



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

# Interim Report 2024

## 中期報告

STOCK CODE: 1776.HK 000776.SZ



## IMPORTANT NOTICE

The Board of Directors, Supervisory Committee and the Directors, Supervisors and senior management of the Company confirm the truthfulness, accuracy and completeness of the contents of this interim report and there is no misrepresentation, misleading statement or material omission from this interim report, and they accept joint and several responsibilities for the truthfulness, accuracy and completeness of the contents herein.

Mr. Lin Chuanhui (person in charge of the Company), Ms. Sun Xiaoyan (the Chief Financial Officer) and Ms. Yu Lihong (the head of the accounting department of the Company) hereby declare that they confirm the truthfulness, accuracy and completeness of the financial statements contained in this interim report.

All Directors of the Company attended the board meeting in respect of considering and approving this interim report.

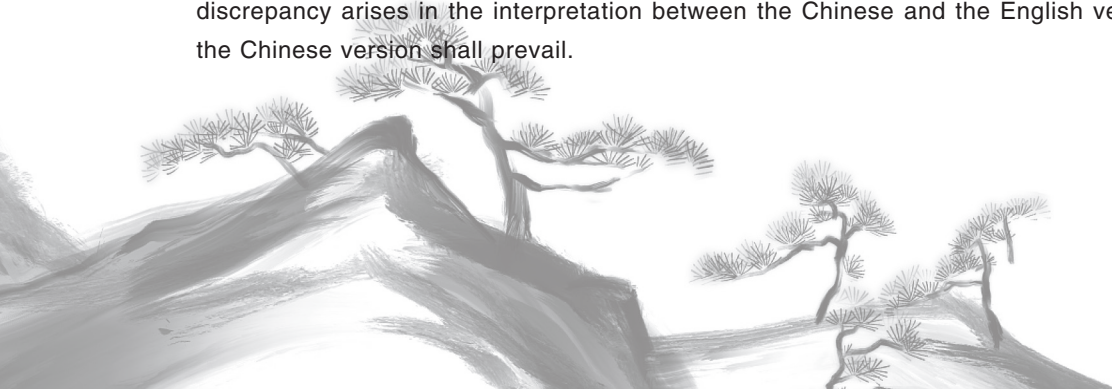
The 2024 interim financial report of the Company prepared in accordance with International Accounting Standards has not been audited but has been reviewed by Ernst & Young. Unless otherwise stated, the financial data stated in this report is denominated in RMB.

Forward-looking statements included in this interim report, including future plans, do not constitute a substantive commitment to investors by the Company. Investors and the parties concerned should be fully aware of the risks and understand the differences between plans, forecast and commitment.

The Company faces various risks in its operations, which mainly include, among others, compliance risk, liquidity risk, market risk, credit risk, operation risk, information technology risk and reputational risks. In response to the risks mentioned above, the Company has established and maintained a comprehensive internal control system, and a compliance and comprehensive risk management system to ensure that the Company operates healthily within an extent of controllable, predictable and tolerable risks. Investors are advised to read the “Management Discussion and Analysis” as set out in Section 3 of this report carefully and to pay particular attention to the above risk factors.

The proposed interim profit distribution plan of the Company was considered and passed by the Board of Directors: based on the number of the shares as at the dividend distribution registration date after deducting 15,242,153 shares deposited in the special account for securities repurchase of the Company, a cash bonus of RMB1.00 (tax inclusive) per 10 shares will be paid to all shareholders. No bonus shares will be distributed and no capital reserves will be converted into share capital.

The Company has prepared this interim report in both Chinese and English languages. In case any discrepancy arises in the interpretation between the Chinese and the English versions of this interim report, the Chinese version shall prevail.



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## DOCUMENTS AVAILABLE FOR INSPECTION

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- (1) The text of the review report on interim financial information (H Shares).
- (2) The original copies of all corporate documents and announcements which have been publicly disclosed during the Reporting Period.
- (3) The interim reports which have been published on other securities markets.

## DEFINITIONS

Term	Definition
Articles of Association	Articles of Association of GF Securities Co., Ltd.
Reporting Period	first half of 2024 (January 1, 2024 to June 30, 2024)
Company, parent company, GF Securities	GF Securities Co., Ltd.
Group	the Company and its subsidiaries which fall within the scope of the consolidated financial statements
Jilin Aodong	Jilin Aodong Pharmaceutical Group Co., Ltd. (吉林敖東藥業集團股份有限公司)
Liaoning Cheng Da	Liaoning Cheng Da Co., Ltd. (遼寧成大股份有限公司)
Zhongshan Public Utilities	Zhongshan Public Utilities Group Co., Ltd. (中山公用事業集團股份有限公司)
HKSCC Nominees	HKSCC Nominees Limited
GF Fund	GF Fund Management Co., Ltd. (廣發基金管理有限公司)
GFHK	GF Holdings (Hong Kong) Corporation Limited (廣發控股(香港)有限公司)
GF Brokerage (Hong Kong)	GF Securities (Hong Kong) Brokerage Limited (廣發證券(香港)經紀有限公司)
GF Asset Management (Hong Kong)	GF Asset Management (Hong Kong) Limited (廣發資產管理(香港)有限公司)
GF Investments (Hong Kong)	GF Investments (Hong Kong) Company Limited (廣發投資(香港)有限公司)
GF Capital (Hong Kong)	GF Capital (Hong Kong) Limited (廣發融資(香港)有限公司)
GF Global Capital	GF Global Capital Limited (廣發全球資本有限公司)
GF Futures	GF Futures Co., Ltd. (廣發期貨有限公司)
GF Futures (Hong Kong)	GF Futures (Hong Kong) Co., Limited (廣發期貨(香港)有限公司)

## DEFINITIONS

Term	Definition
GF Financial Markets (UK)	GF Financial Markets (UK) Limited (廣發金融交易(英國)有限公司)
GF Xinde	GF Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司)
GF Qianhe	GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司)
GF Asset Management	GF Securities Asset Management (Guangdong) Co., Ltd. (廣發證券資產管理(廣東)有限公司)
GFFL	Guangfa Financial Leasing (Guangdong) Co., Ltd. (廣發融資租賃(廣東)有限公司)
E Fund	E Fund Management Co., Ltd. (易方達基金管理有限公司)
GF Charity Foundation	GF Securities Social Charity Foundation in Guangdong Province
ECT	E-Capital Transfer Co., Ltd. (證通股份有限公司)
CSF	China Securities Finance Corporation Limited (中國證券金融股份有限公司)
PRC	Mainland China
CSRC	the China Securities Regulatory Commission
SSE	the Shanghai Stock Exchange
SZSE	the Shenzhen Stock Exchange
BSE	the Beijing Stock Exchange
SZSE Listing Rules	Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange
Company Law	Company Law of the PRC (中華人民共和國公司法)
Securities Law	Securities Law of the PRC (中華人民共和國證券法)

## DEFINITIONS

Term	Definition
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
CG Code	Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
margin financing and securities lending	the operating activities engaged by the Company in which loans are provided to customers for purchasing listed securities (margin financing) or listed securities are borrowed by customers for sale (securities lending) with collaterals provided by customers
Stock Pledged Repo Transaction	a transaction in which a qualified borrower pledges his shares or other securities held as collaterals to obtain financing funds from a qualified lender, and agrees to repay the funds on a future date to release the pledge
Security Transactions with Repurchase Agreement	a transaction in which a qualified customer sells the subject securities at an agreed price to the securities company which is the custodian of such securities, and agrees to purchase the subject securities from the securities company at another agreed price on a future date, and the securities company will return the relevant yields generated by the subject securities during the period pending for repurchase to the customer pursuant to the agreement signed with the customer
treasury shares	has the meaning ascribed to it under the Hong Kong Listing Rules
NEEQ	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
QDII	Qualified Domestic Institutional Investors
QFII	Qualified Foreign Institutional Investors

## DEFINITIONS

Term	Definition
RQFII	RMB Qualified Foreign Institutional Investors
QDLP	Qualified Domestic Limited Partner
ETF	Exchange Traded Funds, an open index fund available for trading, commonly known as Exchange Traded Fund, which is an open fund listed for trading on a stock exchange with variable portions of the fund components
FICC	Fixed Income, Currencies & Commodities
ISDA Agreements	the standard agreement text and ancillary documents for international OTC derivatives transactions provided by International Swaps and Derivatives Association
GMRA Agreements	Global Master Repurchase Agreement
VaR	Value at Risk
A Share(s)	domestic shares of the Company with a nominal value of RMB1.00 each, which are listed on a domestic stock exchange and traded in Renminbi
H Share(s)	foreign shares 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
Wind	Wind Information Co., Ltd, a financial terminal which provides the customers with financial data and analytic tools
DMI	Dealing Matrix International, an offshore bond information service platform
Dealogic	Dealogic Ltd., an international financial data and information provider

In this 2024 interim report, some total figures may be slightly deviated in the last digit from the sum of direct aggregation of all amounts. Such discrepancy is due to the rounding up calculation of decimal places.





# 公司簡介

*COMPANY PROFILE*



## COMPANY PROFILE

### I. COMPANY PROFILE

Stock Name	GF SEC	Stock Codes	000776 (SZSE); 1776 (Hong Kong Stock Exchange)
Listing venues of the shares	SZSE and Hong Kong Stock Exchange		
Name in Chinese	廣發證券股份有限公司		
Short Name in Chinese	廣發證券		
Name in English	GF Securities Co., Ltd.		
Short Name in English	GF SECURITIES		
Legal Representative of the Company	Lin Chuanhui		

### II. CONTACT PERSONS AND CONTACT INFORMATION

	Secretary of the Board and Securities Affairs Representative
Name	Yin Zhongxing
Address	51st Floor, GF Securities Tower, 26 Machang Road, Tianhe District, Guangzhou, Guangdong
Tel	020-87550265/87550565
Fax	020-87554163
E-mail	yinzhongxing@gf.com.cn

### III. OTHER INFORMATION

#### 1. Company Contact Channels

There was no change in the registered address of the Company, the business address of the Company and its postal code, the Company's website and e-mail during the Reporting Period. Please refer to the 2023 Annual Report for details.

### 2. Information Disclosure and Place of Inspection

There was no change in the website of the stock exchanges and the name and website of the media on which the Company disclosed the interim report and the place where the interim report of the Company was maintained during the Reporting Period. Please refer to the 2023 Annual Report for details.

### 3. Other Relevant Information

N/A.



# 會計數據和財務指標摘要

*ACCOUNTING DATA AND FINANCIAL  
INDICATORS SUMMARY*

## ACCOUNTING DATA AND FINANCIAL INDICATORS SUMMARY

### I. KEY ACCOUNTING DATA (CONSOLIDATED STATEMENTS)

(The accounting data and financial indicators contained in this report are prepared in accordance with International Accounting Standards)

Unit: RMB million

Item	January to June 2024	January to June 2023	Changes
Total revenue and other income	17,136	18,085	-5.25%
Profit before income tax	5,117	5,974	-14.33%
Net profit attributable to owners of the Company	4,362	4,538	-3.88%
Net cash (used in)/from operating activities	(37,463)	3,934	–
Basic earnings per share (RMB/share)	0.52	0.56	-7.14%
Return on weighted average net assets (%)	3.39	3.84	Decrease by 0.45 percentage point

Item	30 June 2024	31 December 2023	Changes
Total assets	689,328	682,182	1.05%
Total liabilities	543,677	541,506	0.40%
Equity attributable to owners of the Company	140,703	135,718	3.67%
Total share capital (million shares)	7,621	7,621	–
Equity per share attributable to owners of the Company (RMB/share) (Note 1)	18.46	17.81	3.65% Decrease by 0.78 percentage point
Gearing ratio (%) (Note 2)	73.65	74.43	percentage point

Notes: 1. Equity per share attributable to owners of the Company as shown in the above table includes perpetual subordinated bonds issued by the Company. After deducting the effect, equity per share attributable to ordinary shareholders of the Company at the end of the Reporting Period was RMB15.27.

2. Gearing ratio = (Total liabilities – Accounts payable to brokerage clients)/(Total assets – Accounts payable to brokerage clients)

## ACCOUNTING DATA AND FINANCIAL INDICATORS SUMMARY

### II. ACCOUNTING DATA DIFFERENCE UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

The net profit from January to June 2024 and January to June 2023 and the net assets as of June 30, 2024 and December 31, 2023 as disclosed in the consolidated financial statements of the Company prepared in accordance with the International Accounting Standards are consistent with those in accordance with the China's Accounting Standards.

### III. NET CAPITAL OF THE PARENT COMPANY AND THE RELEVANT RISK CONTROL INDICATORS

Unit: RMB

Item	As at the end of the Reporting Period	As at the end of the previous year	Increase or decrease at the end of the Reporting Period as compared with the end of the previous year
Core net capital	68,568,036,174.26	65,515,503,102.87	4.66%
Supplementary net capital	29,690,000,000.00	27,650,000,000.00	7.38%
Net capital	98,258,036,174.26	93,165,503,102.87	5.47%
Net assets	125,461,233,260.12	120,245,734,494.60	4.34%
Total risk capital reserves	39,289,540,167.64	39,923,953,172.20	-1.59%
Total on-and off-balance sheet assets	558,337,804,874.83	554,044,315,596.83	0.77%
Risk coverage ratio	250.09%	233.36%	Increase by 16.73 percentage points
Capital leverage ratio	12.43%	12.03%	Increase by 0.40 percentage point
Liquidity coverage ratio	188.26%	222.43%	Decrease by 34.17 percentage points
Net stable funding ratio	149.30%	129.57%	Increase by 19.73 percentage points
Net capital/net assets	78.32%	77.48%	Increase by 0.84 percentage point
Net capital/liabilities	26.56%	24.99%	Increase by 1.57 percentage points
Net assets/liabilities	33.91%	32.25%	Increase by 1.66 percentage points
Proprietary equity securities and its derivatives/net capital	37.87%	31.10%	Increase by 6.77 percentage points
Proprietary non-equity securities and its derivatives/net capital	296.35%	294.25%	Increase by 2.10 percentage points

Note: The above relevant data are based on the Administrative Measures for Risk Control Indicators of Securities Companies issued by the CSRC and the China's Accounting Standards, and are on a non-consolidated basis.

At the end of the period, the parent company had net capital of RMB98,258 million and total risk capital reserves of RMB39,290 million. Risk coverage ratio, net capital/net assets ratio and net capital/liabilities ratio were 250.09%, 78.32% and 26.56%, exceeding the regulatory requirements of 100%, 20% and 8%. The Company possesses high-quality assets, and each of its risk control indicators is in compliance with the relevant requirements under the Administrative Measures for Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》).

### IV. REVIEW BY THE AUDIT COMMITTEE

The Audit Committee under the Board has reviewed and confirmed the review report on the Group's interim financial information disclosed in accordance with International Accounting Standards for the six months ended June 30, 2024, and has no objection against matters including the accounting policies and practices adopted by the Group.





# 管理層討論與分析

*MANAGEMENT DISCUSSION  
AND ANALYSIS*



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

The securities market was generally stable in the first half of 2024. Firstly, affected by multiple factors such as internal and external environment, the A-share market showed a turbulent trend, with mixed fluctuations of major indexes. The SSE 50 Index and the CSI 300 Index rose by 2.95% and 0.89%, respectively, while the ChiNext Index and the STAR 50 Index fell by 10.99% and 16.42%, respectively. The domestic monetary environment remained loose, interest rates declined and the bond and bulk commodity markets maintained their upward trend. ChinaBond-New Composite Index (Full Price) Index and Nanhua Commodity Index rose by 3.76% and 4.74%, respectively. Secondly, there was a decrease in the level of trading activity. According to Wind, the average daily turnover of A shares and B shares on the SSE and the SZSE in the first half of the year was RMB870.72 billion, representing a year-on-year decrease of 10.46%. Thirdly, the pace of equity financing slowed down. In the first half of 2024, a total of 105 equity financing transactions in the A-share market were completed with a financing amount of RMB99.315 billion, representing a year-on-year decrease of 81.48%. Among them, 43 IPOs were completed with a financing amount of RMB30.272 billion, representing a year-on-year decrease of 86.16%; and 62 refinancing transactions were completed with a financing amount of RMB69.043 billion, representing a year-on-year decrease of 78.26%. Fourthly, total amount under management of public funds continued to grow. In the first half of 2024, the number of units of newly established funds issued amounted to 660.7 billion, representing a year-on-year increase of 26.06%. Among them, the accumulative number of units of bond funds issued amounted to 536.9 billion, accounting for 81.26% of total number of unites issued.

The Central Financial Work Conference put forward the ambitious goal of “building a financial power”, emphasizing that the finance industry shall provide high-quality services for the economic and social development; the new “Nine State Council Rules” put forward the development goals and a series of measures for the capital market in the next five years, 2035 and the middle of this century, and drew a blueprint for the high-quality development of the capital market; the Decision of the Central Committee of the Communist Party of China on Further Comprehensively Deepening Reform and Promoting Chinese-style Modernization (《中共中央關於進一步全面深化改革、推進中國式現代化的決定》), which was considered and approved at the Third Plenary Session of the 20th Central Committee of the Communist Party of China, focused on the central task of promoting Chinese-style modernization and made clear arrangements for comprehensively deepening the reform of the capital market. The CSRC issued a series of policies and circulars focusing on the keynotes of “enhancing supervision, preventing risks and promoting high-quality development”, emphasizing on laying a stronger foundation and imposing stricter supervision with the accelerated implementation of the “1+N” policy system in the capital market. The supervision and delisting system of listed companies was improved to enhance the quality of listed companies; the reduction of shareholdings by major shareholders and programmatic trading were strictly regulated to maintain the fairness and order of the market; the supervision on listed securities companies was strengthened by emphasizing on rectification of operation philosophy to actively play a leading role in the industry; the dividend system of listed companies was improved to establish a sound investor protection mechanism.

The securities industry shall be people-oriented and guided by politics, focus on its main responsibilities and business, prioritize its functionality and adhere to the fundamental purpose of the financial industry serving the real economy. Focusing on the five major areas including science and technology, green, inclusiveness, pension and digital finance, the industry shall develop in the functional, intensive, professional and characteristic manners, and serve the overall situation of Chinese-style modernization with high-quality development.

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

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

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

Specific products and services included in each of the four business segments are set out in the table below:

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

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

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

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

### III. ANALYSIS ON CORE COMPETITIVENESS

#### (1) Excellent corporate culture

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

The Company insists on its professional development, unswerving in its vision, and persistent in its action. The Company built consensus through the establishment of a diversified and inclusive talent mechanism, assembled a team of talents from all corners of the world with excellent professionalism and in high recognition of the Company's corporate culture. The Company is truth-seeking and pragmatic at all levels. With the orientation of strategy achievement and value creation, a group of young management with ambition and competency are developed, and a reasonable talent pool has been formed to continuously build the source of knowledge and the foundation of strength.

Up to now, the operation and management team of the Company has an average of approximately 26 years of experience in securities, finance and economics-related fields and has served an average term of over 20 years in the Company with extensive experience in business and management. Since 1999 when the Company established the first post-doctoral workstation for financial enterprises in China, the Company has been training and exporting professionals for 26 years.

### (2) Forward-looking strategic guidance

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

The Company has always focused on the main responsibilities and business, striving to improve its core competitiveness for more than 30 years with solid and deep cultivation. The Company continues to expand business layout. In the business line, it has successively set up futures subsidiaries, public fund subsidiaries, private fund subsidiaries, alternative investment subsidiaries and asset management subsidiaries. With its value concept and pragmatic entrepreneurial style, in terms of regional development, the Company based in Guangdong and serves the whole country, connecting domestically and internationally, forges a leading national brokerage with a long-term vision and an open mind. With the determination of “success does not depend on me” and the spirit of “hammering nails”, all staff members have anchored the green mountains and resolutely implemented the established strategies with consistent strategic direction.

### (3) Stable shareholding structure

The Company has a long term and stable shareholding structure. Jilin Aodong, Liaoning Cheng Da and Zhongshan Public Utilities (all of which are listed companies), substantial shareholders of the Company, have been among the top three shareholders of the Company (excluding HKSCC Nominees, whose shares are owned by H Share non-registered shareholders) for 25 years.

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

### (4) Scientific business layout

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

The Company has implemented the business model to empower high-quality development of businesses with research, maintained the leading position of research ability in the industry for a long time and won authoritative awards of “New Fortune Domestic Best Research Teams (新財富本土最佳研究團隊)” and “Golden Bull Research Institution (金牛研究機構)” for many consecutive years. The Company has taken the lead in proposing wealth management transformation and equipped with excellent financial product research and sales capabilities, professional asset allocation capabilities and more than 4,400 securities investment consultants, ranking No. 1 in the industry (in terms of parent company caliber). The Company is committed to providing precise wealth management services for different types of customers. It has become a first-class trustworthy wealth management institution.

The Company has coordinated the superior resources of its asset management institutions, established comprehensive product supply system and provided customers with strategically excellent and diversified products to build a leading asset management brand in the industry. GF Fund and E Fund have maintained their leading investment research capabilities. At the end of June 2024, GF Fund and E Fund ranked third and first in the industry in terms of the size of public funds under management excluding monetary funds, respectively.

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



### (5) Outstanding location advantage

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

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

At the end of June 2024, the Company had 356 branches and business departments nationwide, with a presence in 31 provinces, municipalities, and autonomous regions across the PRC. The number and coverage ratio of business outlets in the nine cities of the Pearl River Delta in the Guangdong-Hong Kong-Macao Greater Bay Area ranked No. 1 in the industry, providing a wide range of market reach for the Company's business and laying important support for customer accumulation and service.

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

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

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

### IV. ANALYSIS OF PRINCIPAL BUSINESSES

#### (I) Overview

In the first half of 2024, under the context of the sustained release of the effects of macro policies, gradual recovery of external demand and the accelerated development of new quality productive forces, the state conscientiously implemented the decisions and deployments of the Party's Central Committee and the State Council, adhered to the general keynote of seeking progress while maintaining stability, implemented the new development concept completely, and accelerated the construction of the new development pattern and solidly promoted high-quality development to achieve overall stable operation of the national economy with the GDP increasing by 5.0% year-on-year (Source: National Bureau of Statistics).

The Third Plenary Session of the 20th Central Committee of the Communist Party of China made important arrangements to further deepen the reform of the capital market by improving the function of the capital market for coordinating investment and financing, and establishing a long-term mechanism to enhance the inherent stability of the capital market, improving the quality of listed companies and strengthening the supervision and delisting system of listed companies, perfecting the regulation and restraint mechanism on the behavior of substantial shareholders and de facto controllers, improving the restraint mechanism on dividend incentive for listed companies, supporting long-term capital flowing into the market and improving the investor protection mechanism. At present, China's capital market has entered a stage of accelerated transformation to high-quality development. The CSRC closely focuses on serving Chinese-style modernization, emphasizes consolidating the foundation, strict supervision and management, and further comprehensively deepens the reform to eliminate institutional barriers and structures to accelerate construction of a safe, regulated, transparent, open, dynamic and resilient capital market.

During the Reporting Period, under the guidance of the Board of Directors, the management of the Company led all staff to carry out key work to focus on enhancing core business capabilities, cultivating new quality competitiveness, improving comprehensive service capabilities and boosting resource allocation efficiency, as a result of which, the Company's operating results achieved stable development. As of June 30, 2024, total assets of the Group amounted to RMB689,328 million, representing an increase of 1.05% as compared to the end of 2023; equity attributable to owners of the Company was RMB140,703 million, representing an increase of 3.67% as compared to the end of 2023. During the Reporting Period, total revenue and other income of the Group was RMB17,136 million, representing a year-on-year decrease of 5.25%; total expenses were RMB12,139 million, representing a year-on-year decrease of 2.81%; and net profit attributable to owners of the Company was RMB4,362 million, representing a year-on-year decrease of 3.88%.



### (II) Analysis of Principal Businesses

#### 1. Investment banking business segment

The Group's investment banking business segment mainly comprises of equity financing business, debt financing business and financial advisory business. The Company carried out the overseas investment banking-related business through its indirect wholly-owned subsidiary, GF Capital (Hong Kong).

##### (1) Equity financing business

In the first half of 2024, the total number and financing amount of equity financings<sup>1</sup> in the A share market completed were 105 and RMB99.315 billion, respectively, representing a year-on-year decrease of 71.93% and 81.48%, respectively. Specifically, the number and financing amount of IPOs were 43 and RMB30.272 billion, respectively, representing a year-on-year decrease of 76.63% and 86.16%, respectively; and the number and financing amount of refinancing projects were 62 and RMB69.043 billion, respectively, representing a year-on-year decrease of 67.37% and 78.26%, respectively (Source: Wind). The number of newly listed companies on the NEEQ was 112, representing a year-on-year decrease of 30.00%; and the number and financing amount of private placing of listed companies on the NEEQ were 126 and RMB5.762 billion, respectively, representing a year-on-year decrease of 65.00% and 43.29%, respectively (Source: NEEQ). The number and financing amount of financing projects in the Hong Kong stock market were 235 and HK\$59.817 billion, respectively, representing a year-on-year increase of 15.20% and a year-on-year decrease of 15.87%, respectively. Specifically, the number and financing amount of IPOs were 30 and HK\$13.533 billion, respectively, representing a year-on-year decrease of 3.23% and 24.21%, respectively; and the number and financing amount of refinancing projects were 205 and HK\$53.248 billion, respectively, representing a year-on-year increase of 18.50% and a year-on-year decrease of 13.08%, respectively (Source: Wind).

<sup>1</sup> including IPO, new issuance, rights issue, preference shares, convertible bonds (of which new issuance included assets acquired by issuing shares, based on the issue date).

## MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the Company actively implemented the national strategies and regulatory policies by adhering to the fundamental purpose of serving the real economy with finance and giving priority to functionality; focused on serving the development of new productive forces and national strategic emerging industries by deeply exploring key regions and “specialized, sophisticated, distinctive and innovative” enterprises and assisting high-quality enterprises in listing and financing; gave full play to the advantages of the Group as an integrated financial platform to provide enterprises with comprehensive capital market services throughout the life cycle; and constantly strengthened the quality control of the whole process of investment banking business, and effectively fulfilled its responsibility as a “gatekeeper” in the capital market. In respect of domestic equity financing, the Company completed three A share equity refinancing projects with a lead underwritten amount of RMB6.945 billion; and completed three listings on the NEEQ during the Reporting Period. As of the end of June 2024, the Company sponsored a total of 43 companies listed on the NEEQ as the lead brokerage, of which 76.74% were “specialized, sophisticated, distinctive and innovative” enterprises. In respect of overseas equity financing, the Company completed two Hong Kong IPO projects including one IPO project as a sponsor with an issue size of HK\$1.046 billion, ranking third in the market; completed two refinancing projects with an underwritten amount of HK\$4.881 billion; and its equity financing business in Hong Kong ranked third among Chinese-based securities companies in terms of the total issuance size of IPOs and refinancing projects equally distributed among all underwriters, according to the statistics of Dealogic.

A-share item	From January to June 2024		From January to June 2023	
	Lead underwritten amount (RMB100 million)	Number of lead underwriters	Lead underwritten amount (RMB100 million)	Number of lead underwriters
Initial public offering (IPO)	–	–	20.33	3
Refinancing offering	69.45	3	61.45	4
<b>Total</b>	<b>69.45</b>	<b>3</b>	<b>81.78</b>	<b>7</b>

Source: Statistics of the Company, Wind.

### (2) Debt financing business

In the first half of 2024, in respect of domestic market, the interest rate of bonds issued in the primary market continued to decline. The issuance amount of major credit bonds<sup>2</sup> was RMB8.93 trillion, representing a year-on-year increase of 7.38%. Specifically, the issuance amount of corporate bonds was RMB1,873.172 billion, representing a year-on-year decrease of 1.77%; the issuance amount of debt financing instruments of non-financial enterprises was RMB4,979.679 billion, representing a year-on-year increase of 10.73%; the issuance amount of non-policy financial bonds was RMB2,017.237 billion, representing a year-on-year increase of 14.81%; and the issuance amount of enterprise bonds was RMB39.132 billion, representing a year-on-year decrease of 70.94% (Source: Wind). In respect of overseas market, the issuance amount of Chinese-issued US dollar bond was US\$46.635 billion, representing a year-on-year decrease of 20.59%, due to the shrinking market size as a result of an expected delay in reduction of interest rate by the US Federal Reserve (Source: DMI).

During the Reporting Period, the Company attached great importance to serving national strategies with bond business and facilitated technological innovation enterprises to develop new productive forces; steadily enhanced its market position through leveraging the Group's synergistic advantages, consistently expanding key regions, strengthening internal assessment mechanism and other measures, on the basis of a strict control of business development risk; and actively practicing ESG to promote the green and low-carbon development through bond and financing business. During the Reporting Period, the Company acted as the lead underwriter for 293 tranches of bonds, representing a year-on-year increase of 70.35%, with a lead underwritten amount of RMB152.428 billion, representing a year-on-year increase of 64.63%. According to the statistics of Wind, the Company ranked 7th in terms of the scale of major credit bonds during the Reporting Period, up by 1 place from the end of previous year; acted as the lead underwriter for 52 tranches of various science and technology innovation bonds with an underwritten amount of RMB19.128 billion; and acted as the lead underwriter for 4 tranches of various low-carbon transformation and green bonds with an underwritten amount of RMB1.088 billion. In respect of Chinese offshore bond business, 33 bonds were issued with an underwritten amount of US\$5.617 billion.

<sup>2</sup> Major credit bonds include corporate bonds, enterprise bonds, debt financing instruments of non-financial enterprises, non-policy financial bonds and exchangeable bonds.

## MANAGEMENT DISCUSSION AND ANALYSIS

Domestic item	From January to June 2024		From January to June 2023	
	Lead underwritten amount (RMB100 million)	Number of offerings (tranches)	Lead underwritten amount (RMB100 million)	Number of offerings (tranches)
Enterprise bonds	0.58	1	35.16	8
Corporate bonds	764.30	173	499.92	118
Debt financing instruments of non-financial enterprises	316.04	77	72.20	18
Financial bonds	423.35	41	302.59	27
Exchangeable bonds	20.00	1	16.00	1
<b>Total</b>	<b>1,524.28</b>	<b>293</b>	<b>925.87</b>	<b>172</b>

Source: Wind.

### (3) Financial advisory business

In the first half of 2024, 36 A share listed companies announced material asset restructuring for the first time, representing a year-on-year decrease of 40.98%, with a total transaction amount disclosed of RMB57.459 billion (Source: Wind). With the promulgation of the new “Nine State Council Rules” and other policies, merger and acquisition and restructuring have ushered in new opportunities for development as an important way to improve the quality of listed companies and develop new productive forces.

During the Reporting Period, centering around the guidance of national industrial policies, financial policies and regional development policies, the Company practiced the business model of “One Guangfa” by holding a forum on merger and acquisition of new productive forces and building a merger and acquisition business ecosystem to provide customers with multi-level and all-round comprehensive services, promoting the orderly circulation of assets and capital. During the Reporting Period, the Company completed two projects in major asset restructuring and financial advisory business that had industry and regional influence, involving a total transaction amount of approximately RMB12.851 billion; and completed one overseas equity transaction, involving a transaction amount of approximately HK\$1.098 billion. Two transactions in which the Company acted as buyer’s financial advisor were awarded the 2023-2024 Top Ten Domestic M&A Golden Whistle Award.

### 2. Wealth management business segment

The Group's wealth management business segment mainly comprises wealth management and brokerage business, futures brokerage business, margin financing and securities lending business, re-purchase transaction business and financial leasing business. The Group carries out futures brokerage business and financial leasing business through its wholly-owned subsidiaries, GF Futures and GFFL, respectively, and overseas brokerage business through its indirect wholly-owned subsidiary, GF Brokerage (Hong Kong).

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

As of the end of June 2024, the SSE Composite Index, the SZSE Component Index and the ChiNext Index fell by 0.25%, 7.10% and 10.99%, respectively, as compared to the end of last year; and the trading turnover of stocks and funds on the SSE and the SZSE was RMB116.00 trillion, representing a year-on-year decrease of 6.97% (Source: Wind). Hong Kong's Hang Seng Index, Hang Seng China Enterprises Index and Hang Seng Technology Index rose by 3.94%, rose by 9.77% and fell by 5.57%, respectively, as compared to the end of last year; the average daily trading turnover of the Hong Kong stock market was HK\$110.382 billion, representing a year-on-year decrease of 4.46% (Source: Hong Kong Stock Exchange).

During the Reporting Period, the Company adhered to its main responsibilities and main businesses, leveraged on its functionality, focused on high-quality development, strengthened the construction of investment research and professional investment advisory service capabilities, continued to build a differentiated product and service supply system and promoted the transformation of wealth management business into an investor-oriented buy-side investment advisory business to enhance investors' sense of acquisition; focused on refined customer operation, expanded customer base and improved comprehensive financial services; closely followed the policy guidance, served long-term funds to enter the market and maintained transaction fairness; adhered to the principle of "the Company will not carry out those businesses if it is not clear how to carry out and control them", and strictly adhered to the bottom line of compliance. In respect of domestic market, as of the end of June 2024, the total balance of financial products sold by Company on a commission basis exceeded RMB220 billion, representing an increase of 4.00% as compared to the end of last year; according to the statistics of the Securities Association of China, a total of more than 4,400 employees were qualified as investment advisors, ranking first in the industry (Statistical caliber of parent company). During the Reporting Period, the sales amount of financial products on the Yitaojin E-commerce platform (including Cash Return (現金增利) and Taojin Market (淘金市場)) amounted to RMB116.918 billion; the turnover of the Company's SSE and SZSE stock and funds amounted to RMB9.34 trillion (bilateral statistics), representing a year-on-year decrease of 4.95%. In the overseas market, the Group further diversified its product offerings and continued to transform into wealth management with net sales income and balance of financial products and commissions for multi-market transactions achieving a year-on-year growth.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

Item	January to June 2024		January to June 2023	
	Trading volume as agent (RMB100 million)	Market share (%)	Trading volume as agent (RMB100 million)	Market share (%)
Stocks	77,670.70	3.84	83,979.91	3.77
Funds	15,722.52	5.29	14,272.04	5.39
Bonds	246,497.89	4.83	242,535.53	4.96
<b>Total</b>	<b>339,891.12</b>	<b>4.58</b>	<b>340,787.48</b>	<b>4.62</b>

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

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

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

The financial products agency sales of the Company in the first half of 2024 are shown in the table below:

Type	Total sales amount for the period (RMB100 million)	Total redeemed amount for the period (RMB100 million)
Fund products	977.43	773.15
Trust products	273.46	221.07
Other financial products	2,692.15	2,757.47
<b>Total</b>	<b>3,943.04</b>	<b>3,751.69</b>

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



### (2) Futures brokerage business

In the first half of 2024, on a unilateral basis, the cumulative trading volume of the futures market was RMB281.51 trillion, representing a year-on-year increase of 7.40%, of which the cumulative trading volume of commodity futures was RMB201.16 trillion, representing a year-on-year increase of 0.67%; the cumulative trading volume of financial futures was RMB80.36 trillion, representing a year-on-year increase of 28.98% (Source: China Futures Association).

During the Reporting Period, GF Futures insisted on strengthening its main responsibilities and main businesses and explored the industry chain and value chain with a year-on-year increase in the market share in terms of both trading volume and turnover and steady development of its domestic and overseas business. During the Reporting Period, the market share of GF Futures in terms of trading volume was 2.12%, representing an increase of 0.78 percentage point as compared to the same period of last year; the market share of trading turnover was 2.02%, representing an increase of 0.58 percentage point as compared to the same period of last year; the consolidated operating income and net profit of overseas subsidiaries of GF Futures achieved year-on-year growth; and GF Futures (Hong Kong) was awarded the Most Active Chinese Commodity Futures Broker of 2023 by the Singapore Exchange.

### (3) Margin financing and securities lending business

As of the end of June 2024, the balance of margin financing and securities lending in the SSE and SZSE was RMB1,480.899 billion, representing a decrease of 10.30% as compared to the end of last year (Source: Wind).

During the Reporting Period, the Company adhered to the principle of customer-centricity, continued to improve the quality and efficiency of customer services and standardized business development. As of the end of June 2024, the balance of margin financing and securities lending of the Company was RMB80.674 billion, representing a decrease of 9.34% as compared to the end of last year, with a market share of 5.45%.

### (4) Repurchase transaction business

During the Reporting Period, the Company steadily carried out the stock pledge business, strictly implemented various measures on duration management and continued to optimize asset structure. As of the end of June 2024, the balance of the exchange traded Stock Pledged Repo Transaction business carried out by the Company through its owned funds was RMB11.212 billion, representing a decrease of 9.04% as compared to the end of 2023.

(5) Financial leasing business

During the Reporting Period, GFFL continued to strengthen the construction and optimization of its comprehensive risk management system. As of the end of June 2024, the net amount of the lease receivables amounted to RMB29 million.

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

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

(1) Equity investment and trading business

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

In the first half of 2024, the major indices in the A-share market showed a mixed performance. The petrochemical sector led the gains in the market, with coal, banking, household appliances and other sectors recording higher gains, while the computer, pharmaceutical, real estate, media, commerce and retail sectors experienced steep declines (Source: Wind).

During the Reporting Period, in respect of equity investment, the equity-based proprietary investment business of the Company adhered to the value investment approach, strengthened the combination of top-down macro-strategy with the research of the industry and individual stocks, and used multi-strategy investment tools to reduce the fluctuation of investment income, achieving good investment performance. In respect of market-making on the NEEQ, as at the end of June 2024, the Company provided market-making services to 47 NEEQ enterprises.

(2) Fixed income sales and trading business

The fixed income sales and trading of the Company consists mainly of sales of underwritten bonds to institutional clients, and market-making and trading of financial products and interest rate derivatives with fixed income.



In the first half of 2024, the domestic fiscal policy was moderate, while the monetary policy was generally stable and loose; overseas inflation was at a high level, and the European Central Bank and others have begun to cut interest rates. ChinaBond – New Composite Wealth Index (Full Price) increased by 3.76% as compared with the end of the previous year; the interest rate of the 10-year Treasury Bond was 2.21%, down 35bp from the end of the previous year; the interest rate of the 10-year U.S. Treasury Bond was 4.40%, up 52bp as compared with the end of the previous year; Chinese-issued US Dollar-denominated Bond Index increased by 3.35% as compared with the end of the previous year (Source: Wind, Bloomberg).

During the Reporting Period, the Company effectively controlled the duration, leverage and investment scale of its bond investment portfolio, and seized structural opportunities in the market to achieve better investment performance. During the Reporting Period, the scale of FICC business continued to grow with multiple strategies; the bond market-making business created the “GF Securities Pearl River Delta ESG Sustainable Development Local Debt Basket (廣發証券珠三角 ESG 可持續發展地方債籃子)” to help market institutions actively participate in the green economy construction and sustainable development in the Pearl River Delta through portfolio investment; the Company strengthened the forward-looking research and layout of public REITs, private exchangeable bonds and cross-border investment, and continued to improve our multi-asset and multi-strategy investment capabilities.

### (3) Equity derivatives sales and trading business

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

In the first half of 2024, the OTC derivatives market continued to develop in a standardized and healthy direction. The Asset Management Association of China issued the Guidelines for the Operation of Private Securities Investment Funds (《私募證券投資基金運作指引》), which regulates the participation of private securities investment funds in OTC derivatives business. The new “Nine State Council Rules” propose to “establish a fast-track approval channel for exchange traded funds (ETFs) to promote the development of index investment”, and the domestic ETF fund market will further expand.

During the Reporting Period, as a primary dealer of OTC derivatives business, based on its professional advantages in derivatives pricing and trading, the Company continued to strengthen the construction of team and system, enhanced product creation, strategy innovation and trading and sales capabilities, and diversified and expanded its product system, types of underlying products and revenue structure, so as to continuously provide institutional customers with asset allocation and risk management solutions through OTC derivatives. The market-making business of the Company continued to be in the first echelon of the market, providing market-making services for more than 700 funds and all ETF options of the SSE and SZSE, and market-making services for CSI 300 stock index options and CSI 1000 stock index options of the China Financial Futures Exchange. During the Reporting Period, the Company issued 44,559 private equity products through the China Securities Inter-agency Quotation System and OTC market, with a total amount of RMB338.330 billion. The Company became the lead market maker for stock index options of the China Financial Futures Exchange, and was granted the SSE's 2023 Stock Option Market Development Contribution Award (Outstanding Option Market Maker Award and Contribution to New Option Varieties Award), the SZSE's 2023 Outstanding ETF Liquidity Provider Award and Outstanding Option Market Maker Award, and the CFFEX's 2023 Outstanding Stock Index Option Market Maker Award (Bronze Award).

#### (4) Alternative investment business

The Group carried out alternative investment business with its own funds through GF Qianhe, a wholly-owned subsidiary. Currently, the Group mainly focuses on equity investment business.

In the first half of 2024, the number of investment cases in China's equity investment market was 3,033, representing a year-on-year decrease of 37.6%; the total investment scale was RMB196.703 billion, representing a year-on-year decrease of 38.7%; the number of exit cases was 746, representing a year-on-year decrease of 63.5% (Source: Zero2IPO Research Center).

During the Reporting Period, GF Qianhe focused on advanced manufacturing, healthcare, hard technology, special opportunity investment and other major fields. As of the end of June 2024, the accumulated number of projects invested by GF Qianhe was 314.

#### (5) Investment research business

The investment research business of the Group mainly comprises investment research services provided in various areas such as macro economy, strategy, fixed income, financial engineering, industry and listed companies for institutional clients; as well as the promotion and support of the Company's core business and professional exchanges at home and abroad, in order to further promote the research-driven business model.

During the Reporting Period, the Group continued to promote the research-driven business model and gave full play to the empowerment and promotion effect of research on the Company's core business. As of the end of June 2024, the Group's equity research covered 28 industries and 993 A-share listed companies in China, and 154 Hong Kong and overseas listed companies. The Company achieved research results based on digital means such as GF research portal and mini programs, continued to explore in the direction of intelligence, and strived to build a multi-platform, multi-channel and multi-dimensional customer service system. During the Reporting Period, the industrial research institute of the Company continued to build an ecosystem of production, learning, research, investment and financial integration, empowered the development of various business segments, provided research support for policy formulation and industrial planning of government departments, and explored the establishment of industrial incubation and transformation cooperation mechanism with key scientific research universities to play a role as a bridge of "technology-finance-industry".

The outstanding research capacity of the Company enjoys a high reputation in the industry. The Company received numerous honors: the New Fortune Domestic Best Research Teams (新財富本土最佳研究團隊) and the New Fortune Most Influential Research Institution (新財富最具影響力研究機構) for consecutive years from 2017 to 2023, and Top 5 Golden Bull Research Institution (五大金牛研究機構) award by China Securities Industry Analyst Golden Bull Award (中國證券業分析師金牛獎) for consecutive years. Meanwhile, it ranked in the forefront in the selection of Sell-side Analyst Crystal Ball Award (賣方分析師水晶球獎), Best Analyst of Shanghai Securities News, the Golden Kirin (金麒麟) Best Analyst of Sina Finance and the Gold Analysts of the 21st Century (21世紀金牌分析師).

### (6) Asset custody business

The Company provides high-quality asset custody and fund operation outsourcing services for various asset management institutions such as funds, securities, futures, banks and trusts.

In the first half of 2024, the new "Nine State Council Rules" clearly require the vigorous development of equity public funds, promote the development of indexed investment, and support the steady development of private securities investment funds and private asset management business. Newly issued public funds recovered, with a total scale exceeding RMB30 trillion. The Guidelines for the Operation of Private Securities Investment Funds (《私募證券投資基金運作指引》) emphasized the responsibility of entrusted management and further regulated the development of private fund business. The scale of securities asset management, bank wealth management and other businesses stabilized and rebounded.

During the Reporting Period, the Company continued to promote the layout of public fund products, actively implemented the new regulations on private funds, and provided professional services to fund managers. The Company strengthened the construction of basic systems, improved comprehensive service and risk management capabilities, and promoted the steady development of asset custody business. As of the end of June 2024, the Company had 4,069 custody products and 4,505 fund operation outsourcing services. According to Wind, the Company ranked fifth in the industry in terms of the scale of custody of public funds.

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

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

##### **(1) Asset management business**

The Group's asset management clients include individuals and institutional investors. The Group carries out asset management business through its wholly-owned subsidiaries, namely GF Asset Management and GF Futures, and its indirectly wholly-owned subsidiary, namely GF Asset Management (Hong Kong).

In the first half of 2024, the asset management business of securities firms actively responded to the policy calls such as the new "Nine State Council Rules", actively returned to the origin of the industry, continuously improved the professional level, and steadily promoted the standardized transformation.

During the Reporting Period, GF Asset Management insisted on playing the role of "manager" of social wealth, continuously strengthened the construction of investment and research system, improved the ability of active management, and actively promoted product creation and business expansion. According to Asset Management Association of China, GF Asset Management ranked eighth in terms of average monthly private asset management scale in the second quarter of 2024. As of the end of June 2024, the net value of collective asset management schemes, single asset management schemes and specific asset management schemes of GF Asset Management increased by 27.13%, 0.82% and 56.45%, respectively, as compared with the end of 2023, and its total scale increased by 17.67% as compared with the end of 2023.

The asset management scale of GF Asset Management is as follows:

	Net value of asset management (RMB100 million)	
	June 30, 2024	December 31, 2023
Collective asset management business	1,508.46	1,186.55
Single asset management business	807.80	801.24
Specific asset management business	92.04	58.83
<b>Total</b>	<b>2,408.30</b>	<b>2,046.62</b>

Source: Statistics of the Company.

As of the end of June 2024, there were 31 asset management schemes managed by GF Futures, with a total asset under management of RMB1.220 billion.

In the area of overseas asset management business, GFHK is one of the first financial institutions in Hong Kong with the PRC background granted with RQFII qualification; there were 5 fund products established and managed by GF Asset Management (Hong Kong).

### (2) Public fund management business

The Group carries out public fund management business through its non-wholly owned subsidiary, GF Fund, and investee company, E Fund. As of the end of June 2024, it held 54.53% interest in GF Fund and held 22.65% interest in E Fund and was one of the three parallel largest shareholders.

During the first half of 2024, the public fund management business maintained the trend of growth. Based on the guidelines for capital market under the “1+N” policy framework, fund companies leverage their function in strengthening core investment research capabilities and improving service capabilities for customer, thereby promoting the development of a “customer-centric” industrial ecosystem and providing better services to residents’ wealth management and the real economy development. As of the end of June 2024, the net assets of the public fund management business totaled RMB31.08 trillion, representing an increase of 12.62% from that at the end of last year (Source: Asset Management Association of China).

GF Fund is one of the investment managers of the National Social Security Fund and Basic Pension Insurance Fund. It also provides asset management services for insurance companies, financial companies, other institutional investors and general investors. In addition, GF Fund can invest the capital raised domestically in overseas capital market through QDII and QDLP, and invest capital raised from overseas markets in China's capital market in the forms of QFII and RQFII through GF International Investment Management Limited, its wholly-owned subsidiary. During the Reporting Period, GF Fund continued to focus on high-quality development and enhance its business development. GF Fund continued to strengthen its core investment research capabilities, advance the development of its investment research system, and strengthen the management on the "customer-centric" life cycle of the products. GF Fund made solid efforts in improving the investment advisory services and investment education to enhance its service capabilities. As of the end of June 2024, the public funds managed by GF Fund in aggregate reached RMB1,427.790 billion, representing an increase of 16.94% as compared to the end of 2023, and the total fund size excluding money market funds amounted to RMB784.067 billion, ranking third in the industry (Source: Wind, Statistics of the Company).

E Fund is one of the investment managers of the National Social Security Fund and Basic Pension Insurance Fund. It also provides asset management services for insurance companies, financial companies, enterprise annuity, other institutional investors and general investors. In addition, E Fund can invest capital raised domestically in overseas capital market through QDII, and invest capital raised from overseas markets in China's capital market in the forms of QFII and RQFII through E Fund Management (HK) Co., Ltd., its wholly-owned subsidiary. During the Reporting Period, E Fund actively served the development of new quality productive force and development of Chinese modernization, further improved its investment research capabilities and enhanced its capability of value discovery, thereby continuously improving the products and customer service system that meet the demand of various customers, and focusing on the "Five Major Areas" of technologies, green, inclusive, pension and digital finance. As of the end of June 2024, the public funds managed by E Fund in aggregate reached RMB1,913.415 billion, representing an increase of 14.07% as compared to the end of 2023, and the total fund size excluding money market funds amounted to RMB1,220.417 billion, ranking first in the industry (Source: Wind, Statistics of the Company).



### (3) Private fund management business

The Group engages in private fund management business through GF Xinde, its wholly-owned subsidiary, and is engaged in overseas private equity fund business through its indirectly wholly-owned subsidiary, GF Investments (Hong Kong) and institutions thereunder.

In the first half of 2024, the State Council promulgated Several Policies and Measures for Promoting the High-Quality Development of Venture Capital (《促進創業投資高質量發展的若干政策措施》), pursuant to which the State shall focus on the whole chain of “raising, investment, management and exit” of venture capital, further improve the policy environment and management system and actively support venture capital in growing bigger and stronger. There were 1,817 new offering funds in the equity investment in the PRC, representing a year-on-year decrease of 49.2%; the total amount of new funds was RMB622.939 billion, representing a year-on-year decrease of 22.6% (Source: Zero2IPO Research).

During the Reporting Period, GF Xinde focused on such industries as biomedicine, intelligent manufacturing, new energy and corporate services. According to the data of the Asset Management Association of China, the monthly paid-in size of funds managed by GF Xinde for the second quarter of 2024 exceeded RMB17.5 billion. In the overseas market, GF Investments (Hong Kong) managed four equity investment fund products, and has completed investment mainly in fields of high-end manufacturing, TMT, big consumption and biomedical. Several investment projects have exited by way of mergers and acquisitions or been listed on the stock exchanges in Hong Kong, the United States and other regions.

V. ANALYSIS ON FINANCIAL STATEMENTS

(I) Analysis on Consolidated Statement of Profit or Loss

Revenue composition

Unit: RMB'000

Item	January to June 2024	January to June 2023	Amount of increase/ decrease	Percentage of increase/ decrease
Commission and fee income	6,783,555	7,836,013	-1,052,458	-13.43%
Interest income	6,248,160	6,804,923	-556,763	-8.18%
Net investment gains	3,654,238	2,608,707	1,045,531	40.08%
Other income and gains or losses	449,804	835,799	-385,995	-46.18%
<b>Total revenue and other income</b>	<b>17,135,757</b>	<b>18,085,442</b>	<b>-949,685</b>	<b>-5.25%</b>

For the period from January to June 2024, total revenue and other income of the Group was RMB17,136 million, representing a decrease of 5.25% as compared with RMB18,085 million for the corresponding period of last year, which was reflected by (1) commission and fee income of RMB6,784 million, representing a decrease of RMB1,052 million or 13.43% as compared with the corresponding period of last year, primarily attributable to a decrease of RMB805 million in asset management and fund management fee income as compared with the corresponding period of last year and a decrease of RMB326 million in securities brokerage business commission and fee income as compared with the corresponding period of last year; (2) interest income of RMB6,248 million, representing a decrease of RMB557 million or 8.18% as compared with the corresponding period of last year, primarily attributable to a decrease of RMB287 million and RMB264 million in interest income from margin financing and securities lending and debt instruments at fair value through other comprehensive income, respectively, as compared with the corresponding period of last year; (3) net investment gains of RMB3,654 million, representing an increase of RMB1,046 million or 40.08% as compared with the corresponding period of last year, primarily attributable to the increases of net gains from financial instruments; and (4) other income and gains of RMB450 million, representing a decrease of RMB386 million or 46.18% as compared with the corresponding period of last year, primarily attributable to a decrease of RMB768 million in government grants income as compared with the corresponding period of last year, partially offset by an increase of RMB267 million in commodity trading income as compared with the corresponding period of last year.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Expenses composition

Unit: RMB'000

Item	January to June 2024	January to June 2023	Amount of increase/ decrease	Percentage of increase/ decrease
Depreciation and amortization	502,157	444,110	58,047	13.07%
Staff costs	3,853,637	4,630,264	-776,627	-16.77%
Commission and fee expenses	123,998	146,225	-22,227	-15.20%
Interest expenses	5,354,093	5,079,291	274,802	5.41%
Other operating expenses	2,316,072	2,177,420	138,652	6.37%
Credit impairment losses	-23,889	4,506	-28,395	-
Impairment losses on other assets	12,781	8,610	4,171	48.44%
<b>Total expenses</b>	<b>12,138,849</b>	<b>12,490,426</b>	<b>-351,577</b>	<b>-2.81%</b>

For the period from January to June 2024, total expenses of the Group were RMB12,139 million, representing a decrease of 2.81% from RMB12,490 million for the corresponding period of last year, which was primarily reflected by (1) the decrease in staff costs of RMB777 million as compared with the corresponding period of last year, primarily attributable to the decrease in the provision on salaries, bonuses and allowances; (2) the increase in interest expenses of RMB275 million as compared with the corresponding period of last year, primarily attributable to the increase in interest expenses of financial assets sold under repurchase agreements and borrowings; and (3) the increase in other operating expenses of RMB139 million as compared with the corresponding period of last year, primarily attributable to the increase in commodity trading costs.

For the period from January to June 2024, the Group realized net profit attributable to owners of the Company of RMB4,362 million, representing a year-on-year decrease of 3.88%; basic earnings per share were RMB0.52, representing a year-on-year decrease of 7.14%; and return on weighted average net assets was 3.39%, representing a year-on-year decrease of 0.45 percentage point.

## MANAGEMENT DISCUSSION AND ANALYSIS

### (II) Analysis on Consolidated Statement of Financial Position

Unit: RMB'000

	June 30, 2024	Composition	December 31, 2023	Composition	Amount of increase/ decrease	Percentage of increase/ decrease
<b>Non-current assets</b>	<b>41,881,719</b>	6.08%	33,654,789	4.93%	8,226,930	24.45%
Of which: Equity instruments at fair value through other comprehensive income	14,107,897	2.05%	5,696,951	0.84%	8,410,946	147.64%
Financial assets at fair value through profit or loss	9,445,565	1.37%	10,066,050	1.48%	-620,485	-6.16%
Investments in associates	8,144,273	1.18%	7,249,310	1.06%	894,963	12.35%
Property and equipment	3,257,425	0.47%	3,230,375	0.47%	27,050	0.84%
Deferred tax assets	2,242,154	0.33%	2,562,495	0.38%	-320,341	-12.50%
Right-of-use assets	2,018,711	0.29%	2,024,845	0.30%	-6,134	-0.30%
Investments in joint ventures	1,981,432	0.29%	1,981,901	0.29%	-469	-0.02%
<b>Current assets</b>	<b>647,446,271</b>	93.92%	648,526,890	95.07%	-1,080,619	-0.17%
Of which: Financial assets at fair value through profit or loss	245,864,491	35.67%	206,002,361	30.20%	39,862,130	19.35%
Bank balances	126,380,380	18.33%	118,815,211	17.42%	7,565,169	6.37%
Debt instruments at fair value through other comprehensive income	99,315,091	14.41%	139,295,121	20.42%	-39,980,030	-28.70%
Advances to customers	84,951,572	12.32%	91,107,898	13.36%	-6,156,326	-6.76%
Clearing settlement funds	31,683,449	4.60%	34,510,389	5.06%	-2,826,940	-8.19%
Financial assets held under resale agreements	19,320,756	2.80%	19,701,054	2.89%	-380,298	-1.93%
Deposits with exchanges and non-bank financial institutions	18,871,666	2.74%	21,252,801	3.12%	-2,381,135	-11.20%
<b>Total assets</b>	<b>689,327,990</b>	<b>100.00%</b>	<b>682,181,679</b>	<b>100.00%</b>	<b>7,146,311</b>	<b>1.05%</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

	June 30, 2024	Composition	December 31, 2023	Composition	Amount of increase/ decrease	Percentage of increase/ decrease
<b>Current liabilities</b>	<b>468,597,619</b>	86.19%	470,235,108	86.84%	-1,637,489	-0.35%
Of which: Accounts payable to brokerage clients	136,507,155	25.11%	132,010,529	24.38%	4,496,626	3.41%
Financial assets sold under repurchase agreements	130,086,695	23.93%	153,748,802	28.39%	-23,662,107	-15.39%
Bonds payable	46,044,959	8.47%	39,872,687	7.36%	6,172,272	15.48%
Other accounts payables, other payables and accruals	45,562,812	8.38%	43,252,310	7.99%	2,310,502	5.34%
Due to banks and other financial institutions	43,010,273	7.91%	22,653,003	4.18%	20,357,270	89.87%
Short-term financing payables	39,758,403	7.31%	45,363,288	8.38%	-5,604,885	-12.36%
Derivative financial liabilities	8,771,263	1.61%	4,700,926	0.87%	4,070,337	86.59%
<b>Net current assets</b>	<b>178,848,652</b>		<b>178,291,782</b>		<b>556,870</b>	<b>0.31%</b>
<b>Non-current liabilities</b>	<b>75,079,874</b>	13.81%	71,270,861	13.16%	3,809,013	5.34%
Of which: Bonds payable	67,929,648	12.49%	63,707,808	11.76%	4,221,840	6.63%
<b>Total liabilities</b>	<b>543,677,493</b>	100.00%	<b>541,505,969</b>	100.00%	<b>2,171,524</b>	<b>0.40%</b>
<b>Total equity</b>	<b>145,650,497</b>		<b>140,675,710</b>		<b>4,974,787</b>	<b>3.54%</b>

As of June 30, 2024, total assets of the Group were RMB689,328 million, representing an increase of RMB7,146 million or 1.05% as compared with that at the end of last year; total liabilities were RMB543,677 million, representing an increase of RMB2,172 million or 0.40% as compared with that at the end of last year. Non-current assets were RMB41,882 million, representing an increase of 24.45% as compared with that at the end of last year, which was mainly attributable to the increase in the scale of equity instruments at fair value through other comprehensive income; current assets were RMB647,446 million, representing a decrease of 0.17% as compared with that at the end of last year; current liabilities were RMB468,598 million, representing a decrease of 0.35% as compared with that at the end of last year; and non-current liabilities were RMB75,080 million, representing an increase of 5.34% as compared with that at the end of last year.

## MANAGEMENT DISCUSSION AND ANALYSIS

Among the Group's assets, each of financial assets at fair value through profit or loss, bank balances, debt instruments at fair value through other comprehensive income, and advances to customers had a relatively high proportion, accounting for 37.04%, 18.33%, 14.41% and 12.32% of total assets of the Group, respectively, and collectively accounting for 82.10% of total assets of the Group. Financial assets at fair value through profit or loss increased by RMB39,242 million or 18.16% as compared with that at the end of last year, primarily attributable to the increase in the scale of investments in public funds and debt securities; bank balances increased by RMB7,565 million or 6.37% as compared with that at the end of last year, primarily attributable to the increase in customer bank balances; debt instruments at fair value through other comprehensive income decreased by RMB39,980 million or 28.70% as compared with that at the end of last year, primarily attributable to the decrease in the scale of debt securities; and advances to customers decreased by RMB6,156 million or 6.76% as compared with that at the end of last year, primarily attributable to the decrease in the scale of margin financing and securities lending business.

Among the Group's liabilities, each of accounts payable to brokerage clients, financial assets sold under repurchase agreements, bonds payables and short-term financing payables had a relatively high proportion, accounting for 25.11%, 23.93%, 20.96% and 7.31% of total liabilities of the Group, respectively, and collectively accounting for 77.31% of total liabilities of the Group. Accounts payable to brokerage clients increased by RMB4,497 million or 3.41% as compared with that at the end of last year, primarily attributable to the increase in customer deposits; financial assets sold under repurchase agreements decreased by RMB23,662 million or 15.39% as compared with that at the end of last year, primarily attributable to the decrease in scale of the bond pledged sold under repurchase business; bonds payables increased by RMB10,394 million or 10.03% as compared with that at the end of last year, primarily attributable to issuance of new bonds such as corporate bonds and subordinated bonds; and short-term financing payables decreased by RMB5,605 million or 12.36% as compared with that at the end of last year, primarily attributable to the repayment of part of short-term financing bills and structured notes at maturity.

As of June 30, 2024, the Group's equity attributable to owners of the Company was RMB140,703 million, representing an increase of RMB4,985 million or 3.67% as compared with that at the end of last year. Excluding the effect of accounts payable to brokerage clients, the Group's gearing ratio was 73.65%, representing a decrease of 0.78 percentage point as compared with 74.43% at the end of last year, while the Group's assets and liabilities structure remained relatively stable.

***Borrowings and debt financing***

As of June 30, 2024, total borrowings and bonds financing of the Group amounted to RMB159,142 million. The following table sets forth details of the Group's borrowings and bonds financing:

	June 30, 2024	December 31, 2023
Borrowings	5,408,540	6,838,049
Short-term financing payables	39,758,403	45,363,288
Bonds payable	113,974,607	103,580,495
Total	<u>159,141,550</u>	<u>155,781,832</u>

Unit: RMB'000

For details of the interest rates and maturities of borrowings, short-term financing payables and bonds payable, please refer to Notes 36, 37 and 45 to the financial statements enclosed hereinafter.

Apart from borrowings and bonds financing instruments, the Group also raised funds through interbank lending, brokers lending as well as on-market and OTC repurchase, with balance due to banks and other financial institutions and financial assets sold under repurchase agreements amounting to RMB43,010 million and RMB130,087 million, respectively, at the end of the Reporting Period.

The aforesaid debts totaled RMB332,239 million.

Save as disclosed in this report, as of June 30, 2024, the Group did not have any outstanding mortgages, pledges, debentures, loan capital, bank overdrafts, borrowings or other similar debts or liabilities under acceptances or letter of credits, any guarantees or other material contingent liabilities.

**(III) Analysis on the Consolidated Statement of Cash Flows**

As of June 30, 2024, cash and cash equivalents of the Group amounted to RMB23,089 million, representing an increase of 18.22% as compared with RMB19,530 million as of June 30, 2023. Of which, net cash used in operating activities from January to June 2024 was RMB37,463 million, as compared with net cash from operating activities of RMB3,934 million for the corresponding period of 2023, and the change was mainly due to the increase in net cash outflow for financial assets sold under repurchase agreements; net cash from investing activities from January to June 2024 was RMB34,873 million, as compared with net cash used in investing activities of RMB1,212 million for the corresponding period of 2023, and the change was mainly due to the increase in net cash inflow from the disposal of financial instruments at fair value through other comprehensive income; and net cash from financing activities from January to June 2024 was RMB3,917 million, as compared with net cash used in financing activities of RMB2,360 million for the corresponding period of 2023, and the change was mainly due to the decrease in cash outflow for repayment of short-term financing payables and bonds.

### (IV) Explanation of changes in the consolidation scope of financial statements

The changes in the Group's consolidation scope of financial statements during the Reporting Period are set forth in details in the note "53. Change of scope of consolidation" to the condensed consolidated financial statements.

### (V) Change in principal accounting policies and accounting estimates

The changes in the Group's major accounting policies during the Reporting Period are set forth in details in the note "2. Basis of preparation and changes on accounting policies" to the condensed consolidated financial statements; there was no accounting estimate or significant accounting error requiring rectification that occurred in the Group.

### (VI) Restricted Asset Rights as of the End of the Reporting Period

Restricted asset rights as of the end of the Reporting Period are set forth in details in the note "35. Restricted Asset Rights" to the condensed consolidated financial statements.

## VI. ANALYSIS ON INVESTMENT CONDITIONS

### 1. General

Investment in the Reporting Period (RMB)	Investment in the same period of last year (RMB)	Change
1,386,000,000.00	—	—

*Note: The investment amount for the Reporting Period represents the new investment of the Company in GFHK, its subsidiary.*

### 2. Material equity investments made during the Reporting Period

N/A.

### 3. Material ongoing non-equity investments during the Reporting Period

N/A.



4. Financial asset investment

(1) Security investment

Unit: RMB'0,000

Securities type	Securities code	Securities short name	Investment cost	Accounting measurement mode	Book value at the beginning of the period	Profit and loss from the fair value change of the period	Accumulative fair value change accounted into equity	Purchase amount of the period	Sales amount of the period	Profit and loss in the Reporting Period	Book value at the end of the period	Accounting subject	Fund Source
Fund	003281.OF	Guangfa Huoqibao B	863,799.43	Measured at fair value	621,545.72	-	-	439,500.00	205,035.70	8,883.91	864,893.93	Held for trading	Self-owned
Fund	270014.OF	GF Money Market Fund B	571,975.45	Same as above	413,222.35	-	-	283,028.94	129,486.64	5,274.97	572,039.62	Held for trading	Self-owned
Bond	112409174.IB	24 PDB CD174 (24 浦發銀行 CD174)	362,674.00	Same as above	-	171.27	20.76	445,991.00	83,321.53	296.23	362,986.46	Held for trading/ other debt investments	Self-owned
Fund	000621.OF	E Fund Cash Return Fund B	353,518.52	Same as above	240,163.92	-	-	210,000.00	100,000.00	3,418.37	353,582.29	Held for trading	Self-owned
Fund	000662.OF	Yinhua Live Money F	353,391.02	Same as above	299,967.33	-	-	50,101.19	-	3,374.05	353,442.57	Held for trading	Self-owned
Fund	003393.OF	CCB Tian Tian Yi Money C	348,495.10	Same as above	115,594.80	-	-	380,000.00	150,000.00	2,959.66	348,554.46	Held for trading	Self-owned
Other	QF2319	Yongan China Opportunities Investment No. 2 QFII Discretionary Managed Account – Foreign Currency	315,632.94	Same as above	434,474.34	24,440.04	-	-	110,762.76	24,440.04	348,151.62	Held for trading	Self-owned
Other	N/A	WeShare Asset Management QFII Discretionary Managed Account – GF – Foreign Currency	312,449.73	Same as above	-	30,760.65	-	312,604.09	-	30,760.65	343,364.74	Held for trading	Self-owned
Bond	200005.IB	20 Interest-bearing Treasury Bond 05	315,931.51	Same as above	327,944.96	-357.75	1,727.96	20,185.21	31,652.08	4,225.76	321,501.91	Held for trading/ other debt investments	Self-owned
Bond	112411079.IB	24 Ping An Bank CD079 (24 平安銀行 CD079)	313,633.28	Same as above	-	197.44	-	323,434.32	9,801.58	285.03	313,917.77	Held for trading	Self-owned
Other securities investment held at the end of the period			31,391,868.07	-	34,170,107.92	-46,706.93	264,308.16	N/A	N/A	437,791.07	31,506,705.91	-	-
Total			35,503,369.05	-	36,623,021.34	8,504.72	266,056.88	N/A	N/A	521,709.74	35,689,141.28	-	-

Note 1: This table is sorted by the ratio of the book value at the end of the period to the total securities investment of the Group at the end of the period and only contains the top ten securities held by the Group at the end of the period. Other securities investments refer to investments in other securities other than the top ten securities. Any single securities investment at the end of the period was less than 5% of the Group's total assets as of June 30, 2024.

Note 2: Profit or loss during the Reporting Period included interest income, investment income and profit or loss from changes in fair value obtained by the Group from holding such securities during the Reporting Period.



### **(2) Derivative investment conditions**

N/A.

### **5. Use of proceeds**

There was no use of proceeds from the issue of A Shares of the Company during the Reporting Period.

The use of proceeds from the issue of H Shares of the Company is set out below:

The Company issued H Shares which were listed on the Main Board of the Hong Kong Stock Exchange on April 10, 2015 after being approved by the CSRC on March 5, 2015 by issuing the Reply for Approving GF Securities Co., Ltd. to Issue Overseas Listed Foreign Shares (Zheng Jian Xu Ke [2015] No. 347), and being approved at the 8th meeting of the eighth session of the Board of Directors and the second extraordinary general meeting in 2014 of the Company. A total of 1,479,822,800 H Shares were issued at the price of HKD18.85 per share through both public offering and international placement. Subsequently, the Company issued 221,973,400 additional H Shares at the price of HKD18.85 per share on April 13, 2015 because of the exercise of the over-allotment option. Through this offering, the Company issued a total of 1,701,796,200 H Shares and raised a total of HKD32.079 billion. The net amount was approximately RMB25.059 billion after settlement of exchange and deduction of the issuance cost.

According to the H Share Prospectus of the Company, about 50% of the net proceeds raised from the issuance of H Shares would be used for the wealth management business, about 20% for the investment management business, investment banking business and transaction and institution business, and about 30% for the international business. The above raised net proceeds would be used for replenishing the working capital and investing in the assets with good liquidity in short term to preserve or increase the value, when they were temporarily not required for the above purposes.

As at June 30, 2024, RMB12.504 billion out of the proceeds raised from the issuance of H Shares was used for the wealth management business to mainly develop margin financing and securities lending business and build a strategic Internet financial platform and wealth management platform; RMB4.986 billion was used for the investment management business, investment banking business and transaction and institution business to mainly increase the asset size under the investment management, increase input into the seed funds, innovate and develop investment management products, and participate in various financial products markets as a market maker and provide liquidity support; RMB4.829 billion (including RMB1.386 billion during the Reporting Period) was used for the international business to mainly increase input into the investment management, transaction and institution businesses in Hong Kong; the remaining RMB2.740 billion was temporarily used to replenish the working capital and develop short-term investment business during the Reporting Period. Upon approval from relevant regulatory authorities, the Company is expected to invest the remaining proceeds of H Shares in international business as planned before December 31, 2025 in accordance with the relevant requirements of the H Share prospectus. These estimates are based on information currently available to the Company and are subject to adjustment based on actual developments of the Company.

## VII. SALE OF MAJOR ASSETS AND EQUITY

### 1. Sale of major assets

No major assets were sold by the Company during the Reporting Period.

### 2. Sale of major equity

No major equities were sold by the Company during the Reporting Period.

## VIII. ANALYSIS ON PRINCIPAL SUBSIDIARIES AND INVESTEE COMPANIES

### The status of principal subsidiaries and investees companies

Company name	Company type	Main business	Registered capital	Total assets (RMB' 0,000)	Net assets (RMB' 0,000)	Net profit (RMB' 0,000)
GF Futures	Subsidiary	Commodity futures brokerage, financial futures brokerage, futures investment consultancy, asset management and fund sale.	RMB1,900,000,000	5,471,894.93	412,437.99	18,421.53
GF Xinde	Subsidiary	Equity investment; providing financial advisory services on equity investment to clients and other businesses approved by the CSRC.	RMB2,800,000,000	445,456.84	425,568.38	-8,844.13
GFHK	Subsidiary	Investment holding, undertaking investment banking, sale and transactions, asset management, equity investment and other businesses permitted under regulatory rules through professional subsidiaries.	HKD7,100,000,000	4,523,527.20	622,218.13	16,411.16
GF Qianhe	Subsidiary	Project investment; investment management.	RMB7,103,500,000	1,067,157.96	1,027,044.41	-42,356.62
GF Asset Management	Subsidiary	Securities asset management business (including overseas securities investment management business of QDII).	RMB1,000,000,000	753,759.46	618,399.13	-5,892.58
GFFL	Subsidiary	Financial leasing business; storage equipment leasing service; agricultural machinery leasing; machinery equipment leasing; automobile leasing; construction machinery and equipment leasing; computer and communication equipment leasing; medical equipment leasing; transportation equipment leasing service; container leasing service; office equipment leasing service; storage batteries leasing; photovoltaic power generation equipment leasing.	RMB800,000,000	68,589.15	67,541.31	623.24
GF Fund	Subsidiary	Fund raising, fund sale, asset management, other businesses approved by the CSRC.	RMB140,978,000	1,722,899.14	1,084,280.90	82,196.13
E Fund	Investee company	Publicly offered securities investment fund management, fund sale, asset management for specific customers.	RMB132,442,000	2,644,354.87	1,689,561.72	151,567.13

### Conditions of the subsidiaries acquired or disposed of during the Reporting Period

For details, please refer to the note “53. Change of scope of consolidation” to the condensed consolidated financial statements.

### Explanation on the status of principal subsidiaries

GF Qianhe recorded losses for the period, which was mainly affected by investment fluctuations.

## IX. STRUCTURED ENTITIES CONTROLLED BY THE COMPANY

Please refer to the note “53.1 Consolidated structured entities” to the condensed consolidated financial statements.

## X. RISK EXPOSURE AND RESPONSIVE MEASURES OF THE COMPANY

1. **During the Reporting Period, the major risks affecting the Company’s business operations including: liquidity risk, market risk, credit risk, compliance risk, operational risk, information technology risk, reputation risk etc. and were mainly reflected in the following aspects:**

### **(1) Liquidity risk**

Liquidity risk refers to the risk of our failure to obtain sufficient funds at a reasonable cost and in a timely manner to pay our debts as they fall due, perform other payment obligations and satisfy the capital requirements to carry out our businesses in the ordinary course. Liquidity risks of the Group include but are not limited to: mismatch of asset and liability structures, difficulty in asset realization, operating loss, deferred payment or breach of contract by counterparties, as well as liquidity risks transformed from credit risk, market risk, reputation risk and other categories of risks. As the Company’s capital strength increases and the product portfolio is increasingly enriched, the products represent a diversified, complicated and international developing tendency and the risk type and the maturity structure faced by the asset end becomes increasingly complicated, the Company needs to rationalize the maturity structure of its assets and liabilities and take various measures to ensure the safety of liquidity, such as active management of liquidity reserve, liquidity risk control and emergency response mechanism against liquidity risks.

### (2) *Market risk*

Market risk refers to the risk of loss in the Company's financial assets resulting from adverse changes in the market price (price of equity securities, interest rates, exchange rates or commodity price, etc.). Such risks can be classified into equity price risk, interest rate risk, exchange rate risk and commodity price risk and other risks based on different type of subject assets. The market risks faced by the Group mainly concentrate on equity price risk and interest rate risk, which are mainly reflected in the Company and subsidiaries' proprietary investment in equity securities, proprietary investment in fixed-income securities, transactions of derivatives in exchange-traded and OTC markets and market making on the NEEQ, etc. with their own fund. With further opening of the capital market of China and the progressive implementation of the Company's strategy of internalization, various market risks to be borne by the Company are increasing due to the rapid expansion of its business scope and the cross-border flow of capital. Meanwhile, affected by factors such as continued geographical conflicts and expected changes in overseas monetary policy adjustments, the financial market has increased volatility, and the Company has become more difficult to manage market risks.

### (3) *Credit risk*

Credit risk refers to the potential losses resulting from the failure of an issuer or counterparty to perform its obligations under a contract, or arising from variations in the market value of debts due to changes in credit ratings or inability to perform contractual obligations. The credit risk faced by the Group at present mainly concentrates on transactions of bond investment, OTC transactions of derivatives, margin financing and securities lending, agreed repurchase business, repurchase business on stock pledge, financial leasing business, margin financing business, repurchase brokerage business on bond pledge as well as other businesses that the Company or its subsidiaries shall bear or have payment commitment. With the promotion of leverage and continuous development of innovative businesses by securities companies, the credit risks to be borne by the Company become more and more complicated and the credit risk exposure increases day by day. In addition, the default rate in the credit market rose significantly and the prospect of certain industries was declining, leading to frequent risk events, significant fluctuations in the value of collateral and restrictions on disposal, which brought about greater challenges to the credit risk management of the Group in the future.

### (4) *Compliance risk*

Compliance risk refers to the risk of being held legally liable, subject to regulatory actions, disciplined, or suffering financial or reputational loss because of the violation of laws, regulations and rules.

### **(5) Operational risk**

Operational risk is the risk of direct or indirect loss caused by imperfect or problematic internal procedures, personnel, systems and external events. Each department and business line of securities firms (including front business department and the middle and back office supporting department) face operational risk, characterized by wide coverage and diversity, frequent occurrence but difficult to control, including daily business process flaws with high occurring frequency but relatively low loss, and unexpected events with low frequency of occurrence and significant loss. Meanwhile, as the Group's innovative businesses constantly increase, the business process becomes increasingly complicated. If the Company fails to timely identify the operational risks in each of its business lines and daily operations and to take effective mitigation measures, it may materialize operational risks due to unreasonable process setting and ineffective design or implementation of risk control measures.

### **(6) Information technology risk**

Information technology has significantly enhanced the Company's operational efficiency and competitiveness. The Company's investment management business, trading and institution business, wealth management business, investment banking business, etc. as well as the middle and back end office management all rely on the support of its information system. Information technology plays an important role in promoting the Company's business, while it also brings certain risk exposure. System establishment and operation will be greatly affected by the quality of electronic equipment and system software, the operation and maintenance of corporate systems, performance of application software business operation, the level of industry service providers, virus and hacker attacks, data loss and leakage, abnormal access to operating authorization, infrastructure, natural disasters, etc.

### **(7) Reputation risk**

Reputation risk refers to the risk of the damage of its brand value or adverse effect on its normal operation and even effect on market stability and social stability caused by the negative evaluation of the securities company by investors, issuers and regulators, self-discipline organization, social public and the media due to the operation or external events of the Company, the relevant behaviors such as the violation of the provisions of integrity, professional ethics, business practices, industry rules and regulations by workers. The Company's operation and management behaviors related to reputation risk mainly include: strategic planning or adjustment, change of equity structure, adjustment of internal organization or change of core personnel; design, provision or promotion of business investment activities and products and services; major defects in internal control design, implementation and system control or major operating loss events; judicial matters and supervision investigation and punishment; false reports by the news media or false comments on the Internet; customer complaints and improper remarks or behaviors related to the Company; improper remarks or behaviors of the staff, violation of honesty regulations, professional ethics, business norms, industry rules and regulations, etc.



### 2. Counter-measures that the Company has adopted or plans to adopt for the above risks

#### (1) *Establish overall risk management system of GF Securities*

In recent year, based on external regulatory requirements and internal risk management requirements, the Company has established and continuously optimized overall risk management system and conducted risk management work by focusing on some key factors, such as “risk management culture, risk management governance framework, risk management mechanism and implementation and risk management infrastructure”. At present, the Company’s risk management has covered each type of risks, each business line, each department and each subsidiary. Relevant mechanism and process for the identification and analysis, assessment and measurement, monitoring and reporting, response and address of risks are in effective operation.

#### (2) *Specific management for various risks*

##### ① Liquidity risk management

The Company implements prudent liquidity risk preference management strategy to ensure that the Company will have adequate liquidity reserve and fundraising capability under normal situation and stress state through scientific asset-liability management and fund management, multi-level liquidity reserve, effective liquidity emergency response and monitoring and pre-warning about liquidity risk index and includes the liquidity risk of the subsidiaries in the Group for centralized management and control to prevent liquidity risk of the Group. Specific measures for liquidity risk management include: 1) The Company formulates, implements and continues to improve its financing strategy to implement centralized management for financing and liabilities in accordance with the asset-liability structure and business development planning of the Company; 2) The Company implements daytime liquidity management reasonably and guarantee that the Company has sufficient daytime liquidity cash; 3) The Company implements multi-level liquidity reserve management, clarifies investment scope of liquidity asset reserves and sets corresponding risk limit and conducts daily monitoring; 4) The Company establishes liquidity risk limit system and conducts daily calculation and supervision for the relevant monitoring indexes based on regulatory requirements and needs of internal liquidity risk management; 5) The Company regularly or irregularly evaluates cash gap and liquidity risk index of the Company under circumstances of internal and external liquidity pressure and formulates corresponding liquidity management strategies; 6) The Company urges and guides the relevant subsidiaries to establish and strictly implement liquidity risk management mechanism including risk limit, monitoring and reporting, stress testing, emergency response, etc.; 7) The Company regularly or from time to time carries out liquidity risk drill and optimizes and perfects liquidity risk emergency disposal processes and mechanism of the Company based on the drill condition.



### ② Market risk management

The Company follows the principles of active management and quantitation orientation based on its own risk preference and market risk tolerance, as well as the actual needs of each business line, and adopts a top-down and bottom-up method to formulate and refine the market risk limit of the Group, the parent company and each business unit, to guarantee that the market risk exposure of the Company is within the risk tolerance range set through various measures such as risk identification, evaluation, measurement, monitoring, reporting and disposal. With the development of the FICC business, derivative products business and overseas business of the Company, the Company has enhanced effectiveness and efficiency of risk management through the following measures to cope with more complicated market risk: 1) The Company monitors daily possible short-term losses under normal fluctuations by setting VaR and sensitivity index limit for key investment business and complex derivatives business based on traditional risk index limit, and establishes stress test index limit to monitor and evaluate possible losses under extreme conditions, optimizes authorization hierarchy for risk limit based on business maturity so as to continue to improve the scientificity and effectiveness of the market risk limit management; 2) The Company actively studies the advanced and mature market risk measurement models, gradually explores the application of indicators such as ES and SVaR and establishes a multi-level risk quantification indicators system; 3) The Company continues to independently research and develop industry-leading risk management system to achieve centralized management of full-position market risk covering various investment businesses and investment types of the Company, thus realizing systematic monitoring and early warning of risk index limit to improve monitoring efficiency; 4) The Company continues to improve the risk management framework for pricing and risk measurement model, covering rating, development, verification, examination, utilization, monitoring and review of the model, and realizes the online management of the entire process through the model base.

### ③ Credit risk management

The Company implements management of credit risk for the whole process by means of effective risk identification, cautious risk evaluation and decision-making, measuring and monitoring of dynamic risk, timely risk report and settlement to effectively prevent or avoid risk event, reduce loss of the Group due to risk event and achieve income maximization after risk adjustment within the scope that credit risk can be accepted. The Company sticks to the following basic principles for credit risk management: 1) The Company shall identify and manage credit risk exposed to all products and business including new product and new business; 2) The Company controls risk at the front end by formulating risk policy about credit business (including due diligence request of clients, business access requirement); 3) The Company improves credit management of counterparties by consistently optimizing internal rating system; 4) The Company establishes multi-level credit risk limit system for total business size, single customer and its identifiable related parties, single stock collateral and industry, to control credit risk exposure and concentration risk; 5) The Company reduces net exposure of risk and estimated loss undertaken by the Group through various risk mitigation measures; 6) The Company establishes a set of information system and analysis tools to balance credit risk exposure and classify and evaluate risk asset combination.

### ④ Compliance risk management

The Company strictly complies with external legal provisions and regulatory requirements to implement various aspects of compliance management work such as continuously strengthening system establishment, compliance review and consulting, compliance control and examination, staff practice, anti-money laundering management and segregation wall management. The Company has adopted the following measures to enhance the quality of compliance management: 1) effectively implementing various relevant requirements of the Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies 《(證券公司和證券投資基金管理公司合規管理辦法)》, the Guidelines on Implementation of Compliance Management of Securities Companies 《(證券公司合規管理實施指引)》 and other regulations, continuing to improve the organizational structure of compliance management, continuing to optimize the compliance management system with three departments cooperating with each other to satisfy the needs for management and control of compliance risk pre-event and during the process of the event; 2) in accordance with changes in external laws and regulations and internal management requirements, initiating the streamline of “formulation, modification, repealing” of the internal rules and regulations of the Company when appropriate, and realizing comprehensive management and effective management and control of the Company’s business through management measures such as compliance review and consulting, examination and control, and assessment accountability, etc., to promote the standardized development of business; 3) gradually improving the establishment of the compliance implementation information system, and improving the effectiveness of compliance management through intelligent and digital means.

### ⑤ Operational risk management

The Company manages its operational risks mainly through the combination of sound authorization mechanism and segregation of duties, optimized system and process, well established IT system, strict operation discipline, strengthened control before and during the process as well as subsequent supervision and inspection etc. The Company has improved the level and effect of operational risk control mainly through the following measures: 1) The Company has improved the operational risk management system, strengthened the joint coordination between the three lines of defense of the operational risk management, and enhanced the in-depth analysis and rectification tracking of the operational risk related issues; 2) The Company has further improved the operational risk identification, evaluation, monitoring and reporting mechanism through continuous improvement and further promotion of three major tools, including risk and control self-assessment, key risk indicators and loss data collection, with new business assessment and IT system establishment and other daily business operations embedded as a normal practice, and active promotion of the construction of digital risk monitoring indicators and application of tools such as RPA (Robotic Process Automation) on that basis; 3) The Company has been gradually achieving the systematization and standardization of the operation risk management through continuous optimization of the operational risk management system; 4) The Company continues to enhance the management of operational risks of its subsidiaries through traditional tools for operational risk management and new business assessment and information system establishment; 5) Considering requirements for the construction of operational risk management system, the Company has been continuing to improve the assessment and management system for new products and new business, optimize the process for assessment, inspection and review, and continuously enhance the tracking management for new business and the final report; 6) The Company continues to carry out the promotion and training of operational risk management culture.

### ⑥ Information technology risk management

In the first half of 2024, leveraging on three lines of defense of “assurance of on-going business, safety assurance, quality assurance” and three bases of “information platform, hybrid cloud platform and fundamental platforms of three centers in two places”, the Company realized the close cycle before-event, event and after-event effective management of IT risks. The Company increased its IT investment, continued to regulate operation process, strengthened compliance risk control and management, which further improved the security management level for the establishment, operation and maintenance of information system and ensured the safe, reliable and stable operation of the Company’s information system, thereby effectively supporting the regulated development of the Company’s business.

### ⑦ Reputation risk management

According to systems requirements such as the Guidelines for Reputation Risk Management of Securities Companies (《證券公司聲譽風險管理指引》) issued by the Securities Association of China and the Administrative Measures for the Reputational Risks of GF Securities (《廣發證券聲譽風險管理辦法》), the Company continues to establish and improve the reputation risk management system, and establish a whole-process control mechanism including identification, evaluation, control, monitoring, response and report; through effective public opinion monitoring means, reputation risk is timely identified and dynamically monitored; the Company regularly assesses its overall reputation risk, and maintains and manages media relations; coordinate all units of the Company to deal with reputation risk events in a timely manner; promote the construction of the official platform, use a variety of media forms to promote the active dissemination of positive and objective information of the Company; organize and implement reputation risk training, cultivate the awareness of reputation risk prevention of all staff, require all staff to take the initiative to maintain, consolidate and enhance the Company's reputation, promote the steady development of all businesses and achieve long-term sustainable development of the Company through effective management of reputation risk.

## MANAGEMENT DISCUSSION AND ANALYSIS

### XI. RECEPTION OF ACTIVITIES SUCH AS RESEARCH, COMMUNICATION AND INTERVIEW DURING THE REPORTING PERIOD

The Company highly values investor relationship management and information disclosure, pays attention to the truthfulness, accuracy, completeness and timely and fair disclosure of information, actively protects the interest of medium and small investors, carefully listens and replies to proposals and consultative opinions of medium and small investors in the ordinary course of work. The Company maintains smooth interactive communication with institutional investors and individual investors by means of telephone, mail, website of the Company or the “Easy Interaction” platform of the SZSE, regular or ad hoc referral conference or roadshow, interview and research. In the first half of 2024, in addition to the daily telephone communication with public investors, there were a total of 7 receptions of activities such as research and performance roadshow, and the Company received about 100 investors in total. The details are as follows:

Reception time	Reception venue	Reception method	Type of participants	Participants	Main contents of the discussion and information provided
January 1, 2024 to June 30, 2024	–	Telephone communication	Individuals	Public investors	Operation and development of the Company
January 11, 2024	–	Telephone communication	Institutions	Investors invited to Goldman Sachs (Asia) Financial Corporate Day	Strategic and business development of the Company
January 24, 2024	–	Telephone communication	Institutions	Investors invited to HSBC Greater China Financial Corporate Day	Strategic and business development of the Company
March 29, 2024	–	Results roadshow	Institutions	Analysts and investors invited to GF Securities’ 2023 Annual Results Briefing	Strategic and business development of the Company
April 1, 2024	–	Results roadshow	Institutions, individuals	Investors participating in GF Securities’ 2023 Annual Results Presentation	Strategic and business development of the Company
April 24, 2024	–	Telephone communication	Institutions	M&G	Operation and development of the Company
May 16, 2024	The Company’s Meeting Room on 39th Floor	On-site meeting	Institutions	Analysts of CITIC Securities and its invited investors	Strategic and business development of the Company
June 6, 2024	The Company’s Meeting Room on 39th Floor	On-site meeting	Institutions	Pzena Investment Management	Operation and development of the Company

*Note: The record chart of investor relations activities regarding the reception of investors by the Company is disclosed on the website of SZSE ([www.szse.cn](http://www.szse.cn)) and the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)).*

### XII. IMPLEMENTATION OF THE ACTION PLAN FOR ENHANCEMENT IN BOTH QUALITY AND RETURN

On February 29, 2024, the Company disclosed the “Announcement on the Action Plan for Enhancement in Both Quality and Return”, stating that it has formulated an action plan to improve both quality and return based on development strategies and operation circumstances of the Company to enhance practically its investability, strengthen investors’ confidence and promote the steady and sustainable development of the Company. According to the action plan, the Company will focus on its main responsibilities and businesses, serve the real economy, regulate corporate governance, strengthen core competitiveness, and promote the high-quality development of the Company to a new level. Adhering to the investor-oriented approach, the Company will continue to improve the quality of information disclosure, strengthen communication with investors, enhance investors’ sense of gain, and practically fulfill the responsibilities and obligations as a listed company, and contribute to stabilizing the market as well as confidence.

For details, please refer to the relevant announcement of the Company dated February 29, 2024, which was disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and HKEXnews website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

### XIII. TAX CONCESSION

#### 1 Holders of A Shares

In accordance with the Notice on Relevant Issues of Implementation of Individual Income Tax Policy of Dividends and Bonus Differentiation of Listed Companies (Cai Shui [2012] No. 85)《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2012]85 號)) and the Notice on Relevant Issues of Individual Income Tax Policy of Dividends and Bonus Differentiation of Listed Companies (Cai Shui [2015] No. 101)《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101 號)) issued by the Ministry of Finance, the State Bureau of Taxation and the CSRC, for dividends and bonus of individual investors obtained from listed companies from the date when individual investors obtain shares of the Company to the equity registration date, if shareholding period is more than one year, personal income tax will be exempted; if shareholding period is less than one year (including one year), the listed company will not withhold and remit personal income tax and make corresponding adjustment according to the tax payable amount calculated by their shareholding period.

As for shareholders of resident enterprises, income tax of cash bonus will be paid by themselves.

Listed companies will withhold and remit enterprise income tax at the tax rate of 10% for qualified foreign institutional investors (QFII) in accordance with provisions of the Notice of State Administration of Taxation on Relevant Issues Regarding the Withholding and Payment of Enterprise Income tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII (Guo Shui Han [2009] No. 47)《國家稅務總局關於中國居民企業向QFII 支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函[2009]47號)). If dividends and bonus obtained by QFII shareholders need to enjoy tax convention (arrangement) treatment, they can put forward or entrust obligor of withholding and remitting tax to put forward application for enjoying tax convention treatment to the competent taxation authority of the listed company.



In accordance with provisions of the Notice of the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission on Tax Policies about Inter-communication Pilot of Shenzhen-Hong Kong Stock Exchange Mechanism (Cai Shui [2016] No. 127) (《財政部國家稅務總局證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), as for dividends and bonus of Hong Kong market investors (including enterprise and individual) by investing A shares listed on SZSE, differentiated taxation policy will not be temporarily implemented as per shareholding time before Hong Kong Securities Clearing Company Limited complies with conditions to provide detailed data including identities of investors and shareholding time for China Securities Depository and Clearing Corporation Limited, and the listed company will deduct income tax at the tax rate of 10% and go through deduction declaration with the competent taxation authority. As for Hong Kong investors who belong to tax residents of other countries and dividends income tax rate specified in tax convention signed by their countries and China is lower than 10%, enterprises or individuals can put forward or entrust obligor of withholding and remitting tax to put forward application for enjoying tax convention treatment to the competent taxation authority of the listed company.

### 2 Holders of H Shares

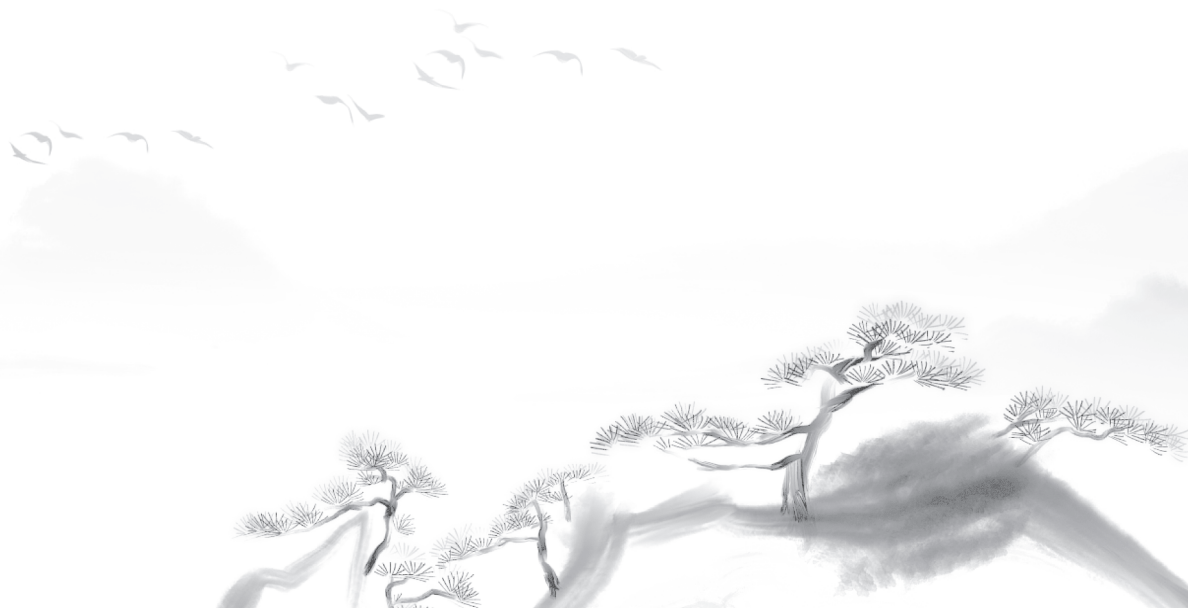
In accordance with provisions of the Notice of the State Administration of Taxation on Personal Income Tax Collection Issues after the Document with the Number of Guo Shui Fa [1993] No. 045 has been Abolished (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), withholding and remitting obligor will withhold and remit personal income tax as per item of “interest, dividends and bonus income” for dividends and bonus income of overseas resident individual shareholders from domestic non-foreign-funded enterprise by issuing shares in Hong Kong. When domestic non-foreign-funded enterprise issues shares in Hong Kong, its overseas resident individual shareholders will enjoy relevant tax preference in accordance with tax convention signed by China and the country stated in the residential identity and tax arrangement of inland and Hong Kong (Macau). In general, tax rate for dividend is 10% in accordance with relevant tax convention and provisions on tax arrangement. To simplify tax collection and management, when a domestic non-foreign funded enterprise that has issued shares in Hong Kong distributes dividends and bonus, personal income tax will be generally withheld and remitted as per the tax rate of 10% and application is not necessary. Situations in which tax rate for dividends is not 10% will be handled in accordance with the following provisions: (1) as for residents of conventional country whose tax rate is less than 10%, withholding and remitting obligor can handle application for enjoying relevant convention treatment and excessive tax will be refunded with approval of competent taxation authority; (2) as for residents of conventional country whose tax rate is between 10% and 20%, withholding and remitting obligor shall withhold and remit personal income tax as per actual conventional tax rate when distributing dividends and bonus and it need not handle application and approval issues; (3) as for residents of the countries without tax convention and other situations, withholding and remitting obligor shall withhold and remit personal income tax at the tax rate of 20% when distributing dividends and bonus.

In accordance with provisions of the Notice on Relevant Issues that PRC Resident Enterprises Distribute Dividends to Overseas Non-resident Enterprise Shareholders of H Shares and Withhold and Remit Enterprise Income Tax (Guo Shui Han [2008] No. 897)(《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the State Administration of Taxation, when PRC resident enterprises distribute dividends of 2008 and future years to overseas non-resident enterprise shareholders of H Shares, they will withhold and remit enterprise income tax at the tax rate of 10%.

In accordance with provisions of the Notice of the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission on Tax Policies about Inter-communication Pilot of Shenzhen-Hong Kong Stock Exchange Mechanism (Cai Shui [2016] No. 127)(《財政部國家稅務總局證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), H-share companies will deduct personal income tax at the tax rate of 20% for dividend and bonus of individual investors in the PRC by investing in H shares of the Hong Kong Stock Exchange via Shenzhen-Hong Kong Stock Connect. Personal income tax will be collected in accordance with the above provisions for dividends and bonus income of the securities investment fund in the PRC by investing in listed shares of the Hong Kong Stock Exchange via the Shenzhen – Hong Kong Stock Connect. H-share companies will not deduct dividend and bonus income tax for dividends and bonus of enterprise investors in the PRC by investing in listed shares of the Hong Kong Stock Exchange via the Shenzhen-Hong Kong Stock Connect and income tax will be paid by enterprises. For dividends and bonus income of resident enterprises in the PRC obtained as they have continuously held H shares for 12 months, enterprise income tax will be exempted according to laws.

In accordance with current convention of the Hong Kong Inland Revenue Department, taxes will not be paid for dividends paid by the Company in Hong Kong.

Shareholders will pay relevant taxes and/or enjoy tax concession in accordance with the above provisions.





# 公司治理

CORPORATE GOVERNANCE



### I. BASIC SITUATION OF THE CORPORATE GOVERNANCE

The Company is committed to becoming a modern investment bank with international competitiveness, brand influence and systematic significance. As a public company listed in both Mainland China and Hong Kong, the Company carries out standardized operations in strict compliance with the requirements of laws, administrative regulations and normative documents of the place where the Company is listed, therefore continuously improving the social recognition and public reputation.

The Company continues to enhance corporate governance pursuant to stipulations under the relevant laws and regulations including the Company Law, the Securities Law, the Regulations on Supervision and Administration of Securities Companies, the Rules for Governance of Securities Companies, the Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board and the Hong Kong Listing Rules. The Company constantly improves its internal control management system so as to gradually reinforce the completeness, rationality and effectiveness of its internal control. The Company further establishes and improves its rules and regulations. The general meeting of Shareholders, the Board, the supervisory committee and the management of the Company perform their respective duties and act with due diligence, which establishes a sound structure of corporate governance. Through this corporate governance structure, the Company ensures its standard operation in accordance with the CG Code. There is no material difference between the actual situation of corporate governance and the laws, administrative regulations and regulations on the governance of listed companies issued by the CSRC and the Hong Kong Stock Exchange.

To satisfy the requirements of both corporate governance and specific operation for being an A+H dual-listed company, the Company approved, the adoption of the Model Code as the code of conduct for securities transactions of the Company by all Directors and Supervisors, and the adoption of the CG Code as the guidelines for standardizing the Company's governance at the Board meeting held on March 19, 2015. As at the end of the Reporting Period, after special enquiry of the Directors and Supervisors of the Company, all Directors and Supervisors have strictly complied with the standards in the Model Code during the Reporting Period. During the Reporting Period, save as set out below, the Company strictly complied with the code provisions of the CG Code, and met most of the recommended best practice provisions as set out in the CG Code. According to the code provision C.2.1 in the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. From the beginning of the Reporting Period to May 10, 2024, Mr. Lin Chuanhui, chairman of the Company, also served as general manager of the Company, which has improved the implementation of the Company's development strategy and promoted communications between the Board and senior management. Meanwhile, as all decisions of the Board of the Company are required to be reviewed and approved by the Board, seven out of eleven members of the Board of the Company are non-executive Directors, including four independent non-executive Directors who complied with the listing rules of the two places, which are sufficient to ensure a balance of power and authority in the operation of the Board.

## II. THE ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETINGS HELD DURING THE REPORTING PERIOD

### 1. General meeting of shareholders during the Reporting Period

Session of meeting	Type of meeting	Participation ratio of investors	Convening date	Disclosure date	Resolutions
2023 annual general meeting	Annual general meeting	54.8029%	May 10, 2024	May 11, 2024	<p>The meeting considered and approved:</p> <ol style="list-style-type: none"> <li>1. The 2023 Directors' Report of GF Securities</li> <li>2. The 2023 Supervisory Committee's Report of GF Securities</li> <li>3. The 2023 Work Report of the Independent Directors of GF Securities</li> <li>4. The 2023 Duty Performance Report of the Independent Directors of GF Securities</li> <li>5. The 2023 Final Financial Report of GF Securities</li> <li>6. The 2023 Annual Report of GF Securities</li> <li>7. The 2023 Profit Distribution Plan of GF Securities</li> <li>8. Resolution Regarding Engagement of Auditors in 2024</li> <li>9. Resolution Regarding the Authorization of Proprietary Investment Quota of the Company for 2024</li> <li>10. Resolution Regarding the 2024 Expected Daily Related Party/Connected Transactions of the Company</li> <li>11. Resolution Regarding Amendments to the Articles of Association</li> <li>12. Resolution Regarding the Formulation of the Working System of Independent Directors of GF Securities</li> <li>13. Resolutions Regarding the Election of Non-Independent Directors to the Eleventh Session of the Board of Directors of the Company</li> <li>14. Resolutions Regarding the Election of Supervisors to the Eleventh Session of the Supervisory Committee of the Company</li> <li>15. Resolutions Regarding the Election of Independent Directors to the Eleventh Session of the Board of Directors of the Company</li> </ol>

### 2. Holders of preferred shares whose voting rights have been restored request the convening of extraordinary general meeting

N/A.



### III. CHANGES IN THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position	Type	Date	Reasons
Ge Changwei	Vice chairman and executive Director	Resigned upon expiration of term of office	May 10, 2024	Expiration of term of office
Fan Lifu	Independent non-executive Director	Resigned upon expiration of term of office	May 10, 2024	Expiration of term of office
Hu Bin	Independent non-executive Director	Resigned upon expiration of term of office	May 10, 2024	Expiration of term of office
Lai Jianhuang	Shareholder representative Supervisor	Resigned upon expiration of term of office	May 10, 2024	Expiration of term of office
Xie Shisong	Shareholder representative Supervisor	Resigned upon expiration of term of office	May 10, 2024	Expiration of term of office
Lu Xin	Shareholder representative Supervisor	Resigned upon expiration of term of office	May 10, 2024	Expiration of term of office
Wu Jifu	Deputy general manager	Resigned upon expiration of term of office	May 10, 2024	Expiration of term of office
Xiao Xuesheng	Executive Director and deputy general manager	Elected and appointed	May 10, 2024	Elected at the general meeting and appointed by the Board
Zhang Chuang	Independent non-executive Director	Elected	May 10, 2024	Elected at the general meeting
Wang Dashu	Independent non-executive Director	Elected	May 10, 2024	Elected at the general meeting
Wang Zhenyu	Shareholder representative Supervisor	Elected	May 10, 2024	Elected at the general meeting
Zheng Chunmei	Shareholder representative Supervisor	Elected	May 10, 2024	Elected at the general meeting
Zhou Feimei	Shareholder representative Supervisor	Elected	May 10, 2024	Elected at the general meeting
Hu Jinquan	Deputy general manager	Appointed	May 10, 2024	Appointed by the Board
Yin Zhongxing	Secretary to the Board, joint company secretary and securities affairs representative	Appointed	May 10, 2024	Appointed by the Board

- On May 9, 2024, resolutions were passed at the seventh meeting of the sixth session of the employee representatives meeting of the Company, pursuant to which Mr. Zhou Xitai and Ms. Yi Xinyu were elected as employee representative Supervisors of the eleventh session of the Supervisory Committee of the Company. The above employee representative Supervisors together with the three Supervisors elected at the 2023 annual general meeting of the Company will jointly form the eleventh session of the Supervisory Committee of the Company, and their term of office shall be the same as that of the eleventh session of the Supervisory Committee.
- On May 10, 2024, the Resolution Regarding the Election of Non-independent Directors to the Eleventh Session of the Board of Directors of the Company, the Resolution Regarding the Election of Independent Directors to the Eleventh Session of the Board of Directors of the Company and the Resolution Regarding the Election of Supervisors to the Eleventh Session of the Supervisory Committee of the Company were considered and approved at the 2023 annual general meeting of the Company, pursuant to which Mr. Li Xiulin, Mr. Shang Shuzhi, Mr. Guo Jingyi, Mr. Lin Chuanhui, Ms. Sun Xiaoyan, Mr. Qin Li and Mr. Xiao Xuesheng were elected as non-Independent Directors of the eleventh session of the Board of Directors of the Company, among which Mr. Li Xiulin, Mr. Shang Shuzhi and Mr. Guo Jingyi were elected as non-executive Directors, Mr.



Lin Chuanhui, Ms. Sun Xiaoyan, Mr. Qin Li and Mr. Xiao Xuesheng were elected as executive Directors; Ms. Leung Shek Ling Olivia, Mr. Li Wenjing, Mr. Zhang Chuang and Mr. Wang Dashu were elected as independent Directors of the eleventh session of the Board of Directors the Company; and Mr. Wang Zhenyu, Ms. Zheng Chunmei and Ms. Zhou Feimei were elected as shareholder representative supervisors of the eleventh session of the Supervisory Committee of the Company.

3. On May 10, 2024, at the first meeting of the eleventh session of the Board of Directors of the Company, the Resolution Regarding the Election of the Chairman of the Eleventh Session of the Board of Directors of the Company was considered and approved to elect Mr. Lin Chuanhui as chairman of the eleventh session of the Board of Directors of the Company; the Resolution Regarding the Appointment of the General Manager of the Company was considered and approved to appoint Mr. Qin Li as general manager of the Company and authorized representative of the Company to communicate with the Hong Kong Stock Exchange; the Resolutions Regarding the Appointment of Other Senior Management Members of the Company were considered and approved to appoint Ms. Sun Xiaoyan as executive deputy general manager and chief financial officer of the Company, Mr. Xiao Xuesheng as deputy general manager of the Company, Mr. Ouyang Xi as deputy general manager of the Company, Mr. Zhang Wei as deputy general manager of the Company, Mr. Yi Yangfang as deputy general manager of the Company, Mr. Xin Zhiyun as deputy general manager and chief information officer of the Company, Mr. Li Qian as deputy general manager of the Company, Mr. Xu Youjun as deputy general manager of the Company, Mr. Hu Jinquan as deputy general manager of the Company, Mr. Wu Shunhu as chief compliance officer of the Company, Mr. Cui Zhouhang as chief risk officer of the Company and Mr. Yin Zhongxing as secretary to the Board of Directors, joint company secretary and securities affairs representative of the Company. Among them, Mr. Xiao Xuesheng and Mr. Hu Jinquan are required to pass the qualification test for senior management of securities companies to formally perform the above duties; and Mr. Yin Zhongxing is required to pass the qualification test for senior management of securities companies and obtain the waiver in relation to the qualification of company secretary from the Hong Kong Stock Exchange to formally perform the above duties.

As of the date of this report, Mr. Xiao Xuesheng, Mr. Hu Jinquan and Mr. Yin Zhongxing have formally performed the above duties, and the Company has performed the filing procedures with the regulatory authorities in accordance with relevant requirements.

4. On May 10, 2024, the Resolution Regarding the Election of the Chairman of the Eleventh Session of the Supervisory Committee of the Company was considered and approved at the first meeting of the eleventh session of the Supervisory Committee of the Company to elect Mr. Zhou Xitai as chairman of the eleventh session of the Supervisory Committee of the Company.
5. On July 13, 2024, the Company issued the Announcement on the Formal Performance of Duties by the Secretary to the Board of Directors, Joint Company Secretaries and Securities Affairs Representative that the Company had received the certificate of passing qualification test for senior management of securities companies and obtain the waiver in relation to the qualification of company secretary from the Hong Kong Stock Exchange by Mr. Yin Zhongxing. Since July 12, 2024, Mr. Yin Zhongxing has formally performed duties as secretary to the Board of Directors, joint company secretary and securities affairs representative of the Company, and Mr. Xu Youjun, the former secretary to the Board of Directors, joint company secretary and securities affairs representative of the Company, ceased to perform corresponding duties.

#### IV. PROFIT DISTRIBUTION AND CONVERSION OF CAPITAL RESERVES INTO SHARE CAPITAL DURING THE REPORTING PERIOD

Number of bonus share per 10 shares (share(s))	0
Dividend distribution per 10 shares (RMB) (tax inclusive)	1.00
Scrip shares per 10 shares (share(s))	0
Share base of the distribution proposal (shares)	7,605,845,511
Amount of cash dividend (RMB) (tax inclusive)	760,584,551.10
Amount of cash dividend distributed through other means (such as repurchase of shares) (RMB)	0
Total amount of cash dividend (including cash dividend distributed through other means) (RMB)	760,584,551.10
Distributable profit (RMB)	31,134,229,822.98
Total amount of cash dividend (including cash dividend distributed through other means) as a percentage of total amount of profit distribution	100%

##### Distribution of Cash Dividend

The cash dividend was RMB760,584,551.10, representing 17.44% of the net profit attributable to the shareholders of the Company in the consolidated financial statements for the period from January to June 2024.

##### Detailed description of proposal for profit distribution or conversion of capital reserves into share capital

According to the Company's consolidated statements for the period from January to June 2024, the net profit attributable to the shareholders of the Company was RMB4,362,371,717.16, the net profit of the parent company was RMB4,628,800,375.60. As at June 30, 2024, the undistributed profit of the parent company as at the end of the period was RMB31,134,229,822.98.

According to the Company Law, the Securities Law, the Financial Rules for Financial Enterprises, the Document (Zheng Jian Ji Gou Zi [2007] No. 320) issued by the CSRC, the Self-Regulatory Supervision Guidelines for Company Listed on the Shenzhen Stock Exchange No. 9 – Repurchase of Shares and the Articles of Association and other relevant regulations, the Company proposed the following interim profit distribution for the year of 2024 in the interest of the shareholders and the development of the Company:

Based on the number of shares held as at the record date for dividend distribution after deducting the number of shares deposited in the special account for securities repurchase of the Company, it was proposed that a cash dividend of RMB1.0 (tax inclusive) for every 10 shares be distributed to all shareholders. If there is any change in the total share capital of the Company prior to the record date for dividend distribution, it is proposed to maintain the distribution ratio unchanged and adjust the total distribution accordingly. Based on the Company's existing share capital of 7,621,087,664 shares after deducting 15,242,153 repurchased A Shares (i.e. 7,605,845,511 shares), the total cash dividend would be RMB760,584,551.10, and the remaining undistributed profit of RMB30,373,645,271.88 would be carried forward to the next period. The cash dividend distribution accounted for 17.44% of the net profit attributable to shareholders of the Company in the consolidated financial statements for the period from January to June 2024.

Dividends of A shares are distributed in RMB and dividends of H shares are distributed in Hong Kong dollars, the actual amount of which is calculated based on the average benchmark exchange rate for conversion between RMB and Hong Kong dollar issued by the People's Bank of China over the five working days prior to the date of convening the general meeting of shareholders.

The 2024 Interim Profit Distribution Plan of GF Securities (《廣發證券2024年度中期利潤分配預案》) was considered and approved at the 3rd meeting of the 11th session of the Board of Directors, which is in compliance with the Articles of Association and approval procedures, fully protecting the legitimate interests of minority investors. The 2024 interim profit distribution plan of the Company will be implemented within two months from the date when it is being considered and approved at the general meeting.

### V. IMPLEMENTATION OF EQUITY INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVES OF THE COMPANY

During the Reporting Period, the Company had no equity incentive plan, employee stock ownership plan or other employee incentives and implementation thereof.

### VI. INFORMATION OF THE STAFF OF THE COMPANY

#### 1. Number of staff

The Company implements employment in strict compliance with the external laws and regulations such as the Labor Law, the Labor Contract Law, the Employment Promotion Law and the Prohibition of Child Labor Provisions, and actively provides various employment positions for the society. The recruitment process is fair, impartial and non-discriminatory. The Company employs candidates of different genders and nationalities on an equal basis. The Company adheres to the diversified employment policy, actively fulfills its corporate social responsibilities, and arranges employment opportunities for the disabled. The Company does not use child labor or forced labor. In respect of gender equality, the Company is committed to maintaining the proportion of female employees to achieve a balance. In respect of talent pool, the Company provides comprehensive training for male and female employees who possess the experience, skills and knowledge required for operation and business, including but not limited to operation, management, accounting, finance, compliance and other aspects.

As of June 30, 2024, the Group had 14,492 employees (including labor dispatch, brokers), including 12,112 employees of the parent company and 2,380 employees of the subsidiaries.

#### 2. Remuneration policy

The Company has stringently abided by the Labor Law, the Labor Contract Law and other external laws and regulations, and established sound human resource management systems and processes, including the Administrative Measures on the Labor Contract for Employees, the Administrative Measures on the Remuneration of Employees, the Administrative Measures on Employee Loyalty Service Awards, the Administrative Measures on the Benefits Leave for Employee and the Administrative Measures on the Welfare of Employees of the Company which effectively protected the rights and interests of employees in labor protection, working conditions, salary payment, social insurance, working hours management, rest and vacation and the interests of female employees.

The Company continued to establish a sound remuneration restraint mechanism to promote the stable operation and high-quality development of the Company in accordance with the principles of “implementing sound business philosophy, ensuring compliance with the bottom-line requirements, promoting the formation of positive incentives and enhancing the Company’s long-term value” under the Guidelines for Securities Companies to Establish a Sound Remuneration System (《證券公司建立穩健薪酬制度指引》) issued by the Securities Association of China. Employees’ remuneration is linked to the Company’s operating performance, effective functioning and compliance risk to ensure the long-term sustainable development of the Company and its business.

The remuneration of the Company’s employees primarily comprises of fixed salary, performance bonus and benefits. Fixed salary is a relatively stable remuneration that employees obtain when they meet the requirements of their job responsibilities and work normally, reflecting the basic guarantee and safety. Performance bonus is a variable remuneration set for the purpose of motivating and retaining employees, which is determined after the compliance, integrity and professional ethics of employees are included in the performance appraisal and bonus distribution. Benefits include payment of various statutory insurance, housing provident funds and enterprise annuity for employees in accordance with external laws and regulations and internal policies, as well as employee benefits, labor protection fees and union benefits, which are inclusive.

### 3. Training plans

The Company attaches great importance to employee training, carries out training and learning activities as common measures for the development of talents and is committed to building a team of highly qualified personnel. The Company continuously empowers the organization and employees by designing and operating empowerment learning programs that closely meet the development needs of each business line and building a learning platform with excellent resources and experience.

In the first half of 2024, in respect of the operation of learning programs, the Company focused on strategic transformation and key business and carried out a number of professional empowerment learning programs for key business lines such as wealth brokerage, investment banking and trading and institution through a combination of training and practicing to facilitate the high-quality development of the Company’s various businesses; in respect of the construction of curriculum system, the Company focused on developing and iterating the curriculum systems including five major business areas of wealth management, digital professional competence and investment banking practicing competence, and continued to carry out a series of qualification certifications to improve the professional level of the staff; and in respect of the construction of learning platform, the Company explored the application of AI technology in learning scenarios and launched new functions such as intelligent search, AI document and function search on GF Aixue Platform, providing convenience for employees to learn on their own.



# 環境和社會責任

*ENVIRONMENTAL AND SOCIAL  
RESPONSIBILITIES*



### I. MATERIAL ENVIRONMENTAL ISSUES

The Group is a financial enterprise and not a key pollutant discharge unit announced by the environmental protection authority.

The Group has strictly complied with laws and regulations, including the Environmental Protection Law of the PRC and the Energy Conservation Law of the PRC. Green operation has been applied throughout the entire course of operational management, by emphasizing on the green and environmental protection concepts in operation to realize sustainable growth and achieve the organic fusion of social, environmental and economic benefits.

#### 1. Energy Conservation and Carbon Reduction

During the Reporting Period, the Company made full efforts in energy conservation and carbon reduction, organized the refined energy consumption monitoring and management, and effectively reduced energy consumption and the waste of materials through various means such as formulating relevant operational requirements and standards, fixing positions and responsibilities, posting on-site management signs and carrying out personnel training; and carried out energy-saving renovation for large-load facilities such as lighting and air-conditioning units in parking spaces of GF Securities Building, adjusted and controlled the water output from faucets at the end of floors and optimized the landscape pool cleaning process and standards. During the Reporting Period, the Company made further improvements in energy conservation and waste management as compared to the previous year. At GF Securities Building office premises, the electricity consumption per unit GFA fell by 0.55 (kWh/m<sup>2</sup>) on a year-on-year basis, the water consumption per unit GFA was basically the same and the total amount of waste production decreased by 14.80% on a year-on-year basis indicating a relative improvement of the management on environmental key performance indicators.

#### 2. Green Office

The Company advocates the concept of green office and regularly carries out green office promotion and training for employees. During the Reporting Period, the Company established a sound electronic equipment life cycle management system and execution mechanism to ensure the rational use of equipment and minimize electronic waste; implemented waste classification management at GF Securities Building and a total of approximately 23 tonnes of recyclable waste (including recyclables such as paper, metals and plastics) was processed during the Reporting Period; reduced non-essential use of company vehicles for outings, rationally adjusted the use of employee shuttle buses and encouraged employees to travel on a low-carbon basis. The Company consolidated similar projects according to the procurement plan for centralized procurement to save resources, improve procurement efficiency and optimized supply chain management. In respect of centralized procurement, the Company has fully adopted the electronic procurement system platform to execute procurement projects, all bidding documents are submitted in



## ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

electronic form and paperless management is implemented. The GF Securities Centralized Procurement Supplier Management Rules stipulate that suppliers shall meet basic requirements including compliance with national safety and environmental standards by the products provided. For suppliers to participate in the Company's procurement activities, they shall meet requirements including compliance with environmental protection, employee occupational health and safety management standards.

### II. SOCIAL RESPONSIBILITIES

During the Reporting Period, the Group thoroughly implemented the major strategic decisions of the CPC Central Committee and the State Council on carbon peaking and carbon neutrality, actively responded to climate change, practiced the new concept of sustainable development of "innovation, coordination, greenness, openness and sharing" and supported the construction of ecological civilization and green and low-carbon industries; adhered to the goal of building a financial power, insisted on being a practitioner of responsible investment and green finance, comprehensively improved business competitiveness and comprehensive service capabilities and achieved common growth of the Company and customers; cared about the health and safety of employees, established and improved the protection system of employees' rights and interests and a long-term mechanism for talent development to promote the development of employees; focused on rural revitalization, educational support and promotion, financial empowerment and medical assistance, actively responded to the concerns of stakeholders, effectively coordinated the Company's economic benefits with social benefits as well as its own development and social development, so as to ensure the stability and long-term development of the Company; and attached great importance to investor protection and returns to shareholders, strengthened the Group's comprehensive risk management, strictly adhered to the bottom line of compliant operation and continuously improved the level of ESG governance.

During the Reporting Period, the Group's social welfare expenses amounted to a total of RMB12,052.8 thousand (including the donation to the GF Charity Foundation by the Company and the social welfare expenses of its wholly-owned and holding subsidiaries). The GF Charity Foundation established by the Group has been actively participating in rural revitalization, educational support and promotion and other activities, and incurred social welfare expenses of RMB7,359.5 thousand during the Reporting Period.

Focusing on rural revitalization, educational support and promotion, financial empowerment and medical assistance, the GF Charity Foundation carried out public welfare projects such as the GF Securities Micro-entrepreneurship Campaign for College Students, the Talent Empowerment Plan of GF Securities for Rural Rejuvenation and the High-quality Development of Social Organizations and GF Securities Mantianxing Program for Enhancement of Rural Children's Reading Capabilities, the Medical and Humanities Mingzhu Forum and the "GF Jucal" Yat-sen Postdoctoral Science Fund; and established and operated special public welfare funds such as Xinjiang Cotton Public Welfare Fund and Teaching and Research Fund.

### III. EFFORTS TO CONSOLIDATE AND EXPAND THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALIZATION

During the Reporting Period, the Company actively carried out paired assistance under the policy of “One Company, One County”. In addition to providing assistance to the former national-level poverty-stricken counties such as Antu and Longjing in Jilin and Nankang in Jiangxi, the Company also paired up with Maigaiti County in Xinjiang and Xinghe County in Inner Mongolia; provided assistance in the areas of industry, consumption and public welfare by facilitating the sales of agricultural products in Jilin, carrying out charity activities to help the disabled in Ganzhou, Jiangxi and making donation to build football fields for special education schools. The Company summarized the first phase of town-based assistance in Zhen’an Town, Yunfu, Guangdong. In the past three years, the Company invested assistance funds of RMB6.3 million, social welfare funds of RMB2.55 million and consumer assistance funds of RMB3 million, and implemented 80 assistance projects, achieving significant results.

During the Reporting Period, the Company expressed festival sympathy for poverty-stricken households, provided subsidies for employment and carried out housing repairs, organized garden party and evening party to continuously enhance the happiness and sense of gain of the people; supported the renovation and remediation of typical villages such as Huangsan Village, carried out green construction, constructed additional safety fences and made donations to build cultural and sports squares; and launched the “Regain Sight” campaign to help cataract patients and donated 2,500 books to Zhen’an Central Primary School. The High-quality Development Project of Hundreds of Counties, Thousands of Towns and Ten Thousand Villages vertical support in Guangdong province made a solid start. Together with the Provincial Department of Ecology and Environment and Yuecai Holdings, the Company provided vertical support to Guangning County in Zhaoqing by organizing investment banks, industrial research institutes, development research centers and other business departments to conduct three special surveys on enterprises and key industries in Guangning County, identified support areas including state-owned enterprise financing platform construction and renewable resource industry and provided support for the formulation of the “One County, One Policy” assistance plan; and responded to the ecological deployment of a Green and Beautiful Guangdong by raising a donation of RMB300,000 to support flood relief and post-disaster reconstruction in Guangning County. The Company participated in the June 30th Rural Revitalization Activity in Guangdong Province by donating RMB5 million to support rural revitalization and development in Guangdong Province. During the Reporting Period, in recognition of its social responsibility and contributions in the field of rural revitalization, the Company won awards such as Silver Cup in the Guangdong Poverty Alleviation Red Cotton Cup, the Recommended Case of Zhen’an Town Becoming a Typical Town of the Hundreds of Counties, Thousands of Towns and Ten Thousand Villages Project and Ganzhou Charitable Donation Entity.



# 重要事項

*SIGNIFICANT EVENTS*

## SIGNIFICANT EVENTS

### I. COMMITMENTS PERFORMED DURING THE REPORTING PERIOD OR NOT YET PERFORMED AS OF THE END OF THE REPORTING PERIOD BY THE DE FACTO CONTROLLER OF THE COMPANY, SHAREHOLDERS, RELATED PARTIES, PURCHASERS AND THE COMPANY

Cause of Commitment	Undertaking Party	Type of Commitment	Details of Commitment	Date of Commitment	Term of Commitment	Performance
Share conversion undertakings/ undertakings made in acquisition report or equity changes report/ undertakings made in asset restructuring	The Company and its shareholders, Directors, Supervisors and senior management	Others	<p>1. GF Securities and its Directors, Supervisors and senior management have made undertakings that upon completion of this transaction, GF Securities, as a public company, will strictly perform its obligations in information disclosure and investor education. After listing, in addition to meeting the requirements for information disclosure by listed companies in general, GF Securities will make sufficient disclosure in regular reports on information regarding customer asset protection, risk control, compliance inspection, commencement of innovative business and risk management according to its own characteristics to enhance the unveiling of risks for investors. 2. GF Securities and its Directors, Supervisors and senior management have made undertakings that they will strictly comply with the requirements of the Administrative Measures for Risk Control Indicators of Securities Companies, enhance the risk management system, improve the risk monitoring mechanism, establish a real-time risk monitoring system, strengthen dynamic monitoring of risks and enhance capabilities in identifying, measuring and controlling risks to enhance the level of risk management. 3. To avoid peer competition with the surviving company after share conversion and merger by absorption and regulate possible related transactions, Liaoning Cheng Da and Jilin Aodong have made the following undertakings: ① Being the largest and second largest shareholders of the surviving company after share conversion and merger by absorption, they have undertaken not to operate the same business as that operated by the surviving company (whether at present or in future), and not to indirectly operate or participate in the investment of enterprises which compete or may compete with the business of the surviving company. At the same time, they have also warranted that they will not use their capacity as shareholders to harm the proper interest of the surviving company and other shareholders. In addition, they will procure their wholly-owned subsidiaries or subsidiaries in which they have more than 50% equity interest or relative controlling interest to comply with the above undertakings. ② With respect to related transactions conducted by Liaoning Cheng Da and Jilin Aodong and their respective related parties with the surviving company in future, the decision-making procedure for related transactions of listed companies will be strictly performed and the market pricing principles will be observed to ensure fairness, impartiality and equity and the legitimate interest of minority shareholders will not be prejudiced. 4. Liaoning Cheng Da and Jilin Aodong have issued the Undertakings on Maintaining the Independence of Yan Bian Road Construction Co., Ltd., respectively, and warrant to realize staff independence, asset independence, business independence, financial independence and organization independence with the Company.</p>	February 6, 2010	Nil	All undertaking parties have strictly performed the undertakings.

## SIGNIFICANT EVENTS

Cause of Commitment	Undertaking Party	Type of Commitment	Details of Commitment	Date of Commitment	Term of Commitment	Performance
Net capital guarantee undertaking provided to GF Asset Management	GF Securities	Others	In order to support GF Asset Management for its continuous compliance with the regulatory requirements on risk control indicators, the Company has provided GF Asset Management with additional net capital guarantee undertakings of up to RMB3 billion (RMB3 billion inclusive), among which, net capital guarantee undertakings of RMB2.5 billion were provided for a term from the date on which the same was considered and approved by the board of directors until September 30, 2016; and net capital guarantee undertakings of RMB0.5 billion were provided for a term until its net capital was able to satisfy the requirements of the regulatory authority on an ongoing basis.	July 18, 2016	Net capital guarantee undertakings of RMB2.5 billion were provided for a term from the date on which the same was considered and approved by the board of directors until September 30, 2016; and net capital guarantee undertakings of RMB0.5 billion were provided for a term until March 13, 2024.	GF Securities strictly performed the undertakings.
Whether the undertakings were performed timely	Yes					

### II. USE OF THE LISTED COMPANY'S FUNDS BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES FOR NON-OPERATING PURPOSES

The Company did not have a controlling shareholder nor a de facto controller. During the Reporting Period, no funds of the Company were used by the largest shareholder and its related parties for non-operating purposes.

### III. NON-COMPLIANCE IN EXTERNAL GUARANTEES

During the Reporting Period, there was no issue of non-compliance in external guarantees of the Company.

### IV. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRMS

The Group has not engaged an accounting firm to audit the 2024 interim financial information. Ernst & Young has conducted a review of the 2024 interim financial information in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

### V. STATEMENT ON ACCOUNTING FIRM'S "NON-STANDARD AUDIT REPORT" OF THE REPORTING PERIOD BY THE BOARD OF DIRECTORS AND SUPERVISORY COMMITTEE

N/A.

## SIGNIFICANT EVENTS

### VI. STATEMENT ON THE “NON-STANDARD AUDIT REPORT” FOR THE PREVIOUS YEAR BY THE BOARD OF DIRECTORS

N/A.

### VII. RELEVANT MATTERS ABOUT BANKRUPTCY REORGANIZATION

During the Reporting Period, the Company had no relevant matters about bankruptcy reorganization.

### VIII. LITIGATIONS

During the Reporting Period, the Company was not involved in any material litigation and arbitration that involved claims of over RMB10 million and accounting for more than 10% of the absolute value of the Company's latest audited net assets, which shall be disclosed in accordance with the requirements under the SZSE Listing Rules. The accumulative amount of the Company's litigation and arbitration in the past 12 months did not exceed 10% of the absolute value of the Company's latest audited net assets.

As at June 30, 2024, the Group was involved in 1,113 litigation and arbitration cases (including those initiated by and against the Group) pending final judgment or ruling and completed execution, involving a total amount of claims at approximately RMB14.499 billion. Among them, 92 cases were initiated by the Group, involving a total amount of claims at approximately RMB10.081 billion; and 1,021 cases were initiated against the Group, involving a total amount of claims at approximately RMB4.418 billion.

### IX. PENALTY AND RECTIFICATION

In March 2024, the Company received the Decision on Supervisory Warning to GF Securities Co., Ltd. (Decision of Regulatory Measures of the Shanghai Stock Exchange [2024] No. 22) issued by the SSE, stating that the Company had irregularities in the writing of internal research reports and irregularities in the process of enquiry and other issues.

In this regard, the Company attached great importance to comprehensively combing and improving the internal control system of the business, continuously strengthening the special training for relevant personnel and formulating the corresponding reward and punishment incentive mechanism, so as to effectively improve the standard operation level of the business.

### X. INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

During the Reporting Period, the Company did not have any valid court judgments pending for execution or relatively large amount of outstanding debt pending for payment.

The Company did not have controlling shareholder or de facto controller. The largest shareholder of the Company, Jilin Aodong, and its de facto controller did not have any valid court judgment pending for execution or relatively large amount of outstanding debt pending for payment during the Reporting Period.



### XI. MAJOR RELATED/CONNECTED TRANSACTIONS

#### 1. Related/connected Transactions Relating to Day-to-day Operations

The related/connected transactions of the Group are conducted strictly pursuant to the SZSE Listing Rules, the Hong Kong Listing Rules, the Connected Transaction Management Rules and the Information Disclosure Management Rules of the Company, the related/connected transactions of the Group observe the fair and reasonable principles, and the agreements on related/connected transactions were entered into under the principles of equality, willingness, pricing equality and compensation.

The Group's continuing related/connected transactions relating to day-to-day operations are transactions in which the Group provides investment banking, wealth management, trading and institution, and investment management services to its related/connected parties.

In the first half of 2024, the day-to-day related transactions of the Group were executed subject to the Proposal on Estimates of Annual Day-to-day Related/Connected Transactions in Year 2024 of the Company passed by the 2023 Annual General Meeting upon deliberation.

The investment banking, wealth management, trading and institution, and investment management services in respect of day-to-day operations provided by the Group to related/connected persons were conducted in the ordinary and usual course of business and on normal commercial terms. They were exempt continuing connected transactions under the Hong Kong Listing Rules, namely de minimis transactions, and were exempt from the requirements of reporting, announcement and approval by independent shareholders under Chapter 14A of the Hong Kong Listing Rules. Save as disclosed above, none of the related party transactions or continuing related party transactions set out in Note 49 to the condensed consolidated financial statements fall within the meaning of discloseable connected transactions or continuing connected transactions under the Hong Kong Listing Rules.

During the Reporting Period, the Company did not have related/connected transactions with any related/connected party with aggregated transaction amount of over RMB30 million and accounting for more than 5% of its latest audited net asset value during its normal and ordinary business.

#### 2. Related Transactions in respect of Acquisition and Sale of Assets or Equity Interest

During the Reporting Period, the Company did not have any major related/connected transactions in respect of acquisition and sale of assets or equity interest.

#### 3. Related Transactions in respect of Joint External Investment

During the Reporting Period, the Company did not have any major related/connected transactions in respect of joint external investment.

## SIGNIFICANT EVENTS

### 4. Amount due to or from Related Parties

Unit: RMB

Item Name	Related Party	Amount as of the end of the Reporting Period	Amount as of the beginning of the Reporting Period
Seats commission, trailing commission and custodian fee receivables	E Fund Management Co., Ltd.	22,102,696.01	19,150,467.05
Short-term structured notes payable	Shenzhen Chengda Biological Investment Co., Ltd. (深圳成大生物投資有限公司)	70,217,597.75	90,377,426.51

During the Reporting Period, the amounts due to or from related parties mentioned above facilitated the Company to expand its operations in the ordinary course of business and increase profit opportunities, and were implemented at fair prices and would not harm the interests of the Company and its small and medium shareholders.

During the Reporting Period, the Company did not have any non-operational amount due to or from related parties.

### 5. Transactions with Related Financial Companies

N/A.

### 6. Transactions between Financial Companies Controlled by the Company and Related Parties

N/A.

### 7. Other Material Related Transactions

No other material related/connected transactions occurred during the Reporting Period.

## SIGNIFICANT EVENTS

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### XII. MAJOR CONTRACTS AND THEIR PERFORMANCE

#### 1. Custody, Contracting and Leases

##### (1) *Custody*

There was no occurrence of any custody event in the Company during the Reporting Period.

##### (2) *Contracting*

During the Reporting Period, the Company had no contracting project with profit or loss representing more than 10% of its total profit for the Reporting Period.

##### (3) *Leases*

During the Reporting Period, the Company had no leasing project with profit or loss representing more than 10% of its total profit for the Reporting Period.

## SIGNIFICANT EVENTS

### 2. Material Guarantees

During the Reporting Period, the Company had no material guarantees. The guarantees of the Company and its subsidiaries are as follows:

Unit: RMB'0,000

Name of the Guaranteed Party	External Guarantees Provided by the Company and Its Subsidiaries (Excluding Guarantees Provided to Subsidiaries)									
	Date of Disclosure of Guarantee Amount on the Relevant Announcement		Actual Date of Occurrence	Actual Amount of Guarantee	Type of Guarantee	Collaterals (if any)	Counter guarantee (if any)	Term of Guarantee	Performance Fulfilled or Not	Guarantee Provided to Related Parties or Not
	Amount of Guarantee									
Nil	-	-	-	-	-	-	-	-	-	No
Total amount of external guarantees approved during the Reporting Period (A1)			0	Total actual amount of external guarantees provided during the Reporting Period (A2)						0
Total amount of external guarantees approved as at the end of the Reporting Period (A3)			0	Total actual balance of external guarantees as at the end of the Reporting Period (A4)						0
Name of the Guaranteed Party	Guarantees Provided to Subsidiaries by the Company									
	Date of Disclosure of Guarantee Amount on the Relevant Announcement		Actual Date of Occurrence	Actual Amount of Guarantee	Type of Guarantee	Collaterals	Counter guarantee	Term of Guarantee	Performance Fulfilled or Not	Guarantee Provided to Related Parties or Not
	Amount of Guarantee									
GF Financial Markets (UK) Limited (the Company undertook guarantee liabilities to the extent of the amount of the letter of guarantee ultimately and actually signed)	March 30, 2021	A cumulative balance of not more than US\$140 million	September 13, 2021 August 25, 2023	US\$7,000 US\$3,050	Joint and several guarantee	-	-	Until September 1, 2025 Until August 25, 2024	No	No
Total amount of guarantees provided to subsidiaries approved during the Reporting Period (B1)			0	Total actual amount of guarantees provided to subsidiaries during the Reporting Period (B2)						71,624.34
Total amount of guarantees provided to subsidiaries approved as at the end of the Reporting Period (B3)			99,775.20	Total actual balance of guarantees provided to subsidiaries as at the end of the Reporting Period (B4)						71,624.34

## SIGNIFICANT EVENTS

Name of the Guaranteed Party	Date of Disclosure of Guarantee Amount on the Relevant Announcement	Amount of Guarantee	Guarantees among Subsidiaries						Guarantee Provided to Related Parties or Not	
			Actual Date of Occurrence	Actual Amount of Guarantee	Type of Guarantee	Collaterals	Counter guarantee	Term of Guarantee		Performance Fulfilled or Not
GF Global Capital Limited (GFHK provided guarantee to it)	May 6, 2024	Provide performance guarantee to the guaranteed party in respect of the issue of structured notes with a total size of no more than US\$4 billion (or its equivalent in other currencies), subject to a guarantee amount of no more than US\$4 billion (or its equivalent in other currencies)	May 6, 2024	1,898,742.93	Joint and several guarantee	-	-	According to provisions of agreement	No	No
Total amount of guarantees provided to subsidiaries approved during the Reporting Period (C1)			2,850,720.00	Total actual amount of guarantees provided to subsidiaries during the Reporting Period (C2)					1,898,742.93	
Total amount of guarantees provided to subsidiaries approved as at the end of the Reporting Period (C3)			2,850,720.00	Total actual balance of guarantee provided to subsidiaries as at the end of the Reporting Period (C4)					659,129.39	
<b>Total Amount of Guarantees Provided by the Company (i.e. the total of the first three major items)</b>										
Total amount of guarantees approved during the Reporting Period (A1+B1+C1)			2,850,720.00	Total actual amount of guarantees provided during the Reporting Period (A2+B2+C2)					1,970,367.27	
Total amount of guarantees approved as at the end of the Reporting Period (A3+B3+C3)			2,950,495.20	Total actual balance of guarantees provided as at the end of the Reporting Period (A4+B4+C4)					730,753.73	
Total actual amount of guarantees (i.e. A4+B4+C4) as a percentage of the net assets of the Company									5.19%	
Including:										
Balance of guarantees provided to shareholders, de facto controller and their related parties (D)									0	
Balance of debt guarantees provided directly or indirectly to the guaranteed parties with a gearing ratio over 70% (E)									659,129.39	
Amount of total guarantees above 50% of net assets (F)									0	
Total of the above 3 amounts of guarantees (D+E+F)									659,129.39	
For outstanding guarantees, description on the guarantee liabilities occurring or possible joint and several liabilities of repayment demonstrated during the Reporting Period (if any)									Nil	
Description on the provision of external guarantee with non-compliance in required procedures (if any)									Nil	
Other descriptions				In February 2018, the board of directors of GFHK resolved that it agreed to provide guarantees for its wholly-owned subsidiary, GF Global Capital Limited, to the counterparties under the agreements such as ISDA and GMRA. As of June 30, 2024, the amount of such guarantee was approximately US\$10.8306 million.						

*Note 1: Calculated by the central parity exchange rates of Hong Kong dollar to Renminbi at 1:0.91268 and US dollar to Renminbi at 1:7.1268 published by the People's Bank of China on June 28, 2024.*

*Note 2: "Balance of debt guarantees provided directly or indirectly to the guaranteed parties with gearing ratio over 70% (E)" in the table above is filled based on the balance of guarantee when the gearing ratio of the guaranteed party exceeds 70% at the time of consideration of related proposals by the authorized organizations of the Company and subsidiaries.*

## SIGNIFICANT EVENTS

### 3. Entrusted Wealth Management

The Company was not engaged in entrusted wealth management during the Reporting Period.

### 4. Other Major Contracts

During the Reporting Period, the Company had no other major contracts.

## XIII. CHANGES OF QUALIFICATIONS FOR INDIVIDUAL BUSINESSES

N/A.

## XIV. PARTICULARS OF OTHER SIGNIFICANT ISSUES

- (I) Relocation and name change of branch companies and securities business departments: as of June 30, 2024, the Company has a total of 356 branches, including 26 branch companies and 330 securities business departments, covering 31 provinces, municipalities directly under the Central Government and autonomous regions in Mainland China. During the Reporting Period, a total of 13 branches of the Company were relocated or renamed.
- (II) On January 19, 2024, the Company received the Notification Letter on the Progress of Increasing its Shareholding in GF Securities Co., Ltd. from its largest shareholder Jilin Aodong. Based on its confidence in the Company's sustainable and stable development in the future, from December 13, 2023 to January 19, 2024, Jilin Aodong used its own funds to increase its shareholding of 2,086,600 H shares of the Company via the Shenzhen-Hong Kong Stock Connect trading system. After the increase, Jilin Aodong and the parties acting in concert with it held a total of 1,526,304,167 A shares and H shares of the Company, accounting for 20.0274% of the total share capital of the Company.
- (III) On February 7, 2024, the Company published the Announcement on the Cumulative Additional Borrowing for the Current Year Exceeding Forty Percent of the Net Assets as of the End of Previous Year. As of December 31, 2023, the Company's borrowings balance was RMB357.675 billion. As of January 31, 2024, the Company's borrowings balance was RMB421.381 billion, and the cumulative amount of additional borrowings was RMB63.706 billion, accounting for approximately 45.29% of the net assets at the end of the previous year, i.e. exceeding 40%. The abovementioned new borrowings are in compliance with the relevant laws and regulations and are within the scope of the Company's normal business activities. Investors are advised to pay attention that the above financial data has not been audited.



## SIGNIFICANT EVENTS

- (IV) On May 6, 2024, the Company published the Announcement on the Guarantee Provided by GF Holdings (Hong Kong) Corporation Limited for GF Global Capital Limited, its Wholly-owned Subsidiary, in Respect of the Issue of Structured Notes. GFHK, a wholly-owned subsidiary of the Company, provided performance guarantee to its wholly-owned subsidiary, GF Global Capital, in respect of the issue of structured notes with a total size of no more than US\$4 billion (or its equivalent in other currencies) to ensure the performance of the notes contract by GF Global Capital in accordance with the terms of the notes, subject to a guarantee amount of no more than US\$4 billion (or its equivalent in other currencies). This guarantee does not involve any counter-guarantee.
- (V) On June 25, 2024, the second meeting of the eleventh session of the Board of Directors of the Company considered and approved the proposal on formulation of the Internal Accountability System of GF Securities and the proposal on amendments to the Measures for the Administration of Compliance Accountability of GF Securities.

For details, please refer to the relevant announcements published by the Company on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the HKEXnews website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

## XV. SIGNIFICANT MATTERS FOR THE SUBSIDIARIES OF THE COMPANY

- (I) On January 5, 2024, the Company published the Voluntary Announcement on the Completion of Acquisition of Certain Equity Interest in Value Partners Group Limited by Our Wholly-owned Subsidiary, GF Holdings (Hong Kong) Corporation Limited. As of the date of the said announcement, the parties to the transaction have completed the transfer of equity interest pursuant to the equity purchase agreement. GFHK, a wholly-owned subsidiary of the Company, holds 366,000,000 ordinary shares of Value Partners Group Limited, which represent approximately 20.04% of the total issued shares of Value Partners Group Limited as of the date of the said announcement.
- (II) On May 15, 2024 and July 27, 2024, the Company published the Announcement on Increasing the Paid-up Capital of GF Holdings (Hong Kong) Co., Ltd. to HK\$7.1 billion and the Announcement on Increasing the Paid-up Capital of GF Holdings (Hong Kong) Co., Ltd. to HK\$8.2 billion, respectively, in which the Company has increased the capital of HK\$1.5 billion and HK\$1.1 billion to GFHK, respectively. After the capital increase, the paid-up capital of GFHK increased to HK\$8.2 billion.

For details, please refer to the relevant announcements published by the Company on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the HKEXnews website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

## SIGNIFICANT EVENTS

### XVI. ADMINISTRATIVE LICENSE DECISIONS MADE BY REGULATORY AUTHORITIES OR BUSINESS LICENSE NOTICES BY SELF-REGULATORY ORGANIZATIONS DURING THE REPORTING PERIOD

No.	Regulatory Authority	Administrative license decisions or business license notices by self-regulatory organisations
1	SZSE	No Comment Letter on the Non-public Issuance of Short-term Corporate Bonds by GF Securities Co., Ltd. in Compliance with the Conditions for Listing on the Shenzhen Stock Exchange (Shen Zheng Han [2024] No. 157) (關於廣發證券股份有限公司非公開發行短期公司債券符合深交所掛牌條件的無異議函(深證函[2024]157號))

### XVII. INDEX OF INFORMATION DISCLOSURE

During the Reporting Period, the Company published the following information in respect of A Shares (excluding the “Announcements on H Shares”) in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and disclosed the same on the website of CNINFO (www.cninfo.com.cn):

No.	Matters of Announcement	Date of Publication
1	Voluntary Announcement on the Completion of Acquisition of Certain Equity Interest in Value Partners Group Limited by Our Wholly-owned Subsidiary, Gf Holdings (Hong Kong) Corporation Limited	January 5, 2024
2	Announcement on the Progress of Shareholders Increasing Shareholdings in the Company	January 20, 2024
3	Announcement on New Borrowings Accumulated in the Year Exceeding 40% of Net Assets at the End of the Previous Year	February 7, 2024
4	Announcement on the Action Plan for Enhancement in Both Quality and Return	February 29, 2024
5	Announcement in Relation to 2023 Annual Results Presentation	March 27, 2024
6	Pre-approval Opinions and Independent Opinions of Independent Directors on Relevant Matters at the 33rd Meeting of the 10th Session of the Board of Director of the Company	March 29, 2024
7	Announcement on the Proposed Re-appointment of Accounting Firm	March 29, 2024
8	Duty Report of Independent Directors for the Year of 2023 (Hu Bin)	March 29, 2024

## SIGNIFICANT EVENTS

No.	Matters of Announcement	Date of Publication
9	Announcement on the Resolutions of the 33rd Meeting of the 10th Session of the Board of Director	March 29, 2024
10	Assessment Report and Report on the Performance of Supervision Duties of the Audit Committee of the Board on the Performance of the Accounting Firm for the Year of 2023	March 29, 2024
11	2023 Annual Report	March 29, 2024
12	Internal Control Self-evaluation Report	March 29, 2024
13	Special Opinion of the Board on the Assessment of the Independence of Independent Directors	March 29, 2024
14	Announcement on the Resolutions of the 19th Meeting of the 10th Session of the Supervisory Committee	March 29, 2024
15	2023 Corporate Social Responsibility Report	March 29, 2024
16	Duty Report of Independent Directors for the Year of 2023 (Li Wenjing)	March 29, 2024
17	Annual Specific Audit Report on Capital Occupation of Related Party Transactions	March 29, 2024
18	Annual Duty Report of Independent Directors	March 29, 2024
19	Articles of Association (Draft)	March 29, 2024
20	Duty Report of Independent Directors for the Year of 2023 (Fan Lifu)	March 29, 2024
21	Duty Report of Independent Directors for the Year of 2023 (Leung Shek Ling Olivia)	March 29, 2024
22	Audit Report for the Year of 2023	March 29, 2024
23	Announcement on the Estimates of Daily Related/Connected Transactions of the Company for 2024	March 29, 2024
24	Work System of Independent Directors of GF Securities (Draft)	March 29, 2024

## SIGNIFICANT EVENTS

No.	Matters of Announcement	Date of Publication
25	Summary of the 2023 Annual Report	March 29, 2024
26	Internal Control Audit Report	March 29, 2024
27	Declaration and Undertaking by the Nominees and Candidates of Independent Directors (Li Wenjing)	April 16, 2024
28	Announcement on the Resolutions of the 20th Meeting of the 10th Session of the Supervisory Committee	April 16, 2024
29	Announcement on the Resolutions of the 34th Meeting of the 10th Session of the Board of Director	April 16, 2024
30	Declaration and Undertaking by the Nominees and Candidates of Independent Directors (Zhang Chuang)	April 16, 2024
31	Independent Opinions of Independent Directors on Relevant Matters at the 34th Meeting of the 10th Session of the Board of Director of the Company	April 16, 2024
32	Declaration and Undertaking by the Nominees and Candidates of Independent Directors (Wang Dashu)	April 16, 2024
33	Declaration and Undertaking by the Nominees and Candidates of Independent Directors (Leung Shek Ling Olivia)	April 16, 2024
34	Appendix to Notice of the 2023 Annual General Meeting	April 19, 2024
35	Notice of the 2023 Annual General Meeting	April 19, 2024
36	Announcement on the Resolutions of the 21st Meeting of the 10th Session of the Supervisory Committee	April 30, 2024
37	2024 First Quarterly Report	April 30, 2024
38	Announcement on the Resolutions of the 35th Meeting of the 10th Session of the Board of Director	April 30, 2024
39	Announcement on the Guarantee Provided by GF Holdings (Hong Kong) Corporation Limited for GF Global Capital Limited, its Wholly-owned Subsidiary, in Respect of the Issue of Structured Notes	May 6, 2024

## SIGNIFICANT EVENTS

No.	Matters of Announcement	Date of Publication
40	Announcement on Reminder Notice of the 2023 Annual General Meeting	May 7, 2024
41	Announcement on the Results of Election of Employee Representative Supervisor	May 11, 2024
42	Work System of Independent Directors of GF Securities	May 11, 2024
43	Articles of Association of GF Securities Co., Ltd.	May 11, 2024
44	Announcement on the Resolutions of the 2023 Annual General Meeting	May 11, 2024
45	Announcement on Appointment of Secretary to the Board and Securities Affairs Representative	May 11, 2024
46	Announcement on the Resolutions of the 1st Meeting of the 11th Session of the Board of Director	May 11, 2024
47	Legal Opinion of Jia Yuan Law Offices, Beijing on the 2023 Annual General Meeting of GF Securities Co., Ltd.	May 11, 2024
48	Announcement on the Resolutions of the 1st Meeting of the 11th Session of the Supervisory Committee	May 11, 2024
49	Announcement of GF Securities on the Increase of the Paid-in Capital of GFHK to HK\$7.1 billion	May 15, 2024
50	Report of Ping An Securities Co., Ltd. on Provisional Entrusted Management Affairs on Change of General manager, Secretary to the Board and Securities Affairs Representative of GF Securities Co., Ltd.	May 17, 2024
51	Report of Orient Securities Investment Banking Co., Ltd. on Provisional Entrusted Management Affairs on Change of General manager, Secretary to the Board and Securities Affairs Representative of GF Securities Co., Ltd.	May 17, 2024
52	Report of China Merchants Securities Co., Ltd. on the First Provisional Entrusted Management Affairs of GF Securities Co., Ltd. in 2024	May 17, 2024
53	Announcement on the Resolutions of the 2nd Meeting of the 11th Session of the Board of Director	June 26, 2024
54	Announcement on the Implementation of A Share Profit Distribution for 2023	June 27, 2024

## SIGNIFICANT EVENTS

During the Reporting Period, the Company disclosed the following information on H Shares (excluding “Overseas Regulatory Announcements”) on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk):

No.	Matters of Announcement	Date of Publication
1	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 December 2023	January 2, 2024
2	Voluntary Announcement on the Completion of Acquisition of Certain Equity Interest in Value Partners Group Limited by Our Wholly-owned Subsidiary, Gf Holdings (Hong Kong) Corporation Limited	January 4, 2024
3	Change of Principal Place of Business in Hong Kong	January 29, 2024
4	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 January 2024	February 1, 2024
5	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 29 February 2024	March 1, 2024
6	Date of Board Meeting	March 13, 2024
7	Final Dividend for the Year Ended 31 December 2023	March 28, 2024
8	2023 Annual Results Announcement	March 28, 2024
9	Proposed Amendments to the Articles of Association	March 28, 2024
10	2023 Corporate Social Responsibility Report	March 28, 2024
11	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 March 2024	April 2, 2024
12	Date of Board Meeting	April 12, 2024
13	Nomination of Candidates for the Directors of the Eleventh Session of the Board of Directors and Nomination of Candidates for the Supervisors of the Eleventh Session of the Supervisory Committee	April 15, 2024
14	Final Dividend for the Year Ended 31 December 2023 (Updated)	April 18, 2024
15	Notification Letter and Reply Form to Non-Registered Shareholders – Arrangement of Electronic Dissemination of Corporate Communications	April 18, 2024



## SIGNIFICANT EVENTS

No.	Matters of Announcement	Date of Publication
16	Notification Letter and Reply Form to Registered Shareholders – Arrangement of Electronic Dissemination of Corporate Communications	April 18, 2024
17	Notification Letter and Request Form to Non-Registered Shareholders	April 18, 2024
18	Notification Letter and Request Form to Registered Shareholders	April 18, 2024
19	2023 Annual Report	April 18, 2024
20	Notice of the AGM	April 18, 2024
21	Proxy Form For the 2023 Annual General Meeting	April 18, 2024
22	2023 AGM Circular	April 18, 2024
23	2024 First Quarterly Report	April 29, 2024
24	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 30 April 2024	May 6, 2024
25	Articles of Association	May 10, 2024
26	Final Dividend for the Year Ended 31 December 2023 (Updated)	May 10, 2024
27	List of Directors and Their Roles and Functions	May 10, 2024
28	Appointment of Directors Appointment of Supervisors Appointment of Chairman of the Board of Directors, Chairman of the Supervisory Committee and the General Manager Change of Secretary to the Board and the Joint Company Secretary and Change of Authorized Representative	May 10, 2024
29	Poll Results of the 2023 Annual General Meeting, Final Dividend for the Year Ended December 31, 2023 and Amendments to the Articles of Association	May 10, 2024
30	Monthly Return of Equity Issuer on Movements in Securities for the Month Ended 31 May 2024	June 3, 2024



# 股份變動及股東情況

*CHANGES IN SHAREHOLDINGS AND  
PARTICULARS ABOUT SHAREHOLDERS*



## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

### I. CHANGES IN SHAREHOLDINGS

#### (I) Changes in shareholdings

##### 1. Table of changes in shareholdings

During the Reporting Period, there were no changes in the total number of ordinary shares and the shareholding structure of the Company. Set out below is the share capital of the Company:

		Unit: Share
	Number of shares	Percentage
I. Shares with selling restrictions	0	0
II. Shares without selling restrictions	7,621,087,664	100.00%
1. RMB-denominated ordinary shares	5,919,291,464	77.67%
2. Domestic listed foreign shares	0	0
3. Overseas listed foreign shares	1,701,796,200	22.33%
4. Others	0	0
III. Total number of shares	<u>7,621,087,664</u>	<u>100.00%</u>

##### 2. Progress on the implementation of the share repurchase

During the Reporting Period, neither the Company nor its subsidiaries repurchased, sold or redeemed any of the listed securities of the Company (including sale of treasury shares).

The Resolution on the Company's Proposed Repurchase of A Shares by Way of Centralised Price Bidding (《關於公司擬以集中競價方式回購A股股份的議案》) was considered and approved at the 23rd meeting of the 10th session of the Board of Directors of the Company held on March 30, 2022, in which based on its confidence in the Company's future development prospect and high recognition of the Company's value, the Board of Directors agreed that the Company shall repurchase A Shares of the Company by way of centralized price bidding with its own funds. In 2022, the plan for the repurchase of A Shares by the Company has been completed. The Company has repurchased, out of its own funds, 15,242,153 A Shares at a consideration of RMB234 million.

## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

The repurchased A shares are deposited in the securities account designated for share repurchase of the Company. As of June 30, 2024, the Company held 15,242,153 treasury shares. According to the share repurchase plan, these treasury shares will be used for the A Share restricted share incentive scheme. If the treasury shares fail to be used for the above purpose within three years from the date of the announcement on results of the repurchase and changes in shares, the unused treasury shares will be canceled in accordance with the relevant laws and regulations. During the period when the treasury shares are deposited in the securities account designated for share repurchase of the Company, they are not entitled to rights such as voting rights at general meetings, profit distribution, capitalisation of reserve, subscription of new shares, and allotment and pledge of shares. Subsequently, the Company will utilize the treasury shares for such purpose as disclosed and fulfill its decision-making procedures and information disclosure obligation in accordance with regulations.

3. ***Effects of the change in shareholdings on financial indicators such as basic earnings per share, diluted earnings per share and net assets attributable to ordinary shareholders of the Company per share for the most recent year and period***

N/A.

4. ***Other information disclosure which the Company deems necessary or is required by the securities regulatory authorities***

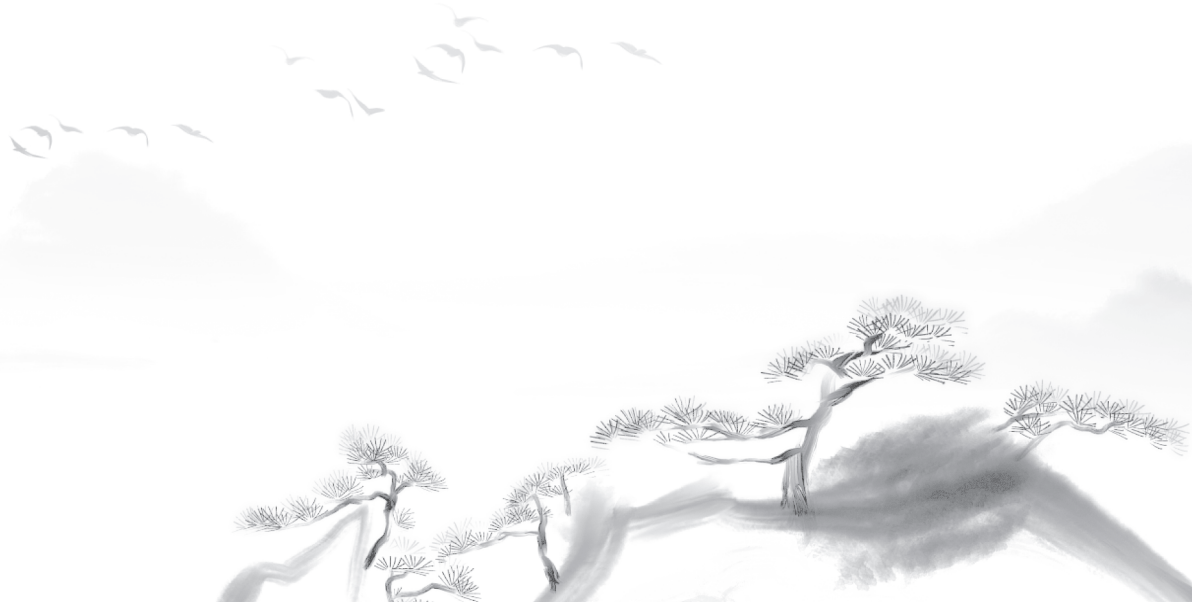
N/A.

### (II) Changes in shares with selling restrictions

N/A.

## II. SECURITIES ISSUANCE AND LISTING

For details about the issuance of corporate bonds and subordinated bonds, please refer to “Section 9 Bonds” of this report.



## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

### III. NUMBER OF SHAREHOLDERS AND THEIR SHAREHOLDINGS IN THE COMPANY

Unit: Share

Total number of ordinary shareholders at the end of the Reporting Period	222,580 (of which, 221,146 were holders of A Shares and 1,434 were registered holders of H Shares)	Total number of preferred shareholders whose voting rights were resumed at the end of the Reporting Period	Nil					
Shareholdings of shareholders who hold more than 5% of the shares or shareholdings of the top ten shareholders (Excluding shares lending through re-financing)								
Name of shareholder	Capacity of shareholder	Percentage of shareholding	Number of shares held as at the end of the Reporting Period	Increase or decrease during the Reporting Period	Number of shares held with selling restrictions	Number of shares held without selling restrictions	Pledged, marked or frozen	
							Status of shares	Number of shares
HKSCC Nominees Limited	Overseas legal entity	22.31%	1,700,168,160	-80	-	1,700,168,160	-	-
Jilin Aodong Pharmaceutical Group Co., Ltd.	Domestic general legal entity	16.44%	1,252,768,767	0	-	1,252,768,767	-	-
Liaoning Cheng Da Co., Ltd.	State-owned legal entity	16.40%	1,250,154,088	0	-	1,250,154,088	-	-
Zhongshan Public Utilities Group Co., Ltd.	State-owned legal entity	9.01%	686,754,216	0	-	686,754,216	-	-
China Securities Finance Corporation Limited	Domestic general legal entity	2.99%	227,870,638	0	-	227,870,638	-	-
National Social Security Fund No. 118 Portfolio	Fund, wealth management products, etc.	0.96%	73,524,934	-2,955,000	-	73,524,934	-	-
Hong Kong Securities Clearing Company Limited	Overseas legal entity	0.95%	72,499,478	6,004,340	-	72,499,478	-	-
China Construction Bank Corporation – Guotai CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	Fund, wealth management products, etc.	0.88%	66,685,013	2,812,600	-	66,685,013	-	-
China Construction Bank Corporation – Huabao CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	Fund, wealth management products, etc.	0.59%	44,761,834	1,779,700	-	44,761,834	-	-
Industrial and Commercial Bank of China Limited – Huatai-PB SHSZ CSI 300 Index Investment Banking & Brokerage Index Exchange-traded Fund	Fund, wealth management products, etc.	0.46%	34,796,636	12,868,900	-	34,796,636	-	-

## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

Name of shareholder	Shareholdings of the top ten shareholders without selling restrictions			
	Number of shares held without selling restrictions as at the end of the Reporting Period	Type of shares		Number of shares
		Type of shares		
HKSCC Nominees Limited	1,700,168,160	Overseas listed foreign shares		1,700,168,160
Jilin Aodong Pharmaceutical Group Co., Ltd.	1,252,768,767	RMB-denominated ordinary shares		1,252,768,767
Liaoning Cheng Da Co., Ltd.	1,250,154,088	RMB-denominated ordinary shares		1,250,154,088
Zhongshan Public Utilities Group Co., Ltd.	686,754,216	RMB-denominated ordinary shares		686,754,216
China Securities Finance Corporation Limited	227,870,638	RMB-denominated ordinary shares		227,870,638
National Social Security Fund No. 118 Portfolio	73,524,934	RMB-denominated ordinary shares		73,524,934
Hong Kong Securities Clearing Company Limited	72,499,478	RMB-denominated ordinary shares		72,499,478
China Construction Bank Corporation – Guotai CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	66,685,013	RMB-denominated ordinary shares		66,685,013
China Construction Bank Corporation – Huabao CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	44,761,834	RMB-denominated ordinary shares		44,761,834
Industrial and Commercial Bank of China Limited – Huatai-PB SHSZ CSI 300 Index Investment Banking & Brokerage Index Exchange-traded Fund	34,796,636	RMB-denominated ordinary shares		34,796,636

*Note 1: Among the holders of H Shares of the Company, shares of non-registered shareholders are held by HKSCC Nominees;*

*Note 2: In the table above, shares held by HKSCC Nominees are overseas listed foreign shares (H Shares) and shares held by other shareholders are RMB-denominated ordinary shares (A Shares);*



## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

Note 3: According to the information provided by Jilin Aodong, Liaoning Cheng Da and Zhongshan Public Utilities, as of June 30, 2024, Jilin Aodong held 238,450,200 H Shares of the Company and held 36,868,800 H Shares of the Company through its wholly-owned subsidiary, Aodong International (Hong Kong) Industrials Co., Limited (敖東國際(香港)實業有限公司), a total of 275,319,000 H Shares, representing 3.61% of the total share capital of the Company; Liaoning Cheng Da held 115,300,000 H Shares of the Company and held 1,473,600 H Shares of the Company through Chengda Steel Hong Kong Co., Limited (成大鋼鐵香港有限公司), which is a wholly-owned subsidiary of Liaoning Chengda Steel Co., Ltd. (遼寧成大鋼鐵貿易有限公司) (a wholly-owned subsidiary of Liaoning Cheng Da), a total of 116,773,600 H Shares, representing 1.53% of the total share capital of the Company; Zhongshan Public Utilities held 100,904,000 H Shares of the Company through its wholly-owned subsidiary, Public Utilities International (Hong Kong) Investment Company Ltd. (公用國際(香港)投資有限公司), representing 1.32% of the total share capital of the Company. As of June 30, 2024, the percentages of A Shares and H Shares of the Company held in aggregate by Jilin Aodong and its concert parties, Liaoning Cheng Da and its concert parties, and Zhongshan Public Utilities and its concert parties in the total share capital of the Company were 20.05%, 17.94% and 10.34%, respectively;

Note 4: According to the public information disclosed on the HKEXnews website of the Hong Kong Stock Exchange, as of June 30, 2024, other than those as set out in Note 3, shareholders holding 5% or more of the H Shares of the Company are as follows: on January 31, 2020, the labor union committee of GF Securities Co., Ltd. held a total of 272,500,600 long-position H Shares of the Company, representing 16.01% of the H Share capital of the Company. The above shares are held by HKSCC Nominees on their behalf;

Note 5: At the end of the Reporting Period, no shares of the Company were held by the holders of A Shares as mentioned above through credit-based securities accounts;

Note 6: At the end of the Reporting Period, no holders of A Shares as mentioned above conducted Securities Transactions with Repurchase Agreement.

### Participation in shares lending through refinancing business by shareholders who hold more than 5% of the shares, the top ten shareholders and the top ten shareholders without selling restrictions

Unit: Share

Name of shareholders (full name)	Shareholding of ordinary account and credit account at the beginning of the Reporting Period		Outstanding shares of refinancing and securities lending business at the beginning of the Reporting Period		Shareholding of ordinary account and credit account at the end of the Reporting Period		Outstanding shares of refinancing and securities lending business at the end of the Reporting Period	
	Percentage		Percentage		Percentage		Percentage	
	Total number of shares	of total share capital	Total number of shares	of total share capital	Total number of shares	of total share capital	Total number of shares	of total share capital
China Construction Bank Corporation – Guotai CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	62,595,313	0.82%	159,300	0.00%	66,685,013	0.88%	158,100	0.00%

## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

### Change in shareholding of the top ten shareholders and the top ten shareholders without selling restrictions compared with last period due to shares lending through re-financing/returning

N/A

During the Reporting Period, no top ten ordinary shareholders or top ten ordinary shareholders without selling restrictions conducted Securities Transactions with Repurchase Agreement.

### IV. CHANGES IN THE SHAREHOLDING OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Reporting Period, the Directors, Supervisors and senior management did not directly hold shares, share options and restrictive shares of the Company.

### V. CHANGES IN CONTROLLING SHAREHOLDERS OR DE FACTO CONTROLLERS

The Company has no controlling shareholder or de facto Controller.

### VI. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2024, as far as the Directors of the Company are aware after having made all reasonable enquiries, the following persons (other than the Directors, Supervisors and chief executive of the Company) held interests or short positions in the shares or underlying shares which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and were recorded in the register required to be kept by the Company under section 336 of the SFO:

No.	Name of substantial shareholders	Class of shares	Nature of interests	Number of shares held (share)	Long position <sup>(Note 1)/</sup> Short position <sup>(Note 2)</sup>	Percentage of total issued shares of the Company (%) <sup>(Note 8)</sup>	Percentage of total issued A Shares/ H Shares of the Company (%) <sup>(Note 8)</sup>
1	Jilin Aodong	A Shares	Beneficial owner	1,252,768,767	Long position	16.44	21.16
		H Shares	Beneficial owner and interest in a controlled corporation	275,319,000 <sup>(Note 3)</sup>	Long position	3.61	16.18
2	Liaoning Cheng Da	A Shares	Beneficial owner	1,250,154,088	Long position	16.40	21.12
		H Shares	Beneficial owner and interest in a controlled corporation	116,773,600 <sup>(Note 4)</sup>	Long position	1.53	6.86
3	Zhongshan Investment Holdings Group Company Limited	A Shares	Interest in a controlled corporation	686,754,216	Long position	9.01	11.60
		H Shares	Interest in a controlled corporation	100,904,000 <sup>(Note 5)</sup>	Long position	1.32	5.93
4	Zhongshan Public Utilities	A Shares	Beneficial owner	686,754,216	Long position	9.01	11.60
		H Shares	Interest in a controlled corporation	100,904,000 <sup>(Note 5)</sup>	Long position	1.32	5.93
5	Public Utilities International (Hong Kong) Investment Company Ltd.	H Shares	Beneficial owner	100,904,000 <sup>(Note 5)</sup>	Long position	1.32	5.93
6	The labor union committee of GF Securities Co., Ltd	H Shares	Trustee of a trust	272,500,600 <sup>(Note 6)</sup>	Long position	3.58	16.01

## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

- Note 1: A shareholder has a “long position” if such shareholder has an interest in shares, including interests through holding, writing or issuing financial instruments (including derivatives) under which: (i) such shareholder has a right to take the underlying shares; (ii) such shareholder is under an obligation to take the underlying shares; (iii) such shareholder has a right to receive money if the price of the underlying shares increases; or (iv) such shareholder has a right to avoid or reduce a loss if the price of the underlying shares increases.*
- Note 2: A shareholder has a “short position” if such shareholder borrows shares under a securities borrowing and lending agreement, or holds, writes or issues financial instruments (including derivatives) under which: (i) such shareholder has a right to require another person to take the underlying shares; (ii) such shareholder is under an obligation to deliver the underlying shares; (iii) such shareholder has a right to receive money if the price of the underlying shares declines; or (iv) such shareholder has a right to avoid or reduce a loss if the price of the underlying shares declines.*
- Note 3: Jilin Aodong held 238,450,200 H Shares of the Company and held 36,868,800 H Shares of the Company through its wholly-owned subsidiary, namely Aodong International (Hong Kong) Industrials Co., Limited (敖東國際(香港)實業有限公司), amounting to a total of 275,319,000 H Shares, representing 3.61% of the total share capital of the Company.*
- Note 4: Liaoning Cheng Da held 115,300,000 H Shares of the Company and held 1,473,600 H Shares of the Company through Chengda Steel Hong Kong Co., Limited (成大鋼鐵香港有限公司), which is a wholly-owned subsidiary of Liaoning Chengda Steel Co., Ltd. (遼寧成大鋼鐵貿易有限公司) (a wholly-owned subsidiary of Liaoning Cheng Da), amounting to a total of 116,773,600 H Shares, representing 1.53% of the total share capital of the Company. Therefore, Liaoning Cheng Da and Liaoning Chengda Steel Co., Ltd. were deemed to have interests in the shares held by Chengda Steel Hong Kong Co., Limited.*
- Note 5: Zhongshan Public Utilities held 100,904,000 H Shares of the Company through its wholly-owned subsidiary, Public Utilities International (Hong Kong) Investment Company Ltd. (公用國際(香港)投資有限公司), representing 1.32% of the total share capital of the Company. Zhongshan Investment Holdings Group Company Limited (中山投資控股集團有限公司) held 48.73% of the issued shares of Zhongshan Public Utilities. Therefore, Zhongshan Investment Holdings Group Company Limited and Zhongshan Public Utilities were deemed to have interests in the shares held by Public Utilities International (Hong Kong) Investment Company Ltd.*
- Note 6: The labor union committee of GF Securities Co., Ltd. held a total of 272,500,600 H Shares of the Company, representing 16.01% of the H Share capital of the Company.*
- Note 7: Under Part XV of the SFO, forms disclosing of interests shall be submitted by shareholders of the Company upon satisfaction of certain conditions. Changes of Shareholders’ shareholdings in the Company are not required to inform the Company and the Hong Kong Stock Exchange, except for the satisfaction of certain conditions. Therefore, there could be differences between substantial Shareholders’ latest shareholdings in the Company and the shareholding information as reported to the Hong Kong Stock Exchange.*
- Note 8: The relevant percentages are calculated based on 1,701,796,200 H Shares and/or 5,919,291,464 A Shares of the Company in issue as at June 30, 2024.*

Save as disclosed above, the Company is not aware of any other person (other than the Directors, Supervisors and chief executive of the Company) having any interests or short positions in the shares or underlying shares of the Company as at June 30, 2024 required to be recorded in the register pursuant to section 336 of the SFO.

### VII. DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of June 30, 2024, none of the Directors, Supervisors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would be required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company; or which would be required, pursuant to Appendix C3 Model Code for Securities Transactions by Directors of Listed Issuers of the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

As of June 30, 2024, none of the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party to any arrangements during the year to enable the Directors of the Company, including their spouses and children under 18 years of age, to acquire any interests by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### VIII. REPURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

For details of the Company's repurchase of its A Shares during the Reporting Period, please refer to "I. Changes in shareholdings" in this section, and for details of the public issuance of perpetual subordinated bonds, please refer to section 9 "Bonds".

Except for the above, neither the Company nor any of its subsidiaries has repurchased, sold or redeemed any of the listed securities (including sale of treasury shares) of the Company and its subsidiaries.



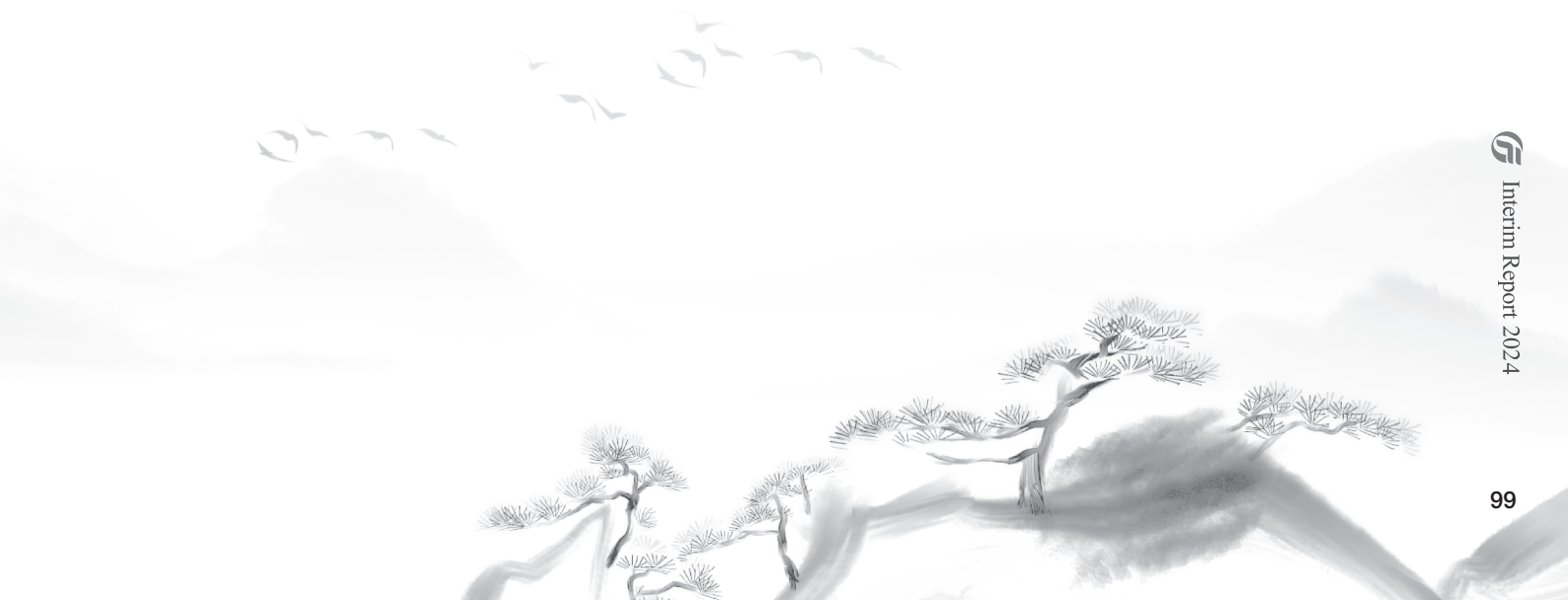
**PREFERENCE SHARES**

**優先股相關情況**

## PREFERENCE SHARES

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During the Reporting Period, the Company did not have any preference shares.







*BONDS*

債券相關情況



## BONDS

### I. ENTERPRISE BONDS

During the Reporting Period, the Company did not have any enterprise bonds.

### II. CORPORATE BONDS

#### (I) Basic Information of Corporate Bond

##### 1. Non-public issuance of subordinated bonds in 2020

Unit: RMB' 0,000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Subordinated Bonds of Securities Firms of GF Securities Co., Ltd. in 2020 (First Tranche) (Type II)	20 GF C2	115106	2020-03-02	2020-03-03	2025-03-03	250,000	3.80%	Bonds use simple interest to accrue interest on an annual basis without compound interest. Interests shall be paid annually while the principal shall be fully repaid upon maturity. Principal will be repaid upon maturity together with interest payable for the last period.	SZSE
Suitability arrangement of investors (if any)	Target investors are eligible institutional investors who hold an eligible A-share securities account of China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).								
Applicable trading system	Listed and transferred on the integrated agreement trading platform of SZSE, and offered to professional institutional investors.								
Any risk of suspension of trading in the shares of the listed company (if any) and the response	N/A								

## BONDS

### 2. Public Issuance of Corporate Bonds in 2021

Unit: RMB'0,000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (First Tranche) (Type II)	21 GF 04	149500	2021-06-07	2021-06-08	2026-06-08	100,000	3.68%	Bonds use simple interest to accrue interest on an annual basis without compound interest. Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Second Tranche) (Type II)	21 GF 06	149563	2021-07-22	2021-07-23	2026-07-23	450,000	3.45%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Second Tranche) (Type III)	21 GF 07	149564	2021-07-22	2021-07-23	2031-07-23	150,000	3.77%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Fourth Tranche) (Type I)	21 GF 10	149633	2021-09-15	2021-09-16	2024-09-16	300,000	3.10%		

## BONDS

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Fourth Tranche) (Type II)	21 GF 11	149634	2021-09-15	2021-09-16	2026-09-16	200,000	3.50%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Fourth Tranche) (Type III)	21 GF 12	149635	2021-09-15	2021-09-16	2031-09-16	200,000	3.90%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Fifth Tranche) (Type I)	21 GF 13	149658	2021-10-14	2021-10-15	2024-10-15	300,000	3.30%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Sixth Tranche) (Type II)	21 GF 17	149687	2021-10-28	2021-10-29	2024-10-29	480,000	3.30%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Seventh Tranche) (Type I)	21 GF 19	149702	2021-11-16	2021-11-17	2024-11-17	400,000	3.15%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Seventh Tranche) (Type II)	21 GF 20	149703	2021-11-16	2021-11-17	2026-11-17	350,000	3.50%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Seventh Tranche) (Type III)	21 GF 21	149704	2021-11-16	2021-11-17	2031-11-17	100,000	3.85%		

## BONDS

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Suitability arrangement of investors (if any)									Target investors are professional investors who comply with the Management Measures on Corporate Bond Issuance and Trading and open an eligible securities account with China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).
Applicable trading system									Listed and traded on Call Auction Mechanism and the integrated agreement trading platform of SZSE simultaneously.
Any risk of suspension of trading in the shares of the listed company and the response									N/A

### 3. Non-public Issuance of Perpetual Subordinated Bonds in 2021

Unit: RMB' 0,000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Non-public Issuance of Perpetual Subordinated Bonds by GF Securities Co., Ltd. in 2021 (First Tranche)	21 GF Y1	115125	2021-09-03	2021-09-06	The issuer has an option to redeem the bonds at principal amounts plus any accrued interest (including all deferred interest and its yield) on the fifth interest payment date or any interest payment date afterwards.	100,000	3.95%	Interest will be paid annually if the issuer does not exercise the right to defer interest payment.	SZSE
Suitability arrangement of investors (if any)									Target investors are professional institutional investors who hold an A-share securities account of China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).
Applicable trading system									Listed and transferred on the integrated agreement trading platform of SZSE, and offered to professional institutional investors.
Any risk of suspension of trading in the shares of the listed company and the response									N/A

**4. Public Issuance of Corporate Bonds in 2022**

Unit: RMB'0,000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (First Tranche) (Type I)	22 GF 01	149989	2022-07-14	2022-07-15	2025-07-15	340,000	2.85%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (First Tranche) (Type II)	22 GF 02	149990	2022-07-14	2022-07-15	2027-07-15	200,000	3.24%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (First Tranche) (Type III)	22 GF 03	149991	2022-07-14	2022-07-15	2032-07-15	60,000	3.70%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Second Tranche) (Type I)	22 GF 04	148009	2022-08-03	2022-08-04	2025-08-04	250,000	2.59%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Second Tranche) (Type II)	22 GF 05	148010	2022-08-03	2022-08-04	2027-08-04	300,000	3.03%		



## BONDS

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Second Tranche) (Type III)	22 GF 06	148011	2022-08-03	2022-08-04	2032-08-04	150,000	3.59%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Third Tranche) (Type I)	22 GF 07	148026	2022-08-15	2022-08-16	2025-08-16	80,000	2.68%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Third Tranche) (Type II)	22 GF 08	148027	2022-08-15	2022-08-16	2027-08-16	250,000	3.12%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Third Tranche) (Type III)	22 GF 09	148028	2022-08-15	2022-08-16	2032-08-16	120,000	3.60%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Fourth Tranche)	22 GF 10	148041	2022-08-26	2022-08-29	2025-08-29	100,000	2.60%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Fifth Tranche) (Type I)	22 GF 11	148066	2022-09-16	2022-09-19	2025-09-19	100,000	2.55%		

## BONDS

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Fifth Tranche) (Type II)	22 GF 12	148067	2022-09-16	2022-09-19	2027-09-19	50,000	2.95%		
Suitability arrangement of investors (if any)			Target investors are professional institutional investors who hold an A-share securities account of China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).						
Applicable trading system			Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.						
Any risk of suspension of trading in the shares of the listed company and the response			N/A						

## BONDS

### 5. Public Issuance of Subordinated Bonds in 2022

Unit: RMB'0,000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (First Tranche) (Type I)	22 GF C1	148085	2022-10-14	2022-10-17	2025-10-17	300,000	2.85%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (First Tranche) (Type II)	22 GF C2	148086	2022-10-14	2022-10-17	2027-10-17	50,000	3.20%		
Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Second Tranche) (Type I)	22 GF C3	148121	2022-11-11	2022-11-14	2025-11-14	200,000	2.86%		
Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Second Tranche) (Type II)	22 GF C4	148122	2022-11-11	2022-11-14	2027-11-14	50,000	3.20%		
Suitability arrangement of investors (if any)			Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).						
Applicable trading system			Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.						
Any risk of suspension of trading in the shares of the listed company and the response			N/A						

**6. Public Issuance of Perpetual Subordinated Bonds in 2022**

Unit: RMB'0,000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Perpetual Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (First Tranche)	22 GF Y1	149967	2022-06-29	2022-06-30	The issuer has an option to redeem the bonds at principal amounts plus any accrued interest (including all deferred interest and its yield) on the fifth interest payment date or any interest payment date afterwards.	270,000	3.75%	Interest will be paid annually if the issuer does not exercise the right to defer interest payment.	SZSE
Perpetual Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Second Tranche)	22 GF Y2	148004	2022-07-26	2022-07-27		500,000	3.53%		
Perpetual Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Third Tranche)	22 GF Y3	148016	2022-08-10	2022-08-11		230,000	3.48%		

Suitability arrangement of investors (if any)

Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).

Applicable trading system

Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.

Any risk of suspension of trading in the shares of the listed company and the response

N/A

## BONDS

### 7. Public Issuance of Short-term Corporate Bonds in 2023

Unit: RMB'0,000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Short-term Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (Fourth Tranche) (Type II)	23 GF D5	148502	2023-11-09	2023-11-10	2024-11-08	300,000	2.68%	The principal and interest shall be fully repaid upon maturity.	SZSE
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).								
Applicable trading system	Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								

8. Non-public Issuance of Corporate Bonds in 2023

Unit: RMB'0,000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Non-publicly Issued Corporate Bonds of GF Securities Co., Ltd. in 2023 (First Tranche)	23 GF 01	133424	2023-02-15	2023-02-16	2025-02-16	380,000	3.20%	Interest shall be paid annually while the principal shall be fully repaid upon maturity. Principal will be repaid upon maturity together with interest payable for the last period.	SZSE
Non-publicly Issued Corporate Bonds of GF Securities Co., Ltd. in 2023 (Second Tranche) (Type I)	23 GF 02	133442	2023-03-10	2023-03-13	2025-03-13	50,000	3.23%		
Non-publicly Issued Corporate Bonds of GF Securities Co., Ltd. in 2023 (Second Tranche) (Type II)	23 GF 03	133443	2023-03-10	2023-03-13	2026-03-13	200,000	3.30%		
Non-publicly Issued Corporate Bonds of GF Securities Co., Ltd. in 2023 (Third Tranche)	23 GF 07	133651	2023-09-07	2023-09-08	2024-09-12	200,000	2.49%	Use simple interest to accrue interest on an annual basis without compound interest. The principal and interest shall be fully repaid upon maturity.	



## BONDS

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Non-publicly Issued Corporate Bonds of GF Securities Co., Ltd. in 2023 (Fourth Tranche)	23 GF 08	133689	2023-10-13	2023-10-16	2024-11-06	170,000	2.60%		
Non-publicly Issued Corporate Bonds of GF Securities Co., Ltd. to Professional Investors in 2023 (Fifth Tranche)	23 GF 10	133725	2023-12-07	2023-12-08	2024-12-24	290,000	2.88%		
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (unless otherwise provided by laws and regulations).								
Applicable trading system	Listed and transferred on the SZSE, and the transaction methods include click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								

**9. Public Issuance of Perpetual Subordinated Bonds in 2023**

Unit: RMB'0,000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Perpetual Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (First Tranche)	23 GF Y1	148192	2023-03-03	2023-03-06	The issuer has an option to redeem the bonds at principal amounts plus any accrued interest (including all deferred interest and its yield) on the fifth interest payment date or any interest payment date afterwards.	50,000	4.20%	Interest will be paid annually if the issuer does not exercise the right to defer interest payment.	SZSE
Perpetual Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (Second Tranche)	23 GF Y2	148253	2023-04-14	2023-04-17		300,000	4.10%		
Perpetual Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (Third Tranche)	23 GF Y3	148286	2023-05-12	2023-05-15		500,000	3.78%		
Perpetual Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (Fourth Tranche)	23 GF Y4	148309	2023-06-02	2023-06-05		300,000	3.73%		

Suitability arrangement of investors (if any) Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).

Applicable trading system Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.

Any risk of suspension of trading in the shares of the listed company and the response N/A

## BONDS

### 10. Public Issuance of Corporate Bonds in 2023

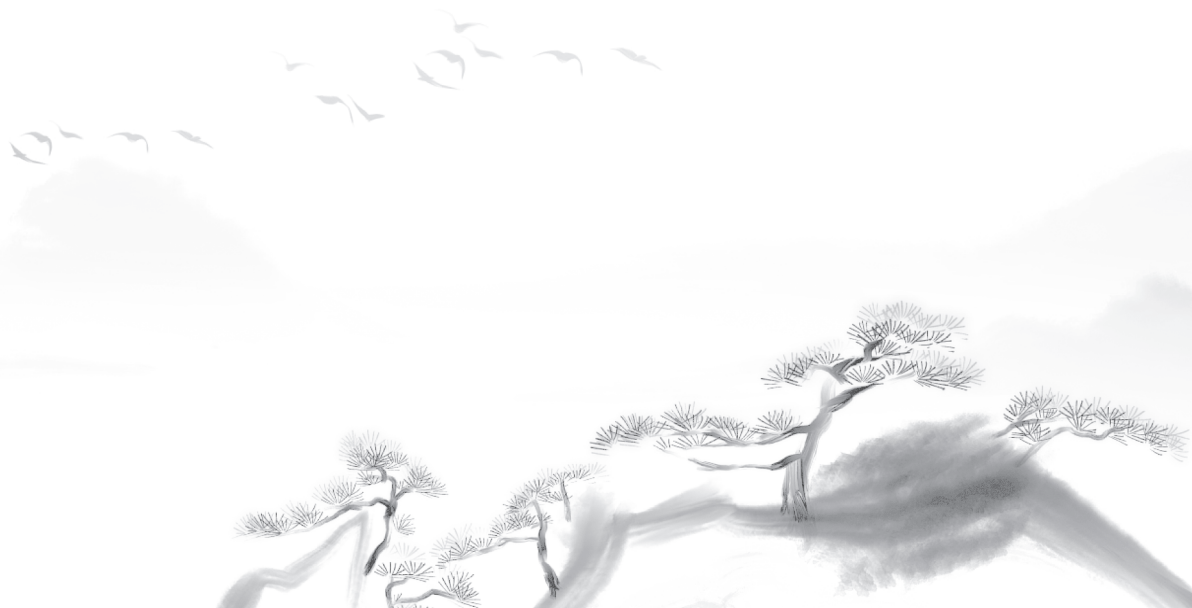
Unit: RMB'0,000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (First Tranche) (Type I)	23 GF 04	148270	2023-04-21	2023-04-24	2026-04-24	350,000	3.06%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (First Tranche) (Type II)	23 GF 05	148271	2023-04-21	2023-04-24	2028-04-24	100,000	3.21%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (Second Tranche)	23 GF 06	148376	2023-07-14	2023-07-17	2026-07-17	150,000	2.75%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (Third Tranche)	23 GF 09	148484	2023-10-23	2023-10-24	2026-10-24	210,000	3.00%		
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (unless otherwise provided by laws and regulations).								
Applicable trading system	Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								

**11. Public Issuance of Subordinated Bonds in 2023**

Unit: RMB'0,000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (First Tranche)	23 GF C1	148441	2023-08-24	2023-08-25	2026-08-25	100,000	2.95%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).								
Applicable trading system	Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								



## BONDS

### 12. Public Issuance of Subordinated Bonds in 2024

Unit: RMB'0,000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (First Tranche)	24 GF C1	148567	2024-01-11	2024-01-12	2027-01-12	300,000	2.90%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).								
Applicable trading system	Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								

13. Public Issuance of Corporate Bonds in 2024

Unit: RMB'0,000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (First Tranche) (Type I)	24 GF 01	148583	2024-01-18	2024-01-19	2027-01-19	260,000	2.75%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (First Tranche) (Type II)	24 GF 02	148584	2024-01-18	2024-01-19	2029-01-19	200,000	2.93%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (First Tranche) (Type III)	24 GF 03	148585	2024-01-18	2024-01-19	2034-01-19	140,000	3.07%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Second Tranche) (Type I)	24 GF 04	148603	2024-02-23	2024-02-26	2027-02-26	170,000	2.56%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Second Tranche) (Type II)	24 GF 05	148604	2024-02-23	2024-02-26	2029-02-26	130,000	2.70%		



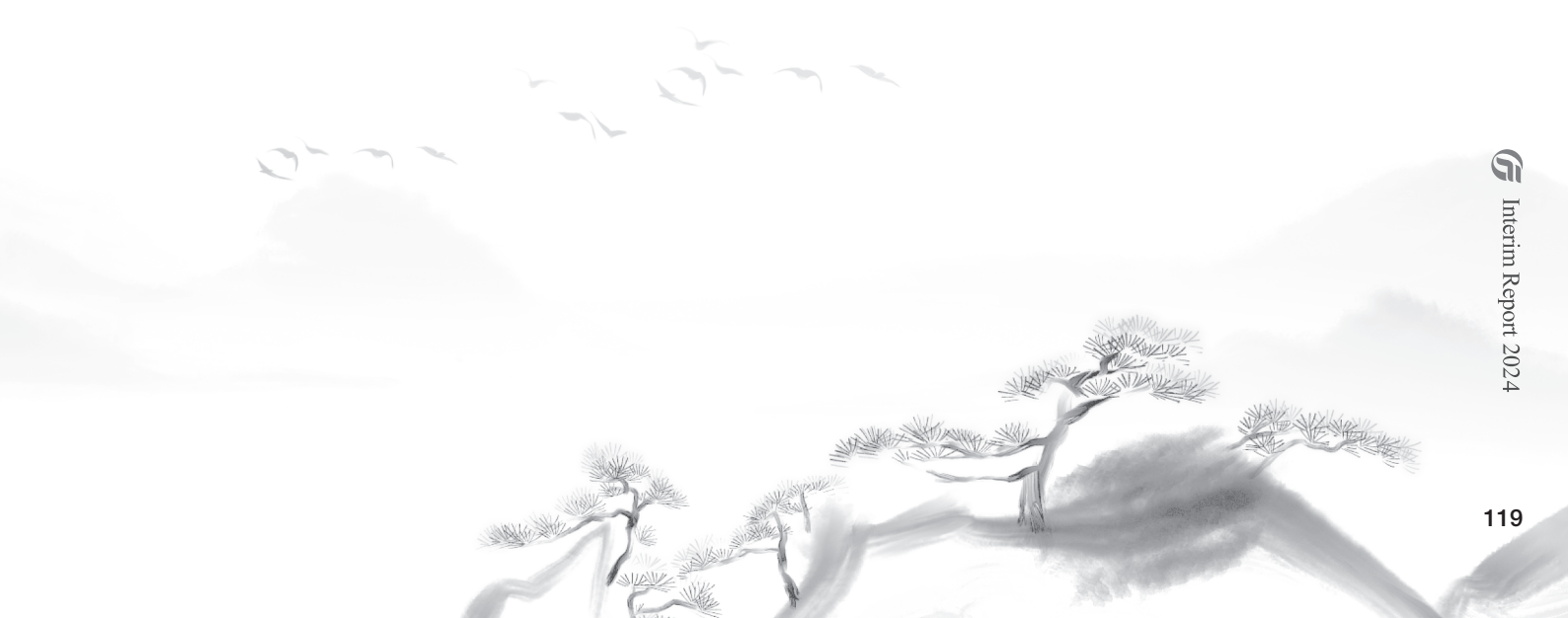
## BONDS

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Third Tranche)	24 GF 06	148711	2024-04-22	2024-04-23	2027-04-23	290,000	2.30%		
Suitability arrangement of investors (if any)									Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (unless otherwise provided by laws and regulations).
Applicable trading system									Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.
Any risk of suspension of trading in the shares of the listed company and the response									N/A

14. Public Issuance of Perpetual Subordinated Bonds in 2024

Unit: RMB'0,000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Perpetual Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (First Tranche)	24 GF Y1	148591	2024-01-25	2024-01-26	The issuer has an option to redeem the bonds at principal amounts plus any accrued interest (including all deferred interest and its yield) on the fifth interest payment date or any interest payment date afterwards.	200,000	3.15%	Interest will be paid annually if the issuer does not exercise the right to defer interest payment.	SZSE
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).								
Applicable trading system	Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								



## BONDS

### 15. Public Issuance of Short-term Corporate Bonds in 2024

Unit: RMB'0,000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Short-term Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Second Tranche) (Type II)	24 GF D3	148727	2024-04-25	2024-04-26	2024-09-20	280,000	1.91%	Interests and the principal shall be fully repaid upon maturity.	SZSE
Short-term Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Fourth Tranche)	24 GF D6	148790	2024-06-21	2024-06-24	2025-01-14	400,000	1.98%		
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (unless otherwise provided by laws and regulations).								
Applicable trading system	Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								

**16. Non-Public Issuance of Short-term Corporate Bonds in 2024**

Unit: RMB'0,000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Short-term Corporate Bonds Non-Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (First Tranche)	24 GF D5	133865	2024-06-17	2024-06-18	2025-01-16	200,000	2.00%	Interests and the principal shall be fully repaid upon maturity.	SZSE
Short-term Corporate Bonds Non-Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Second Tranche)	24 GF D7	133884	2024-07-10	2024-7-11	2025-2-27	300,000	1.99%		
Short-term Corporate Bonds Non-Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Third Tranche)	24 GF D8	133904	2024-07-25	2024-07-26	2025-03-13	300,000	1.95%		
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (unless otherwise provided by laws and regulations).								
Applicable trading system	Listed and transferred on the SZSE, and the transaction methods include click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								

**Outstanding Overdue Bonds**

N/A.

## BONDS

### (II) Trigger and Performance of the Issuer or Investor Option Terms and Investor Protection Terms

N/A.

### (III) Adjustments to Credit Rating Results During the Reporting Period

N/A.

### (IV) Performance of and Changes in Guarantees, Debt Repayment Plans and Other Debt Repayment Safeguard Measures During the Reporting Period and the Effects on the Interests of Bond Investors

The above corporate bonds bear no warranties.

The debt repayment plans of the above corporate bonds are as follows: The Company will fulfil the obligation of interest payment on a timely basis as agreed in the bond prospectus. Such interest payment date shall be postponed to the next business day if the interest payment date or the repayment date falls on a statutory holiday or rest day, and no interest shall be accrued during such period. The principal and interest of corporate bonds shall be paid through registration authorities and relevant institutions. The detailed matters about principal and interest payment shall be explained by the Company in the relevant announcement published through the media designated by the CSRC according to the relevant national provisions. During the Reporting Period, there was no delayed payment of principal and interests for these corporate bonds and there was no default in debt settlement thereof.

The safeguard measures on debt repayment of the above corporate bonds include but are not limited to: retaining a bond manager; establishing special repayment work team; establishing the Bondholder Meeting Rules; and disclosing information strictly. Furthermore, if it is predicted that the principal and interest of the bonds cannot be repaid on time when due or if the principal and interest of the bonds cannot be repaid at the end of the period, the Company shall adopt the following measures in accordance with the mandatory requirements (if applicable) under laws, regulations or regulatory documents: 1. the proportion of discretionary surplus reserve fund and the proportion of general risk reserves shall be increased during the duration of the bonds in order to reduce the solvency risk; 2. no profit shall be distributed to the shareholders; 3. Significant external investment, mergers and acquisitions, and other capital expenditure projects shall be postponed; 4. salary and bonus of the Directors and senior management shall be reduced or suspended; and 5. the main responsible person shall not be transferred.

During the Reporting Period, the above corporate bonds' credit enhancement mechanism, debt repayment plan and the other debt repayment safeguard measures were not changed.

### III. DEBT FINANCING INSTRUMENTS FOR NON-FINANCIAL BUSINESSES

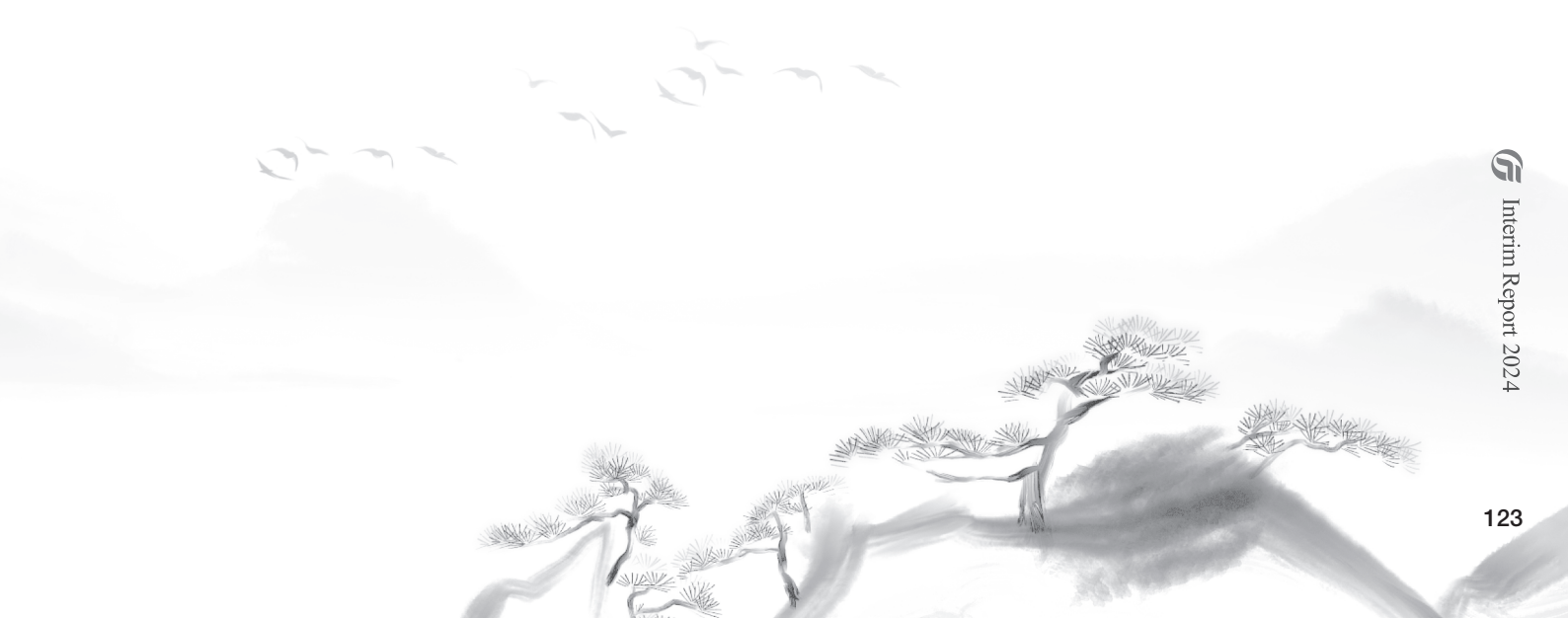
As of the approval date of this report, the Company had no debt financing instruments for non-financial businesses.

### IV. CONVERTIBLE CORPORATE BONDS

During the Reporting Period, the Company had no convertible corporate bonds.

### V. LOSSES DURING THE REPORTING PERIOD REPRESENTING MORE THAN 10% OF NET ASSETS AS AT THE END OF LAST YEAR ON A CONSOLIDATED BASIS

N/A.







**財務報告**

*FINANCIAL STATEMENTS*



## FINANCIAL STATEMENTS

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### I. REVIEW REPORT

The 2024 interim financial report of the Group prepared in accordance with the International Accounting Standards is unaudited but has been reviewed by Ernst & Young, and the review report is enclosed hereinafter.

### II. FINANCIAL STATEMENTS AND NOTES (ENCLOSED HEREINAFTER)

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



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### To the Board of Directors of GF Securities Co., Ltd.

(Established in the People's Republic of China with limited liability)

### INTRODUCTION

We have reviewed the accompanying interim financial information set out on pages 128 to 224, which comprises the condensed consolidated statement of financial position of GF Securities Co., Ltd. (the "Company") and its subsidiaries (the "Group") as at 30 June 2024 and the related condensed consolidated statement of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

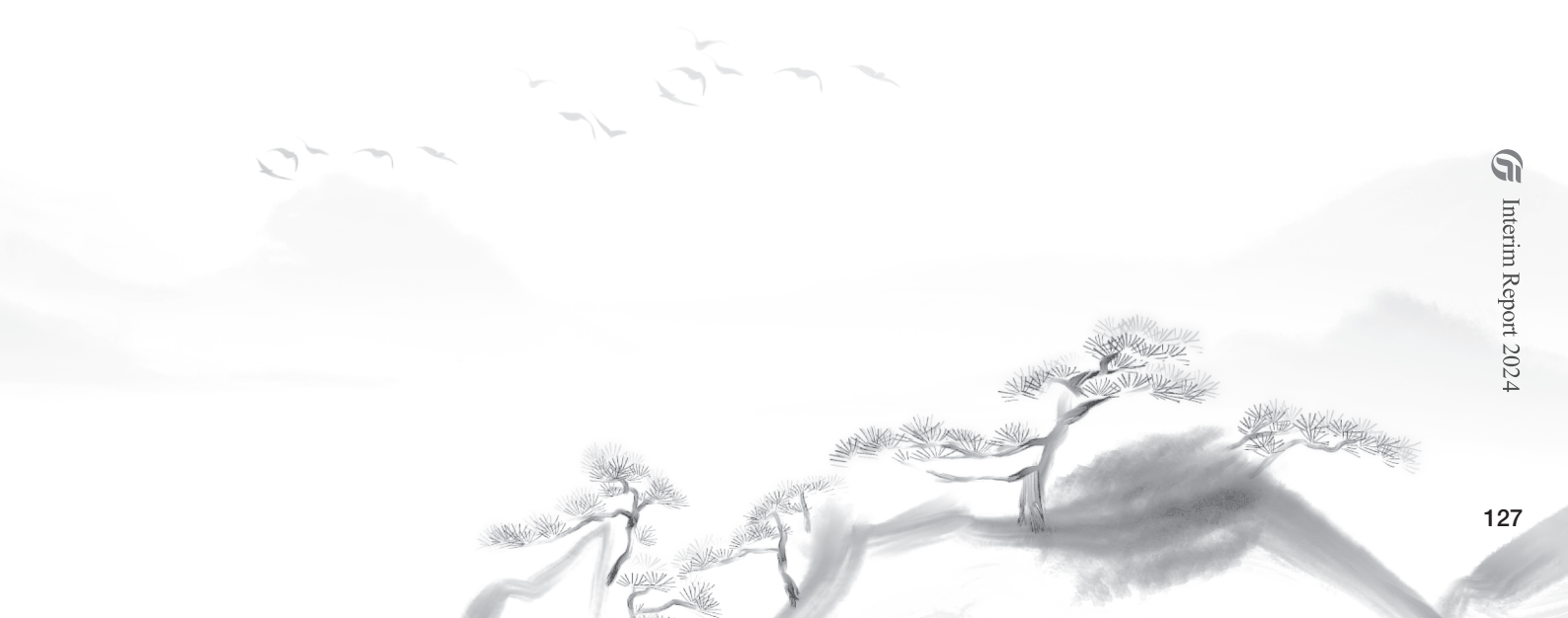
## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

**Ernst & Young**  
Certified Public Accountants  
Hong Kong  
30 August 2024



## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Revenue			
Commission and fee income	4	6,783,555	7,836,013
Interest income	5	6,248,160	6,804,923
Net investment gains	6	3,654,238	2,608,707
Total revenue		16,685,953	17,249,643
Other income and gains or losses	7	449,804	835,799
Total revenue and other income		17,135,757	18,085,442
Depreciation and amortisation	8	(502,157)	(444,110)
Staff costs	9	(3,853,637)	(4,630,264)
Commission and fee expenses	10	(123,998)	(146,225)
Interest expenses	11	(5,354,093)	(5,079,291)
Other operating expenses	12	(2,316,072)	(2,177,420)
Credit impairment losses	13	23,889	(4,506)
Impairment losses on other assets		(12,781)	(8,610)
Total expenses		(12,138,849)	(12,490,426)
Share of results of associates and joint ventures		120,563	378,566
Profit before income tax		5,117,471	5,973,582
Income tax expense	14	(382,052)	(883,326)
Profit for the period		4,735,419	5,090,256
Attributable to:			
Owners of the Company		4,362,372	4,538,406
Non-controlling interests		373,047	551,850
		4,735,419	5,090,256
Earnings per share (Expressed in RMB per share)			
– Basic/Diluted	15	0.52	0.56

The accompanying notes form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Profit for the period	4,735,419	5,090,256
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</b>		
Revaluation gains/(losses) on equity instruments at fair value through other comprehensive income	1,381,918	(70,421)
Income tax related to the above	(318,144)	18,182
Total items that will not be reclassified to profit or loss in subsequent periods	1,063,774	(52,239)
<b>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</b>		
Exchange differences on translation of foreign operations	28,202	196,679
Debt instruments at fair value through other comprehensive income:		
– Net fair value changes during the period	1,139,336	818,884
– Reclassification to profit or loss on disposal	(504,305)	(82,528)
– Reclassification to profit or loss on impairment	(79,316)	8,053
– Income tax related to the above	(136,924)	(184,198)
Net gains on debt instruments at fair value through other comprehensive income	418,791	560,211
Share of other comprehensive income of associates and joint ventures:		
– Share of fair value losses on financial assets of associates and joint ventures	(5)	–
– Share of exchange differences arising on translation of associates	438	2,442
Net gains on other comprehensive income of associates and joint ventures	433	2,442
Total items that may be reclassified to profit or loss in subsequent periods	447,426	759,332

The accompanying notes form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Other comprehensive income for the period, net of tax	<u>1,511,200</u>	<u>707,093</u>
Total comprehensive income for the period	<u><u>6,246,619</u></u>	<u><u>5,797,349</u></u>
Attributable to:		
Owners of the Company	<u>5,872,549</u>	<u>5,240,597</u>
Non-controlling interests	<u>374,070</u>	<u>556,752</u>
	<u><u>6,246,619</u></u>	<u><u>5,797,349</u></u>

The accompanying notes form an integral part of these condensed consolidated financial statements.



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Non-current assets</b>			
Property and equipment	16	3,257,425	3,230,375
Right-of-use assets	17	2,018,711	2,024,845
Investment properties		191,035	199,157
Goodwill		2,368	2,352
Other intangible assets		482,091	520,022
Investments in associates	18	8,144,273	7,249,310
Investments in joint ventures	19	1,981,432	1,981,901
Debt instruments at amortised cost	20	8,768	101,484
Equity instruments at fair value through other comprehensive income	21	14,107,897	5,696,951
Financial assets held under resale agreements	27	–	19,847
Financial assets at fair value through profit or loss	28	9,445,565	10,066,050
Deferred tax assets	34	2,242,154	2,562,495
<b>Total non-current assets</b>		<b>41,881,719</b>	<b>33,654,789</b>
<b>Current assets</b>			
Debt instruments at amortised cost	20	70,749	28,227
Debt instruments at fair value through other comprehensive income	22	99,315,091	139,295,121
Advances to customers	23	84,951,572	91,107,898
Accounts receivable	24	12,595,109	11,045,443
Other accounts receivable, other receivables and prepayments	25	1,273,044	1,567,488
Financial leasing receivables	26	29,034	39,305
Amounts due from joint ventures and associates		139,900	127,511
Financial assets held under resale agreements	27	19,320,756	19,701,054
Financial assets at fair value through profit or loss	28	245,864,491	206,002,361
Derivative financial assets	29	6,951,030	5,034,081
Deposits with exchanges and non-bank financial institutions	30	18,871,666	21,252,801
Clearing settlement funds	31	31,683,449	34,510,389
Bank balances	32	126,380,380	118,815,211
<b>Total current assets</b>		<b>647,446,271</b>	<b>648,526,890</b>
<b>Total assets</b>		<b>689,327,990</b>	<b>682,181,679</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Current liabilities</b>			
Borrowings	36	5,408,540	6,838,049
Short-term financing payables	37	39,758,403	45,363,288
Financial liabilities at fair value through profit or loss	38	8,286,311	15,768,777
Due to banks and other financial institutions		43,010,273	22,653,003
Accounts payable to brokerage clients	39	136,507,155	132,010,529
Accrued staff costs	40	3,267,390	4,285,092
Other accounts payable, other payables and accruals	41	45,562,812	43,252,310
Contract liabilities		87,463	115,859
Amounts due to joint ventures and associates		19,660	12,450
Provisions	42	449,258	446,850
Current tax liabilities		264,798	258,815
Other liabilities	43	698,104	599,972
Derivative financial liabilities	29	8,771,263	4,700,926
Financial assets sold under repurchase agreements	44	130,086,695	153,748,802
Bonds payable	45	46,044,959	39,872,687
Lease liabilities	17	374,535	307,699
		<u>468,597,619</u>	<u>470,235,108</u>
Total current liabilities			
		<u>178,848,652</u>	<u>178,291,782</u>
Net current assets			
		<u>220,730,371</u>	<u>211,946,571</u>
Total assets less current liabilities			

The accompanying notes form an integral part of these condensed consolidated financial statements.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Non-current liabilities</b>			
Financial liabilities at fair value through profit or loss	38	455,260	502,393
Accrued staff costs	40	5,212,474	5,211,211
Deferred tax liabilities	34	201,182	449,045
Bonds payable	45	67,929,648	63,707,808
Lease liabilities	17	616,974	662,484
Other liabilities	43	664,336	737,920
Total non-current liabilities		<u>75,079,874</u>	<u>71,270,861</u>
Net assets		<u>145,650,497</u>	<u>140,675,710</u>
<b>Capital and reserves</b>			
Share capital		7,621,088	7,621,088
Other equity instruments	46	24,500,000	22,478,500
Capital reserve		31,274,148	31,296,848
Treasury shares	47	(233,609)	(233,609)
Investment revaluation reserve		2,213,809	840,235
Translation reserve		526,090	498,473
General reserves		33,246,436	33,066,912
Retained profits		41,554,991	40,149,201
Equity attributable to owners of the Company		<u>140,702,953</u>	<u>135,717,648</u>
Non-controlling interests		<u>4,947,544</u>	<u>4,958,062</u>
Total equity		<u>145,650,497</u>	<u>140,675,710</u>

Approved and authorised for issue by the Board of Directors on 30 August 2024.

**Lin Chuanhui**

*Executive Director, Chairman*

**Qin Li**

*Executive Director, General Manager*

The accompanying notes form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Equity attributable to owners of the Company										
	Share capital	Other equity instruments	Capital reserve	Treasury shares	Investment revaluation reserve	Translation reserve	General reserves	Retained profits	Subtotal	Non-controlling interests	Total equity
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
As at 1 January 2024	7,621,088	22,478,500	31,296,848	(233,609)	840,235	498,473	33,066,912	40,149,201	135,717,648	4,958,062	140,675,710
Profit for the period	-	-	-	-	-	-	-	4,362,372	4,362,372	373,047	4,735,419
Other comprehensive income for the period	-	-	-	-	1,482,560	27,617	-	-	1,510,177	1,023	1,511,200
Total comprehensive income for the period	-	-	-	-	1,482,560	27,617	-	4,362,372	5,872,549	374,070	6,246,619
Issue of perpetual bonds	-	2,021,500	(23,500)	-	-	-	-	-	1,998,000	-	1,998,000
Appropriation to general reserves	-	-	-	-	-	-	179,524	(179,524)	-	-	-
Ordinary share dividends recognised as distribution (Note 48)	-	-	-	-	-	-	-	(2,281,754)	(2,281,754)	(384,588)	(2,666,342)
Distribution to other equity instrument holders (Note 48)	-	-	-	-	-	-	-	(604,290)	(604,290)	-	(604,290)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	(108,986)	-	-	108,986	-	-	-
Others	-	-	800	-	-	-	-	-	800	-	800
As at 30 June 2024 (unaudited)	7,621,088	24,500,000	31,274,148	(233,609)	2,213,809	526,090	33,246,436	41,554,991	140,702,953	4,947,544	145,650,497

	Equity attributable to owners of the Company										
	Share capital	Other equity instruments	Capital reserve	Treasury shares	Investment revaluation reserve	Translation reserve	General reserves	Retained profits	Subtotal	Non-controlling interests	Total equity
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
As at 1 January 2023	7,621,088	10,990,000	31,286,181	(233,609)	329,599	405,336	30,480,844	39,266,193	120,145,632	4,647,208	124,792,840
Profit for the period	-	-	-	-	-	-	-	4,538,406	4,538,406	551,850	5,090,256
Other comprehensive income for the period	-	-	-	-	507,972	194,219	-	-	702,191	4,902	707,093
Total comprehensive income for the period	-	-	-	-	507,972	194,219	-	4,538,406	5,240,597	556,752	5,797,349
Issue of perpetual bonds	-	11,488,500	-	-	-	-	-	-	11,488,500	-	11,488,500
Appropriation to general reserves	-	-	-	-	-	-	217,492	(217,492)	-	-	-
Ordinary share dividends recognised as distribution (Note 48)	-	-	-	-	-	-	-	(2,662,046)	(2,662,046)	(576,882)	(3,238,928)
Distribution to other equity instrument holders (Note 48)	-	-	-	-	-	-	-	(842,190)	(842,190)	-	(842,190)
Others	-	-	(2,846)	-	-	-	-	-	(2,846)	-	(2,846)
As at 30 June 2023 (unaudited)	7,621,088	22,478,500	31,283,335	(233,609)	837,571	599,555	30,698,336	40,082,871	133,367,647	4,627,078	137,994,725

The accompanying notes form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
<b>OPERATING ACTIVITIES</b>		
Profit before income tax	5,117,471	5,973,582
Adjustments for:		
Interest expenses	5,354,093	5,079,291
Share of results of associates and joint ventures	(120,563)	(378,566)
Depreciation and amortisation	502,157	444,110
Credit impairment losses	(23,889)	4,506
Impairment losses on other assets	12,781	8,610
Gains on disposal of property and equipment and other intangible assets	(3,573)	(1,159)
Gains on disposal of subsidiaries, associates and joint ventures	(4,288)	(5,354)
Foreign exchange (gains)/losses, net	(15,309)	41,560
Net realised gains from disposal of financial instruments at fair value through other comprehensive income	(504,305)	(82,528)
Dividend income and interest income from financial instruments at fair value through other comprehensive income	(1,937,374)	(1,905,702)
Interest income from debt instruments at amortised cost	(4,014)	(19,849)
Unrealised fair value changes in financial assets at fair value through profit or loss	(638,745)	(1,203,394)
Unrealised fair value changes in financial liabilities at fair value through profit or loss	(368,716)	646,352
Unrealised fair value changes in derivatives	1,432,625	492,409

The accompanying notes form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Operating cash flows before movements in working capital	8,798,351	9,093,868
Decrease/(increase) in advances to customers	6,112,498	(3,171,395)
Decrease in financial assets held under resale agreements	486,868	388,136
Increase in financial assets at fair value through profit or loss	(38,525,681)	(49,854,783)
Decrease in deposits with exchanges and non-bank financial institutions	2,395,259	1,091,505
Decrease/(increase) in restricted bank deposits	513,623	(502,875)
(Increase)/decrease in other current assets	(1,116,681)	2,298,177
Decrease/(increase) in clearing settlement funds for clients	3,806,806	(854,741)
Increase in cash held on behalf of customers	(7,709,453)	(3,191,935)
(Decrease)/increase in financial liabilities at fair value through profit or loss	(7,186,621)	5,978,981
Increase in accounts payable to brokerage clients	4,467,044	5,271,473
Decrease in accrued staff costs	(1,015,816)	(1,371,517)
(Decrease)/increase in other accounts payable, other payables and accruals and other liabilities	(1,888,047)	6,957,357
(Decrease)/increase in financial assets sold under repurchase agreements	(23,584,952)	32,385,209
Increase in amounts due to banks and other financial institutions	20,312,740	2,848,853
(Decrease)/increase in provision	(550)	3,146
	<hr/>	<hr/>
Cash (used in)/from operations	(34,134,612)	7,369,459
Income taxes paid	(456,101)	(905,103)
Interest paid	(2,871,821)	(2,530,094)
	<hr/>	<hr/>
<b>Net cash (used in)/from operating activities</b>	<b>(37,462,534)</b>	<b>3,934,262</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
<b>INVESTING ACTIVITIES</b>		
Dividends and interest received from investments	2,652,995	2,322,699
Purchases of property and equipment and other intangible assets	(345,757)	(413,690)
Proceeds from disposal of property and equipment and other intangible assets	12,109	3,167
Capital injection to associates and joint ventures	(1,407,080)	(123,180)
Proceeds from disposals of interests in associates and joint ventures	326,011	125,389
Purchase of or proceeds from disposal of financial instruments at fair value through other comprehensive income, net	33,613,039	(3,265,662)
Purchase of or proceeds from disposal of debt instruments at amortised cost, net	21,249	139,604
<b>Net cash from/(used in) investing activities</b>	<b>34,872,566</b>	<b>(1,211,673)</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
<b>FINANCING ACTIVITIES</b>		
Proceeds from perpetual subordinated bonds issued	2,000,000	11,500,000
Dividends paid to shareholders and non-controlling interests	(1,158,439)	(281,250)
Repayment of interest of borrowings	(213,759)	(121,787)
Repayment of short-term financing payables and bonds interest	(1,272,882)	(1,725,354)
Proceeds from short-term financing payables and bonds issued	41,272,540	42,241,970
Repayment of short-term financing payables and bonds	(37,415,176)	(55,885,884)
Proceeds from borrowings	58,455	2,343,977
Repayment of borrowings	(1,540,245)	(151,292)
Repayment of long-term loans	–	(63,827)
Payment of principal and interest on lease liabilities	(184,351)	(175,121)
Proceeds from other financing activities	2,438,729	–
Repayment of other financing activities	(68,175)	(40,966)
<b>Net cash from/(used in) financing activities</b>	<b>3,916,697</b>	<b>(2,359,534)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,326,729</b>	<b>363,055</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>21,741,361</b>	<b>19,072,052</b>
<b>Effect of foreign exchange rate changes, net</b>	<b>20,515</b>	<b>95,040</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>23,088,605</b>	<b>19,530,147</b>

The accompanying notes form an integral part of these condensed consolidated financial statements.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 1. GENERAL

With the approval of the People's Bank of China, Guangdong Development Bank (廣東發展銀行) (now known as China Guangfa Bank) established a securities department on 9 April 1991. With the approval of the Guangdong Administration for Industry and Commerce, GF Securities Co., Ltd. (the "Company") was duly established as the Securities Department of Guangdong Development Bank (廣東發展銀行證券業務部) on 21 May 1993. On 25 January 1994, the Company was converted into Guangdong Guangfa Securities Company (廣東廣發證券公司), whose capital was contributed by Guangdong Development Bank with its own funds. On 26 December 1996, the Company was converted into a limited liability company and changed its name to Guangfa Securities Limited Liability Company (廣發證券有限責任公司). On 26 August 1999, the Company was spun off from Guangdong Development Bank as required by the sectoral regulation of the financial industries under PRC laws. On 25 July 2001, the Company was converted into a joint stock company and changed its name to GF Securities Co., Ltd. (廣發證券股份有限公司). On 12 February 2010, the Company was listed on the Shenzhen Stock Exchange by completing a reverse takeover of Yan Bian Road Construction Co., Ltd. (延邊公路建設股份有限公司) ("Yan Bian Road"), with the stock code 000776. On 10 April 2015, the Company issued H Shares which were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

The registered office of the Company is located at Room 618, 2 Tengfei 1st Road, Sino-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong, People's Republic of China ("PRC").

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in securities brokerage, securities investment consultation, the financial advisory business relating to securities trading and securities investment, securities underwriting and sponsorship, securities proprietary trading, the proxy sale of securities investment funds, the provision of futures intermediary services for futures companies, margin financing and securities lending, the proxy sale of financial products, securities investment fund custodian, market-making of stock options, asset management, project and investment management, commodity futures brokerage, financial futures brokerage and futures investment advisory.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

The unaudited condensed consolidated financial statements were approved by the Board of Directors (the "Board") on 30 August 2024.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 2. BASIS OF PREPARATION AND CHANGES ON ACCOUNTING POLICIES

#### Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023.

Except as described below, the principal accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those used in the Group’s annual financial statements for the year ended 31 December 2023.

#### Changes in accounting policies

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised standards for the first time for the current period’s financial information. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the revised IFRSs does not have a significant impact on the Group’s consolidated financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 3. SEGMENT REPORTING

The operating and reportable segment information provided to the chief operating decision maker (the “CODM”) for the six months ended 30 June 2024 and 30 June 2023 is as follows:

	Investment banking RMB' 000	Wealth management RMB' 000	Trading and institution RMB' 000	Investment management RMB' 000	Others RMB' 000	Segment total RMB' 000	Elimination RMB' 000	Consolidated total RMB' 000
<b>Unaudited</b>								
<b>For the six months ended</b>								
<b>30 June 2024</b>								
<b>Segment revenue and results</b>								
Segment revenue	352,394	6,274,567	6,734,642	3,247,002	77,348	16,685,953	-	16,685,953
Segment other income and gains or losses	(191)	372,466	40,726	15,621	21,182	449,804	-	449,804
Segment revenue and other income	352,203	6,647,033	6,775,368	3,262,623	98,530	17,135,757	-	17,135,757
Segment expenses	(333,490)	(3,653,515)	(4,807,427)	(2,293,659)	(1,050,758)	(12,138,849)	-	(12,138,849)
Segment results	18,713	2,993,518	1,967,941	968,964	(952,228)	4,996,908	-	4,996,908
Share of results of associates and joint ventures	-	148	(25,417)	193,387	(47,555)	120,563	-	120,563
Profit/(loss) before income tax	18,713	2,993,666	1,942,524	1,162,351	(999,783)	5,117,471	-	5,117,471
<b>Unaudited</b>								
<b>As at 30 June 2024</b>								
<b>Segment assets and liabilities</b>								
Segment assets	142,807	139,737,788	355,812,269	35,117,515	157,900,457	688,710,836	(1,625,000)	687,085,836
Deferred tax assets								2,242,154
Group's total assets								689,327,990
Segment liabilities	105,638	120,826,547	175,010,764	11,569,485	235,963,877	543,476,311	-	543,476,311
Deferred tax liabilities								201,182
Group's total liabilities								543,677,493

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 3. SEGMENT REPORTING – continued

	Investment banking RMB' 000	Wealth management RMB' 000	Trading and institution RMB' 000	Investment management RMB' 000	Others RMB' 000	Segment total RMB' 000	Elimination RMB' 000	Consolidated total RMB' 000
<b>Unaudited</b>								
<b>For the six months ended</b>								
<b>30 June 2023</b>								
<b>Segment revenue and results</b>								
Segment revenue	305,526	6,611,603	5,908,566	4,341,135	82,813	17,249,643	–	17,249,643
Segment other income and gains or losses	(208)	148,696	(46,527)	248,060	485,778	835,799	–	835,799
Segment revenue and other income	305,318	6,760,299	5,862,039	4,589,195	568,591	18,085,442	–	18,085,442
Segment expenses	(299,859)	(3,656,909)	(4,277,843)	(3,009,146)	(1,246,669)	(12,490,426)	–	(12,490,426)
Segment results	5,459	3,103,390	1,584,196	1,580,049	(678,078)	5,595,016	–	5,595,016
Share of results of associates and joint ventures	–	136	1,986	376,228	216	378,566	–	378,566
Profit/(loss) before income tax	5,459	3,103,526	1,586,182	1,956,277	(677,862)	5,973,582	–	5,973,582
<b>Audited</b>								
<b>As at 31 December 2023</b>								
<b>Segment assets and liabilities</b>								
Segment assets	143,895	138,910,418	342,342,088	36,282,054	163,544,729	681,223,184	(1,604,000)	679,619,184
Deferred tax assets								2,562,495
Group's total assets								<u>682,181,679</u>
Segment liabilities	101,291	115,866,288	201,020,749	11,752,097	212,316,499	541,056,924	–	541,056,924
Deferred tax liabilities								449,045
Group's total liabilities								<u>541,505,969</u>

The Group's non-current assets are mainly located in the PRC (country of domicile). The Group's revenue is substantially derived from its operations in the PRC.

There were no sales to a single customer from which the revenue amounted to over 10% to the Group's revenue for the six months ended 30 June 2024 and 30 June 2023.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 4. COMMISSION AND FEE INCOME

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Asset management and fund management fee income	3,383,012	4,187,645
Securities brokerage business commission and fee income	2,585,266	2,910,970
Underwriting and sponsorship fee income	328,565	285,440
Futures brokerage business commission and fee income	285,946	244,216
Consultancy and financial advisory fee income	58,303	69,348
Others	142,463	138,394
	<u>6,783,555</u>	<u>7,836,013</u>

### 5. INTEREST INCOME

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Margin financing and securities lending	2,526,173	2,813,334
Deposits with exchanges and financial institutions	1,763,530	1,794,118
Debt instruments at fair value through other comprehensive income	1,562,464	1,826,670
Financial assets held under resale agreements	379,269	336,814
Debt instruments at amortised cost	4,014	19,849
Leasing business	1,716	8,059
Others	10,994	6,079
	<u>6,248,160</u>	<u>6,804,923</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 6. NET INVESTMENT GAINS

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Net realised gains from disposal of financial instruments at fair value through other comprehensive income	504,305	82,528
Net realised (losses)/gains from disposal of financial instruments at fair value through profit or loss	(3,340,678)	738,289
Dividend income and interest income from financial instruments at fair value through profit or loss	2,560,628	1,896,628
Dividend income from financial instruments at fair value through other comprehensive income	374,910	79,032
Net realised gains/(losses) from derivatives	3,466,408	(515,597)
Unrealised fair value changes of financial instruments at fair value through profit or loss		
– Financial assets at fair value through profit or loss	638,745	1,203,394
– Financial liabilities at fair value through profit or loss	368,716	(646,352)
– Derivatives	(918,796)	(229,215)
	<u>3,654,238</u>	<u>2,608,707</u>

### 7. OTHER INCOME AND GAINS OR LOSSES

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Government grants	2,507	770,934
Commodity trading income	337,603	70,441
Commission from tax withholding and remitting	52,562	58,084
Gains on disposal of subsidiaries, associates and joint ventures	4,288	5,354
Third-party interests in consolidated structured entities	(748)	(54,267)
Others	53,592	(14,747)
	<u>449,804</u>	<u>835,799</u>



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 8. DEPRECIATION AND AMORTISATION

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Depreciation of property and equipment	217,676	193,015
Depreciation of right-of-use assets	194,611	176,602
Amortisation of other intangible assets	85,581	68,650
Depreciation of investment properties	4,289	5,843
	<u>502,157</u>	<u>444,110</u>

### 9. STAFF COSTS

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Salaries, bonuses and allowances and other long-term benefits	3,078,014	3,938,561
Defined contribution plans	337,472	281,302
Short-term social welfare	236,673	224,174
Others	201,478	186,227
	<u>3,853,637</u>	<u>4,630,264</u>

### 10. COMMISSION AND FEE EXPENSES

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Securities and futures brokerage business expenses	109,044	133,015
Underwriting and sponsorship fee expenses	9,185	4,390
Other service expenses	5,769	8,820
	<u>123,998</u>	<u>146,225</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 11. INTEREST EXPENSES

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Bonds payable	1,763,104	1,861,879
Financial assets sold under repurchase agreements	1,793,510	1,641,123
Due to banks and other financial institutions	596,316	515,787
Short-term financing payables	469,675	491,696
Accounts payable to brokerage clients	274,274	320,244
Borrowings	223,310	119,708
Lease liabilities	20,454	16,154
Long-term loans	–	716
Others	213,450	111,984
	<u>5,354,093</u>	<u>5,079,291</u>

### 12. OTHER OPERATING EXPENSES

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Distribution expenses for fund and asset management business	818,329	986,751
General and administrative expenses	530,673	517,696
Commodity trading costs	340,192	67,354
Post and telecommunications expenses	139,022	129,427
Taxes and surcharges	87,157	88,989
Advertisement and business development expenses	81,419	81,281
Rents and utilities	79,047	68,550
Securities and futures investor protection funds	39,950	43,247
Sundry expenses	200,283	194,125
	<u>2,316,072</u>	<u>2,177,420</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 13. CREDIT IMPAIRMENT LOSSES

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Debt instruments at amortised cost	4,153	(1,484)
Debt instruments at fair value through other comprehensive income	(79,316)	8,053
Advances to customers	51,714	(21,912)
Accounts receivable	9,466	31,945
Lease receivables	(21,187)	(8,977)
Financial assets held under resale agreements	11,502	(4,038)
Others	(221)	919
	<u>(23,889)</u>	<u>4,506</u>

### 14. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Current tax:		
PRC Enterprise Income Tax	708,456	1,050,483
Hong Kong Profits Tax and other jurisdictions	56,430	37,145
Subtotal	<u>764,886</u>	<u>1,087,628</u>
Deferred tax (Note 34)	<u>(382,834)</u>	<u>(204,302)</u>
	<u>382,052</u>	<u>883,326</u>

Under the Enterprise Income Tax Law of the PRC (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the Company and its main subsidiaries in the PRC is 25%.

Hong Kong Profits Tax was calculated at 16.5% of the estimated assessable profits. Tax arising in other jurisdictions is calculated at the applicable tax rates in the relevant jurisdictions.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 15. EARNINGS PER SHARE

The calculation of earnings per share attributable to owners of the Company is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>(unaudited)</b>	(unaudited)
Earnings for the purpose of basic earnings per share:		
Profit for the period attributable to owners of the Company (RMB in thousand)	<b>4,362,372</b>	4,538,406
Less: Profit for the period attributable to other equity instrument holders of the Company (RMB in thousand)	<b>444,560</b>	261,326
	<u><b>3,917,812</b></u>	<u>4,277,080</u>
Profit for the period attributable to ordinary shareholders of the Company (RMB in thousand)	<b>3,917,812</b>	4,277,080
	<u><b>7,605,846</b></u>	<u>7,605,846</u>
Weighted average number of ordinary shares in issue (in thousands of shares) <sup>(i)</sup>	<b>7,605,846</b>	7,605,846
	<u><b>7,605,846</b></u>	<u>7,605,846</u>
Earnings per share (RMB)		
– Basic	<b>0.52</b>	0.56
	<u><b>0.52</b></u>	<u>0.56</u>
– Diluted	<b>0.52</b>	0.56
	<u><b>0.52</b></u>	<u>0.56</u>
(i) Weighted average number of ordinary shares in issue (in thousands of shares)		
Number of ordinary shares in issue as at the beginning of the period	<b>7,621,088</b>	7,621,088
Less: Weighted average number of ordinary shares repurchased	<b>15,242</b>	15,242
	<u><b>7,605,846</b></u>	<u>7,605,846</u>
Weighted average number of ordinary shares in issue	<b>7,605,846</b>	7,605,846
	<u><b>7,605,846</b></u>	<u>7,605,846</u>

There were no potential dilutive ordinary shares outstanding for the six months ended 30 June 2024 and 30 June 2023.

The calculation of the basic earnings per share is based on the profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 16. PROPERTY AND EQUIPMENT

	Properties and buildings RMB' 000	Electronic and communication equipment RMB' 000	Motor vehicles RMB' 000	Office equipment RMB' 000	Improvements RMB' 000	Construction in progress RMB' 000	Total RMB' 000
<b>Unaudited</b>							
<b>Cost</b>							
As at 1 January 2024	2,635,400	1,529,448	132,264	281,449	1,012,132	246,301	5,836,994
Additions	-	139,055	4,891	8,834	100,387	-	253,167
Transfers during the period	(3,972)	-	-	-	-	-	(3,972)
Disposals/write-off	(2,306)	(29,237)	(3,865)	(5,719)	(33,084)	-	(74,211)
Effect of foreign currency exchange differences	-	330	21	15	169	-	535
As at 30 June 2024	<u>2,629,122</u>	<u>1,639,596</u>	<u>133,311</u>	<u>284,579</u>	<u>1,079,604</u>	<u>246,301</u>	<u>6,012,513</u>
<b>Accumulated depreciation and impairment</b>							
As at 1 January 2024	692,351	919,217	90,861	221,086	683,104	-	2,606,619
Charge for the period	37,955	106,311	6,417	13,990	54,803	-	219,476
Transfers during the period	(501)	-	-	-	-	-	(501)
Disposals/write-off	-	(28,958)	(3,810)	(5,345)	(32,918)	-	(71,031)
Effect of foreign currency exchange differences	-	281	12	18	214	-	525
As at 30 June 2024	<u>729,805</u>	<u>996,851</u>	<u>93,480</u>	<u>229,749</u>	<u>705,203</u>	<u>-</u>	<u>2,755,088</u>
<b>Net carrying amount</b>							
As at 30 June 2024	<u>1,899,317</u>	<u>642,745</u>	<u>39,831</u>	<u>54,830</u>	<u>374,401</u>	<u>246,301</u>	<u>3,257,425</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 16. PROPERTY AND EQUIPMENT – continued

	Properties and buildings RMB' 000	Electronic and communication equipment RMB' 000	Motor vehicles RMB' 000	Office equipment RMB' 000	Improvements RMB' 000	Construction in progress RMB' 000	Total RMB' 000
<b>Audited</b>							
<b>Cost</b>							
As at 1 January 2023	2,666,091	1,236,317	132,830	270,580	974,857	246,301	5,526,976
Additions	-	338,636	8,804	18,903	78,381	-	444,724
Transfers during the year	(30,309)	-	-	-	-	-	(30,309)
Disposals/write-off	(382)	(46,237)	(9,399)	(8,157)	(41,571)	-	(105,746)
Effect of foreign currency exchange differences	-	732	29	123	465	-	1,349
As at 31 December 2023	<u>2,635,400</u>	<u>1,529,448</u>	<u>132,264</u>	<u>281,449</u>	<u>1,012,132</u>	<u>246,301</u>	<u>5,836,994</u>
<b>Accumulated depreciation and impairment</b>							
As at 1 January 2023	633,722	787,675	86,077	193,850	619,232	-	2,320,556
Charge for the year	74,927	176,938	13,992	35,122	104,818	-	405,797
Transfers during the year	(16,296)	-	-	-	-	-	(16,296)
Disposals/write-off	(2)	(46,034)	(9,228)	(8,000)	(41,361)	-	(104,625)
Effect of foreign currency exchange differences	-	638	20	114	415	-	1,187
As at 31 December 2023	<u>692,351</u>	<u>919,217</u>	<u>90,861</u>	<u>221,086</u>	<u>683,104</u>	<u>-</u>	<u>2,606,619</u>
<b>Net carrying amount</b>							
As at 31 December 2023	<u>1,943,049</u>	<u>610,231</u>	<u>41,403</u>	<u>60,363</u>	<u>329,028</u>	<u>246,301</u>	<u>3,230,375</u>

As at 30 June 2024, the Group's properties and buildings amounting to RMB276.09 million (31 December 2023: RMB289.26 million) included the leasehold interest in land as the leasehold payments could not be allocated reliably between the land and building elements, and therefore the entire lease is accounted for as properties and buildings.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 17. LEASES

#### The Group as a lessee

The Group has lease contracts for various items of properties and buildings used in its operations. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

#### (1) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period/year are as follows:

	Properties and buildings RMB' 000	Land use rights RMB' 000	Total RMB' 000
<b>Unaudited</b>			
<b>Cost</b>			
As at 1 January 2024	1,825,779	1,292,056	3,117,835
Additions	195,986	–	195,986
Disposals/write-off	(143,253)	–	(143,253)
Transfers during the period	–	(1,041)	(1,041)
Effect of foreign currency exchange differences	1,474	–	1,474
As at 30 June 2024	<u>1,879,986</u>	<u>1,291,015</u>	<u>3,171,001</u>
<b>Accumulated depreciation and impairment</b>			
As at 1 January 2024	877,843	215,147	1,092,990
Charge for the period	179,461	15,150	194,611
Disposals/write-off	(135,726)	–	(135,726)
Transfers during the period	–	(365)	(365)
Effect of foreign currency exchange differences	780	–	780
As at 30 June 2024	<u>922,358</u>	<u>229,932</u>	<u>1,152,290</u>
<b>Net carrying amount</b>			
As at 30 June 2024	<u>957,628</u>	<u>1,061,083</u>	<u>2,018,711</u>



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 17. LEASES – continued

#### The Group as a lessee – continued

##### (1) Right-of-use assets – continued

	Properties and buildings RMB' 000	Land use rights RMB' 000	Total RMB' 000
<b>Audited</b>			
<b>Cost</b>			
As at 1 January 2023	1,462,041	1,293,656	2,755,697
Additions	532,501	–	532,501
Disposals/write-off	(170,491)	–	(170,491)
Transfers during the year	–	(1,600)	(1,600)
Effect of foreign currency exchange differences	1,728	–	1,728
As at 31 December 2023	<u>1,825,779</u>	<u>1,292,056</u>	<u>3,117,835</u>
<b>Accumulated depreciation and impairment</b>			
As at 1 January 2023	696,570	185,342	881,912
Charge for the year	341,364	30,335	371,699
Disposals/write-off	(160,339)	–	(160,339)
Transfers during the year	–	(530)	(530)
Effect of foreign currency exchange differences	248	–	248
As at 31 December 2023	<u>877,843</u>	<u>215,147</u>	<u>1,092,990</u>
<b>Net carrying amount</b>			
As at 31 December 2023	<u>947,936</u>	<u>1,076,909</u>	<u>2,024,845</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 17. LEASES – continued

#### The Group as a lessee – continued

##### (2) Lease liabilities

The carrying amounts of the Group's lease liabilities are as follows:

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Properties and buildings</b>		
Current	374,535	307,699
Non-current	616,974	662,484
Total	<u>991,509</u>	<u>970,183</u>

As at 30 June 2024 and 31 December 2023, the future cash outflows relating to leases that have not yet commenced were insignificant.

### 18. INVESTMENTS IN ASSOCIATES

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
Cost of investments in associates	4,098,488	3,025,098
Share of post-acquisition profits and other comprehensive income, net of dividends received	<u>4,042,689</u>	<u>4,218,273</u>
	8,141,177	7,243,371
Investment in an associate at fair value through profit or loss (Note)	<u>3,096</u>	<u>5,939</u>
	<u>8,144,273</u>	<u>7,249,310</u>

Note: The Group elects to measure its investment in GEJEJIA Corporation of RMB3.10 million (31 December 2023: RMB5.94 million) held through GF Beacon Capital Management Limited, a venture capital organisation and an indirectly wholly-owned subsidiary, at fair value through profit or loss as management measured the performance of this associate on a fair value basis as at 30 June 2024. The valuation determinations, including valuation techniques, key inputs and fair value information for the associate measured at fair value through profit or loss, are set out in note 52.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 18. INVESTMENTS IN ASSOCIATES – continued

Details of the Group's significant associate at the end of the period are as follows:

Name of associate	Place and date of establishment	Equity interest held by the Group		Principal activities
		As at 30 June 2024	As at 31 December 2023	
易方達基金管理有限公司 E Fund Management Co., Limited ("E Fund")	PRC 17 April 2001	22.65%	22.65%	Publicly offered securities investment fund management, fund sale, asset management for specific customers

### 19. INVESTMENTS IN JOINT VENTURES

	As at 30 June 2024	As at 31 December 2023
	RMB' 000 (unaudited)	RMB' 000 (audited)
Cost of investments in joint ventures	2,294,566	2,392,504
Share of post-acquisition profits and other comprehensive income, net of dividends received	(313,134)	(410,603)
	<u>1,981,432</u>	<u>1,981,901</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 20. DEBT INSTRUMENTS AT AMORTISED COST

	As at 30 June 2024 RMB'000 (unaudited)	As at 31 December 2023 RMB'000 (audited)
<b>Non-current</b>		
Debt securities	–	74,393
Others	300,164	318,884
Less: Allowance for ECLs	291,396	291,793
	<u>8,768</u>	<u>101,484</u>
<b>Analysed as:</b>		
Unlisted	<u>8,768</u>	<u>101,484</u>
<b>Current</b>		
Debt securities	67,895	20,325
Entrusted loans	14,510	14,506
Others	178,326	178,827
Less: Allowance for ECLs	189,982	185,431
	<u>70,749</u>	<u>28,227</u>
<b>Analysed as:</b>		
Unlisted	<u>70,749</u>	<u>28,227</u>
<b>Total</b>	<u>79,517</u>	<u>129,711</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 20. DEBT INSTRUMENTS AT AMORTISED COST – continued

Movements of allowance for the expected credit losses (“ECLs”) during the period/year are as follows:

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
At the beginning of the period/year	477,224	488,802
Charge for the period/year <sup>(i)</sup>	4,586	48,019
Reversal	(433)	(13,580)
Amounts written off as uncollectible	–	(46,685)
Effect of foreign currency exchange differences	1	668
At 30 June 2024/31 December 2023	<u>481,378</u>	<u>477,224</u>

- (i) Charge for the period/year comprises the impairment losses from new and remaining debt instruments at amortised cost, model/risk parameter adjustments, etc.

Analysis of the stages of allowance for ECLs:

	Stage 1 RMB' 000	Stage 2 RMB' 000	Stage 3 RMB' 000	Total RMB' 000
As at 30 June 2024	<u>–</u>	<u>–</u>	<u>481,378</u>	<u>481,378</u>
As at 31 December 2023	<u>316</u>	<u>–</u>	<u>476,908</u>	<u>477,224</u>

During the period, the debt instruments at amortised cost were not transferred between stages.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 21. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Non-current</b>		
Equity securities	13,826,202	5,612,943
Others	281,695	84,008
	<u>14,107,897</u>	<u>5,696,951</u>
<b>Analysed as:</b>		
Listed in Hong Kong	7,667,755	385,975
Listed outside Hong Kong <sup>(i)</sup>	6,360,161	5,228,999
Unlisted	79,981	81,977
	<u>14,107,897</u>	<u>5,696,951</u>
Total	<u>14,107,897</u>	<u>5,696,951</u>

- (i) Securities traded on the Shanghai Stock Exchange and the Shenzhen Stock Exchange are included in the “Listed outside Hong Kong” category.

As at 30 June 2024, equity instruments at fair value through other comprehensive income (“FVTOCI”) included non-traded equity instruments held by the Group. As the equity instruments are not held for trading purposes, the Group has designated these investments as equity instruments at FVTOCI.

During the period, due to the Group’s disposal of equity instruments measured at fair value through other comprehensive income, other comprehensive income of RMB108.99 million was transferred into retained earnings (six months ended 30 June 2023: Nil).

During the period, the dividend income from equity instruments at fair value through other comprehensive income held by the Group is disclosed in note 6.

Fair values of the Group’s equity instruments at FVTOCI are determined in the manner described in note 52.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 22. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Current</b>		
Debt securities	<u>99,315,091</u>	<u>139,295,121</u>
<b>Analysed as:</b>		
Listed outside Hong Kong <sup>(i)</sup>	<u>33,320,206</u>	49,359,624
Unlisted	<u>65,994,885</u>	<u>89,935,497</u>
	<u>99,315,091</u>	<u>139,295,121</u>

- (i) Securities traded on the Shanghai Stock Exchange and the Shenzhen Stock Exchange are included in the "Listed outside Hong Kong" category.

Movements of allowance for ECLs during the period/year are as follows:

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
At the beginning of the period/year	359,297	287,164
Charge for the period/year <sup>(ii)</sup>	36,242	176,058
Reversal	(115,558)	(104,497)
Effect of foreign currency exchange differences	<u>313</u>	<u>572</u>
At 30 June 2024/31 December 2023	<u>280,294</u>	<u>359,297</u>

- (ii) Charge for the period/year comprises the impairment losses from new and remaining debt instruments at fair value through other comprehensive income, model/risk parameter adjustments, etc.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 22. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – *continued*

Analysis of the stages of allowance for ECLs:

	Stage 1 RMB' 000	Stage 2 RMB' 000	Stage 3 RMB' 000	Total RMB' 000
As at 30 June 2024	<u>86,933</u>	<u>–</u>	<u>193,361</u>	<u>280,294</u>
As at 31 December 2023	<u>166,302</u>	<u>–</u>	<u>192,995</u>	<u>359,297</u>

During the period, the debt instruments at fair value through other comprehensive income were not transferred between stages.

Fair values of the Group's debt instruments at FVTOCI are determined in the manner described in note 52.

### 23. ADVANCES TO CUSTOMERS

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Current</b>		
Loans to margin clients	85,342,679	91,434,944
Restricted equity incentive financing	64,711	75,170
Less: Allowance for ECLs	<u>455,818</u>	<u>402,216</u>
Total	<u>84,951,572</u>	<u>91,107,898</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 23. ADVANCES TO CUSTOMERS – continued

Movements of allowance for ECLs during the period/year are as follows:

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
At the beginning of the period/year	402,216	417,233
Charge for the period/year <sup>(i)</sup>	89,727	59,922
Reversal	(38,013)	(78,624)
Effect of foreign currency exchange differences	1,888	3,685
	<u>455,818</u>	<u>402,216</u>
At 30 June 2024/31 December 2023	<u>455,818</u>	<u>402,216</u>

- (i) Charge for the period/year comprises the impairment losses from new and remaining advances to customers, model/risk parameter adjustments, etc.

Analysis of the stages of allowance for ECLs:

	Stage 1 RMB' 000	Stage 2 RMB' 000	Stage 3 RMB' 000	Total RMB' 000
As at 30 June 2024	<u>111,243</u>	<u>1,444</u>	<u>343,131</u>	<u>455,818</u>
As at 31 December 2023	<u>129,191</u>	<u>3,510</u>	<u>269,515</u>	<u>402,216</u>

In the current year, advances to customers with gross carrying amount of RMB236.62 million was transferred from Stage 1 to Stage 2, and the corresponding impairment allowance was RMB0.17 million. Other transfers among stages were not significant.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 24. ACCOUNTS RECEIVABLE

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
Accounts receivable from/related to:		
<b>Current</b>		
Commission and fee	1,632,113	1,485,432
Brokers	2,579,737	2,325,754
Cash clients	1,378,597	198,142
Clearing house	104,845	6,471
Deposits for OTC business	5,667,907	5,779,612
Others	1,530,737	1,539,201
Less: Allowance for ECLs	298,827	289,169
	<u>12,595,109</u>	<u>11,045,443</u>

The following is an ageing analysis of accounts receivable net of allowance for ECLs:

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Current</b>		
Within 1 year	12,275,726	10,830,266
Between 1 and 2 years	142,925	72,916
Between 2 and 3 years	45,727	17,667
More than 3 years	130,731	124,594
	<u>12,595,109</u>	<u>11,045,443</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 24. ACCOUNTS RECEIVABLE – *continued*

Movements of allowance for ECLs during the period/year are as follows:

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	<b>As at 31 December 2023 RMB' 000 (audited)</b>
At the beginning of the period/year	289,169	229,400
Charge for the period/year <sup>(i)</sup>	11,085	68,556
Reversal	(1,619)	(9,293)
Amounts written off as uncollectible	(67)	(127)
Effect of foreign currency exchange differences	259	633
	<u>298,827</u>	<u>289,169</u>
At 30 June 2024/31 December 2023	<u>298,827</u>	<u>289,169</u>

- (i) Charge for the period/year comprises the impairment losses from new and remaining accounts receivable, model/risk parameter adjustments, etc.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 25. OTHER ACCOUNTS RECEIVABLE, OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Current</b>		
Investment prepayments	104,667	320,350
Receivables arising from sale and leaseback arrangements <sup>(ii)</sup>	41,633	41,604
Other receivables	734,000	1,108,960
Others	529,140	221,835
Less: Allowance for impairment	136,396	125,261
	<u>1,273,044</u>	<u>1,567,488</u>
Total	<u>1,273,044</u>	<u>1,567,488</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 25. OTHER ACCOUNTS RECEIVABLE, OTHER RECEIVABLES AND PREPAYMENTS – *continued*

Movements of allowance for ECLs/allowance for impairment during the period/year are as follows:

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	As at 31 December 2023 RMB' 000 (audited)
At the beginning of the period/year	125,261	114,992
Charge for the period/year <sup>(i)</sup>	27,120	12,084
Reversal	(13,838)	(1,781)
Amounts written off as uncollectible	(2,153)	(40)
Effect of foreign currency exchange differences	6	6
	<u>136,396</u>	<u>125,261</u>
At 30 June 2024/31 December 2023	<u>136,396</u>	<u>125,261</u>

(i) Charge for the period/year comprises the impairment losses from new and remaining other accounts receivable, other receivables and prepayments, model/risk parameter adjustments, etc.

(ii) Minimum lease payments to be received and the corresponding present value are as follows:

	<b>As at 30 June 2024</b>		As at 31 December 2023	
	<b>Minimum lease payments RMB' 000 (unaudited)</b>	<b>Present value RMB' 000 (unaudited)</b>	Minimum lease payments RMB' 000 (audited)	Present value RMB' 000 (audited)
Within 1 year (including 1 year)	41,666	41,633	41,637	41,604
Total	41,666	41,633	41,637	41,604
Less: Unrealised finance income	33	N/A	33	N/A
Balance of receivables arising from sale and leaseback arrangements	41,633	41,633	41,604	41,604
Less: Allowance for ECLs	41,407	41,407	40,728	40,728
Receivables arising from sale and leaseback arrangements, net	<u>226</u>	<u>226</u>	<u>876</u>	<u>876</u>

As at 30 June 2024, the effective interest rates ranged from 8% to 9% (31 December 2023: 8% to 9%) per annum.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 25. OTHER ACCOUNTS RECEIVABLE, OTHER RECEIVABLES AND PREPAYMENTS – *continued*

Movements of allowance for ECLs during the period/year are as follows:

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	As at 31 December 2023 RMB' 000 (audited)
At the beginning of the period/year	40,728	39,492
Charge for the period/year <sup>(iii)</sup>	679	1,280
Reversal	–	(44)
	<u>41,407</u>	<u>40,728</u>
At 30 June 2024/31 December 2023	<u>41,407</u>	<u>40,728</u>

(iii) Charge for the period/year comprises the impairment losses from remaining receivables arising from sale and leaseback arrangements, model/risk parameter adjustments, etc.

Analysis of the stages of allowance for ECLs:

	Stage 1 RMB' 000	Stage 2 RMB' 000	Stage 3 RMB' 000	Total RMB' 000
As at 30 June 2024	<u>–</u>	<u>–</u>	<u>41,407</u>	<u>41,407</u>
As at 31 December 2023	<u>–</u>	<u>–</u>	<u>40,728</u>	<u>40,728</u>

During the period, the receivables arising from sale and leaseback arrangements were not transferred between stages.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 26. FINANCIAL LEASING RECEIVABLES

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	As at 31 December 2023 RMB' 000 (audited)
Analysed as:		
Current assets	<u>29,034</u>	<u>39,305</u>
	<b><u>29,034</u></b>	<b><u>39,305</u></b>

Minimum lease payments to be received and the corresponding present value are as follows:

	As at 30 June 2024		As at 31 December 2023	
	Minimum lease payments RMB' 000 (unaudited)	Present value RMB' 000 (unaudited)	Minimum lease payments RMB' 000 (audited)	Present value RMB' 000 (audited)
Within 1 year (including 1 year)	<u>565,512</u>	<u>564,437</u>	<u>597,742</u>	<u>596,574</u>
Total	<u>565,512</u>	<u>564,437</u>	<u>597,742</u>	<u>596,574</u>
Less: Unrealised finance income	<u>1,075</u>	N/A	<u>1,168</u>	N/A
Balance of financial leasing receivables	<u>564,437</u>	<u>564,437</u>	<u>596,574</u>	<u>596,574</u>
Less: Allowance for ECLs	<u>535,403</u>	<u>535,403</u>	<u>557,269</u>	<u>557,269</u>
Financial leasing receivables, net	<b><u>29,034</u></b>	<b><u>29,034</u></b>	<b><u>39,305</u></b>	<b><u>39,305</u></b>

As at 30 June 2024, the effective interest rates ranged from 7% to 17% (31 December 2023: 7% to 17%) per annum.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 26. FINANCIAL LEASING RECEIVABLES – continued

Movements of allowance for ECLs during the period/year are as follows:

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	<b>As at 31 December 2023 RMB' 000 (audited)</b>
At the beginning of the period/year	557,269	580,952
Charge for the period/year <sup>(i)</sup>	146	29,262
Reversal	<u>(22,012)</u>	<u>(52,945)</u>
At 30 June 2024/31 December 2023	<u><b>535,403</b></u>	<u><b>557,269</b></u>

- (i) Charge for the period/year comprises the impairment losses from remaining financial leasing receivables, model/risk parameter adjustments, etc.

Analysis of the stages of allowance for ECLs:

	Stage 1 RMB' 000	Stage 2 RMB' 000	Stage 3 RMB' 000	Total RMB' 000
As at 30 June 2024	<u>–</u>	<u>–</u>	<u><b>535,403</b></u>	<u><b>535,403</b></u>
As at 31 December 2023	<u>–</u>	<u>–</u>	<u>557,269</u>	<u>557,269</u>

During the period, the financial leasing receivables were not transferred between stages.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 27. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Non-current</b>		
Analysed by collateral type:		
Stocks <sup>(i)</sup>	–	20,000
Less: Allowance for ECLs	–	153
	<u>–</u>	<u>19,847</u>
Analysed by market:		
Stock exchanges	–	19,847
	<u>–</u>	<u>19,847</u>
<b>Current</b>		
Analysed by collateral type:		
Stocks <sup>(i)</sup>	11,324,794	12,371,014
Bonds <sup>(ii)</sup>	8,584,277	7,906,700
Less: Allowance for ECLs	588,315	576,660
	<u>19,320,756</u>	<u>19,701,054</u>
Analysed by market:		
Stock exchanges	10,830,603	11,809,285
Interbank bond market	5,138,735	5,465,938
Over the counter	3,351,418	2,425,831
	<u>19,320,756</u>	<u>19,701,054</u>
<b>Total</b>	<u>19,320,756</u>	<u>19,720,901</u>

(i) The financial assets (pledged by stocks) held under resale agreements are those resale agreements which qualified investors entered into with the Group with a commitment to purchase the specified securities at a future date with an agreed price. The fair value of the stock collateral amounted to RMB27,717.83 million as at 30 June 2024 (31 December 2023: RMB32,156.97 million).

(ii) The financial assets (pledged by bonds) held under resale agreements are mainly for inter-bank pledged resale agreements and inter-bank outright resale agreements, and the fair value of collateral collected and underlying assets transferred to Group amounted to RMB12,454.09 million as at 30 June 2024 (31 December 2023: RMB11,148.02 million).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 27. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS – continued

Movements of allowance for ECLs during the period/year are as follows:

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	<b>As at 31 December 2023 RMB' 000 (audited)</b>
At the beginning of the period/year	576,813	611,153
Charge for the period/year <sup>(iii)</sup>	68,198	142,541
Reversal	<u>(56,696)</u>	<u>(176,881)</u>
At 30 June 2024/31 December 2023	<u><b>588,315</b></u>	<u><b>576,813</b></u>

(iii) Charge for the period/year comprises the impairment losses from new and remaining financial assets held under resale agreements, model/risk parameter adjustments, etc.

Analysis of the stages of allowance for ECLs:

	Stage 1 RMB' 000	Stage 2 RMB' 000	Stage 3 RMB' 000	Total RMB' 000
As at 30 June 2024	<u><b>164,415</b></u>	<u><b>10,175</b></u>	<u><b>413,725</b></u>	<u><b>588,315</b></u>
As at 31 December 2023	<u>171,364</u>	<u>–</u>	<u>405,449</u>	<u>576,813</u>

During the period, the transfers among stages of the financial assets held under resale agreements were not significant.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Non-current</b>		
At fair value through profit or loss <sup>(i)</sup> :		
Equity securities	8,955,236	9,693,808
Mutual funds	223,949	168,606
Asset management schemes launched by securities companies <sup>(ii),(iii)</sup>	173,293	165,039
Other investments <sup>(iii)</sup>	93,087	38,597
	<u>9,445,565</u>	<u>10,066,050</u>
Analysed as:		
Unlisted <sup>(v)</sup>	<u>9,445,565</u>	<u>10,066,050</u>
	<u>9,445,565</u>	<u>10,066,050</u>
<b>Current</b>		
At fair value through profit or loss <sup>(i)</sup> :		
Debt securities	82,457,529	68,954,833
Equity securities	25,174,957	37,444,390
Mutual funds	105,277,444	66,396,379
Asset management schemes launched by securities companies <sup>(ii),(iii)</sup>	2,421,409	2,407,375
Collective trusts	6,732	6,933
Wealth management products launched by banks <sup>(iii)</sup>	6,406,741	4,055,580
Other investments <sup>(iii)</sup>	24,119,679	26,736,871
	<u>245,864,491</u>	<u>206,002,361</u>
Analysed as:		
Listed in Hong Kong	5,928,866	2,642,033
Listed outside Hong Kong <sup>(iv)</sup>	46,993,959	65,501,070
Unlisted <sup>(v)</sup>	<u>192,941,666</u>	<u>137,859,258</u>
	<u>245,864,491</u>	<u>206,002,361</u>
Total	<u>255,310,056</u>	<u>216,068,411</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 28. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – *continued*

- (i) During the period, the Group classified the following financial assets at fair value through profit or loss: debt instruments that do not qualify for measurement at either amortised cost or FVTOCI; equity instruments that are held for trading, and equity instruments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income.
- (ii) The Group has committed to hold some of its investments in asset management schemes managed by the Group for specified periods due to contractual or regulatory requirements, the amount of which was RMB4.02 million as at 30 June 2024 (31 December 2023: RMB15.24 million).
- (iii) These investments include asset management schemes and other products launched and managed by the Group and other financial institutions. The Group's interests in these asset management schemes managed by the Group are not individually significant.
- (iv) Securities and funds traded on the Shanghai Stock Exchange and the Shenzhen Stock Exchange are included in the "Listed outside Hong Kong" category.
- (v) Unlisted securities mainly comprise unlisted funds, debt securities traded on the Interbank Bond Market, unlisted equity instruments, convertible debt instruments, convertible preference shares and asset management schemes and other products launched by financial institutions.

As at 30 June 2024, the equity securities of the Group included restricted shares of approximately RMB820.28 million (31 December 2023: RMB1,410.06 million). The restricted shares are listed with a legally enforceable restriction on these securities that prevents the Group from disposing of them within the specified period.

As at 30 June 2024, the Group entered into securities lending arrangements with clients that resulted in the transfer of financial assets at fair value through profit or loss ("FVTPL") (including equity securities and exchange traded funds) with a total fair value of RMB297.65 million (31 December 2023: RMB831.93 million) to clients. These securities continued to be recognised as financial assets of the Group.

Fair value of the Group's financial assets at fair value through profit or loss is determined in the manner described in note 52.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 29. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2024			As at 31 December 2023		
	Notional amount RMB' 000	Assets RMB' 000 (unaudited)	Liabilities RMB' 000 (unaudited)	Notional amount RMB' 000	Assets RMB' 000 (audited)	Liabilities RMB' 000 (audited)
<b>Interest rate derivatives</b>						
– Interest rate swaps <sup>(i)</sup>	888,531,403	12,930	2,595	845,454,270	12,625	15,457
– Interest rate options	–	–	–	1,000,000	–	9,990
– Treasury bond futures <sup>(i)</sup>	6,564,832	5,023	2,356	13,708,410	8,528	–
<b>Currency derivatives</b>						
– Currency swaps	163,898	9	1	85,397	2,206	–
– Currency forward	17,834,307	129,987	107,712	5,357,132	19,052	42,445
– Currency futures	1,852,426	260	492	1,610,042	1,725	324
<b>Equity derivatives</b>						
– Stock index futures <sup>(i)</sup>	18,125,424	54,955	686	30,144,347	82,050	2,753
– Exchange-traded options	21,790,308	220,696	621,437	20,606,691	149,240	484,916
– Over-the-counter equity derivatives transactions	129,396,495	5,701,913	6,892,980	135,436,561	3,810,493	3,822,956
<b>Credit derivatives</b>						
– Credit risk mitigation warrants	50,000	–	8,057	50,000	–	533
– Credit default swaps	900,000	1,362	–	–	–	–
<b>Others</b>						
– Commodity futures <sup>(i)</sup>	10,161,786	1,332	10,330	10,791,364	259	22,972
– Others	49,648,153	822,563	1,124,617	44,744,605	947,903	298,580
<b>Total</b>	<b>1,145,019,032</b>	<b>6,951,030</b>	<b>8,771,263</b>	<b>1,108,988,819</b>	<b>5,034,081</b>	<b>4,700,926</b>

- (i) Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in the PRC futures contracts and interest rate swap contracts traded in the Shanghai Clearing House were settled daily and the corresponding receipts and payments were included in "clearing settlement funds" as at 30 June 2024 and 31 December 2023. Accordingly, the net position of the above contracts was nil at the period/year-end date. Balances as at 30 June 2024 were the unrealised profits and losses from contracts in Hong Kong or other overseas areas.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 30. DEPOSITS WITH EXCHANGES AND NON-BANK FINANCIAL INSTITUTIONS

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
Shanghai Stock Exchange	1,170,150	882,737
Shenzhen Stock Exchange	585,721	387,399
Beijing Stock Exchange	3,731	2,614
Hong Kong Stock Exchange	30,846	21,199
Hong Kong Futures Exchange Limited	310,412	564,519
Shanghai Futures Exchange	2,283,750	1,868,670
Zhengzhou Commodity Exchange	1,011,083	1,141,409
Dalian Commodity Exchange	2,224,012	1,943,522
China Financial Futures Exchange	6,471,956	10,404,994
Intercontinental Exchange, Inc.	243,749	238,698
China Securities Finance Corporation Limited	458,970	460,963
Shanghai Clearing House	325,631	308,100
Guarantee fund paid to China Financial Futures Exchange	107,702	128,424
LME Clear Limited	686,216	336,157
Brokers	2,306,124	1,795,388
Shanghai International Energy Exchange Co., Ltd.	309,914	319,164
Others	341,699	448,844
Total	<u>18,871,666</u>	<u>21,252,801</u>

### 31. CLEARING SETTLEMENT FUNDS

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
Clearing settlement funds held with clearing houses for:		
House accounts	5,846,375	4,862,681
Clients	25,837,074	29,647,708
Total	<u>31,683,449</u>	<u>34,510,389</u>

These clearing settlement funds are held by the clearing houses for the Group and these balances bear interest at prevailing market interest rates.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 32. BANK BALANCES

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	<b>As at 31 December 2023 RMB' 000 (audited)</b>
Bank balances:		
House accounts	<b>23,832,159</b>	23,976,538
Cash held on behalf of customers <sup>(i)</sup>	<b>102,548,221</b>	94,838,673
Total	<b><u>126,380,380</u></b>	<u>118,815,211</u>

Bank balances comprise term and demand deposits at banks which bear interest at the prevailing market rates.

As at 30 June 2024, the Group's bank balances with restricted rights of use is detailed in Note 35.

- (i) The Group maintains accounts with banks to hold customers' deposits arising from normal business transactions. The Group has recognised the corresponding amount in accounts payable to brokerage clients (Note 39).

### 33. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	<b>As at 31 December 2023 RMB' 000 (audited)</b>
Bank balances – house accounts	<b>17,244,331</b>	16,882,222
Clearing settlement funds – house accounts	<b>5,844,274</b>	4,859,139
Total	<b><u>23,088,605</u></b>	<u>21,741,361</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 34. DEFERRED TAX

For presentation purposes, certain deferred tax assets and deferred tax liabilities have been offset. The following is an analysis of the deferred tax balances for financial reporting purposes:

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	<b>As at 31 December 2023 RMB' 000 (audited)</b>
Deferred tax assets	2,242,154	2,562,495
Deferred tax liabilities	<u>(201,182)</u>	<u>(449,045)</u>
Total	<u><b>2,040,972</b></u>	<u><b>2,113,450</b></u>

The following is the major deferred tax assets/(liabilities) recognised and movements thereon during the current period and prior year:

	Financial instruments at fair value through profit or loss/ derivatives RMB' 000	Financial instruments at fair value through other comprehensive income RMB' 000	Accrued staff costs RMB' 000	Allowance for impairment losses RMB' 000	Property and equipment RMB' 000	Others RMB' 000	Total RMB' 000
At 1 January 2023 (audited)	59,537	(54,337)	1,579,801	523,870	(14,214)	(86,539)	2,008,118
Charge/(credit) to profit or loss	146,316	16,624	(65,348)	5,141	984	157,130	260,847
Charge/(credit) to other comprehensive income	<u>(477)</u>	<u>(155,315)</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>275</u>	<u>(155,515)</u>
At 31 December 2023 (audited)	<u>205,376</u>	<u>(193,028)</u>	<u>1,514,453</u>	<u>529,013</u>	<u>(13,230)</u>	<u>70,866</u>	<u>2,113,450</u>
Charge/(credit) to profit or loss (Note 14)	34,383	(19,965)	279,989	11,793	492	76,142	382,834
Charge/(credit) to other comprehensive income	<u>(579)</u>	<u>(455,068)</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>333</u>	<u>(455,312)</u>
At 30 June 2024 (unaudited)	<u>239,180</u>	<u>(668,061)</u>	<u>1,794,442</u>	<u>540,808</u>	<u>(12,738)</u>	<u>147,341</u>	<u>2,040,972</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 35. RESTRICTED ASSET RIGHTS

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	<b>Reason of restrictions</b>
Bank balances	<b>6,432,826</b>	Risk reserves and others
Financial assets at fair value through profit or loss	<b>52,283,182</b>	Security for repurchase, margin financing and securities lending, bond lending, due to banks and other financial institutions and deposits for futures business
Equity instruments at fair value through other comprehensive income	<b>415,564</b>	Deposits for refinancing business
Debt instruments at fair value through other comprehensive income	<b>83,708,118</b>	Security for repurchase, bond lending, due to banks and other financial institutions and deposits for refinancing business and futures business
Others	<b>300,000</b>	Litigation freeze
Total	<b><u>143,139,690</u></b>	

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 36. BORROWINGS

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	<b>As at 31 December 2023 RMB' 000 (audited)</b>
Secured short-term loans <sup>(i)</sup>	–	629,628
Unsecured short-term loans <sup>(ii)</sup>	<u>5,408,540</u>	<u>6,208,421</u>
Total	<u><b>5,408,540</b></u>	<u><b>6,838,049</b></u>

- (i) GF Securities (Hong Kong) Brokerage Limited pledges its margin financing clients' securities to banks in order to get credit facilities which allow it to get revolving loans from the banks. As at 30 June 2024, the total market value of securities pledged amounted to RMB1,320.68 million (31 December 2023: RMB1,945.64 million) and the credit facilities utilised amounted to Nil (31 December 2023: RMB628.99 million, bearing interest rates ranging from 1.43% to 6.99% per annum).
- (ii) As at 30 June 2024, the Group's unsecured short-term bank loans bear interest rates ranging from 2.30% to 6.83% (31 December 2023: 6.00% to 7.17%) per annum.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 37. SHORT-TERM FINANCING PAYABLES

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	As at 31 December 2023 RMB' 000 (audited)
Short-term financing bills (Note 1)	<b>4,086,461</b>	10,138,526
Corporate bonds (Note 2)	<b>22,175,475</b>	18,203,447
Structured notes (Note 3)	<b>13,496,467</b>	17,021,315
Total	<b><u>39,758,403</u></b>	<u>45,363,288</u>

#### Note 1: Short-term financing bills

The details of short-term financing bills as at 30 June 2024 are as follows:

Name	Par value RMB' 000	Value date	Maturity date	Coupon rate
23GFCP007	4,000,000	2023/07/26	2024/07/26	2.32%

#### Note 2: Corporate bonds

The details of corporate bonds as at 30 June 2024 are as follows:

Name	Par value RMB' 000	Value date	Maturity date	Coupon rate
23GFD4	3,000,000	2023/11/10	2024/08/06	2.64%
23GFD5	3,000,000	2023/11/10	2024/11/08	2.68%
23GFD6	4,000,000	2023/11/24	2024/08/20	2.65%
24GFD2	900,000	2024/04/26	2024/08/23	1.90%
24GFD3	2,800,000	2024/04/26	2024/09/20	1.91%
24GFD4	2,300,000	2024/05/30	2024/08/29	1.90%
24GFD5	2,000,000	2024/06/18	2025/01/16	2.00%
24GFD6	4,000,000	2024/06/24	2025/01/14	1.98%

#### Note 3: Structured notes

The amount represents principals received from investors for subscription of structured notes issued by the Company and accrued interest. As at 30 June 2024, the undue structured notes bear interest at fixed rates ranging from 1.85% to 5.80% per annum (31 December 2023: 2.05% to 6.80%) or variable rate linked to certain underlying assets. The structured notes with variable rate contain non-closely related embedded derivatives linked to the fluctuation of underlying assets. Those embedded derivatives are presented as derivative financial instruments separately.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 38. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Non-current</b>		
Financial liabilities designated at fair value through profit or loss:		
Structured notes	<u>455,260</u>	<u>502,393</u>
<b>Current</b>		
Financial liabilities at fair value through profit or loss:		
Bonds	115,257	233,749
Stocks	189,049	176,412
Financial liabilities designated at fair value through profit or loss:		
Structured notes	<u>7,982,005</u>	<u>15,358,616</u>
	<u>8,286,311</u>	<u>15,768,777</u>
<b>Total</b>	<u>8,741,571</u>	<u>16,271,170</u>

As at 30 June 2024, the fair values of the Group's financial liabilities designated at fair value through profit or loss had no significant change related to the changes in the credit risk of the Group.

The fair values of the Group's financial liabilities at fair value through profit or loss are determined in the manner described in note 52.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 39. ACCOUNTS PAYABLE TO BROKERAGE CLIENTS

Accounts payable to brokerage clients mainly include money held on behalf of clients at banks and at clearing houses by the Group respectively, and bear interest at the prevailing market interest rate.

As at 30 June 2024, accounts payable to brokerage clients of approximately RMB8,342.59 million (31 December 2023: RMB7,961.35 million) were related to cash collateral received from clients for margin financing and securities lending arrangements.

### 40. ACCRUED STAFF COSTS

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	<b>As at 31 December 2023 RMB' 000 (audited)</b>
<b>Non-current</b>		
Other long-term benefits	<u>5,212,474</u>	<u>5,211,211</u>
<b>Current</b>		
Salaries, bonuses and allowances	3,094,779	4,001,154
Short-term social welfare	184	170
Defined contribution plans	82,873	166,494
Others	<u>89,554</u>	<u>117,274</u>
	<u>3,267,390</u>	<u>4,285,092</u>
Total	<u>8,479,864</u>	<u>9,496,303</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 41. OTHER ACCOUNTS PAYABLE, OTHER PAYABLES AND ACCRUALS

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Current</b>		
Business margin payable to clients	32,061,038	33,420,817
Notes payable	4,919,554	2,395,312
Dividends payables and interest payables for the perpetual subordinated bonds	2,557,093	444,900
Payables for open-ended fund clearing and other clearing	1,895,124	3,313,291
Commission payable and related accrued expenses for sale of products	921,072	856,369
Other taxes	446,373	296,763
Accrued expenses	398,777	433,683
Futures risk reserve	226,971	216,868
Funds risk reserve	171,459	126,261
Payable for property and equipment purchases	81,384	139,767
Interest payable	61,532	64,616
Payables for securities investor protection fund and futures investor protection fund	39,724	26,610
Others <sup>(i)</sup>	1,782,711	1,517,053
<b>Total</b>	<b>45,562,812</b>	<b>43,252,310</b>

- (i) Others represent primarily other accounts payable and accrued operating expenses which are non-interest-bearing and are repayable within one year.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 42. PROVISIONS

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	As at 31 December 2023 RMB' 000 (audited)
At the beginning of the period/year	446,850	439,511
Addition	3,225	19,162
Reduction	817	11,823
	<u>449,258</u>	<u>446,850</u>
At 30 June 2024/31 December 2023 (Note)	<u>449,258</u>	<u>446,850</u>

Note: As at 30 June 2024, the Group recognised a provision of USD58.27 million (31 December 2023: USD58.27 million), approximately RMB415.26 million, in connection with a potential litigation that may arise relating to the matters of GTEC Pandion Multi-Strategy Fund SP as mentioned in the 2019 annual report.

### 43. OTHER LIABILITIES

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	As at 31 December 2023 RMB' 000 (audited)
<b>Non-current</b>		
Third-party interests in consolidated structured entities	<u>664,336</u>	<u>737,920</u>
<b>Current</b>		
Third-party interests in consolidated structured entities	<u>698,104</u>	<u>599,972</u>
Total	<u>1,362,440</u>	<u>1,337,892</u>

Third-party interests in consolidated structured entities consist of third-party unit holders' interests in these consolidated structured entities which are reflected as liabilities since there is a contractual obligation for the Group to repurchase or redeem the unit for cash.

The realisation of third-party interests in consolidated structured entities cannot be predicted with accuracy since these interests are subject to market risk and the actions of third-party investors.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 44. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Current</b>		
Analysed by collateral type:		
Bonds <sup>(i)</sup>	111,330,275	135,812,969
Gold <sup>(ii)</sup>	10,697,392	11,285,719
Others	8,059,028	6,650,114
	<u>130,086,695</u>	<u>153,748,802</u>
Analysed by market:		
Stock exchanges	33,684,623	38,725,129
Interbank bond market	78,494,923	97,950,736
Shanghai Gold Exchange	10,697,392	11,285,719
Over the counter	7,209,757	5,787,218
	<u>130,086,695</u>	<u>153,748,802</u>
<b>Total</b>	<u>130,086,695</u>	<u>153,748,802</u>

- (i) As at 30 June 2024, part of the balance was secured by bonds borrowed by the Group, which are not recognised in the condensed consolidated financial statements as the Group is not subject to any risk or return of the bonds, and the fair value of which was RMB8,969.44 million (31 December 2023: RMB34,949.21 million).
- (ii) As at 30 June 2024, the fair value of gold transferred, which was from leasing and is not recognised in the condensed consolidated financial statements, was RMB11,855.41 million (31 December 2023: RMB11,893.83 million).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 45. BONDS PAYABLE

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	<b>As at 31 December 2023 RMB' 000 (audited)</b>
<b>Non-current</b>		
Corporate bonds (Note 1)	57,448,435	49,863,816
Subordinated bonds (Note 1)	9,993,871	9,495,315
Structured notes (Note 2)	487,342	4,348,677
	<u>67,929,648</u>	<u>63,707,808</u>
<b>Current</b>		
Corporate bonds (Note 1)	32,634,800	31,998,483
Subordinated bonds (Note 1)	2,714,201	120,310
Structured notes (Note 2)	10,695,958	7,753,894
	<u>46,044,959</u>	<u>39,872,687</u>
Total	<u>113,974,607</u>	<u>103,580,495</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 45. BONDS PAYABLE – continued

Note 1: Details of bonds as of 30 June 2024 are as follows:

Name	Par value RMB' 000	Value date	Maturity date	Coupon rate
<b>Corporate bonds</b>				
21GF04	1,000,000	2021/06/08	2026/06/08	3.68%
21GF05	3,000,000	2021/07/23	2024/07/23	3.13%
21GF06	4,500,000	2021/07/23	2026/07/23	3.45%
21GF07	1,500,000	2021/07/23	2031/07/23	3.77%
21GF10	3,000,000	2021/09/16	2024/09/16	3.10%
21GF11	2,000,000	2021/09/16	2026/09/16	3.50%
21GF12	2,000,000	2021/09/16	2031/09/16	3.90%
21GF13	3,000,000	2021/10/15	2024/10/15	3.30%
21GF17	4,800,000	2021/10/29	2024/10/29	3.30%
21GF19	4,000,000	2021/11/17	2024/11/17	3.15%
21GF20	3,500,000	2021/11/17	2026/11/17	3.50%
21GF21	1,000,000	2021/11/17	2031/11/17	3.85%
22GF01	3,400,000	2022/07/15	2025/07/15	2.85%
22GF02	2,000,000	2022/07/15	2027/07/15	3.24%
22GF03	600,000	2022/07/15	2032/07/15	3.70%
22GF04	2,500,000	2022/08/04	2025/08/04	2.59%
22GF05	3,000,000	2022/08/04	2027/08/04	3.03%
22GF06	1,500,000	2022/08/04	2032/08/04	3.59%
22GF07	800,000	2022/08/16	2025/08/16	2.68%
22GF08	2,500,000	2022/08/16	2027/08/16	3.12%
22GF09	1,200,000	2022/08/16	2032/08/16	3.60%
22GF10	1,000,000	2022/08/29	2025/08/29	2.60%
22GF11	1,000,000	2022/09/19	2025/09/19	2.55%
22GF12	500,000	2022/09/19	2027/09/19	2.95%
23GF01	3,800,000	2023/02/16	2025/02/16	3.20%
23GF02	500,000	2023/03/13	2025/03/13	3.23%
23GF03	2,000,000	2023/03/13	2026/03/13	3.30%
23GF04	3,500,000	2023/04/24	2026/04/24	3.06%
23GF05	1,000,000	2023/04/24	2028/04/24	3.21%
23GF06	1,500,000	2023/07/17	2026/07/17	2.75%
23GF07	2,000,000	2023/09/08	2024/09/12	2.49%
23GF08	1,700,000	2023/10/16	2024/11/06	2.60%
23GF09	2,100,000	2023/10/24	2026/10/24	3.00%
23GF10	2,900,000	2023/12/08	2024/12/24	2.88%
24GF01	2,600,000	2024/01/19	2027/01/19	2.75%
24GF02	2,000,000	2024/01/19	2029/01/19	2.93%
24GF03	1,400,000	2024/01/19	2034/01/19	3.07%
24GF04	1,700,000	2024/02/26	2027/02/26	2.56%
24GF05	1,300,000	2024/02/26	2029/02/26	2.70%
24GF06	2,900,000	2024/04/23	2027/04/23	2.30%
GF HOLD B2409	USD 300,000	2021/09/15	2024/09/15	1.125%
<b>Subordinated bonds</b>				
20GFC2	2,500,000	2020/03/03	2025/03/03	3.80%
22GFC1	3,000,000	2022/10/17	2025/10/17	2.85%
22GFC2	500,000	2022/10/17	2027/10/17	3.20%
22GFC3	2,000,000	2022/11/14	2025/11/14	2.86%
22GFC4	500,000	2022/11/14	2027/11/14	3.20%
23GFC1	1,000,000	2023/08/25	2026/08/25	2.95%
24GFC1	3,000,000	2024/01/12	2027/01/12	2.90%

Note 2: Structured notes

The amount represents principals received from investors for subscription of structured notes issued by the Company and accrued interest. As at 30 June 2024, the undue structured notes bear interest at fixed rates ranging from 2.10% to 3.40% per annum (31 December 2023: 2.38% to 3.40%) or variable rate linked to certain underlying assets. The structured notes with variable rate contain non-closely related embedded derivatives linked to the fluctuation of underlying assets. Those embedded derivatives are presented as derivative financial instruments separately.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 46. OTHER EQUITY INSTRUMENTS

	<b>As at 30 June 2024 RMB' 000 (unaudited)</b>	As at 31 December 2023 RMB' 000 (audited)
Perpetual subordinated bonds	<b><u>24,500,000</u></b>	<u>22,478,500</u>

The details of perpetual subordinated bonds as at 30 June 2024 are as follows:

Issue date	Name	Par value RMB' 000	Coupon rate
2021/09	21GFY1	1,000,000	3.95%
2022/06	22GFY1	2,700,000	3.75%
2022/07	22GFY2	5,000,000	3.53%
2022/08	22GFY3	2,300,000	3.48%
2023/03	23GFY1	500,000	4.20%
2023/04	23GFY2	3,000,000	4.10%
2023/05	23GFY3	5,000,000	3.78%
2023/06	23GFY4	3,000,000	3.73%
2024/01	24GFY1	2,000,000	3.15%



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 46. OTHER EQUITY INSTRUMENTS – continued

As approved by the CSRC, the Company issued nine batches of perpetual subordinated bonds. The Company has options to redeem the bonds at principal amounts plus any accrued interest (all deferred interest payments and accreted interest thereon included) on the fifth interest payment date or any interest payment date afterwards. The coupon rates for the perpetual subordinated bonds are fixed in the first 5 years. If the Company does not use the right of redemption, the coupon rates will be repriced every 5 years from the 6th year. The coupon rates will be repriced as the sum of the current basis rate, the initial spread, and an additional 300 basis points. The current basis rate is defined as the average yields of 5 years treasury bonds from the interbank fixed rate bond yield curve published on the China Bond website 5 working days before the interest repricing date.

The issuer has the right to defer interest payments, unless “mandatory interest payment events” have been triggered, so that at each interest payment date, the issuer may choose to defer the current interest payment, as well as any previously deferred interest payments and accreted interest thereon, to the next payment date, without being subject to any limitation with respect to the number of deferrals. Mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital 12 months before the interest payment date. When the mandatory interest payment events occur, the Company cannot defer the payment of the current interest as well as any previously deferred interest and accreted interest thereon.

The perpetual subordinated bonds issued by the Company are classified as equity instruments and presented under equity in the consolidated statement of financial position of the Group.

### 47. TREASURY SHARES

	As at 31 December 2023 RMB' 000 (audited)	Increase RMB' 000	Decrease RMB' 000	As at 30 June 2024 RMB' 000 (unaudited)
Treasury shares	<u>233,609</u>	<u>–</u>	<u>–</u>	<u>233,609</u>

On 30 March 2022, the 23rd meeting of the 10th session of the Board of Directors of the Company approved the Resolution on the Company's Proposed Repurchase of A Shares by Way of Centralised Price Bidding. Up to 30 June 2024, 15,242,153 shares had been repurchased from the Shenzhen Stock Exchange by centralised price bidding for the restricted share incentive scheme. The total repurchasing cost was RMB233.61 million (transaction expenses included).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 48. DIVIDENDS

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Ordinary share dividends recognised as distribution <sup>(i)</sup>	2,281,754	2,662,046
Distribution to other equity instrument holders <sup>(ii)</sup>	604,290	842,190
Total	<u>2,886,044</u>	<u>3,504,236</u>

- (i) Pursuant to the resolution the shareholders' meeting held on 10 May 2024, the Company distributed cash dividends of RMB3.0 for every 10 shares (tax included) based on 7.61 billion shares held amounting to RMB2.28 billion in total for the year ended 31 December 2023.
- (ii) The dividend distributions by the Company triggered the mandatory interest payments event for perpetual subordinated bonds. The Company recognised dividends to other equity instrument holders of RMB604.29 million during the period ended 30 June 2024.

### 49. RELATED PARTY TRANSACTIONS

#### (1) Shareholders holding more than 5% of the Company's shares and their subsidiaries

*Holding interest in shareholders and their subsidiaries*

	As at 30 June 2024		As at 31 December 2023	
	Number of shares /bonds ' 000 (unaudited)	Carrying amount RMB' 000 (unaudited)	Number of shares /bonds ' 000 (audited)	Carrying amount RMB' 000 (audited)
<b>Financial assets at FVTPL – stocks</b>				
遼寧成大生物股份有限公司 – Liaoning Chengda Biotechnology Co., Ltd.* (Note)	1,630	39,517	3,932	127,819
中山公用事業集團股份有限公司 – Zhongshan Public Utilities Group Co., Ltd.*	62	443	50	363
遼寧成大股份有限公司 – Liaoning Cheng Da Co., Ltd.*	52	431	61	722
吉林敖東藥業集團股份有限公司 – Jilin Aodong Pharmaceutical Group Co., Ltd.*	16	220	16	249

\* The English names are translated for identification purposes only.

Note: Liaoning Chengda Biotechnology Co., Ltd. is a subsidiary of Liaoning Cheng Da Co., Ltd..

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 49. RELATED PARTY TRANSACTIONS – continued

#### (1) Shareholders holding more than 5% of the Company's shares and their subsidiaries – continued

*Holding interest in shareholders and their subsidiaries – continued*

	As at 30 June 2024		As at 31 December 2023	
	Number of shares /bonds '000 (unaudited)	Carrying amount RMB'000 (unaudited)	Number of shares /bonds '000 (audited)	Carrying amount RMB'000 (audited)
<b>Financial assets at FVTPL – bonds</b>				
吉林敖東藥業集團股份有限公司 – Jilin Aodong Pharmaceutical Group Co., Ltd.*	–	–	899	98,148
<b>Financial assets at FVTOCI – stocks</b>				
吉林敖東藥業集團股份有限公司 – Jilin Aodong Pharmaceutical Group Co., Ltd.*	43,312	580,387	43,312	655,751

\* The English names are translated for identification purposes only.

*Cash dividends arising from equity interests in shareholders and their subsidiaries*

The Group received cash dividends of RMB1.38 million from Liaoning Chengda Biotechnology Co., Ltd. during the period ended 30 June 2024.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 49. RELATED PARTY TRANSACTIONS – continued

#### (1) Shareholders holding more than 5% of the Company's shares and their subsidiaries – continued

*Transactions with shareholders and their subsidiaries*

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
Commission and fee income	<u>5,306</u>	<u>255</u>
Other income	<u>358</u>	<u>355</u>
Interest on structured notes	<u>1,115</u>	<u>–</u>
Other operating expenses	<u>32</u>	<u>314</u>

*Balances with shareholders and their subsidiaries*

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
	Other payables	<u>129</u>
Contract liabilities	<u>151</u>	<u>–</u>
Short-term structured notes payables	<u>70,218</u>	<u>90,377</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 49. RELATED PARTY TRANSACTIONS – continued

#### (2) Other related parties

*Transactions with associates/joint ventures*

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
<b>Commission and fee income</b>		
易方達基金管理有限公司及其子公司		
– E Fund Management Co., Ltd. and its subsidiaries	44,715	48,573
珠海格金廣發信德三期科技創業投資基金(有限合夥)		
– Zhuhai Gejin GF Xinde Phase III Technology Venture Capital Fund L.P.*	8,703	8,617
廣發信德嵐湖二期(蘇州)健康產業創業投資合夥企業(有限合夥)		
– GF Xinde Lanhu Phase II (Suzhou) Health Industry Venture Capital Partnership L.P.*	6,715	6,678
中山公用廣發信德新能源產業投資基金(有限合夥)		
– Zhongshan Public GF Xinde New Energy Industry Investment Fund L.P.*	6,502	2,281
廣發信德皖能(含山)股權投資基金合夥企業(有限合夥)		
– GF Xinde Wanneng (Hanshan) Equity Investment Fund Partnership L.P.*	4,939	–
廣州廣發信德健康創業投資基金合夥企業(有限合夥)		
– Guangzhou GF Xinde Health Venture Capital Fund Partnership L.P.*	4,704	4,678
珠海格金廣發信德智能製造產業投資基金(有限合夥)		
– Zhuhai Gejin GF Xinde Intelligent Manufacturing Industry Investment Fund L.P.*	4,623	4,624
廣州南沙區信德厚威創業投資基金合夥企業(有限合夥)		
– Guangzhou Nansha District Xinde Houwei Venture Capital Fund Partnership L.P.*	4,014	3,992
安徽省新一代信創產業基金合夥企業(有限合夥)		
– Anhui New Generation Information and Innovation Industry Fund Partnership L.P.*	3,996	–
廣發信德中恒匯金(龍岩)股權投資合夥企業(有限合夥)		
– GF Xinde Zhongheng Huijin (Longyan) Equity Investment Partnership L.P.*	3,741	6,488

\* The English names are translated for identification purposes only.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 49. RELATED PARTY TRANSACTIONS – continued

#### (2) Other related parties – continued

Transactions with associates/joint ventures – continued

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
<b>Commission and fee income – continued</b>		
廣發信德(蘇州)健康產業創業投資合夥企業(有限合夥) – GF Xinde (Suzhou) Health Industry Venture Capital Partnership L.P.*	3,295	3,277
中山廣發信德致遠科技創業投資合夥企業(有限合夥) – Zhongshan GF Xinde Zhiyuan Technology Venture Capital Partnership L.P.*	3,221	4,210
廣發信德(漳州薌城區)數字產業投資發展合夥企業(有限合夥) – GF Xinde (Zhangzhou Xiangcheng District) Digital Industry Investment Development Partnership L.P.*	2,817	2,339
廣州廣發信德戰新創業投資合夥企業(有限合夥) – Guangzhou GF Xinde Zhanxin Venture Capital Partnership L.P.*	2,801	–
廣州廣發信德二期創業投資合夥企業(有限合夥) – Guangzhou GF Xinde Phase II Venture Capital Partnership L.P.*	2,587	2,527
中山中匯廣發信德股權投資基金(有限合夥) – Zhongshan Zhonghui GF Xinde Equity Investment Fund L.P.*	2,582	3,509
珠海廣發信德瑞騰創業投資基金合夥企業(有限合夥) – Zhuhai GF Xinde Ruiteng Venture Capital Fund Partnership L.P.*	2,489	2,807
廣州信德創業營股權投資合夥企業(有限合夥) – Guangzhou Xinde Venture Camp Equity Investment Partnership L.P.*	1,702	1,805
珠海廣發信德智能創新升級股權投資基金(有限合夥) – Zhuhai GF Xinde Upgraded Intelligent Innovation Equity Fund L.P.*	1,453	1,572
珠海廣發信德中鼎創業投資基金(有限合夥) – Zhuhai GF Xinde Zhongding Venture Capital Fund L.P.*	1,430	1,422

\* The English names are translated for identification purposes only.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 49. RELATED PARTY TRANSACTIONS – continued

#### (2) Other related parties – continued

Transactions with associates/joint ventures – continued

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
<b>Commission and fee income – continued</b>		
潮州市廣發信德創業投資基金合夥企業(有限合夥) – Chaozhou GF Xinde Venture Capital Fund Partnership L.P.*	1,129	1,123
廣州南鑫珠海港股權投資合夥企業(有限合夥) – Guangzhou Nanxin Zhuhai Port Equity Investment Partnership L.P.*	1,125	1,119
廣發信德(開平)創業投資基金合夥企業(有限合夥) – GF Xinde (Kaiping) Venture Capital Fund Partnership L.P.*	941	–
珠海廣發信德新州一號創業投資基金(有限合夥) – Zhuhai GF Xinde Xinzhou No. 1 Venture Capital Fund L.P.*	933	928
珠海廣發信德高成長現代服務業股權投資企業(有限合夥) – Zhuhai GF Xinde High-growth Modern Service Industry Equity Investment Enterprise L.P.*	860	1,130
杭州廣發信德乒乓鴻鵠股權投資基金合夥企業(有限合夥) – Hangzhou GF Xinde Pingpang Honghu Equity Investment Fund Partnership L.P.*	721	775
廣發信德(安徽)創業投資基金合夥企業(有限合夥) – GF Xinde (Anhui) Venture Capital Fund Partnership L.P.*	639	–
佛山市廣發信德粵盈新產業股權投資合夥企業(有限合夥) – Foshan GF Xinde Yueying New Industry Equity Investment Partnership L.P.*	635	14
珠海廣發信德厚疆創業投資基金(有限合夥) – Zhuhai GF Xinde Houjiang Venture Capital Fund L.P.*	613	610
廣州市廣投壹號基礎設施股權投資基金合夥企業(有限合夥) – Guangzhou Guangtou No. 1 Infrastructure Equity Investment Fund Partnership L.P.*	550	–
東莞廣發信德水鄉創業投資基金合夥企業(有限合夥) – Dongguan GF Xinde Water Township Venture Capital Fund Partnership L.P.*	541	–

\* The English names are translated for identification purposes only.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 49. RELATED PARTY TRANSACTIONS – continued

#### (2) Other related parties – continued

Transactions with associates/joint ventures – continued

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
<b>Commission and fee income – continued</b>		
廣州廣發信德廣顧投創業投資基金合夥企業(有限合夥) – Guangzhou GF Xinde Guanggu Investment Venture Capital Fund Partnership L.P.*	467	–
宿遷智能製造產業投資基金(有限合夥) – Suqian Intelligent Manufacturing Industry Investment Fund L.P.*	460	458
廣州廣發信德厚倫創業投資基金合夥企業(有限合夥) – Guangzhou GF Xinde Houluun Venture Capital Fund Partnership L.P.*	412	409
高投信德(廣東)創新創業投資基金合夥企業(有限合夥) – Gaotou Xinde (Guangdong) Innovation Venture Capital Fund Partnership L.P.*	370	374
珠海廣發信德厚合股權投資合夥企業(有限合夥) – Zhuhai GF Xinde Houhe Equity Investment Partnership L.P.*	353	351
廣州知城琶洲信德產業投資基金合夥企業(有限合夥) – Guangzhou Zhicheng Pazhou Xinde Industrial Investment Fund Partnership L.P.*	347	–
珠海廣發信德賽德創業投資合夥企業(有限合夥) – Zhuhai GF Xinde Saide Venture Capital Partnership L.P.*	315	567
中山公用廣發信德基礎設施投資基金(有限合夥) – Zhongshan Public GF Xinde Infrastructure Investment Fund L.P.*	282	31
珠海廣發信德厚澤創業投資合夥企業(有限合夥) – Zhuhai GF Xinde Houze Venture Capital Partnership L.P.*	188	–
珠海廣發信德康延創業投資基金(有限合夥) – Zhuhai GF Xinde Kangyan Venture Capital Fund L.P.*	76	76
廣州南沙區信德厚滙創業投資基金合夥企業(有限合夥) – Guangzhou Nansha District Xinde Houpai Venture Capital Fund Partnership L.P.*	14	13

\* The English names are translated for identification purposes only.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 49. RELATED PARTY TRANSACTIONS – continued

#### (2) Other related parties – continued

Transactions with associates/joint ventures – continued

	Six months ended 30 June	
	2024 RMB' 000 (unaudited)	2023 RMB' 000 (unaudited)
<b>Commission and fee income – continued</b>		
廣州粵開乾和園發產業投資合夥企業(有限合夥)		
– Guangzhou Yuekai Qianhe Yuanfa Industrial Investment Partnership L.P.*	7	–
珠海盈米基金銷售有限公司		
– Zhuhai Yingmi Fund Selling Co., Ltd.*	5	522
珠海廣發信德環保產業投資基金合夥企業(有限合夥)		
– Zhuhai GF Xinde Environment Protection Industry Investment Fund Partnership L.P.*	–	8,977
廣州信德厚峽股權投資合夥企業(有限合夥)		
– Guangzhou Xinde Houxia Equity Investment Partnership L.P.*	–	3,356
珠海廣發信德科文創業投資基金(有限合夥)		
– Zhuhai GF Xinde Kewen Venture Capital Fund L.P.*	–	2,867
	<u>7</u>	<u>15,722</u>
<b>Interest income</b>		
– GHS Investment Management (Cayman) Company Limited	71	70
珠海盈米基金銷售有限公司		
– Zhuhai Yingmi Fund Selling Co., Ltd.*	81	–
	<u>152</u>	<u>70</u>
<b>Other income</b>		
– GHS Investment Management (Hong Kong) Company Limited	547	–
	<u>547</u>	<u>–</u>
<b>Other operating expenses</b>		
珠海盈米基金銷售有限公司		
– Zhuhai Yingmi Fund Selling Co., Ltd.*	8,646	11,198
中證機構間報價系統股份有限公司		
– China Securities Inter-dealer Quotation System Co., Ltd.	113	–
	<u>8,759</u>	<u>11,198</u>

\* The English names are translated for identification purposes only.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 49. RELATED PARTY TRANSACTIONS – continued

#### (2) Other related parties – continued

Balances with associates/joint ventures

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Commission receivable for exchange trading units, distributing financial products and custodian fee</b> 易方達基金管理有限公司 – E Fund Management Co., Ltd.	<b>22,103</b>	19,150
<b>Receivables for asset and fund management fee income</b> 廣州信德創業營股權投資合夥企業(有限合夥) – Guangzhou Xinde Venture Camp Equity Investment Partnership L.P.*	<b>27,648</b>	25,844
珠海格金廣發信德智能製造產業投資基金(有限合夥) – Zhuhai Gejin GF Xinde Intelligent Manufacturing Industry Investment Fund L.P.*	<b>14,777</b>	9,877
廣發信德(蘇州)健康產業創業投資合夥企業(有限合夥) – GF Xinde (Suzhou) Health Industry Venture Capital Partnership L.P.*	<b>10,497</b>	7,005
珠海廣發信德智能創新升級股權投資基金(有限合夥) – Zhuhai GF Xinde Upgraded Intelligent Innovation Equity Fund L.P.*	<b>8,263</b>	6,723
廣發信德中恒匯金(龍岩)股權投資合夥企業(有限合夥) – GF Xinde Zhongheng Huijin (Longyan) Equity Investment Partnership L.P.*	<b>6,948</b>	12,555
珠海廣發信德高成長現代服務業股權投資企業(有限合夥) – Zhuhai GF Xinde High-growth Modern Service Industry Equity Investment Enterprise L.P.*	<b>6,369</b>	5,458
廣州南沙區信德厚威創業投資基金合夥企業(有限合夥) – Guangzhou Nansha District Xinde Houwei Venture Capital Fund Partnership L.P.*	<b>4,255</b>	4,302
安徽省新一代信創產業基金合夥企業(有限合夥) – Anhui New Generation Information and Innovation Industry Fund Partnership L.P.*	<b>4,188</b>	2,670

\* The English names are translated for identification purposes only.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 49. RELATED PARTY TRANSACTIONS – continued

#### (2) Other related parties – continued

Balances with associates/joint ventures – continued

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Receivables for asset and fund management fee income – continued</b>		
廣發信德(漳州薌城區)數字產業投資發展合夥企業(有限合夥) – GF Xinde (Zhangzhou Xiangcheng District) Digital Industry Investment Development Partnership L.P.*	2,986	–
廣州廣發信德二期創業投資合夥企業(有限合夥) – Guangzhou GF Xinde Phase II Venture Capital Partnership L.P.*	2,743	–
珠海廣發信德厚合股權投資合夥企業(有限合夥) – Zhuhai GF Xinde Houhe Equity Investment Partnership L.P.*	2,425	2,051
廣州廣發信德一期互聯網改造傳統產業投資企業(有限合夥) – Guangzhou GF Xinde Internet Reforming Traditional Industry Investment Enterprise L.P. No. 1*	1,668	1,668
珠海廣發信德新州一號創業投資基金(有限合夥) – Zhuhai GF Xinde Xinzhou No. 1 Venture Capital Fund L.P.*	989	–
宿遷智能製造產業投資基金(有限合夥) – Suqian Intelligent Manufacturing Industry Investment Fund L.P.*	981	493
杭州廣發信德乒乓鴻鵠股權投資基金合夥企業(有限合夥) – Hangzhou GF Xinde Pingpang Honghu Equity Investment Fund Partnership L.P.*	881	118
廣州市廣投壹號基礎設施股權投資基金合夥企業(有限合夥) – Guangzhou Guangtou No. 1 Infrastructure Equity Investment Fund Partnership L.P.*	583	–
珠海廣發信德厚澤創業投資合夥企業(有限合夥) – Zhuhai GF Xinde Houze Venture Capital Partnership L.P.*	375	175
高投信德(廣東)創新創業投資基金合夥企業(有限合夥) – Gaotou Xinde (Guangdong) Innovation Venture Capital Fund Partnership L.P.*	101	–

\* The English names are translated for identification purposes only.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 49. RELATED PARTY TRANSACTIONS – continued

#### (2) Other related parties – continued

Balances with associates/joint ventures – continued

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Receivables for asset and fund management fee income – continued</b>		
珠海廣發信德康延創業投資基金(有限合伙)		
– Zhuhai GF Xinde Kangyan Venture Capital Fund L.P.*	81	–
廣州南沙區信德厚湃創業投資基金合夥企業(有限合伙)		
– Guangzhou Nansha District Xinde Houpai Venture Capital Fund Partnership L.P.*	74	60
中山公用廣發信德基礎設施投資基金(有限合伙)		
– Zhongshan Public GF Xinde Infrastructure Investment Fund L.P.*	9	9
廣發信德皖能(含山)股權投資基金合夥企業(有限合伙)		
– GF Xinde Wanneng (Hanshan) Equity Investment Fund Partnership L.P.*	–	5,293
	<u>–</u>	<u>5,293</u>
<b>Amounts due from joint ventures and associates – other receivables</b>		
– GHS Investment Management (Cayman) Company Limited	9,202	12,376
– Global Health Science Fund II, L.P.	11,754	11,684
	<u>11,754</u>	<u>11,684</u>

\* The English names are translated for identification purposes only.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 49. RELATED PARTY TRANSACTIONS – continued

#### (2) Other related parties – continued

Balances with associates/joint ventures – continued

	As at 30 June 2024 RMB' 000 (unaudited)	As at 31 December 2023 RMB' 000 (audited)
<b>Amounts due to joint ventures and associates – advance from customers and other payables</b>		
廣發信德嵐湖二期(蘇州)健康產業創業投資合夥企業(有限合夥) – GF Xinde Lanhu Phase II (Suzhou) Health Industry Venture Capital Partnership L.P.*	7,196	–
珠海廣發信德厚疆創業投資基金(有限合夥) – Zhuhai GF Xinde Houjiang Venture Capital Fund L.P.* 珠海盈米基金銷售有限公司	4,938	5,588
– Zhuhai Yingmi Fund Selling Co., Ltd.* 珠海廣發信德賽德創業投資合夥企業(有限合夥)	4,706	4,627
– Zhuhai GF Xinde Saide Venture Capital Partnership L.P.* 廣發信德(安徽)創業投資基金合夥企業(有限合夥)	1,610	1,944
– GF Xinde (Anhui) Venture Capital Fund Partnership L.P.* 高投信德(廣東)創新創業投資基金合夥企業(有限合夥)	1,210	–
– Gaotou Xinde (Guangdong) Innovation Venture Capital Fund Partnership L.P.*	–	291
	<u>–</u>	<u>291</u>

#### (3) Key management personnel

During the period, the remuneration paid for key management personnel was RMB32.19 million, among which, salaries, allowance and bonuses were RMB31.03 million, the employer's contribution to pension schemes and annuity schemes were RMB1.16 million.

\* The English names are translated for identification purposes only.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 50. CAPITAL COMMITMENTS

	<b>As at 30 June 2024 RMB'000 (unaudited)</b>	<b>As at 31 December 2023 RMB'000 (audited)</b>
Capital expenditure in respect of acquisition of property and equipment:		
– Contracted but not provided for	<b>160,263</b>	<b>182,007</b>

### 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT

#### 51.1 Risk management policies and organisation structure

##### (1) Risk management policies

The objective of risk management of the Group is to strike for an appropriate balance between risks and revenue and to minimise the negative effect of the risks on the Group's operating results to the lowest level, so as to ensure that the risks borne by the Company match well with the regulatory standards, development strategies, capital capability and its risk tolerance and to maximise yields for shareholders and other equity investors. In pursuit of such objective of risk management, the basic strategies of the Group are to identify and analyse the risks with which the Group is facing, to implement risk management within the range of risk tolerance and risk limit setting and to identify, assess, measure, monitor, report and address the risks comprehensively and accurately on a timely basis. The Group has adhered to the Three Ideas about Risk Management which are "to manage risks cautiously"; "the three departments cooperate with each other and each focuses on specific aspects"; and "be people-oriented", and follow the Five Basic Principles which are "comprehensive management; objectiveness and fairness; checks and balance; separate and well-defined duties and power; openness and transparency".

The risks to which the Group is exposed to in daily operating activities mainly include market risk, credit risk and liquidity risk. The Group has established policies and procedures accordingly to identify and analyse the risks. The Group has set up appropriate risk indicators, risk limits, risk criteria and internal control process. The Group also manages risks with an information system on a continuous monitoring basis.



**51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – continued**

**51.1 Risk management policies and organisation structure – continued**

*(2) Structure of the risk-management organization*

The Group adopts a four-level risk management organization structure system, namely “board of directors and its subordinated risk management committee, management executives and relevant professional committees, various control and supporting departments, and business departments”. First-line risk management organisations or staff have been set up in all major business departments of the Company. Organisations and staff of all levels perform their authorised risk management duties with clear segregation of duties and emphasis on mutual collaboration. The business department, risk management department, compliance and legal affairs department and internal auditing department cooperate with each other and each focuses on specific aspects, and they perform risk assessment before the projects are implemented, on-going control, investigation and evaluation after completion. They also continuously monitor and manage various risks faced by the Group at various levels and in a comprehensive manner, and contribute to the sustainable development of the business of the Company.

The risk management department is primarily responsible for conducting independent evaluation and monitoring of market risk, credit risk and liquidity risk of the Group and establishing the operational risk management system and coordinating with other departments to manage operational risk, money laundering risk, model risk and reputation risk; assessing, monitoring, reporting on and advising on the management of the Company’s venture capital; and handling daily routine of the Risk Control Committee of the Company as a standing body of the Risk Management Committee. The compliance and legal department is the Group’s function department for compliance and legal risk management, primarily responsible for formulating the Group’s management policies in respect of compliance and legal risk, conducting independent evaluation and monitoring of compliance and legal risks, organizing and carrying out money laundering risk management, prevention and control in accordance with the Company’s anti-money laundering management policy, coordinating with other departments to manage operational risk and performing compliance inspection and management on operational administration activities and code of conduct of the employees of the Group. The auditing department is the third defensive line of risk control. It is responsible for the checking, supervision, evaluation, and relative internal auditing consultation of internal control, risk management, governance procedures, and operating management performance.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – *continued*

#### 51.2 Credit risk

Credit risk is the probability that the market value of debts may change due to the fact that the issuer or counterparty fails to perform the obligations specified in the contract or due to the change in credit rating and performance capability, thereby causing loss to the Group. The credit risk the Group is exposed to mainly relates to the following assets: (i) fixed income financial assets; (ii) financing businesses such as advances to customers, financial leasing receivables and financial assets held under resale agreements (mainly referring to securities transactions with repurchase agreements and stock-pledged repos); and (iii) over-the-counter derivative financial assets.

Fixed income financial assets include bank balances, clearing settlement funds, deposits with exchanges and non-bank financial institutions, accounts receivable and bonds. Credit risk mainly includes the risk caused by its counterparties and securities issuer's default risk. The maximum credit risk exposure equals to the carrying amounts of these instruments.

In terms of the financing business, the credit risk exposure of margin financing and securities lending, securities transactions with repurchase agreements and stock-pledged repos is derived from the default risk of counterparties due to their failure to repay the principal and interest of debts when due. As at 30 June 2024, the average ratio of guarantee maintained for all the clients who have liabilities in margin financing and securities lending of the Group was 234.76% (31 December 2023: 247.73%), the average coverage ratio of contract performance for clients of security transactions with repurchase agreements was 276.31% (31 December 2023: 244.67%), and the average coverage ratio of contract performance for clients of the stock-pledged repos business (the fund lender was the securities company) was 227.22% (31 December 2023: 237.11%). The collateral provided is sufficient and the credit risk of the financing business is managed at an acceptable level.

The credit risk of over-the-counter derivative transactions is mainly the counterparty default risk in conducting over-the-counter derivative transactions such as forward, swaps and options.

The credit risk of the bond investments is mainly mitigated by means of credit rating management, transaction limits, position limits, exposure limits on issuers.

## 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – *continued*

### 51.2 Credit risk – *continued*

The credit risk of the financing business of the Group is mainly managed through the following measures: (i) the establishment of a strict business due diligence requirements, credit facility management, the development of business admission criteria, the review on the creditworthiness and business qualification of counterparties prior to the conduction of business, and the preliminary identification and assessment of business credit risks; (ii) the establishment of layered approval process, guarantees and other elements of transactions, and the adoption of tailored risk mitigating measures; and (iii) the continuous post-transaction tracking and management on counterparties, guarantees and the actual performance of transaction agreements, the collection of transaction-related information on a regular basis and assessment of risks, risk inspections and stress testings conducted on a regular or irregular basis to implement asset risk classification, as well as timely actions adopted upon the occurrence of risk events.

In terms of managing counterparty credit risks of over-the-counter derivative transactions, the Group applies the following measures: (i) strengthening due diligence of counterparties, improving the mechanism for regular return visits and specifying the admission criteria for various types of business counterparties through internal credit rating management; (ii) controlling the counterparty credit risk exposure through credit limit, single transaction size, total business scale and identical client management; (iii) mitigating counterparty risk through collateral, guarantees, netting agreements, etc., for over-the-counter derivative transactions not using Central Counterparty (CCP) settlement; and (iv) timely monitoring changes in counterparty credit exposure based on market changes and stress testing results and preventing the excess or further deterioration of counterparty credit risk exposure through mark-to-market monitoring, margin calls, margin closeout and loss recovery measures.

During the report period, the Group's impairment assessment was based on an expected credit loss model. The Group applies the simplified approach to measure ECLs on accounts receivable and contract assets that do not contain a significant financing component according to accounting policies and the general approach to measure ECLs on other financial assets such as bank balances, clearing settlement funds, advances to customers, financial assets held under resale agreements, deposits with exchanges and non-bank financial institutions, debt instruments at fair value through other comprehensive income, debt instruments at amortised cost and financial leasing receivables. Under the simplified approach, the Group measures the loss allowance at an amount equal to the lifetime ECL. Under the general approach, the Group measures the allowance of financial assets in the following three stages based on the change in credit risk since initial recognition: Stage 1: 12-month ECL, Stage 2: Lifetime ECL — not credit-impaired and Stage 3: Lifetime ECL — credit-impaired.

The Group considers both quantitative and qualitative information and analysis based on the Group's historical experience and expert credit risk assessment when determining whether the risk of default has increased significantly since initial recognition.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – *continued*

#### 51.2 Credit risk – *continued*

##### *Criteria for judging significant increases in credit risk*

The Group assesses whether or not the credit risk of the relevant financial instruments has increased significantly since the initial recognition at the end of the reporting period. While determining whether the credit risk has significantly increased since initial recognition or not, the Group takes into account the reasonable and substantiated information that is accessible without exerting unnecessary cost or effort, including qualitative and quantitative analysis based on the historical data of the Group, external credit risk rating, and forward-looking information. Based on the single financial instrument or the combination of financial instruments with similar characteristics of credit risk, the Group compares the risk of default of financial instruments at the end of the reporting period with that on the initial recognition date in order to figure out the changes of default risk in the expected lifetime of financial instruments.

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria have been met:

- Quantitative criteria mainly includes the case where debtor's defaulting days have been over certain days by the end of the reporting period; and the case where mark-to-market ratios are unable to meet certain criteria.
- Qualitative criteria mainly refer to a significant adverse change in debtor's operation or financial status or their collateral, or debtor being listed on the watch-list.

## 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – continued

### 51.2 Credit risk – continued

#### *Criteria for judging significant increases in credit risk – continued*

For the securities financing business, the Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative or qualitative criteria have been met:

- The ratio of the guarantee maintained lower than 130% for 5 consecutive trading days (inclusive);
- The debtor's principal or interest overdue for more than 5 trading days;
- The ratio of the guarantee maintained lower than 100%;
- Other circumstances in which the Group considers that credit risk experienced a significant increase.

For debt securities investments, the Group uses the internal rating method to estimate the probability of default (PD) and the change of rating is the main criterion for assessing significant increase in credit risks. Debt securities investments are considered to be with significant increase in credit risks and classified under Stage 2 if the latest internal rating of the issuers of debt securities underwent two notches of downward migration or more, compared with those ratings as at the acquisition date; or if the rating of the issuers or the debt securities is downgraded by the rating institution in Chinese Mainland, and the downgraded level is below A+ (inclusive), or below AA- and the outlook is negative. The aforesaid downgrade usually indicates that there has been a significant change in the issuer's main financial indicators, or that the rights of the issuer's major assets have been restricted, such as mortgage, pledge, judicial seizure or freezing, which has a material adverse impact on the issuer's performance ability.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – *continued*

#### 51.2 Credit risk – *continued*

##### *Definition of credit-impaired financial asset*

The standard adopted by the Group to determine whether a credit impairment occurs is consistent with the internal credit risk management objectives of the relevant financial instrument, taking into account quantitative and qualitative criteria. When a financial instrument meets one or more of the following criteria, it is defined as credit-impaired and classified under Stage 3:

- Significant financial difficulty of the issuer of debt securities or the debtor;
- The issuers or debtors of debt securities are in breach of contract, such as defaults on interest or becoming overdue on interest or principal payments;
- The creditor of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- It is becoming probable that the issuers or debtors will enter bankruptcy or other financial restructuring;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuers or debtors of debt securities;
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The Group considers a financial instrument to be credit-impaired and classified under Stage 3 when one or more of the following quantitative or qualitative criteria have been met:

- The securities financing asset is past due for 22 trading days or more;
- The ratio of the guarantee maintained below 100% for ten consecutive trading days (inclusive);
- The internal rate of securities financing assets falls below D;
- Other circumstances in which the Group considers that credit impairment has occurred.



## 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – *continued*

### 51.2 Credit risk – *continued*

#### *Parameters of ECL measurement*

According to whether there is a significant increase in credit risk and whether there is an impairment of assets, the Group measures the impairment loss for different assets with ECL of 12 months or the entire lifetime respectively. The key measuring parameters of ECL include PD, loss given default (LGD) and exposure at default (EAD). The Group takes into account the quantitative analysis of historical statistics (such as ratings of counterparties, manners of guarantees and types of collateral, and repayments) and forward-looking information in order to establish the model of PD, LGD and EAD.

Relative definitions are as follows:

- PD refers to the possibility that the debtor will not be able to fulfil its obligations of repayment over the next 12 months or throughout the entire remaining lifetime. The Group's PD is adjusted based on the results of the Internal Rating Model of GF Securities Co., Ltd., taking into account the forward-looking information to reflect the debtor's PD under the current macroeconomic environment.
- LGD refers to the Group's expectation of the extent of the loss resulting from the default exposure. Depending on the type of counterparty, the method and priority of the recourse, and the type of collateral, the LGD varies. LGD is the percentage of the loss of EAD when default occurs, calculated based on the next 12 months or throughout the entire remaining lifetime.
- EAD is the amount that the Group should be reimbursed at the time of the default in the next 12 months or throughout the entire remaining lifetime.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – *continued*

#### 51.2 Credit risk – *continued*

##### *Forward-looking information*

The assessment of a significant increase in credit risk and the calculation of ECL both involve forward-looking information. Through the analysis of historical data, the Group identifies the key economic indicators that affect the credit risk and ECL of various business types, mainly the China Coincident Index.

The Group preliminarily forecasts key economic indicators under optimistic, neutral and pessimistic scenarios through statistical analysis. Considering the forecasts of domestic and foreign financial institutions for the future economic situation, the Group applies experts' judgement in this process and determines the impact of these economic indicators on PD and LGD. The impact of these economic indicators on PD and LGD varies for different businesses. The Group evaluates and forecasts these economic indicators at least annually, and represents its best estimate for the future and regularly monitors the results of the evaluation.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group considers these forecasts to represent its best estimate of the possible outcomes as at the financial statement date.

## 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – *continued*

### 51.3 Market risk

Market risks faced by the Group refer to the risk that causes loss of the Group's each business as a result of unfavourable changes in market prices, including equity securities price risk, interest rate risk, exchange rate risk and commodity price risk.

In order to manage market risks effectively, the Group determines the policy for the maximum market exposure the Group is willing to assume, based on the risk preference, capital position and risk tolerance. Taking its business development plan, business scale and other factors into account, the Group disaggregates risk limits into different investment units through risk limit authorisation management system and each investment unit operates business within the range of risk limit authorisation. When concretely operating the business, the Group comprehensively manages market risks faced by various types of business by means of admission management, size control, concentration, Value at Risk (VaR), sensitivity analysis, stress testing, risk assessment and monitoring of profit and loss. The front desk serves as the first line management directly responsible for market risks, which dynamically manages the market risks resulting from the portion of positions held and actively takes actions to reduce risk exposure or performs risk hedging when the risk exposure is high.

The Risk Management Department is independent of business departments when performing market risk management duty and it sustainably optimises the Group's market risk framework, comprehensively evaluates and dynamically monitors the market risk exposure and changes of the Group and business departments and continuously communicates risk information directly with teams of business departments to discuss risk status and extreme loss scenarios. Meanwhile, market risk conditions and their changes of the Company as a whole and each business department are reported in a timely manner to the Company's management through regular risk reporting.

The Risk Management Department uses a series of quantitative methods to estimate possible losses resulting from market risks, including VaR, sensitivity analysis, stress testing and Expected Shortfall (ES). The Group's VaR is measured using the historical simulation method with a confidence level of 95%. Meanwhile, the Group disaggregates combined VaR based on types of market risk factors in order to have a command of the contribution made by various risk factors to combined market risk. The Group is clearly aware that VaR involves certain limitations because it is a risk indicator. Possible losses in extreme cases, such as significant adverse changes on market price and severe risk events, are estimated by means of stress testing or ES, etc.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – continued

#### 51.3 Market risk – continued

##### Interest rate risk

Interest rate risk is the risk of fluctuation in the Group's financial position and cash flows arising from movements in interest rates. The Group's interest-bearing assets mainly include bank balances, clearing settlement funds, deposits with exchanges and non-bank financial institutions and fixed-income investments. Interest-bearing financial liabilities mainly include borrowings, short-term financing payables, due to banks and other financial institutions, financial assets sold under repurchase agreements, accounts payable to brokerage clients and bonds payable. Fixed-income investments of the Group mainly include government bonds, financial bonds, interbank negotiable certificates of deposit, medium-term notes, high-quality short-term papers, corporate bonds, asset-backed securities, treasury bond futures, interest rate swaps and standard bond forward. In order to manage interest rate risks, the Group uses VaR, stress testing and sensitivity indicators (duration, convexity and DV01, etc.) to measure and monitor the interest rate risk on a daily basis.

##### Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for interest-bearing assets and liabilities. Assuming interest-bearing assets and liabilities outstanding at the end of the respective reporting period were outstanding for the whole period and other variables held constant, the analysis is to show the impact on profit before income tax and other comprehensive income before income tax due to a 100 basis points increase or decrease in the relevant interest rates. A positive number below indicates an increase in profit before income tax and other comprehensive income before income tax and a negative number indicates a decrease.

	Six months ended 30 June	
	2024	2023
	RMB' 000	RMB' 000
	(unaudited)	(unaudited)
<b>Profit before income tax for the period</b>		
Increase by 100bps	(1,551,940)	(1,302,844)
Decrease by 100bps	1,631,881	1,372,037
	Six months ended 30 June	
	2024	2023
	RMB' 000	RMB' 000
	(unaudited)	(unaudited)
<b>Other comprehensive income before income tax</b>		
Increase by 100bps	(1,727,329)	(2,334,415)
Decrease by 100bps	1,830,220	2,407,478

## 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – *continued*

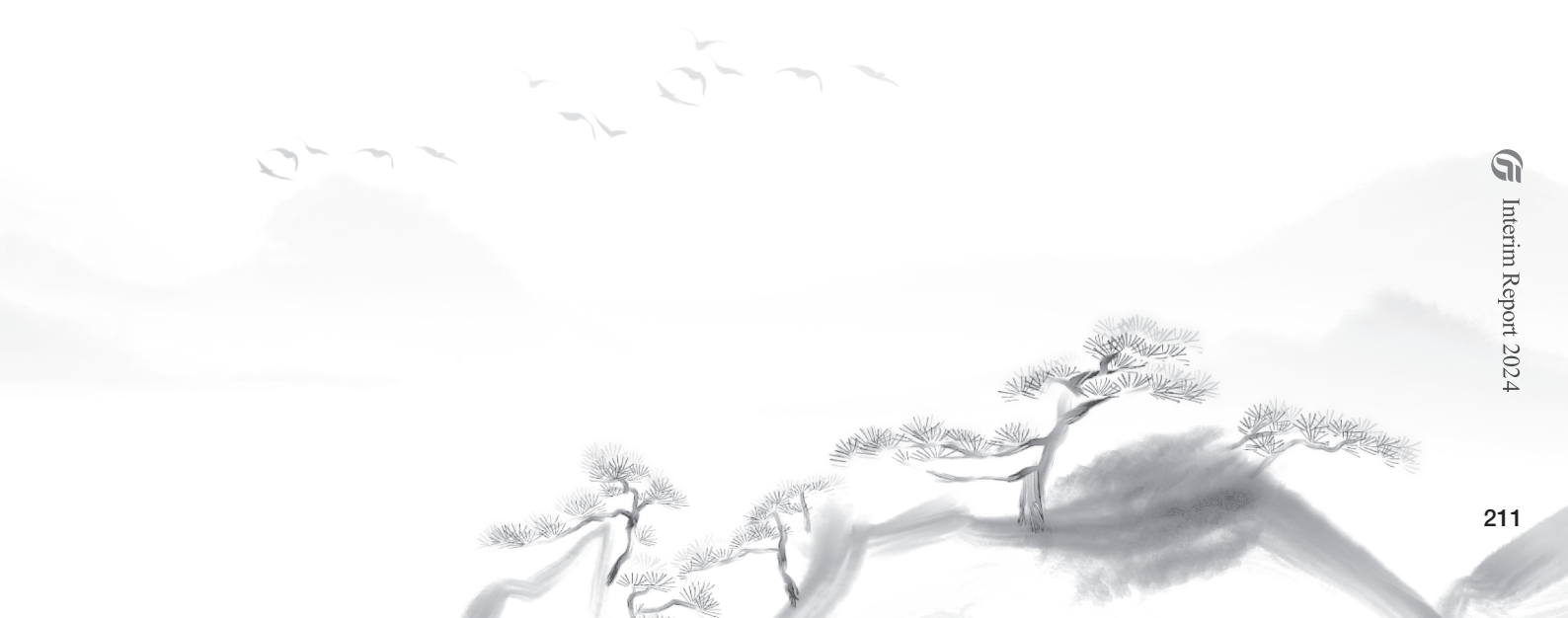
### 51.3 Market risk – *continued*

#### *Currency risk*

Currency risk is the risk of fluctuation in the fair value of financial instruments or future cash flows arising from adverse movements in foreign exchange rates. The Group's currency risk primarily relates to the Group's operating activities, whose settlements and payments are denominated in foreign currencies different from the Group's functional currency, and its net investment in foreign subsidiaries. Currently, the currency risk arising from the Group's assets and liabilities denominated in foreign currencies is monitored and managed through exposure and VaR, and hedged by foreign currency derivatives. The currency risk of the Group is relatively manageable.

#### *Price risk*

Price risk is primarily about the unfavourable changes of share prices of equity investments, financial derivative instrument prices, and commodity prices that cause financial loss during the Group's on-balance and off-balance business. The Group is exposed to price risk which arises from price fluctuation of the financial assets at fair value through profit or loss and the financial assets at fair value through other comprehensive income, mainly including equity investments, shares (with share index included), funds and commodities and related financial derivative instruments such as swaps, futures and options. Other than daily monitoring the investment position, trading and earnings indicators, the Group mainly uses VaR, sensitivity indicators, stress testing indicators in the daily risk monitoring of price risk.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – *continued*

#### 51.3 Market risk – *continued*

##### *Sensitivity analysis*

The analysis below is to show the impact on profit before income tax and other comprehensive income before income tax due to change in the prices of equity securities, funds, convertible bonds, derivatives and collective asset management schemes by 10% with all other variables held constant. A positive number below indicates an increase in profit before income tax and other comprehensive income before income tax and a negative number indicates a decrease.

	Six months ended 30 June	
	2024	2023
	RMB' 000	RMB' 000
	(unaudited)	(unaudited)
<b>Profit before income tax for the period</b>		
Increase by 10%	1,091,536	1,631,800
Decrease by 10%	(1,178,512)	(1,449,090)

	Six months ended 30 June	
	2024	2023
	RMB' 000	RMB' 000
	(unaudited)	(unaudited)
<b>Other comprehensive income before income tax</b>		
Increase by 10%	1,383,511	559,993
Decrease by 10%	(1,383,511)	(559,993)

#### 51.4 Liquidity risk

Liquidity risk of a securities company refers to the risk of failure to obtain sufficient funds at a reasonable cost and in a timely manner to pay the debts as they fall due, perform other payment obligations and satisfy the capital requirements to carry out businesses in the ordinary course. During the Group's ordinary course of business, the triggers of liquidity risk include poor operations, lack of asset liquidity, significant mismatch of asset and liability terms, limitation on financing channels, unreasonableness of financing liability term structure, insufficiency of market liquidity, adverse impacts on the Group's reputation and effects of other risk types to liquidity risk. Liquidity risk events have strong diffusion and are widespread. Once liquidity risk events occur, the Group must respond in a short time to make emergency decisions and disposal.

## 51. FINANCIAL INSTRUMENTS RISK MANAGEMENT – continued

### 51.4 Liquidity risk – continued

As at 30 June 2024, cash and bank deposits held by the Group amounted to RMB119.58 billion (31 December 2023: RMB111.50 billion), and financial assets such as monetary funds, government bonds and short-term financing bills amounted to RMB130.91 billion (31 December 2023: RMB100.45 billion), providing a strong capability of quick liquidation to meet the foreseeable demands on financing liabilities and businesses. Therefore, the Group considers the exposure to liquidity risk to be insignificant.

The Group implements stable liquidity risk preference management strategy to guarantee that the Company will have adequate liquidity reserve and fundraising capability under the normal situation and pressure state through scientific asset-liability management and fund management, multi-level liquidity reserve, effective liquidity emergency disposal and monitoring and pre-warning about the liquidity risk index to prevent liquidity risk. Measures for liquidity risk management include the following: the Group established a frame for liquidity risk management with the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) as the core indicator strictly according to the requirements of *Guidelines for the Liquidity Risk Management of Listed Companies* 《證券公司流動性風險管理指引》, and based on the control and projection of LCR and NSFR, each of the operational activities is assured to be complied with the requirements of liquidity risk management as stated in the regulatory requirements; asset allocation and arrangement of structure of assets and liabilities based on flexible adjustments to protect the Company from risk of maturity mismatch; established a multiple system of quality assets with on-going control and maintained an adequate liquidity reserve; constructed a system for risk limits, which includes capital leverage, maturity structure and concentration of financial liabilities and liquidity reserve, and performed routine monitoring and report on indicators; regularly or irregularly evaluated liquidity risk stress testing and carried out liquidity risk drill, optimised and perfected liquidity risk emergency disposal processes and mechanism of the Company.

Currently, the Group has set up two departments for liquidity risk management, namely treasury department and risk management department. The treasury department is mainly responsible for coordinating sources of funds, addressing capital needs, formulating and optimising financial strategies, implementing liquidity management during daytime and taking initiative to prevent liquidity risks. The risk management department is responsible for performing independent identification, evaluation, measuring and monitoring of liquidity risks of the Group together with management of market risks and credit risks, and paying attention on an on-going basis to the conversion of other types of risk to liquidity risk. The Group uses concentration control, trading limit control and monitoring of the market liquidity of financial instruments held by Group to address the liquidity risk of financial instruments. In order to meet the regulatory requirements, the Group has set up a multi-level, omni-directional and information-based management system to monitor and control the overall liquidity risk.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 52. FAIR VALUE OF FINANCIAL INSTRUMENTS

#### (1) Fair value hierarchy

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: Inputs are quoted prices (unadjusted) in active market for identical assets or liabilities than the entity can access at the measurement date

Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Inputs are unobservable inputs for the asset or liability

There were no significant transfers between Level 1 and Level 2 as at 30 June 2024 and 31 December 2023.

#### As at 30 June 2024

(unaudited)

	Level 1 RMB' 000	Level 2 RMB' 000	Level 3 RMB' 000	Total RMB' 000
<b>Financial assets:</b>				
Debt instruments at fair value through other comprehensive income:				
– Debt securities	–	99,315,091	–	99,315,091
Equity instruments at fair value through other comprehensive income:				
– Equity instruments	13,815,500	–	71,073	13,886,573
– Mutual funds	212,416	–	–	212,416
– Other investments	–	8,908	–	8,908
Financial assets at fair value through profit or loss				
– Equity instruments	23,685,351	2,541,592	7,903,250	34,130,193
– Debt instruments	494,084	79,238,824	2,763,569	82,496,477
– Mutual funds	105,501,393	–	–	105,501,393
– Other investments	–	31,659,430	1,522,563	33,181,993
Other investment				
– Investment in an associate	–	–	3,096	3,096
Derivative financial assets	286,454	3,133,309	3,531,267	6,951,030
<b>Total</b>	<b>143,995,198</b>	<b>215,897,154</b>	<b>15,794,818</b>	<b>375,687,170</b>
<b>Financial liabilities:</b>				
Financial liabilities at fair value through profit or loss	189,049	115,257	–	304,306
Financial liabilities designated at fair value through profit or loss	–	6,809,846	1,627,419	8,437,265
Derivative financial liabilities	639,410	5,417,843	2,714,010	8,771,263
Other liabilities	400,002	122,674	839,764	1,362,440
<b>Total</b>	<b>1,228,461</b>	<b>12,465,620</b>	<b>5,181,193</b>	<b>18,875,274</b>



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 52. FAIR VALUE OF FINANCIAL INSTRUMENTS – continued

#### (1) Fair value hierarchy – continued

As at 31 December 2023

(audited)	Level 1 RMB' 000	Level 2 RMB' 000	Level 3 RMB' 000	Total RMB' 000
<b>Financial assets:</b>				
Debt instruments at fair value through other comprehensive income:				
– Debt securities	–	139,295,121	–	139,295,121
Equity instruments at fair value through other comprehensive income:				
– Equity instruments	5,602,216	–	73,449	5,675,665
– Mutual funds	12,757	–	–	12,757
– Other investments	–	8,529	–	8,529
Financial assets at fair value through profit or loss:				
– Equity instruments	35,369,570	3,253,341	8,515,287	47,138,198
– Debt instruments	285,654	65,568,344	3,100,835	68,954,833
– Mutual funds	66,564,985	–	–	66,564,985
– Other investments	–	28,644,007	4,766,388	33,410,395
Other investment				
– Investment in an associate	–	–	5,939	5,939
Derivative financial assets	242,657	2,397,933	2,393,491	5,034,081
<b>Total</b>	<b>108,077,839</b>	<b>239,167,275</b>	<b>18,855,389</b>	<b>366,100,503</b>
<b>Financial liabilities:</b>				
Financial liabilities at fair value through profit or loss				
	176,412	233,749	–	410,161
Financial liabilities designated at fair value through profit or loss				
	–	13,299,218	2,561,791	15,861,009
Derivative financial liabilities	513,012	2,596,824	1,591,090	4,700,926
Other liabilities	360,638	121,092	856,162	1,337,892
<b>Total</b>	<b>1,050,062</b>	<b>16,250,883</b>	<b>5,009,043</b>	<b>22,309,988</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 52. FAIR VALUE OF FINANCIAL INSTRUMENTS – *continued*

#### (2) Fair values of the financial assets and financial liabilities that are not measured on a recurring basis

The fair values of financial assets and financial liabilities not measured at fair value on a recurring basis are estimated using the discounted cash flow method.

Except for the financial liabilities disclosed below, the carrying amounts of the financial assets and financial liabilities not measured at fair value on a recurring basis approximated to their fair values as at 30 June 2024 and 31 December 2023.

	As at 30 June 2024 (unaudited)		Fair value hierarchy
	Carrying amount RMB' 000	Fair value RMB' 000	
Bonds payable – corporate bonds	90,083,235	91,631,983	Level 1
Bonds payable – subordinated bonds	12,708,072	12,863,514	Level 1

	As at 31 December 2023 (audited)		Fair value hierarchy
	Carrying amount RMB' 000	Fair value RMB' 000	
Bonds payable – corporate bonds	81,862,299	82,450,099	Level 1
Bonds payable – subordinated bonds	9,615,625	9,629,524	Level 1

#### (3) Basis for recurring fair value measurement categorised within Level 1

For the measurement for Level 1, the Group adopts the closing price in active markets.

### 52. FAIR VALUE OF FINANCIAL INSTRUMENTS – continued

#### (4) Valuation techniques used and the qualitative information of key parameters for recurring fair value measurement categorised within Level 2

For debt instruments at fair value through profit or loss and at fair value through other comprehensive income whose value is available on the bond pricing system on the valuation date, the fair value is measured using the latest valuation results published by the bond pricing system.

For debt instruments at fair value through profit or loss and at fair value through other comprehensive income whose value is not available in active markets, equity instruments at fair value through profit or loss and asset management schemes, the fair value is determined by recent transaction prices, bid prices and valuation techniques. The inputs of those valuation techniques include the risk-free interest rate, quoted prices of underlying investment portfolio, liquidity discount by China Securities Index Company Limited, etc., which are all observable.

For derivative financial instruments, the fair value is determined by different valuation techniques. For interest rate swaps, rate options, currency forward and credit derivatives, the fair value is measured by future cash flows which are discounted using market interest rates or exchange rates similar to derivative financial instruments to verify the reasonableness of the quotes. For equity return swaps and commodity forwards, the fair value is determined by the quotation of the underlying investment.

During the period ended 30 June 2024, there were no significant changes of valuation techniques for Level 2.

#### (5) Valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorised within Level 3

For instruments, such as debt instruments, restricted shares, unlisted equity investments, other investments, financial liabilities and derivatives, the Group adopts the quotation from counterparties or valuation techniques to determine the fair value. Valuation techniques include discounted cash flow analysis, net value model, discounted bid prices, market multiples, the risk pricing model and Black Scholes model, etc. The fair value measurement of these financial instruments may involve unobservable inputs such as future cash flow, net value of underlying investment, volatility and liquidity discount. The fair values of the financial instruments in Level 3 were not significantly sensitive to a reasonable change in these unobservable inputs.

During the period ended 30 June 2024, there were no significant changes of valuation techniques for Level 3.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 52. FAIR VALUE OF FINANCIAL INSTRUMENTS – continued

#### (5) Valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorised within Level 3 – continued

The quantitative information of fair value measurement for Level 3 is as follows:

Financial assets/ financial liabilities	Fair value as at		Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input to fair value
	30 June 2024 RMB' 000 (unaudited)	31 Dec 2023 RMB' 000 (audited)			
1) Financial assets					
Debt instruments	2,763,569	3,100,835	Discounted cash flows	Future cash flow	The higher the future cash flow, the higher the fair value
Equity instruments	820,284	1,410,055	The fair value is determined with reference to the quoted market prices with an adjustment of discount for lack of marketability	Discount for lack of marketability	The higher the discount, the lower the fair value
Equity instruments	4,769,677	5,025,391	Market multiples	Discount for lack of marketability	The higher the discount, the lower the fair value
Equity instruments	2,295,274	2,064,644	Net Value Model. Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value
Equity instruments	89,088	88,646	Recent transaction price	Discount for lack of marketability	The higher the discount, the lower the fair value
Equity options	3,253,326	2,097,436	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Equity return swaps	254,839	271,257	Net Value Model. Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 52. FAIR VALUE OF FINANCIAL INSTRUMENTS – continued

#### (5) Valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorised within Level 3 – continued

The quantitative information of fair value measurement for Level 3 is as follows: – continued

Financial assets/ financial liabilities	Fair value as at		Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input to fair value
	30 June 2024 RMB' 000 (unaudited)	31 Dec 2023 RMB' 000 (audited)			
1) Financial assets – continued					
Commodity options	12,081	13,528	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Structured notes	11,012	9,064	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Other investments	1,522,563	4,766,388	Net Value Model. Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value
Currency swaps	9	2,206	Quotation price	Quotation price	The higher the quotation price, the higher the fair value
Investment in an associate	3,096	5,939	Market multiples	Discount for lack of marketability	The higher the discount, the lower the fair value
	<u>15,794,818</u>	<u>18,855,389</u>			

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 52. FAIR VALUE OF FINANCIAL INSTRUMENTS – continued

#### (5) Valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorised within Level 3 – continued

The quantitative information of fair value measurement for Level 3 is as follows: – continued

Financial assets/ financial liabilities	Fair value as at		Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input to fair value
	30 June 2024 RMB' 000 (unaudited)	31 Dec 2023 RMB' 000 (audited)			
2) Financial liabilities					
Equity options	1,825,598	1,310,873	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Equity return swaps	84,534	227,608	Net Value Model. Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value
Structured notes	1,668,900	2,529,453	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Structured notes	16	49,625	Net Value Model. Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value
Commodity options	762,380	35,322	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Third-party interests	839,764	856,162	Net Value Model. Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 52. FAIR VALUE OF FINANCIAL INSTRUMENTS – continued

#### (5) Valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorised within Level 3 – continued

The quantitative information of fair value measurement for Level 3 is as follows: – continued

Financial assets/ financial liabilities	Fair value as at		Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input to fair value
	30 June 2024 RMB' 000 (unaudited)	31 Dec 2023 RMB' 000 (audited)			
2) Financial liabilities – continued					
Currency swaps	1		– Quotation price	Quotation price	The higher the quotation price, the higher the fair value
	<u>5,181,193</u>	<u>5,009,043</u>			



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 52. FAIR VALUE OF FINANCIAL INSTRUMENTS – continued

#### (6) Reconciliation of Level 3 fair value measurements

For the six months ended 30 June 2024 (unaudited)

	Financial assets at fair value through profit or loss RMB' 000	Financial assets at fair value through other comprehensive income RMB' 000	Financial liabilities at fair value through profit or loss RMB' 000	Derivative financial assets RMB' 000	Derivative financial liabilities RMB' 000	Other liabilities RMB' 000
As at 1 January 2024	16,382,510	73,449	(2,561,791)	2,393,491	(1,591,090)	(856,162)
Total gains/losses	(1,394,250)	(2,376)	91,668	1,204,256	(498,824)	(531)
– Profit or loss	(1,394,250)	–	91,668	1,204,256	(498,824)	(531)
– Other comprehensive income	–	(2,376)	–	–	–	–
Additions	630,494	–	(183)	29,478	(782,242)	–
Settlements/disposals	(2,091,307)	–	842,887	(95,958)	158,146	16,929
Transfers into Level 3	989,075	–	–	–	–	–
Transfers out of Level 3	(2,327,140)	–	–	–	–	–
As at 30 June 2024	<u>12,189,382</u>	<u>71,073</u>	<u>(1,627,419)</u>	<u>3,531,267</u>	<u>(2,714,010)</u>	<u>(839,764)</u>
Total unrealised gains/losses for the period for assets/liabilities held as at 30 June 2024						
– Included in profit or loss	<u>(1,013,754)</u>	<u>–</u>	<u>145,268</u>	<u>1,204,256</u>	<u>(498,824)</u>	<u>(17,688)</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 52. FAIR VALUE OF FINANCIAL INSTRUMENTS – continued

#### (6) Reconciliation of Level 3 fair value measurements – continued

For the year ended 31 December 2023 (audited)

	Financial assets at fair value through profit or loss RMB' 000	Financial assets at fair value through other comprehensive income RMB' 000	Financial liabilities at fair value through profit or loss RMB' 000	Derivative financial assets RMB' 000	Derivative financial liabilities RMB' 000	Other liabilities RMB' 000
As at 1 January 2023	21,657,642	71,592	(3,978,424)	1,350,663	(938,213)	(1,189,286)
Total gains/losses	(11,794)	457	367,784	729,324	(421,172)	(128,124)
– Profit or loss	(11,794)	–	367,784	729,324	(421,172)	(128,124)
– Other comprehensive income	–	457	–	–	–	–
Additions	4,439,389	–	(1,611,726)	466,304	(384,731)	80,000
Settlements/disposals	(4,419,104)	–	2,589,578	(152,800)	153,026	381,248
Transfers into Level 3	2,540,993	1,400	–	–	–	–
Transfers out of Level 3	(7,824,616)	–	70,997	–	–	–
As at 31 December 2023	<u>16,382,510</u>	<u>73,449</u>	<u>(2,561,791)</u>	<u>2,393,491</u>	<u>(1,591,090)</u>	<u>(856,162)</u>
Total unrealised gains/losses for the year for assets/liabilities held as at 31 December 2023						
– Included in profit or loss	<u>(813,065)</u>	<u>–</u>	<u>104,314</u>	<u>729,324</u>	<u>(421,172)</u>	<u>28,470</u>

Note: The equity securities traded on stock exchanges with lock-up periods and targeted asset management plans holding listed shares with lock-up periods were transferred out of Level 3 when the lock-up periods lapsed and they became unrestricted.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

### 53. CHANGE OF SCOPE OF CONSOLIDATION

#### 53.1 Consolidated structured entities

As at 30 June 2024, the Group consolidated 79 structured entities (31 December 2023: 62). For those structured entities where the Group is involved as manager or as investor, the Group has significant variable interests in them and the Group is able to exercise control over their operations.

As at 30 June 2024, the total net assets of the consolidated structured entities were RMB36,875.17 million (31 December 2023: RMB34,502.93 million), the carrying amounts of the interests held by the Group in these consolidated structured entities were RMB35,512.73 million (31 December 2023: RMB33,165.03 million), the carrying amounts of the interests held by third parties in these consolidated structured entities were RMB1,362.44 million (31 December 2023: RMB1,337.89 million). Interests held by third parties in these consolidated structured entities were classified as other liabilities in condensed consolidated financial statements.

### 54. OUTSTANDING LITIGATIONS

As at 30 June 2024, the Group was involved as a defendant in certain lawsuits and arbitration with claim amounts of approximately RMB4,418.26 million (31 December 2023: RMB2,423.12 million) and certain listed company shares for distribution in-kind. Based on the court rulings, advice from legal representatives and management judgement, no provision had been made to the aforesaid claims.

### 55. EVENTS AFTER THE END OF THE REPORTING PERIOD

- (1) On 11 July 2024, the Company completed the issuance of 2024 Non-public offering of Short-term corporate bonds to professional investors (Tranche 2) amounting to RMB3.00 billion, with an annual interest rate of 1.99% and a term of 231 days.
- (2) On 26 July 2024, the Company completed the issuance of 2024 Non-public offering of Short-term corporate bonds to professional investors (Tranche 3) amounting to RMB3.00 billion, with an annual interest rate of 1.95% and a term of 230 days.
- (3) In accordance with the 2024 interim profit distribution plan approved by the board of directors on 30 August 2024, the Company proposed cash dividends of RMB1.0 per 10 shares (inclusive of tax) to shareholders based on the number of shares held as at the record date deducting 15,242,153 shares deposited in the Company's special securities account for repurchase. The proposed profit distribution plan is subject to the approval of the Company's shareholders at the forthcoming general meeting.

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GF SECURITIES CO., LTD.

廣發證券股份有限公司