judgment. Therefore, my independence is in compliance with regulatory requirements.

II. PERFORMANCE OF DUTIES

In 2023, I, in accordance with the laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Independent Directors of Listed Companies, the Guidelines on the Duty Performance of Independent Directors of Listed Companies and the Guidelines No. 1 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Standardised Operation, and related requirements of the listing rules of the place where the Shares of the Company are listed and the Articles of Association, performed the following duties faithfully and diligently:

(I) Attendance of the meeting and voting

In 2023, I actively attended Shareholders’ general meetings, Board Meetings and meetings of the special committee of the Board, giving full play to my professional strengths, maintaining independent judgment and expressing professional opinions and advice on major decisions of the Company. Before the meeting, I carried out sufficient communication with the executive management, the working departments under the Board and the departments related to the matters under consideration with regard to the matters proposed to the Board and the special committees of the Board for consideration, so as to acquire sufficient understanding and basis of judgement for the matters under consideration; at the meeting, I conducted discussion and analysis with other Directors to make prudent decisions. During the year, I voted in favour of all matters proposed by the Company to the Board and the special committees of the Board for consideration without objection or abstention. Details of my attendance of the meetings are set out in the following table. For details of the resolutions, please refer to the 2023 annual report of the Company.

Name	Shareholders' General Meeting	Board	Development Strategy Committee	Risk Management Committee	Remuneration and	
					Audit Committee	Nomination Committee
LAI Guanrong	5/5	11/11	4/4	-	-	5/5

Note: The above table is in the form of “Actual attendance/Number of meetings requiring attendance”; “Actual attendance” includes on-site attendance and communication attendance.

(II) Participation in training

In 2023, I focused on the learning of business and regulatory policies and the improvement of performance capabilities. During the non-conference period, I actively participated in various trainings arranged by the Board of the Company through on-site and telecommunication means, including (1) the 2023 first-phase subsequent training for independent directors of listed companies organised by the Shanghai Stock Exchange in April 2023, the training content of which mainly included the regulatory rules for information disclosure of listed companies, standardised performance of independent directors and etc.; (2) the training to convey the 2023 regulation meeting of listed companies within Beijing organised by the Company in April 2023, to timely understand the regulation focuses of regulatory institutions on listed companies; (3) the training related to the forbidden performance behaviour for directors and supervisors of listed companies organised by the Company in November 2023; and (4) the special training on interpretation of 2023 new policies of Hong Kong market regulation organised by the Company in December 2023.

(III) Research inspections and interviews

In 2023, the executive management of the Company continuously maintained effective communication mechanism with the Independent Directors to safeguard the information rights of the Independent Directors and provide necessary conditions and support for the due performance of the Independent Directors. During the year, I reviewed the Company’s operation reports on a monthly basis to regularly keep myself informed of the Company’s operation and development; focusing on the core business of the Company, I participated in special research and inspection activities in relation to the Company’s implementation effectiveness of national strategies, the risk management status of bond business and the business development of branches.

During the audit of the annual financial report, I reviewed the reports submitted by the executive management regarding the Company’s operations, financial situation and investment and financing activities in the previous year before the annual report was prepared. Before the entry of the annual audit accountants, after the issuance of the preliminary examination results and prior to the Board’s deliberation, I maintained good communication with the executive management and the annual audit accountants, and fully communicated with the annual audit accountants in respect of auditors’ arrangement, audit plan, audit method and audit focus.

III. MAJOR CONCERNS RAISED AND INDEPENDENT OPINIONS ISSUED

In 2023, according to the duties authorized by laws and regulations as well as the Articles of Association, as an Independent Director, I focused on profit distribution, internal control evaluation, related party/connected transactions, guarantee, appointment of accounting firms, nomination, appointment and removal of Directors, appointment and dismissal of senior management personnel and other matters of the Company, and issued independent opinions together with other Independent Directors of the Company.

1. Profit distribution plan: the profit distribution plan to be implemented by the Company during the reporting period complies with the relevant requirements of relevant laws and regulations as well as the Articles of Association and other internal systems, is in line with the actual situation of the Company, is in the interests of the Shareholders as a whole and long-term, and is conducive to the long-term development of the Company, and there is no circumstance which is detrimental to the rights and interests of minority Shareholders.
2. Internal control evaluation: the Company has established and effectively implemented an internal control system for each business and management matters included in the scope of internal control assessment, which has achieved the objectives of the Company's internal control, and the internal control evaluation report of the Company is in compliance with the relevant requirements of laws and regulations as well as the Company's internal governance system, which is complete and true.
3. Related party/connected transactions: the relevant related party/connected transactions involved in the daily related party/connected transactions of the Company shall be priced according to the market price, and the pricing principle shall be reasonable and fair and there is no damage to the interests of the non-related/connected Shareholders of the Company. The Company and the related/connected party are equal and mutually beneficial, and there is no damage to the interests of the Company. Relevant related party/connected transactions do not affect the Company's independence, and the Company's main business does not become dependent on the related/connected party as a result of related party/connected transactions. During the reporting period, the related party/connected transactions of wholly-owned subsidiaries related to the entering into framework agreement and the joint investment with their shareholders are necessary to the normal business of the subsidiaries, and are conducive to the improvement of the Company's comprehensive competitiveness. The contribution is in compliance with general commercial principles and industry practices, there is no circumstance which is detrimental to the lawful rights and interests of the Company and other Shareholders, and is in the interests of the Company and the Shareholders as a whole.

4. Guarantee: the Company has complied with the requirements of laws and regulations, regulatory rules and the Articles of Association regarding guarantee, and has strictly fulfilled its decision-making procedures and information disclosure obligations. There is no non-compliance with guarantees. There is no circumstance beyond the authority of the Shareholders' general meeting, and there is no circumstance which is detrimental to the lawful rights and interests of the Company and Shareholders.
5. Appointment of accounting firms: after a comprehensive evaluation on the proposed entity, the proposed entity is in compliance with the regulatory requirements in terms of practicing qualifications, professional competence, investor protection competence, independence and integrity, and the approval procedure of such appointment is in compliance with the relevant requirements of relevant laws and regulations as well as the Articles of Association.
6. Nomination, appointment and removal of Directors: the Director candidates nominated during the reporting period meet the requirements of laws and regulations as well as the listing rules of the places where the Company's Shares are listed for the appointment of directors of listed securities companies, and the nomination procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association. In addition to satisfying the above criteria, the candidates of Independent Directors are not subject to any circumstances affecting their independence.
7. Appointment and removal of senior management personnel: the senior management personnel appointed during the reporting period meet the qualification criteria for senior management of listed securities companies, are conducive to the optimisation of corporate governance and meet the needs of operation and management, and the appointment procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association; the resignation of the senior management personnel during the reporting period will not have a significant impact on the operation, development and corporate governance of the Company, and the relevant procedures are complete and in compliance with the requirements of laws and regulations as well as the Articles of Association.

In addition, the Remuneration and Nomination Committee of the Board, of which I acted as the convener, focused on the selection criteria of Directors and senior management personnel, reviewed the qualifications and conditions of the candidates, reviewed the remuneration packages of Directors and senior management personnel and etc. In 2023, I presided over the meetings of the Remuneration and Nomination Committee of the Board, which considered the nomination of Directors, the appointment of senior management personnel, the annual assessment on compliance officer and other matters and made recommendations to the Board.

IV. ASSESSMENT ON PERFORMANCE OF DUTIES

In 2023, in strict compliance with the requirements of laws and regulations as well as the Articles of Association, I devoted sufficient time and energy to perform my duties as an Independent Director. In particular, I worked on site for more than 15 days, which is in compliance with regulatory requirements, including but not limited to participation in Board meetings, meetings of special committees of the Board, communication meetings for Board resolutions, special meetings and surveys of Directors, trainings for Directors and etc.; gave full play to my professional strengths, and participated in the affairs of the Board with integrity, diligence, independence and rigor, provided independent and objective advice, acted in good faith and with diligence, played the role of decision-making, supervising balance and professional advisory in the Board, and continuously paid attention to the matters related to the minority Shareholders. I effectively safeguarded the interests of the Company as a whole and the lawful rights and interests of the Shareholders, in particular the minority Shareholders, and duly performed the duties as an Independent Director.

Reporter: LAI Guanrong

June 28, 2024

**2023 Work Report of Independent Non-executive Director
(ZHANG Zheng)****I. GENERAL INFORMATION**

I, ZHANG Zheng, have been serving as an Independent Director of CSC Financial Co., Ltd. (the “Company”) since September 2, 2022, and a member of the Risk Management Committee of the Board and a member of the Remuneration and Nomination Committee of the Board of the Company since September 27, 2022.

For details of my work experience, professional background and part-time positions, please refer to the 2023 annual report of the Company. I have not held any position in the Company other than the Independent Director, and have no relationship with the Company and its substantial Shareholders that might hinder my independent and objective judgment. Therefore, my independence is in compliance with regulatory requirements.

II. PERFORMANCE OF DUTIES

In 2023, I, in accordance with the laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Independent Directors of Listed Companies, the Guidelines on the Duty Performance of Independent Directors of Listed Companies and the Guidelines No. 1 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Standardised Operation, and related requirements of the listing rules of the place where the Shares of the Company are listed and the Articles of Association, performed the following duties faithfully and diligently:

(I) Attendance of the meeting and voting

In 2023, I actively attended Shareholders’ general meetings, Board Meetings and meetings of the special committee of the Board, giving full play to my professional strengths, maintaining independent judgment and expressing professional opinions and advice on major decisions of the Company. Before the meeting, I carried out sufficient communication with the executive management, the working departments under the Board and the departments related to the matters under consideration with regard to the matters proposed to the Board and the special committees of the Board for consideration, so as to acquire sufficient understanding and basis of judgement for the matters under consideration; at the meeting, I conducted discussion and analysis with other Directors to make prudent decisions. During the year, I voted in favour of all matters proposed by the Company to the Board and the special committees of the Board for consideration without objection or abstention. Details of my attendance of the meetings are set out in the following table. For details of the resolutions, please refer to the 2023 annual report of the Company.

Name	Shareholders' General Meeting	Board	Development Strategy Committee	Risk Management Committee	Remuneration and	
					Audit Committee	Nomination Committee
ZHANG Zheng	5/5	11/11	-	5/5	-	5/5

Note: The above table is in the form of “Actual attendance/Number of meetings requiring attendance”; “Actual attendance” includes on-site attendance and communication attendance.

(II) Participation in training

In 2023, I focused on the learning of business and regulatory policies and the improvement of performance capabilities. During the non-conference period, I actively participated in various trainings arranged by the Board of the Company through on-site and telecommunication means, including (1) the 2023 first-phase subsequent training for independent directors of listed companies organised by the Shanghai Stock Exchange in April 2023, the training content of which mainly included the regulatory rules for information disclosure of listed companies, standardised performance of independent directors and etc.; (2) the training to convey the 2023 regulation meeting of listed companies within Beijing organised by the Company in April 2023, to timely understand the regulation focuses of regulatory institutions on listed companies; (3) the training related to the forbidden performance behaviour for directors and supervisors of listed companies organised by the Company in November 2023; and (4) the special training on interpretation of 2023 new policies of Hong Kong market regulation organised by the Company in December 2023.

(III) Research inspections and interviews

In 2023, the executive management of the Company continuously maintained effective communication mechanism with the Independent Directors to safeguard the information rights of the Independent Directors and provide necessary conditions and support for the due performance of the Independent Directors. During the year, I reviewed the Company’s operation reports on a monthly basis to regularly keep myself informed of the Company’s operation and development; focusing on the core business of the Company, I participated in special research and inspection activities in relation to the Company’s implementation effectiveness of national strategies, the risk management status of bond business and the business development of branches.

During the audit of the annual financial report, I reviewed the reports submitted by the executive management regarding the Company’s operations, financial situation and investment and financing activities in the previous year before the annual report was prepared. Before the entry of the annual audit accountants, after the issuance of the preliminary examination results and prior to the Board’s deliberation, I maintained good communication with the executive management and the annual audit accountants, and fully communicated with the annual audit accountants in respect of auditors’ arrangement, audit plan, audit method and audit focus.

III. MAJOR CONCERNS RAISED AND INDEPENDENT OPINIONS ISSUED

In 2023, according to the duties authorized by laws and regulations as well as the Articles of Association, as an Independent Director, I focused on profit distribution, internal control evaluation, related party/connected transactions, guarantee, appointment of accounting firms, nomination, appointment and removal of Directors, appointment and dismissal of senior management personnel and other matters of the Company, and issued independent opinions together with other Independent Directors of the Company.

1. Profit distribution plan: the profit distribution plan to be implemented by the Company during the reporting period complies with the relevant requirements of relevant laws and regulations as well as the Articles of Association and other internal systems, is in line with the actual situation of the Company, is in the interests of the Shareholders as a whole and long-term, and is conducive to the long-term development of the Company, and there is no circumstance which is detrimental to the rights and interests of minority Shareholders.
2. Internal control evaluation: the Company has established and effectively implemented an internal control system for each business and management matters included in the scope of internal control assessment, which has achieved the objectives of the Company's internal control, and the internal control evaluation report of the Company is in compliance with the relevant requirements of laws and regulations as well as the Company's internal governance system, which is complete and true.
3. Related party/connected transactions: the relevant related party/connected transactions involved in the daily related party/connected transactions of the Company shall be priced according to the market price, and the pricing principle shall be reasonable and fair and there is no damage to the interests of the non-related/connected Shareholders of the Company. The Company and the related/connected party are equal and mutually beneficial, and there is no damage to the interests of the Company. Relevant related party/connected transactions do not affect the Company's independence, and the Company's main business does not become dependent on the related/connected party as a result of related party/connected transactions. During the reporting period, the related party/connected transactions of wholly-owned subsidiaries related to the entering into framework agreement and the joint investment with their shareholders are necessary to the normal business of the subsidiaries, and are conducive to the improvement of the Company's comprehensive competitiveness. The contribution is in compliance with general commercial principles and industry practices, there is no circumstance which is detrimental to the lawful rights and interests of the Company and other Shareholders, and is in the interests of the Company and the Shareholders as a whole.

4. Guarantee: the Company has complied with the requirements of laws and regulations, regulatory rules and the Articles of Association regarding guarantee, and has strictly fulfilled its decision-making procedures and information disclosure obligations. There is no non-compliance with guarantees. There is no circumstance beyond the authority of the Shareholders' general meeting, and there is no circumstance which is detrimental to the lawful rights and interests of the Company and Shareholders.
5. Appointment of accounting firms: after a comprehensive evaluation on the proposed entity, the proposed entity is in compliance with the regulatory requirements in terms of practicing qualifications, professional competence, investor protection competence, independence and integrity, and the approval procedure of such appointment is in compliance with the relevant requirements of relevant laws and regulations as well as the Articles of Association.
6. Nomination, appointment and removal of Directors: the Director candidates nominated during the reporting period meet the requirements of laws and regulations as well as the listing rules of the places where the Company's Shares are listed for the appointment of directors of listed securities companies, and the nomination procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association. In addition to satisfying the above criteria, the candidates of Independent Directors are not subject to any circumstances affecting their independence.
7. Appointment and removal of senior management personnel: the senior management personnel appointed during the reporting period meet the qualification criteria for senior management of listed securities companies, are conducive to the optimisation of corporate governance and meet the needs of operation and management, and the appointment procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association; the resignation of the senior management personnel during the reporting period will not have a significant impact on the operation, development and corporate governance of the Company, and the relevant procedures are complete and in compliance with the requirements of laws and regulations as well as the Articles of Association.

In addition, besides actively performing the duties as an independent director of a listed company, I paid close attention to the construction progress of the Company's risk prevention and control system, so as to continuously improve the effectiveness of the Company's risk prevention and control. Based on my teaching and research experience in the financial sector and leveraging on my professional strengths, I focused on the development of the Company's business and provided guidance and support on business research based on the Company's needs.

IV. ASSESSMENT ON PERFORMANCE OF DUTIES

In 2023, in strict compliance with the requirements of laws and regulations as well as the Articles of Association, I devoted sufficient time and energy to perform my duties as an Independent Director. In particular, I worked on site for more than 15 days, which is in compliance with regulatory requirements, including but not limited to participation in Board meetings, meetings of special committees of the Board, communication meetings for Board resolutions, special meetings and surveys of Directors, trainings for Directors and etc.; gave full play to my professional strengths, and participated in the affairs of the Board with integrity, diligence, independence and rigor, provided independent and objective advice, acted in good faith and with diligence, played the role of decision-making, supervising balance and professional advisory in the Board, and continuously paid attention to the matters related to the minority Shareholders. I effectively safeguarded the interests of the Company as a whole and the lawful rights and interests of the Shareholders, in particular the minority Shareholders, and duly performed the duties as an Independent Director.

Reporter: ZHANG Zheng

June 28, 2024

**2023 Work Report of Independent Non-executive Director
(WU Xi)****I. GENERAL INFORMATION**

I, WU Xi, have been serving as an Independent Director of CSC Financial Co., Ltd. (the “Company”) since September 2, 2022, and the chairman of the Audit Committee of the Board and a member of the Remuneration and Nomination Committee of the Board of the Company since September 27, 2022.

For details of my work experience, professional background and part-time positions, please refer to the 2023 annual report of the Company. I have not held any position in the Company other than the Independent Director, and have no relationship with the Company and its substantial Shareholders that might hinder my independent and objective judgment. Therefore, my independence is in compliance with regulatory requirements.

II. PERFORMANCE OF DUTIES

In 2023, I, in accordance with the laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Independent Directors of Listed Companies, the Guidelines on the Duty Performance of Independent Directors of Listed Companies and the Guidelines No. 1 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Standardised Operation, and related requirements of the listing rules of the place where the Shares of the Company are listed and the Articles of Association, performed the following duties faithfully and diligently:

(I) Attendance of the meeting and voting

In 2023, I actively attended Shareholders’ general meetings, Board Meetings and meetings of the special committee of the Board, giving full play to my professional strengths, maintaining independent judgment and expressing professional opinions and advice on major decisions of the Company. Before the meeting, I carried out sufficient communication with the executive management, the working departments under the Board and the departments related to the matters under consideration with regard to the matters proposed to the Board and the special committees of the Board for consideration, so as to acquire sufficient understanding and basis of judgement for the matters under consideration; at the meeting, I conducted discussion and analysis with other Directors to make prudent decisions. During the year, I voted in favour of all matters proposed by the Company to the Board and the special committees of the Board for consideration without objection or abstention. Details of my attendance of the meetings are set out in the following table. For details of the resolutions, please refer to the 2023 annual report of the Company.

Name	Shareholders' General Meeting	Board	Development Strategy Committee	Risk Management Committee	Remuneration and	
					Audit Committee	Nomination Committee
WU Xi	5/5	11/11	-	-	8/8	5/5

Note: The above table is in the form of “Actual attendance/Number of meetings requiring attendance”; “Actual attendance” includes on-site attendance and communication attendance.

(II) Participation in training

In 2023, I focused on the learning of business and regulatory policies and the improvement of performance capabilities. During the non-conference period, I actively participated in various trainings arranged by the Board of the Company through on-site and telecommunication means, including (1) the 2023 first-phase subsequent training for independent directors of listed companies organised by the Shanghai Stock Exchange in April 2023, the training content of which mainly included the regulatory rules for information disclosure of listed companies, standardised performance of independent directors and etc.; (2) the training to convey the 2023 regulation meeting of listed companies within Beijing organised by the Company in April 2023, to timely understand the regulation focuses of regulatory institutions on listed companies; (3) the training related to the forbidden performance behaviour for directors and supervisors of listed companies organised by the Company in November 2023; and (4) the special training on interpretation of 2023 new policies of Hong Kong market regulation organised by the Company in December 2023.

(III) Research inspections and interviews

In 2023, the executive management of the Company continuously maintained effective communication mechanism with the Independent Directors to safeguard the information rights of the Independent Directors and provide necessary conditions and support for the due performance of the Independent Directors. During the year, I reviewed the Company’s operation reports on a monthly basis to regularly keep myself informed of the Company’s operation and development; focusing on the core business of the Company, I participated in special research and inspection activities in relation to the Company’s implementation effectiveness of national strategies, the risk management status of bond business and the business development of branches.

During the audit of the annual financial report, I reviewed the reports submitted by the executive management regarding the Company’s operations, financial situation and investment and financing activities in the previous year before the annual report was prepared. Before the entry of the annual audit accountants, after the issuance of the preliminary examination results and prior to the Board’s deliberation, I maintained good communication with the executive management and the annual audit accountants, and fully communicated with the annual audit accountants in respect of auditors’ arrangement, audit plan, audit method and audit focus.

III. MAJOR CONCERNS RAISED AND INDEPENDENT OPINIONS ISSUED

In 2023, according to the duties authorized by laws and regulations as well as Articles of Association, as an Independent Director, I focused on profit distribution, internal control evaluation, related party/connected transactions, guarantee, appointment of accounting firms, nomination, appointment and removal of Directors, appointment and dismissal of senior management personnel and other matters of the Company, and issued independent opinions together with other Independent Directors of the Company.

1. Profit distribution plan: the profit distribution plan to be implemented by the Company during the reporting period complies with the relevant requirements of relevant laws and regulations as well as the Articles of Association and other internal systems, is in line with the actual situation of the Company, is in the interests of the Shareholders as a whole and long-term, and is conducive to the long-term development of the Company, and there is no circumstance which is detrimental to the rights and interests of minority Shareholders.
2. Internal control evaluation: the Company has established and effectively implemented an internal control system for each business and management matters included in the scope of internal control assessment, which has achieved the objectives of the Company's internal control, and the internal control evaluation report of the Company is in compliance with the relevant requirements of laws and regulations as well as the Company's internal governance system, which is complete and true.
3. Related party/connected transactions: the relevant related party/connected transactions involved in the daily related party/connected transactions of the Company shall be priced according to the market price, and the pricing principle shall be reasonable and fair and there is no damage to the interests of the non-related/connected Shareholders of the Company. The Company and the related/connected party are equal and mutually beneficial, and there is no damage to the interests of the Company. Relevant related party/connected transactions do not affect the Company's independence, and the Company's main business does not become dependent on the related/connected party as a result of related party/connected transactions. During the reporting period, the related party/connected transactions of wholly-owned subsidiaries related to the entering into framework agreement and the joint investment with their shareholders are necessary to the normal business of the subsidiaries, and are conducive to the improvement of the Company's comprehensive competitiveness. The contribution is in compliance with general commercial principles and industry practices, there is no circumstance which is detrimental to the lawful rights and interests of the Company and other Shareholders, and is in the interests of the Company and the Shareholders as a whole.

4. Guarantee: the Company has complied with the requirements of laws and regulations, regulatory rules and the Articles of Association regarding guarantee, and has strictly fulfilled its decision-making procedures and information disclosure obligations. There is no non-compliance with guarantees. There is no circumstance beyond the authority of the Shareholders' general meeting, and there is no circumstance which is detrimental to the lawful rights and interests of the Company and Shareholders.
5. Appointment of accounting firms: after a comprehensive evaluation on the proposed entity, the proposed entity is in compliance with the regulatory requirements in terms of practicing qualifications, professional competence, investor protection competence, independence and integrity, and the approval procedure of such appointment is in compliance with the relevant requirements of relevant laws and regulations as well as the Articles of Association.
6. Nomination, appointment and removal of Directors: the Director candidates nominated during the reporting period meet the requirements of laws and regulations as well as the listing rules of the places where the Company's Shares are listed for the appointment of directors of listed securities companies, and the nomination procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association. In addition to satisfying the above criteria, the candidates of Independent Directors are not subject to any circumstances affecting their independence.
7. Appointment and removal of senior management personnel: the senior management personnel appointed during the reporting period meet the qualification criteria for senior management of listed securities companies, are conducive to the optimisation of corporate governance and meet the needs of operation and management, and the appointment procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association; the resignation of the senior management personnel during the reporting period will not have a significant impact on the operation, development and corporate governance of the Company, and the relevant procedures are complete and in compliance with the requirements of laws and regulations as well as the Articles of Association.

In addition, the Audit Committee of the Board, of which I acted as the convener, focused on supervising the processes and results of internal audit and external audit, and reviewed financial information and disclosures. In 2023, in light of the change of accounting firms of the Company, according to relevant requirements, I, being the chairman of the Audit Committee of the Board, presided over the work related to the selection and appointment of accounting firms, gave play to my professional strengths and working experience, maintained smooth communication with accounting firms after their appointment, and promoted the orderly implementation of external audit. During the reporting period, I also strengthened the communication between the Audit Committee of the Board and internal audit department, promoting the communication between internal audit and external audit and advancing the construction of sound internal control system of the Company.

IV. ASSESSMENT ON PERFORMANCE OF DUTIES

In 2023, in strict compliance with the requirements of laws and regulations as well as the Articles of Association, I devoted sufficient time and energy to perform my duties as an Independent Director. In particular, I worked on site for more than 15 days, which is in compliance with regulatory requirements, including but not limited to participation in Board meetings, meetings of special committees of the Board, communication meetings for Board resolutions, special meetings and surveys of Directors, trainings for Directors and etc.; gave full play to my professional strengths, and participated in the affairs of the Board with integrity, diligence, independence and rigor, provided independent and objective advice, acted in good faith and with diligence, played the role of decision-making, supervising balance and professional advisory in the Board, and continuously paid attention to the matters related to the minority Shareholders. I effectively safeguarded the interests of the Company as a whole and the lawful rights and interests of the Shareholders, in particular the minority Shareholders, and duly performed the duties as an Independent Director.

Reporter: WU Xi

June 28, 2024

**2023 Work Report of Independent Non-executive Director
(ZHENG Wei)****I. GENERAL INFORMATION**

I, ZHENG Wei, have been serving as an Independent Director of CSC Financial Co., Ltd. (the “Company”) since October 10, 2023, and a member of the Risk Management Committee of the Board and a member of the Audit Committee of the Board of the Company since October 26, 2023.

For details of my work experience, professional background and part-time positions, please refer to the 2023 annual report of the Company. I have not held any position in the Company other than the Independent Director, and have no relationship with the Company and its substantial Shareholders that might hinder my independent and objective judgment. Therefore, my independence is in compliance with regulatory requirements.

II. PERFORMANCE OF DUTIES

In 2023, I, in accordance with the laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Independent Directors of Listed Companies, the Guidelines on the Duty Performance of Independent Directors of Listed Companies and the Guidelines No. 1 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Standardised Operation, and related requirements of the listing rules of the place where the Shares of the Company are listed and the Articles of Association, performed the following duties faithfully and diligently:

(I) Attendance of the meeting and voting

In 2023, I actively attended Shareholders’ general meetings, Board Meetings and meetings of the special committee of the Board, giving full play to my professional strengths, maintaining independent judgment and expressing professional opinions and advice on major decisions of the Company. Before the meeting, I carried out sufficient communication with the executive management, the working departments under the Board and the departments related to the matters under consideration with regard to the matters proposed to the Board and the special committees of the Board for consideration, so as to acquire sufficient understanding and basis of judgement for the matters under consideration; at the meeting, I conducted discussion and analysis with other Directors to make prudent decisions. During the year, I voted in favour of all matters proposed by the Company to the Board and the special committees of the Board for consideration without objection or abstention. Details of my attendance of the meetings are set out in the following table. For details of the resolutions, please refer to the 2023 annual report of the Company.

Name	Shareholders' General Meeting	Board	Development Strategy Committee	Risk Management Committee	Remuneration and	
					Audit Committee	Nomination Committee
ZHENG Wei	1/1	3/3	-	2/2	1/1	-

Note: The above table is in the form of “Actual attendance/Number of meetings requiring attendance”; “Actual attendance” includes on-site attendance and communication attendance.

(II) Participation in training

In 2023, I focused on the learning of business and regulatory policies and the improvement of performance capabilities. During the non-conference period, I actively participated in various trainings arranged by the Board of the Company through on-site and telecommunication means, including (1) the 2023 fifth-phase subsequent training for independent directors of listed companies organised by the Shanghai Stock Exchange in November 2023, to learn about the reform of independent director system and etc.; (2) the training related to the forbidden performance behaviour for directors and supervisors of listed companies organised by the Company in November 2023; and (3) the special training on interpretation of 2023 new policies of Hong Kong market regulation organised by the Company in December 2023.

(III) Research inspections and interviews

In 2023, the executive management of the Company continuously maintained effective communication mechanism with the Independent Directors to safeguard the information rights of the Independent Directors and provide necessary conditions and support for the due performance of the Independent Directors. From the appointment as an Independent Director of the Company, I reviewed the Company’s operation reports on a monthly basis to regularly keep myself informed of the Company’s operation and development; participated in the special meetings of Directors to timely understand the progress of the Company’s major events; comprehensively understood the surveys of Directors carried out before my performance of duty during the year through reading the reporting materials and the survey reports as well as other methods.

During the audit of the annual financial report, I reviewed the reports submitted by the executive management regarding the Company’s operations, financial situation and investment and financing activities in the previous year before the annual report was prepared. Before the entry of the annual audit accountants, after the issuance of the preliminary examination results and prior to the Board’s deliberation, I maintained good communication with the executive management and the annual audit accountants, and fully communicated with the annual audit accountants in respect of auditors’ arrangement, audit plan, audit method and audit focus.

Despite that my term of office from October 2023 is less than a year, I actively participated in Board meetings, meetings of special committees of the Board, communication meetings for Board resolutions and special meetings of Directors, to ensure my on-site working time meets the time requirement as prescribed by regulatory departments.

III. MAJOR CONCERNS RAISED AND INDEPENDENT OPINIONS ISSUED

In 2023, according to the duties authorized by laws and regulations as well as Articles of Association, as an Independent Director, I focused on profit distribution, internal control evaluation, related party/connected transactions, guarantee, appointment of accounting firms, nomination, appointment and removal of Directors, appointment and dismissal of senior management personnel and other matters of the Company, and issued independent opinions together with other Independent Directors of the Company.

1. Related party/connected transactions: during my performance period, the related party/connected transactions of wholly-owned subsidiaries related to the joint investment with their shareholders are necessary to the normal business of the subsidiaries, and are conducive to the improvement of the Company's comprehensive competitiveness. The contribution is in compliance with general commercial principles and industry practices, there is no circumstance which is detrimental to the lawful rights and interests of the Company and other Shareholders, and is in the interests of the Company and the Shareholders as a whole.
2. Guarantee: the Company has complied with the requirements of laws and regulations, regulatory rules and the Articles of Association regarding guarantee, and has strictly fulfilled its decision-making procedures and information disclosure obligations. There is no non-compliance with guarantees. There is no circumstance beyond the authority of the Shareholders' general meeting, and there is no circumstance which is detrimental to the lawful rights and interests of the Company and Shareholders.
3. Nomination of Directors: the Director candidates nominated during the reporting period meet the requirements of laws and regulations as well as the listing rules of the places where the Company's Shares are listed for the appointment of directors of listed securities companies, and the nomination procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.
4. Appointment of senior management personnel: the senior management personnel appointed during the reporting period meet the qualification criteria for senior management of listed securities companies, are conducive to the optimisation of corporate governance and meet the needs of operation and management, and the appointment procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.

In addition, as a member of the Risk Management Committee of the Board and a member of the Audit Committee of the Board, I paid close attention to the risk control measures of the Company to prevent credit risk, operational risk, compliance risk, legal risk and reputational risk as well as the related risk factors, risk mitigations and follow-up rectifications. I proposed to continuously improve the long-term internal audit mechanism and continuously evaluate the effectiveness of internal audit rectifications, so as to give play to the function of internal audit.

IV. ASSESSMENT ON PERFORMANCE OF DUTIES

In 2023, in strict compliance with the requirements of laws and regulations as well as the Articles of Association, I devoted sufficient time and energy to perform my duties as an Independent Director; gave full play to my professional strengths, and participated in the affairs of the Board with integrity, diligence, independence and rigor, provided independent and objective advice, acted in good faith and with diligence, played the role of decision-making, supervising balance and professional advisory in the Board, and continuously paid attention to the matters related to the minority Shareholders. I effectively safeguarded the interests of the Company as a whole and the lawful rights and interests of the Shareholders, in particular the minority Shareholders, and duly performed the duties as an Independent Director.

Reporter: ZHENG Wei

June 28, 2024

NOTICE OF THE 2023 ANNUAL GENERAL MEETING



中信建投証券股份有限公司 CSC FINANCIAL CO., LTD.

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

(Stock Code: 6066)

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 Annual General Meeting (the “AGM”) of CSC Financial Co., Ltd. (the “Company”) will be held at 2:30 p.m. on Friday, June 28, 2024 at the Conference Room, 13/F, Taikang Group Tower, Building 1, Courtyard 16, Jinghui Street, Chaoyang District, Beijing, the PRC, to consider and, if thought fit, approve the following resolutions. Unless otherwise specified, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated June 7, 2024. Please refer to the circular for details of the resolutions.

AS ORDINARY RESOLUTIONS

1. To consider and approve the 2023 Work Report of the Board of Directors of the Company;
2. To consider and approve the 2023 Work Report of the Supervisory Committee of the Company;
3. To consider and approve the 2023 Final Financial Accounts Plan of the Company;
4. To consider and approve the Profit Distribution Plan of the Company in 2023;
5. To consider and approve the 2023 annual report of the Company;
6. To consider and approve the 2023 work reports of Independent Non-executive Directors;
7. To consider and approve the 2024 Interim Profit Distribution Plan of the Company;
8. To consider and approve Ms. Hua Shurui as a Non-executive Director of the Company;
9. To consider and approve the expected daily related party transactions/continuing connected transactions of the Company in 2024;
 - 9.01 To consider and approve the expected daily related party transactions/continuing connected transactions of the Company with Beijing Financial Holdings Group and its acting-in-concert persons/subsidiaries in 2024;
 - 9.02 To consider and approve the expected daily related party transactions of the Company with Everbright Group in 2024;

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

- 9.03 To consider and approve the expected daily related party transactions of the Company with Beijing Jinkong Capital in 2024;
- 9.04 To consider and approve the expected daily related party transactions of the Company with Jingquan Private Equity in 2024;
- 9.05 To consider and approve the expected daily related party transactions of the Company with JIC in 2024;
- 9.06 To consider and approve the expected daily related party transactions of the Company with JIC Trust in 2024;
- 9.07 To consider and approve the expected daily related party transactions of the Company with CITIC Urban Development in 2024;
10. To consider and approve the reappointment of 2024 accounting firms of the Company.

The above resolutions and reports were considered and approved by the Board/Supervisory Committee on March 28, 2024 and May 30, 2024. It is now submitted to Shareholders for consideration and approval at the AGM.

By order of the Board
CSC Financial Co., Ltd.
Wang Changqing
Chairman

Beijing, the PRC
June 7, 2024

As at the date of this notice, the executive Director of the Company is Mr. WANG Changqing and Mr. ZOU Yingguang; the Non-executive Directors of the Company are Mr. LI Min, Mr. WU Ruilin, Mr. YAN Xiaolei, Mr. LIU Yanming, Mr. YANG Dong and Ms. WANG Hua; and the Independent Non-executive Directors of the Company are Mr. PO Wai Kwong, Mr. LAI Guanrong, Mr. ZHANG Zheng, Mr. WU Xi and Mr. ZHENG Wei.

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

Notes:

1. ELIGIBILITY FOR ATTENDING THE SHAREHOLDERS' GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the list of Shareholders who are entitled to attend the AGM, the register of members of the Company will be closed from Tuesday, June 25, 2024 to Friday, June 28, 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to attend the AGM, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) no later than 4:30 p.m. on Monday, June 24, 2024 to complete registration. Holders of H Shares who are registered with Computershare Hong Kong Investor Services Limited or the Board Office of the Company (if applicable) at the close of business on the aforementioned date are entitled to attend the AGM.

Where there are joint holders of any Shares, the one whose name stands first on the register of members shall be entitled to attend and vote at the AGM in respect of such Shares.

2. 2023 CASH DIVIDEND

The Board recommended the distribution of cash dividend for the year 2023 of RMB2.50 per ten Shares (tax inclusive) ("**2023 Cash Dividend**") and, if such dividend is declared by the Shareholders through an ordinary resolution, it is expected to be paid on or around Thursday, August 22, 2024 to the Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, July 10, 2024. In order to be entitled to the receipt of cash dividend to be distributed which will be approved in the AGM, the register of members of the Company will be closed from Friday, July 5, 2024 to Wednesday, July 10, 2024 (both days inclusive), during which period no transfer of Shares will be registered. The H Shareholders should ensure that all transfer documents together with relevant share certificates, are lodged with the Company's Hong Kong Share registrar, 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 Thursday, July 4, 2024.

3. PROXY

- (1) Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy need not be a Shareholder.
- (2) The instrument appointing a proxy must be in writing by the appointor or his/her attorney duly authorized in writing.

If the appointor is a legal entity, either under seal or signed by its director or a duly authorized attorney. To be valid, the proxy form together with the notarized power of attorney or other documents of authorization, if any, must be completed and delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders), no later than 24 hours before the time fixed for the AGM (i.e. 2:30 p.m. on Thursday, June 27, 2024) or 24 hours before the time of any adjournment thereof. The proxy form for the AGM is enclosed herewith.

Completion and return of the proxy form will not preclude the Shareholders from attending and voting at the AGM or at any adjourned meeting if they so wish.

4. REGISTRATION PROCEDURES FOR ATTENDING THE AGM

Shareholder or his/her proxy shall produce proof of identity (original) when attending the AGM:

- (1) Legal representatives of legal person Shareholders who attend the meeting shall produce their own identity cards and effective proof of their capacity as legal representatives. Proxies of legal person Shareholders shall produce their own identity cards and the form of proxy duly signed by the legal representatives of the legal person Shareholders.
- (2) Individual Shareholders who attend the meeting in person shall produce their identity cards or other effective document or proof of identity. Proxies of individual Shareholders shall produce effective proof of identity and form of proxy.

NOTICE OF THE 2023 ANNUAL GENERAL MEETING

5. VOTING BY POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of Shareholders at a Shareholders' general meeting must be taken by poll. Accordingly, the resolutions to be proposed at the AGM will be voted by poll. Results of the poll voting will be posted on the website of the Company at www.csc108.com and on the HKExnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk upon the conclusion of the AGM.

6. MISCELLANEOUS

(1) The duration of the AGM is expected not to exceed half a day. Shareholders who attend the AGM shall arrange for their own transportation and accommodation at their own expenses.

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

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
(for the submission of transfer documents)

17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
(for the submission of proxy form)

Telephone: +852 2862 8555

Fax: +852 2865 0990

For the matters relating to the attendance of the AGM by A Shareholders, please refer to the notice of meeting and other relevant documents published by the Company on website of the Shanghai Stock Exchange (www.sse.com.cn).