

2024  
GTJA

# ANNUAL REPORT

國泰君安證券股份有限公司  
GUOTAI JUNAN SECURITIES CO., LTD.  
(A joint stock company incorporated in the  
People's Republic of China with limited liability)



國泰君安證券股份有限公司  
GUOTAI JUNAN SECURITIES CO., LTD.

## Important Notice

- I. The Board, Supervisory Committee, Directors, supervisors and senior management of the Company warrant that the contents of this annual report are true, accurate and complete, without any misrepresentation, misleading statements or material omissions, and severally and jointly bear the legal responsibilities thereof.**
- II. All Directors have attended the Board meeting.**
- III. The Company's domestic and international annual financial reports have been audited by KPMG Huazhen LLP and KPMG respectively, and a standard unqualified audit report has been issued respectively.**
- IV. ZHU Jian, the person in charge of the Company, and NIE Xiaogang, the person in charge of accounting affairs and DONG Boyang, the person in charge of the accounting department (head of the accounting department) of the Company, warrant the truthfulness, accuracy and completeness of the financial statements contained in this annual report.**
- V. The profit distribution plan or the proposal on transfer of the capital reserve fund into capital, within the Reporting Period, was approved by the Board**

The Company's profit distribution plan for the year of 2024 is: based on the total share capital of the Company deducted the Company's repurchased securities account, the Company shall distribute cash dividends of RMB2.8 (tax inclusive) for every 10 shares to holders of A Shares and holders of H Shares. The Company completed the matters in relation to the merger with Haitong Securities by way of absorption and a share-for-share exchange and the raising of ancillary funds on 14 March 2025. If calculated based on the total number of 17,629,708,696 Shares issued by the Company on the date on which the Board meeting was convened to approve the 2024 profit distribution plan and deducting 47,786,169 Shares in the Company's dedicated securities account for repurchase, i.e. 17,581,922,527 Shares, the total amount of cash dividends to be distributed would be RMB4,922,938,308 (tax inclusive). The total amount of cash dividends to be distributed by the Company for the year, including the interim cash dividends distributed of RMB1,335,559,593, is RMB6,258,497,901 (tax inclusive), accounting for 48.05% of the net profit attributable to equity holders of the Company in the consolidated financial statements for 2024.

The Company's profit distribution plan for the year of 2024 has been passed in the 16th meeting of the sixth session of the Board of the Company, subject to the consideration in the general meeting of the Company.

## **VI. Statement of the risks involved in forward-looking statements**

☒ Applicable   ☐ Not applicable

Forward-looking statements included in this report, including future plans and development strategies, do not constitute any substantial commitment of the Company to investors. Investors and persons concerned shall be fully aware of the risks and understand the difference between plans, estimates and commitments.

## Important Notice

**VII. Was there any appropriation of the Company's funds on a non-operating basis by controlling shareholders or other related parties?**

No

**VIII. Did the Company provide any external guarantees in violation of the prescribed decision-making procedures?**

No

**IX. Whether more than half of the Directors were not able to assure the truthfulness, accuracy and completeness of the annual report disclosed by the Company?**

No

**X. Major risk warning**

The risks faced by the Company in its operations mainly include: market risk, credit risk, liquidity risk, operational risk and reputational risk, which are specifically embodied as the risk of loss to the Company due to unfavorable changes of market prices; risk of loss to the Company due to failures to perform their obligations stipulated in relevant contracts by securities issuer, counterparties and debtors or the changes of market value of the debts caused by the changes of credit rating or contract performance capacity; risk of not being able to obtain sufficient funds in time at reasonable costs to repay debts that are due, fulfil other payment obligations and satisfy the funding requirements for ordinary business operation; risk of loss caused by the failures of internal systems and procedures, improper employee behaviors, IT risks and the influence of external events; risk of negative evaluation of the Company's reputation due to the Company's operation, management and other activities or external events.

The Company has established an effective internal control system, compliance management system and a dynamic regulatory system based on risk control indicators to enable the operations of the Company to be conducted within an extent of predictable, controllable and tolerable risks.

Investors are advised to read "Section III Discussion and Analysis of the Board of Directors" as set out in this report carefully for risks related to the operations of the Company.

**XI. Others**

☐ Applicable    ☒ Not applicable

## Chairman's Statement

Dear Shareholders,

In 2024, the new “National Nine Articles” and a series of “1+N” policy documents for the capital market were successively introduced. The activity level of stock trading has significantly increased, the concept of “investor-oriented” has been deeply implemented, industry fee reduction and profit-sharing measures have been continuously rolled out, and investor returns have significantly improved. In accordance with the overall work plan established at the beginning of the year, we resolutely maintained strategic focus, continuously unleashed reform momentum, effectively stimulated collective efforts, and successfully completed the main operational and management targets for the year, with our operating performance ranking among the top in the industry. In 2024, the Company's consolidated total assets reached RMB1,047.745 billion at the end of the period, an increase of 13.22% from the end of the previous year; consolidated operating revenue amounted to RMB43.397 billion, an increase of 20.08% year-on-year; net profit attributable to the parent company was RMB13.024 billion, and net profit attributable to equity holders of the Company excluding non-recurring items was RMB12.440 billion, representing year-on-year growth of 38.94% and 42.70% respectively; and the return on equity (ROE) of 8.14%, a growth of 2.12 percentage points from the previous year. The Company maintained the highest regulatory rating of the Grade AA rating in Class A for 17 consecutive years, retained the highest international credit rating among Chinese securities firms, and has been consistently included in the “white list” of securities companies. It also attained the highest rating in the industry cultural construction practice evaluation for four consecutive years. The Company actively responded to the call, released and implemented the action plan of “Enhancing Quality, Increasing Efficiency and Emphasizing Returns,” and dividend distributions to Shareholders twice, totaling RMB6.258 billion, which steadily increased the market value of the Company.

**This year, we vigorously enhanced our three capabilities. We have continuously strengthened the professionalism of our services** by upgrading the retail customer service system through the development of investment advisor teams, improving the institutional customer service system by refining client segmentation and services, and accelerating the construction of the corporate customer service system by focusing on service mechanisms, product systems, and platform development. **We continuously improved the synergy of our business** by promoting interconnectivity among the three major customer service systems, establishing a comprehensive value assessment mechanism, and aligning organizational structures with business models. This enabled cross-departmental, cross-regional, and cross-market collaboration, strengthening the consensus and momentum for “customer-oriented” collaborative development and integrated services. **We deeply reinforced the agility of our strategy** by emphasizing strategic investments and long-term value investments, proactively aligning with national strategies, and focusing on Shanghai's “Five Centers” initiative and actively contributing to the city's steady growth. By seizing new opportunities and expanding new businesses in key areas such as innovation acceleration, industrial transformation, consumption upgrading, and urban renewal, we raised over RMB560 billion for more than 100 Shanghai-based enterprises throughout the year.

## Chairman's Statement

**This year, we actively seized the opportunities presented by the three transformations. We embraced digital transformation** by nearly completing the construction of an enterprise-level database, fully revamping and upgrading the management cockpit, and preliminarily implementing intelligent infrastructure. We became the first in the industry to fully integrate large-scale model capabilities into our customer service system. **We have thoroughly implemented green business practices** by taking the lead in embracing the ESG principles. We have promoted the development of ESG standards and guidelines with Chinese characteristics, strengthened innovation in ESG financial products and services, and helped enterprises enhance their ESG capabilities and compliance management. Our MSCI ESG rating has been upgraded by tiers to the highest global rating of AAA. **We actively and steadily implemented our internationalization strategy**, continuously advanced our global presence and optimized the top-level structure of our international business, improved the risk management and control system, deepened cooperation with foreign financial institutions, and enhanced the cultivation and reserve of international talent, in order to further strengthen cross-border collaboration and service capabilities.

**This year, we adeptly managed the three sets of relationships. We enhanced profitability by prioritizing functionality.** Our focus has always been on functionality, positioning ourselves as the gatekeeper of the capital market, a service provider for direct financing, a manager of social wealth, a stabilizer of market stability, a steward of long-term funds, a pioneer of technological innovation, a guardian of financial security, and a promoter of market openness. **We have driven scalable growth through high-quality development.** We consistently adhered to the principles of sustainable development and the direction of high-quality balance sheet expansion, promoted diversified capital replenishment, and optimized asset allocation structures. We maintained the highest international credit rating in the industry for a long time, with the growth rates of operating income and net profit significantly outpacing the growth of asset size. **We ensured the effectiveness of incentives through supporting constraints.** We adhered to an incentive and constraint mechanism that combines performance orientation with value orientation. We introduced risk costs into assessment, fully implemented deferred compensation for key position personnel, and established a long-term comprehensive incentive mechanism that balances material and spiritual incentives, integrates immediate and long-term incentives, and aligns strong incentives with strong constraints.

**This year, we diligently accomplished the two key tasks. We rigorously strengthened the development of our cadre team**, with a consistent focus on accountability and key priorities. Emphasizing the growth of young cadres and international talent, we implemented the “Three Capabilities” mechanism and continued to enhance our work style. We actively support major national strategies, dedicating ourselves to reforms and continuous improvement, while striving to achieve the “Five Major Articles.” **We actively foster and promote a financial culture with Chinese characteristics** through activities such as discussions on contributions based on one's role and cultural talks, guiding our cadres and staff to be effective architects and implementers of reform and development, creating a strong atmosphere of unity between family and country and hard work, all aimed at accelerating the creation of a first-class investment bank.

## Chairman's Statement

In 2024, we made a significant stride towards building a world-class investment bank by forming a strong alliance with Haitong Securities through a merger by absorption, leveraging each other's strengths. According to the financial data of the two companies at the end of 2024, after the merger, the Company's total assets were RMB1.73 trillion and net assets attributable to equity holders of the Company were RMB328.3 billion, in terms of our capital strength, we ranked first in the industry.

Looking ahead to 2025, we face challenges from external environmental uncertainties and pressures from the transition between old and new growth drivers. Macro policy orientations are becoming more proactive and effective, with stronger-than-expected counter-cyclical adjustments. The collaborative mechanisms to stabilize the market are becoming more robust, further highlighting the inherent investment value of the capital markets. In terms of the Company, it is imperative that we not only acknowledge the risks and challenges ahead, preparing ourselves thoroughly to navigate through potential adversities, but also maintain unwavering confidence. We must diligently focus on our core operations, leveraging the certainty of our own development to counteract the uncertainties of the external environment. By steadfastly adhering to the principle of using professionalism to underpin functionality, we will continuously enhance our capabilities in global asset allocation, trading and investment, and value discovery. This will enable us to better serve the objectives of perfecting the capital market's functions and contributing to the establishment of a strong financial nation, thereby significantly boosting our competitiveness and influence on the global market. By 2025, the Company aims to achieve four major leaps, laying a solid foundation for becoming a top-tier investment bank with international competitiveness and market leadership.

**We must overcome the challenge of cultural conflicts.** Drawing on the Shanghai city spirit of "open-mindedness and wisdom, magnanimity and humility, inclusiveness, and the pursuit of excellence," we will inherit the core values and fundamental principles that are highly aligned between the two companies, while deeply exploring the strengths and highlights of each culture. We remain committed to the core values of "risk control as the foundation, compliance as the essence, customer-oriented, and stability as the priority." We emphasize the development philosophy of "collaboration and teamwork, cherishing reputation, social responsibility, sincere dedication and bold progress, innovation and exploration, respecting rules, and upholding professionalism". We highlight the performance-driven incentive standard of "achievement determines standing", and embrace the technological trend of digital transformation by incorporating the cultural element of "embracing technology". We will continuously build a cultural and conceptual system aimed at "becoming a top-tier investment bank with international competitiveness and market leadership".

## Chairman's Statement

**We must navigate the challenge of rapidly expanding asset scales.** We must improve mechanisms to safeguard innovation, enhance awareness and efficiency of compliance in empowering business development, and firmly uphold the bottom line of compliance. We will break down barriers in horizontal coordination and vertical penetration, establish a unified management platform, and closely monitor key areas such as parent-subsidary relationships, domestic and international operations, and on – and off-balance sheet activities. We will strengthen risk management and control in critical departments and continuously improve our risk management efficiency and empowerment capabilities. We will achieve phased integration of domestic and international clearing operations and advance the high-quality development of centralized operations 3.0, supporting cost efficiency and underlying penetration management. We will drive high-quality balance sheet expansion, foster a two-way cycle between asset-based and fee-based businesses, and reinforce the concept of risk-cost management. We will build core capabilities in risk control and compliance, financial control, strategic management, and talent support to drive high-quality balance sheet expansion, enabling stronger and more efficient capital utilization.

**We must overcome the challenge of consolidating service functions.** We adhere to the business philosophy of “customer-centricity”, breaking down silos and strengthening collaboration. We will clarify boundaries of responsibilities, implement specialized divisions of labor, and shift the organizational logic from being centered around business licenses and regulatory functions to being customer-centricity, driving our professional capabilities to their fullest potential. We will comprehensively benchmark against best practices both domestically and internationally, fully respecting the realities of the merger and restructuring. Guided by the principles of adapting to circumstances, leveraging trends, and tailoring approaches to local conditions, we will integrate resources into phases and steps to advance toward the target operating model. We will improve supporting mechanisms by exploring the introduction of customer satisfaction metrics across front, middle, and back offices, appropriately expanding the scope of quantitative indicators, and gradually implementing value-based assessments, for establishing a “customer-centric” performance evaluation system.

**We must rise to the challenge of elevating competitive capabilities.** Building on the foundation of our existing strategic framework, we will adapt to new circumstances, contexts, and requirements, evolving and advancing with the times to formulate a new strategic development plan. This plan will clearly and accurately depict a new blueprint for achieving high-quality growth in society, Shareholders, and employees. We will continuously enhance core capabilities such as value discovery, trading services, and global pricing, achieving incremental expansion, quality improvement, and efficiency gains in client management. We will serve as a service provider of direct financing, a manager of social wealth, and a gatekeeper of the capital markets. Through stronger and more efficient capital utilization, more professional and comprehensive service capabilities, and more streamlined and robust management support, we will fully unleash synergistic effects, leverage complementary licenses and client enrichment, consolidate and enhance our leading position domestically, and compete with top-tier international investment banks, aiming to rank among the global leaders in asset size and revenue levels.

Guotai Junan Securities Co., Ltd.  
Zhu Jian, Chairman of the Board  
28 March 2025

## Contents

Section I	Definitions	3
Section II	Company Profile and Key Financial Indicators	5
Section III	Discussion and Analysis of the Board of Directors	15
Section IV	Corporate Governance	79
Section V	Environment and Social Responsibility	189
Section VI	Significant Events	201
Section VII	Changes in Shares and Particulars of Shareholders	233
Section VIII	Preferred Shares	248
Section IX	Corporate Bonds	249
Section X	Independent Auditor's Report and Notes to Financial Statements	273
Section XI	Information Disclosure of Securities Company	432

# Section I Definitions

## 1. DEFINITIONS

In this report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

### Definitions of frequently-used terms

Company/the Company/Guotai Junan Group/the Group	Guotai Junan Securities Co., Ltd. Guotai Junan Securities Co., Ltd. and its subsidiaries
Articles of Association/Articles	the articles of association of Guotai Junan Securities Co., Ltd.
Share(s)	ordinary shares in the capital of the Company with a nominal value of RMB1 each, comprising A Shares and H Shares
Shareholder(s)	holder(s) of the Share(s) of the Company
Board/Board of Directors	the board of Directors of the Company
Director(s)	director(s) of the Company
Supervisory Committee	the Supervisory Committee of the Company
Supervisor(s)	the supervisor(s) of the Company
CSRC	China Securities Regulatory Commission (中國證券監督管理委員會)
Shanghai Bureau of the CSRC	Shanghai Office of the China Securities Regulatory Commission
SAC	Securities Association of China (中國證券業協會)
SSE/Shanghai Stock Exchange	Shanghai Stock Exchange
SZSE/Shenzhen Stock Exchange	Shenzhen Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
International Group	Shanghai International Group Co., Ltd. (上海國際集團有限公司)
Shanghai SA	Shanghai State-owned Assets Management Co., Ltd. (上海國有資產經營有限公司)
Shenzhen Investment Holdings	Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司)
Haitong Securities	Haitong Securities Co., Ltd.
Guotai Junan Asset Management	Shanghai Guotai Junan Securities Asset Management Co., Ltd. (上海國泰君安證券資產管理有限公司)
Guotai Junan Futures	Guotai Junan Futures Co., Ltd. (國泰君安期貨有限公司)
Guotai Junan Financial Holdings	Guotai Junan Financial Holdings Co., Ltd. (國泰君安金融控股有限公司)
Hong Kong Subsidiaries	Guotai Junan Financial Holdings Co., Ltd. and its controlled subsidiaries
Guotai Junan International	Guotai Junan International Holdings Limited (國泰君安國際控股有限公司), a public company controlled by Guotai Junan Financial Holdings Co., Ltd. and listed on the Hong Kong Stock Exchange (stock code:1788)

## Section I Definitions

Guotai Junan Innovation Investment	Guotai Junan Innovation Investment Co., Ltd. (國泰君安創新投資有限公司)
Guotai Junan Zhengyu	Guotai Junan Zhengyu Investment Co., Ltd. (國泰君安證裕投資有限公司)
HuaAn Funds	HuaAn Funds Management Co., Ltd. (華安基金管理有限公司)
Shanghai Securities	Shanghai Securities Co., Ltd. (上海證券有限責任公司)
Guoxiang Properties	Shanghai Guoxiang Properties Co., Ltd. (上海國翔置業有限公司)
SPD Bank	Shanghai Pudong Development Bank (上海浦東發展銀行股份有限公司)
Shanghai Rural Commercial Bank	Shanghai Rural Commercial Bank Co., Ltd. (上海農村商業銀行股份有限公司)
Company Law	the Company Law of the PRC
Securities Law	the Securities Law of the PRC
SSE Listing Rules	The Rules Governing the Listing of Stocks on the Shanghai Stock Exchange
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Model Code	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules
Corporate Governance Code	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
the new “National Nine Articles”	the Several Opinions on Strengthening Regulatory Risk Prevention and Promoting the High-quality Development of the Capital Market
Reporting Period	the year of 2024
Yuan	RMB Yuan
A Shares	domestic shares of the Company, with a nominal value of RMB1 each, which are listed on the Shanghai Stock Exchange and traded in RMB
H Shares	overseas listed foreign shares of the Company, with a nominal value of RMB1 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
ESG	Environmental, Social and Governance
FICC	Fixed Income, Currencies and Commodities
Daohe APP	APP serving institutional customers
Jun Hong APP	APP serving retail customers

## Section II Company Profile and Key Financial Indicators

### I. PROFILE

Name in Chinese	國泰君安證券股份有限公司
Abbreviation in Chinese	國泰君安、國泰君安證券
Name in English	Guotai Junan Securities Co., Ltd.
Abbreviation in English	GTJA、Guotai Junan Securities
Legal Representative	ZHU Jian
President	LI Junjie

### Registered Capital and Net Capital of the Company

☒ Applicable   ☐ Not applicable

Unit: yuan   Currency: RMB

	At the end of the Reporting Period	At the end of the last year
Registered Capital	8,903,730,620	8,904,610,816
Net Capital	98,387,241,939	92,603,555,793
Share Capital	8,903,730,620	8,904,610,816

### Business Qualifications for Each Individual Business of the Company

☒ Applicable   ☐ Not applicable

The business scope of the Company covers licensed items: securities business; securities investment consultation; securities companies provide intermediary business to futures companies. (For items subject to approval by laws, business activities can only be conducted after obtaining approval(s) from the relevant departments, and specific businesses shall be subject to the approval documents or license documents granted by the relevant departments) General items: financial advisory services relating to securities. (Except for items subject to approval by laws, business activities can be conducted independently with the business license in accordance with the laws)

As of the end of the Reporting Period, please refer to Appendix I for details of business qualifications for each business of the Company and its controlled subsidiaries.

## Section II Company Profile and Key Financial Indicators

### II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Securities Affairs Representative
Name	Nie Xiaogang	LIANG Jing
Contact address	No. 768 Nanjing West Road, Jingan District, Shanghai	No. 768 Nanjing West Road, Jingan District, Shanghai
Telephone	021-38676798	021-38676798
Facsimile	021-38670798	021-38670798
E-mail	dshbgs@gtjas.com	dshbgs@gtjas.com

### III. BASIC INFORMATION

Registered address of the Company	No. 618 Shangcheng Road, China (Shanghai) Pilot Free-Trade Zone, Shanghai, PRC
Historical change in registered address of the Company	Not applicable
Office address of the Company	No. 768 Nanjing West Road, Jingan District, Shanghai
Postal code of office address of the Company	200041
Company website	<a href="http://www.gtja.com/">http://www.gtja.com/</a>
Email	dshbgs@gtjas.com

### IV. INFORMATION DISCLOSURE AND LOCATION FOR INSPECTION OF DOCUMENTS

Names and websites of the media for publication of the Company's annual report	China Securities Journal <a href="http://www.cs.com.cn/">http://www.cs.com.cn/</a> ; Shanghai Securities News <a href="http://www.cnstock.com/">http://www.cnstock.com/</a> ; Securities Times <a href="http://www.stcn.com/">http://www.stcn.com/</a> ; Securities Daily <a href="http://www.zqrb.cn/">http://www.zqrb.cn/</a>
Websites of the stock exchanges for publication of the Company's annual report	<a href="http://www.sse.com.cn/">http://www.sse.com.cn/</a> ; <a href="http://www.hkexnews.hk/">http://www.hkexnews.hk/</a>
Location for inspection of annual report of the Company	No. 768 Nanjing West Road, Jingan District, Shanghai

### V. SHARES OF THE COMPANY

Shares of the Company				Stock name before change
Type of share	Listing venue	Stock name	Stock code	
A Share	Shanghai Stock Exchange	国泰君安	601211	N/A
H Share	Hong Kong Stock Exchange	GTJA	02611	N/A

## Section II Company Profile and Key Financial Indicators

### VI. OTHER INFORMATION OF THE COMPANY

#### (I) History of the Company, mainly including the reform and restructuring, capital injections in the previous years

☒ Applicable   ☐ Not applicable

Guotai Junan was founded as a joint-stock limited company through the merger of Guotai Securities Co., Ltd. (國泰證券有限公司) and J&A Securities Co., Ltd. (君安證券有限責任公司). The brief history of the Company is as follows:

In August 1999, with the approval of the CSRC, Guotai Securities Co., Ltd. merged with J&A Securities Co., Ltd. The shareholders of Guotai Securities Co., Ltd. and J&A Securities Co., Ltd. and other investors jointly established the Company, with a registered capital of RMB3,727.18 million.

In December 2001, with the approval of the CSRC, the Company was split into two companies with independent legal status by way of split-off. The Company, as the continuing company, owned and undertook the securities businesses related assets, businesses and liabilities relating to such assets and businesses. The registered capital of the Company changed to RMB3.7 billion.

In January 2006, with the approval of the CSRC, Central Huijin Investment Ltd. (中央匯金投資有限責任公司) subscribed for 1 billion additional Shares of the Company and thus the registered capital of the Company changed to RMB4.7 billion.

In March 2012, with the approval of the Shanghai Bureau of the CSRC, the Company issued 1.4 billion additional Shares and thus the registered capital changed to RMB6.1 billion.

In June 2015, with the approval of the CSRC, the Company issued 1,525 million A Shares through initial public offering, which were listed on the Shanghai Stock Exchange on 26 June 2015 and thus the registered capital changed to RMB7,625 million.

In April 2017, with the approval of the CSRC and the Hong Kong Stock Exchange, the Company issued 1,040 million H Shares, and the Company issued 48.9338 million additional H Shares upon the exercise of the over-allotment option in May 2017, and thus the registered capital changed to RMB8,713.9338 million.

In April 2019, the Company completed the placing of 194 million H Shares under a general mandate and thus the registered capital changed to RMB8,907.947954 million.

## Section II Company Profile and Key Financial Indicators

### (II) The organization structure of the Company

√ Applicable    □ Not applicable

#### 1. The organization chart of the Group

For the organization chart of the Group as of the end of the Reporting Period, please refer to Appendix II.

#### 2. Subsidiaries

As of the end of the Reporting Period, the Company directly owned six domestic subsidiaries and one overseas subsidiary, the particulars of which are as follows:

No.	Name of Subsidiary	Registered Address/Domicile	Date of Establishment	Legal		
				Registered Capital/ Paid-up Capital	Representative/ Person in Charge	Contact Number
1	Guotai Junan Financial Holdings	Units 1506-08, 15/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong	10 August 2007	HK\$2.61198 billion	HAN Zhida	0852-31831118
2	Guotai Junan Asset Management	Unit 409A10, No. 381 South Suzhou Road, Huangpu District, Shanghai	27 August 2010	RMB2 billion	TAO Geng	021-38676666
3	Guotai Junan Futures	29/F, 30/F, No. 669 Xinzha Road, Jing'an District, Shanghai	6 April 2000	RMB5.5 billion	JIANG Tao	021-33038999
4	Guotai Junan Innovation Investment	Units 11F07-09, Bank of Shanghai Building, 168 Middle Yincheng Road, Pudong New District, Shanghai	20 May 2009	RMB7.5 billion	HAN Zhida	021-38675884
5	Guotai Junan Zhengyu	Unit 1106, No. 3255 Zhoujiazui Road, Yangpu District, Shanghai	12 February 2018	RMB4.5 billion	XU Lan	021-38672928
6	HuaAn Funds	Room 2118, Building B, No. 888 Huanhu West Second Road, Lingang New Area, China (Shanghai) Pilot Free Trade Zone	4 June 1998	RMB 150 million	ZHU Xuehua	021-38969999
7	Guoxiang Properties	Floor 2-12, Main Building No.C, No. 688 Waima Road, Huangpu District, Shanghai	30 December 2011	RMB1.05 billion	MU Qing	-

#### 3. Branch offices

As of the end of the Reporting Period, the Group had 37 securities branch offices and 27 futures branch offices in the PRC. For basic information of these branch offices, please refer to Appendix III.

## Section II Company Profile and Key Financial Indicators

### (III) Number and distribution of securities branches of the Company

☒ Applicable    ☐ Not applicable

As of the end of the Reporting Period, the Group had 346 securities branches. Please refer to Appendix IV for the establishment and disposal of branches.

Number and distribution of securities branches of the Group in the PRC are as follows:

Province/ Municipality or Region	Number of Branches	Province/Municipality or Region	Number of Branches	Province/Municipality or Region	Number of Branches
Anhui	5	Beijing	15	Fujian	14
Gansu	9	Guangdong	44	Guangxi	6
Guizhou	6	Hainan	6	Hebei	10
Henan	9	Heilongjiang	6	Hubei	15
Hunan	17	Jilin	9	Jiangsu	24
Jiangxi	18	Liaoning	7	Inner Mongolia	5
Qinghai	1	Shandong	14	Shanxi	7
Shaanxi	6	Shanghai	23	Sichuan	15
Tianjin	6	Tibet	1	Xinjiang	4
Ningxia	1	Yunnan	8	Zhejiang	25
Chongqing	10				

### (IV) Number and distribution of other branches

☐ Applicable    ☒ Not applicable

## Section II Company Profile and Key Financial Indicators

### VII. OTHER RELEVANT INFORMATION

Domestic accountant engaged by the Company	Name	KPMG Huazhen LLP
	Office address	8/F, Tower E2, Oriental Plaza, 1 East Chang'an Avenue, Dongcheng District, Beijing
Overseas accountant engaged by the Company	Name of signing accountants	Wang Guobei, Wang Xia
	Name	KPMG
	Office address	8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong
Domestic legal advisor	Name of signing accountants	Chan Siu Tung
	Haiwen & Partners	
Hong Kong legal advisor	Freshfields	
A Share Registrar	Shanghai Branch of China Securities Depository and Clearing Corporation	
H Share Registrar	Computershare Hong Kong Investor Services Limited	

### VIII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS FOR THE PAST THREE YEARS

#### (I) Key accounting data

Unit: thousand yuan    Currency: RMB

Key accounting data	2024	2023	Movement during the current period compared with the corresponding period of last year (%)	
			2024	2023
Total revenue and other income	61,757,078	52,303,831	18.07	49,086,921
Operating profit	16,356,424	11,768,452	38.99	13,387,391
Profit before income tax	16,662,242	12,147,898	37.16	14,139,971
Profit for the year attributable to equity holders of the Company	13,024,085	9,374,143	38.94	11,508,784
Net cash generated from/ (used in) operating activities	-4,337,421	24,439,062	-117.75	44,321,212

## Section II Company Profile and Key Financial Indicators

			Movement at the end of the current period compared with the end of the corresponding period of last year (%)	At the end of 2022
	At the end of 2024	At the end of 2023		
Total assets	1,047,745,412	925,402,484	13.22	860,707,917
Total liabilities	870,271,715	752,024,474	15.72	696,862,458
Equity attributable to equity holders of the Company	170,775,389	166,969,253	2.28	157,718,338
Share capital	8,903,731	8,904,611	-0.01	8,906,673

### (II) Key financial indicators

Key financial indicators	2024	2023	Movement during the current period compared with the corresponding period of last year (%)	2022
Basic earnings per share (RMB/share)	1.39	0.98	41.84	1.25
Diluted earnings share (RMB/share)	1.39	0.97	43.30	1.23
Weighted average return on net assets (%)	8.14	6.02	Increase by 2.12 percentage points	7.88
Net assets per share attributable to equity holders of the Company (RMB/share)	19.18	18.75	2.29	17.71
Gearing ratio (%)	77.69	76.77	Increase by 0.92 percentage points	75.36

## Section II Company Profile and Key Financial Indicators

Description of the Company's key accounting data and financial indicators for the past three years as of the end of the Reporting Period

√ Applicable    □ Not applicable

Note 1: Gearing ratio = (total liabilities – accounts payable to brokerage customers – Proceeds from underwriting securities received on behalf of customers)/(total assets – accounts payable to brokerage customers – Proceeds from underwriting securities received on behalf of customers).

Note 2: As of 31 December 2024, equity attributable to the equity holders of the Company was RMB170.775 billion, the share capital was 8.904 billion shares, and net assets per share of the Company amounted to RMB19.18 (31 December 2023: RMB18.75) as calculated by the formula “net assets per share = equity attributable to the equity holders of the Company/share capital (net of treasury shares)”. The above net assets per share attributable to equity holders of the Company include perpetual bonds issued by the Company. After deducting the effect, the net assets per share attributable to ordinary shareholders of the Company at the end of 2024 were RMB17.50 (31 December 2023: RMB16.51).

### (III) Net capital and risk control indicators of the parent company

√ Applicable    □ Not applicable

Unit: thousand yuan    Currency: RMB

Item	At the end of the Reporting Period	At the end of last year
Net capital	<b>98,387,242</b>	92,603,556
Net assets	<b>146,820,231</b>	145,798,689
Risk coverage ratio (%)	<b>240.16</b>	201.54
Capital leverage ratio (%)	<b>16.96</b>	16.14
Liquidity coverage ratio (%)	<b>333.90</b>	269.72
Net stable funding ratio (%)	<b>139.51</b>	128.83
Net capital/Net assets (%)	<b>67.01</b>	63.51
Net capital/Liabilities (%)	<b>21.09</b>	20.11
Net assets/Liabilities (%)	<b>31.47</b>	31.67
Proprietary equity securities and securities derivatives/ Net capital (%)	<b>40.13</b>	33.19
Proprietary non-equity securities and securities derivatives/Net capital (%)	<b>351.11</b>	343.14

Note: The net capital and various risk control indicators of the parent company comply with the relevant provisions of the Administrative Measures for the Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》) issued by CSRC.

## Section II Company Profile and Key Financial Indicators

### (IV) Key Accounting data and financial indicators for the last 5 years

#### 1 Profitability

	<i>Unit: thousand yuan    Currency: RMB</i>				
	2024	2023	2022	2021	2020
Total revenue and other income	<b>61,757,078</b>	52,303,831	49,086,921	56,411,187	46,445,340
Total expenses	<b>45,400,654</b>	40,535,379	35,699,530	37,837,629	31,728,921
Profit before income tax	<b>16,662,242</b>	12,147,898	14,139,971	19,112,281	14,871,944
Profit for the year attributable to equity holders of the Company	<b>13,024,085</b>	9,374,143	11,508,784	15,013,480	11,122,099

#### 2 Assets

	<i>Unit: thousand yuan    Currency: RMB</i>				
	31 December 2024	31 December 2023	31 December 2022	31 December 2021	31 December 2020
Share capital	<b>8,903,731</b>	8,904,611	8,906,673	8,908,450	8,908,448
Total equity	<b>177,473,697</b>	173,378,010	163,845,459	150,636,592	146,237,818
Equity attributable to equity holders of the Company	<b>170,775,389</b>	166,969,253	157,718,338	147,123,665	137,353,260
Total liabilities	<b>870,271,715</b>	752,024,474	696,862,458	640,636,223	556,661,354
Accounts payable to brokerage customers	<b>252,069,517</b>	178,055,072	195,718,783	172,483,608	157,408,158
Total assets	<b>1,047,745,412</b>	925,402,484	860,707,917	791,272,815	702,899,172
Basic earnings per share (RMB/share)	<b>1.39</b>	0.98	1.25	1.65	1.20
Diluted earnings per share (RMB/share)	<b>1.39</b>	0.97	1.23	1.62	1.19
Weighted average return on net assets (%)	<b>8.14</b>	6.02	7.88	11.05	8.54
Gearing ratio (%)	<b>77.69</b>	76.77	75.36	75.64	73.19

## Section II Company Profile and Key Financial Indicators

### IX. DIFFERENCES OF ACCOUNTING DATA UNDER DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

**(I) Differences between the net profit and net assets attributable to the shareholders of the listed company in the financial statements disclosed in accordance with International Accounting Standards and China Accounting Standards**

☐ Applicable    ☒ Not applicable

**(II) Differences between the net profit and net assets attributable to the shareholders of the listed company in the financial statements disclosed in accordance with overseas accounting standards and China Accounting Standards**

☐ Applicable    ☒ Not applicable

**(III) Explanation on the differences between domestic and overseas accounting standards:**

☐ Applicable    ☒ Not applicable

## Section III Discussion and Analysis of the Board of Directors

### I. DISCUSSION AND ANALYSIS OF OPERATION CONDITION

#### (I) Overall operation condition

In 2024, the Group adhered to its customer-centric service philosophy and focused on the key tasks of “improving business competitiveness, accelerating comprehensive digitalization, and promoting refined management for efficiency improvement”, and diligently advanced its efforts in the “five key essays” of technology finance, green finance, inclusive finance, pension finance and digital finance. The Company actively served the major development strategies of China and Shanghai, accelerated the reform, deepening and upgrading of operations and the merger and reorganization with Haitong Securities, and spared no effort in promoting the development of various businesses, consolidating and enhancing its core competitiveness, achieving rapid growth in operating results, thereby steadily progressing towards the establishment of a world-class investment bank. In this context, the wealth management business strengthened its customer acquisition, strengthened the capabilities in asset allocation as a buyer. Securities brokerage business maintained its leading position, and product sales and fund investment advisory services scale achieved significant growth. The investment banking business deepened collaboration mechanisms, and extended business chains comprehensively, resulting in continued improvement in major business rankings and market share. The institutional and trading business enhanced clientele management, and optimized strategies for trading and investment, leading to continuous improvements in customer service capabilities and transaction pricing abilities. The investment management business focused on building research and investment capabilities, driving product innovation and diversified development, with steady growth in assets under management. Meanwhile, the international business optimized top-level structure and continued to advance cross-border integration and overseas expansion, achieving outstanding performance.

## Section III Discussion and Analysis of the Board of Directors

During the Reporting Period, the Company strengthened top-level design by formulating and implementing an enhanced action plan for reform deepening. The Company comprehensively promoted the construction of the three major customer service systems for retail, institutional and corporate customers, promoted the systematization of investment advisory team and the standardization of branch networks, deepened the customer segmentation strategy for institutional customers, and clarified the full-service product list and customer base continued to solidify. The Company accelerated its comprehensive digital transformation, and deeply promoted the digitization of key business and management processes. It fully integrated large-scale model capabilities into the customer service systems; enhanced Green Financial Services Capabilities, and MSCI ESG Rating was upgraded to AAA. Efforts to achieve “intensification, cost reduction, quality improvement and efficiency enhancement” were intensified, the rollout of “centralized operation 2.0” was fully implemented, the establishment of the financial shared center and the procurement management center was promoted, and the refined management capabilities were strengthened. The Company continued to improve its organizational structure, optimize human resource management mechanisms, and invigorate its workforce. It adhered to high-quality balance sheet expansion, optimized asset allocation, and improved the efficiency of asset-liability utilization. Additionally, the Company enhanced its risk control management system by firmly establishing the three lines of defense for business units, compliance and risk control, and inspection and audit. It strengthened compliance and risk management in key areas, ensuring a sound and effective compliance and risk control framework. The Company has obtained Class A and AA regulatory ratings by the CSRC for 17 consecutive years, and continued to be selected into the “white list” of securities companies. It also received the highest rating in the industry’s cultural construction practice assessment for four consecutive years and maintained international credit ratings of BBB+ by Standard & Poor and Baa1 by Moody with the outlook of the Company being stable.

### (II) Analysis of principal businesses

#### 1. Wealth management business

##### (1) Retail brokerage and wealth management

According to the statistics of SSE and SZSE, in 2024, the trading volume of the stock and fund market in SSE and SZSE amounted to RMB292.87 trillion, representing a year-on-year increase of 22.0%, while the offering size of new mutual funds amounted to 1,187.118 billion, representing a year-on-year increase of 4.7%.

## Section III Discussion and Analysis of the Board of Directors

In 2024, the Group's wealth management business deepened its segmented clientele operation model, strengthened its asset allocation capabilities as a buyer, and fully advanced its wealth management transformation. During the Reporting Period, the Group enhanced its categorized and tiered retail customer service system, optimized customer acquisition models, and maintained a commitment to high-quality customer acquisition. Through an integrated investment advisory business platform, the Group delivered intelligent scenarios and digital tools, reinforced professional empowerment, deepened collaborative business development, and solidified its retail clientele. Efforts to promote intelligent trading were strengthened, with refined management of pricing and expanded services for ETF strategy trading, leading to continuous growth in stock and fund trading volumes. The brokerage business maintained its leading position. The Group optimized the ETF ecosystem and private fund comprehensive services, deepened cooperation with high-quality asset managers, and advanced asset-side capabilities focused on high-quality product allocations. This included strengthening the foundation of high-quality underlying asset pools, driving rapid growth in agency sales business. The Company also advanced the establishment of its headquarters-based asset allocation center, launched the standardized "Jun Li Cai" asset allocation service model, and enhanced promotion of bespoke services and the entrepreneur office's comprehensive offerings. This resulted in improved capabilities in buyer-side asset allocation and a significant increase in fund investment advisory business service scale. A unified management, training, service content, and digital platform system was established to promote the systematic development of investment advisory team, focusing on enhancing professional advisory capabilities and customer satisfaction. The Group accelerated the standardization of branch construction, optimized the layouts of outlets, strengthened tiered management of sales offices, and continued to improve regional competitiveness. Innovative Internet-positioned Shanghai Qingpu branch is officially in operation, creating a centralized internet operation model. It optimized the functions of Jun Hong Bai Shi Tong all-connection platform, enterprise-level wealth management data middle platform, internet digital intelligence management middle platform, and customer-side platform, launched the Junhong Lingxi Large Model to enhance the boundaries and efficiency of intelligent services.

As at the end of the Reporting Period, there were 41.6397 million users of Jun Hong APP, representing an increase of 3.0% as compared with the end of last year, with average monthly active users of 8.8471 million<sup>1</sup>, representing a year-on-year increase of 11.1%. The number of personal fund accounts reached 19.3194 million, representing an increase of 8.3% as compared with the end of last year, affluent customers and high-net-worth customers, representing an increase of 17.9% as compared with the end of last year. The asset of "Jun Xiang Tou (君享投)" investment advisory business customers amounted to RMB26.416 billion, representing a growth of 107.5% as compared with the end of last year. During the Reporting Period, the share of domestic stocks and funds transactions reached 5.17%, representing an increase of 0.41 percentage points. The sales of financial products amounted to RMB950.5 billion, representing a year-on-year increase of 27.7%, and the monthly average size of financial products amounted to RMB258.9 billion, representing a year-on-year increase of 6.9%.

1 Data of monthly active users is sourced from Qianfan.tech (易觀千帆)

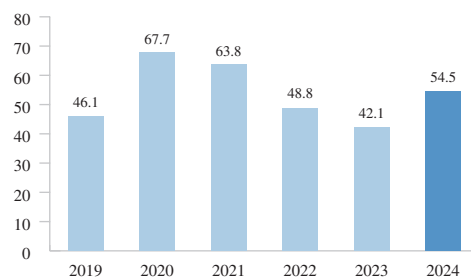
## Section III Discussion and Analysis of the Board of Directors

### Change in the scale of the Group's securities brokerage business in 2024 (Unit: RMB100 million)

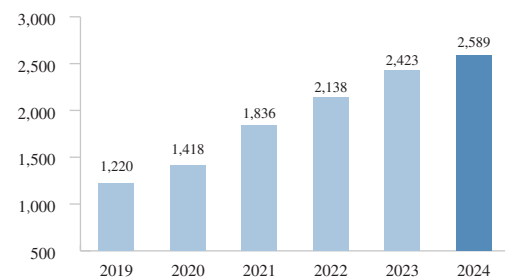
	Item	Reporting Period	Corresponding period of last year
Stocks	Transaction amount	<b>259,144</b>	196,388
	Market share	<b>5.09%</b>	4.63%
Securities investment funds	Transaction amount	<b>43,817</b>	32,249
	Market share	<b>5.75%</b>	5.80%

Source: the Company's business data.

### Net income from the securities brokerage business (RMB100 million)



### Average monthly scale of agency sales of financial products (RMB100 million)



Source: the Company's business and financial data.

### (2) Futures brokerage

According to the statistics of the China Futures Association, in 2024, calculated on unilateral basis, the cumulative trading volume of futures market was RMB619.26 trillion, representing a year-on-year increase of 8.9%. In particular, the cumulative trading volume of commodity futures was RMB428.33 trillion, representing a year-on-year decrease of 1.6%; and the cumulative trading volume of financial futures was RMB190.93 trillion, representing a year-on-year increase of 43.4%. As of the end of 2024, the scale of customer equity of futures companies was RMB1,538.680 billion, representing an increase of 8.1% as compared with the end of last year.

## Section III Discussion and Analysis of the Board of Directors

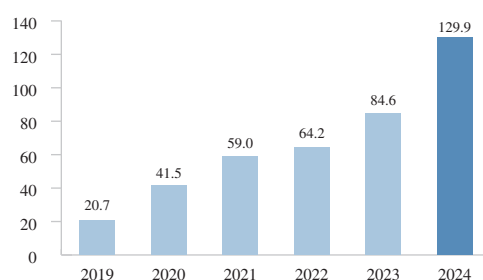
In 2024, Guotai Junan Futures was fully incorporated into the Group's integrated platform, upgraded its collaborative business development model, actively serving the real economy and industrial customers. As a result, both trading volumes and market share of customer equity experienced significant growth. By focusing on the needs of domestic and international customers, the Company strengthened cross-border collaboration, achieving rapid growth in the scale of cross-border business activities. During the Reporting Period, the futures transaction amount of Guotai Junan Futures amounted to RMB129.94 trillion, representing a year-on-year increase of 53.7%, with a market share of 10.49%, representing an increase of 3.06 percentage points as compared with last year. The company ranked second, third, third, second and third in terms of market share of transaction amount at the Shanghai Futures Exchange, Dalian Commodity Exchange, Zhengzhou Commodity Exchange, China Financial Futures Exchange and Guangzhou Futures Exchange, respectively. As at the end of the Reporting Period, the scale of customer equity amounted to RMB134.4 billion, representing an increase of 33.9% as compared with the end of last year, and continued to rank second in the industry.

### Major business indicators of Guotai Junan Futures in 2024

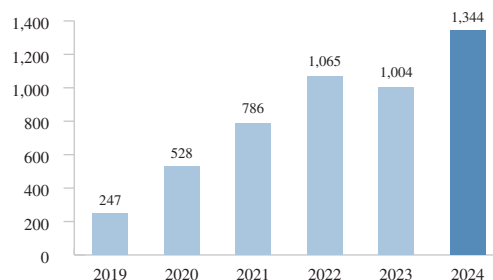
Item	Reporting Period	Corresponding period of last year
Transaction amount (RMB trillion)	<b>129.94</b>	84.55
Number of board lots (100 million)	<b>13.08</b>	10.91
	<b>At the end of the Reporting Period</b>	At the end of last year
Cumulative effective accounts opened (unit)	<b>240,456</b>	208,958
Customer equity at the end of the period (RMB100 million)	<b>1,344</b>	1,004

Source: the Company's business data.

**Transaction amount of Guotai Junan Futures (RMB trillion)**



**Customer equity of Guotai Junan Futures as at the end of the period (RMB100 million)**



Source: the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

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

According to the statistics of Wind, as at the end of 2024, the balance of margin financing and securities lending in the market amounted to RMB1,864.583 billion, representing an increase of 12.9% as compared with the end of last year. In particular, the balance of margin financing amounted to RMB1,854.145 billion, representing an increase of 17.4% as compared with the end of last year, and the balance of securities lending amounted to RMB10.438 billion, representing a decrease of 85.4% as compared with the end of last year.

In 2024, the Group's margin financing and securities lending business fully integrated into three major customer service systems by addressing customer needs, exploring business scenarios, and optimizing strategies. Collaboration was deepened through strengthening unified marketing efforts across headquarters and branches, resulting in a significant increase in new account openings. The Group also focused on refined operations, optimized business mechanisms, and consistently improved professional service capabilities. During the Reporting Period, the number of net new margin financing and securities lending customers was 30,500, representing a year-on-year increase of 96.1%. At the end of the Reporting Period, the balance of the Group's margin financing and securities lending amounted to RMB100.619 billion, representing an increase of 13.1% as compared with the end of last year, with a market share of 5.40%.

### **(4) *Stock pledging business***

In 2024, the Group's stock pledging business actively brings in quality resources from the market, strengthened comprehensive services for core customers, and expanded financing targets to cover multiple pillar industries, with the majority being industry leaders or niche market leaders. Adhering to a development strategy of "low leverage and high liquidity," the Group promoted continuous optimization of its asset structure. Compliance and risk management and control were enhanced, and mechanisms for risk resolution were improved, leading to a sustained improvement in asset quality. At the end of the Reporting Period, the outstanding balance of stock pledging business and securities repurchase business amounted to RMB22.923 billion, representing a decrease of 19.1% as compared with the end of last year.

## **2. Investment banking business**

According to the information and statistics of Wind, in 2024, the securities amount underwritten by all securities companies in the market was RMB10,353.813 billion<sup>2</sup>, representing a year-on-year decrease of 1.3%. In particular, the total equity financing amount was RMB247.596 billion, representing a year-on-year decrease of 72.8%. The total debt financing was RMB10,106.217 billion, representing a year-on-year increase of 5.5%. The amount of M&A transactions approved by the Stock Exchange was RMB75.119 billion, representing a year-on-year decrease of 36.8%.

2 The underwriting amount does not include local government bonds (the same below).

## Section III Discussion and Analysis of the Board of Directors

In 2024, the Group's investment banking business actively responded to market situational changes, deepened the expansion of business strategies and strengthened internal comprehensive management, resulting in continued improvement in the ranking and market share of its major businesses and rapid growth in revenue of equity business. The Company further enhanced its collaborative mechanisms, accelerated the construction of its corporate customer service system, and promoted the linkage of investment banking + investment + investment research as well as the integration of domestic and international investment banking operations, thereby continuously improving its comprehensive service capabilities. The Company fully extended its business chain, further exploring opportunities in M&A and reorganizations, financial advisory (FA), and ESG consulting. During the Reporting Period, the Group's lead underwriting amount of securities was RMB996.714 billion, representing a year-on-year increase of 16.9%, with a market share of 9.63%, representing an increase of 1.51 percentage points as compared with last year, and securely ranked third in the industry. In particular, the lead underwriting amount of equity interest was RMB16.327 billion, representing a year-on-year decrease of 71.2%, with a market share of 6.59%, representing an increase of 0.38 percentage points as compared with last year. The number of lead underwritings by the Company for IPO was 9 projects, securely maintaining its third-place ranking in the industry. The lead underwriting amount of IPO was RMB4.576 billion, representing a year-on-year decrease of 85.6%, with a market share of 6.90%, representing a decrease of 1.93 percentage points as compared with last year, while its ranking improved to fourth place in the industry. The lead underwriting amount of bonds was RMB980.386 billion, representing a year-on-year increase of 23.2%, with a market share of 9.70%, representing an increase of 1.40 percentage points as compared with last year, and securely ranked third in the industry. In particular, the lead underwriting amount of corporate bonds was RMB371.986 billion, representing a year-on-year increase of 17.0%, with a market share of 9.42%, representing an increase of 1.17 percentage points as compared with last year, and ranked third in the industry. The lead underwriting amount of financial bonds was RMB265.556 billion, representing a year-on-year increase of 34.9%, with a market share of 8.81%, an increase of 2.06 percentage points as compared with last year, and ranking promoted to fourth. The Company completed 8 M&A and reorganization projects and 26 financial advisory (FA) projects. Actively implementing strategies on serving Shanghai and other national key regions, the Company ranked second, fourth and second, respectively, in terms of securities underwriting volume in the Yangtze River Delta, Beijing-Tianjin-Hebei region, and the Greater Bay Area. The Company actively supported science and technology innovation and green development. The lead underwriting amount of science and technology innovation bonds was RMB63.533 billion, representing a year-on-year increase of 36.3%, and ranked third in the industry. The lead underwriting amount of green bonds was RMB29.636 billion, representing a year-on-year decrease of 35.29%, the decline was on a par with the market, and ranked third in the industry.

## Section III Discussion and Analysis of the Board of Directors

### Scale of the Group's investment banking business in 2024

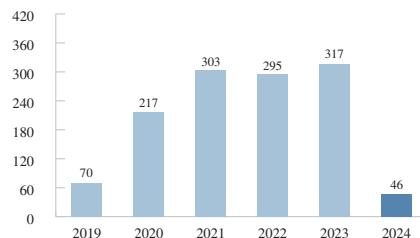
	Item	Reporting Period	Corresponding period of last year
IPO	Number of lead underwritings	9	22
	Amount of lead underwritings (RMB100 million)	45.76	317.14
Refinancing	Number of lead underwritings	13	34
	Amount of lead underwritings (RMB100 million)	117.51	249.26
Enterprise bonds <sup>Note 1</sup>	Number of lead underwritings	11	21
	Amount of lead underwritings (RMB100 million)	27.73	83.58
Corporate bonds	Number of lead underwritings	954	798
	Amount of lead underwritings (RMB100 million)	3,719.86	3,178.29
Financial bonds	Number of lead underwritings	261	180
	Amount of lead underwritings (RMB100 million)	2,655.56	1,967.92
Other bonds <sup>Note 2</sup>	Number of lead underwritings	1,332	1,024
	Amount of lead underwritings (RMB100 million)	3,400.71	2,728.30

Source: Wind, the Company's business data.

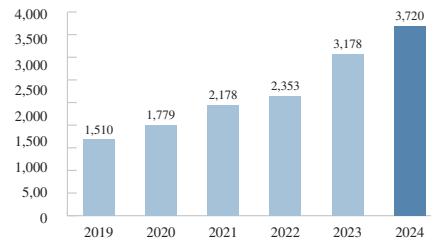
Note 1: Enterprise bonds do not include bonds issued by government-backed agencies.

Note 2: Other bonds include debt financing instruments for non-financial businesses, ABS, standardized bills, exchangeable bonds and bonds issued by government-backed agencies.

**Amount of lead underwriting of IPO  
(RMB100 million)**



**Amount of lead underwriting of corporate bonds (RMB100 million)**



Source: Wind, the Company's business data.

## Section III Discussion and Analysis of the Board of Directors

### 3. Institution and Transaction Business

#### (1) *Research business*

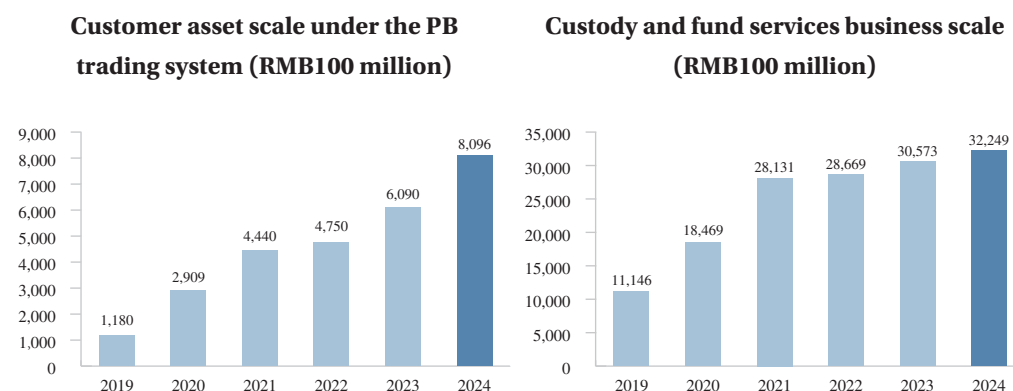
In 2024, the Company's research business optimized its research team, strengthened research capabilities, and improved its research system, leading to a significant rise in rankings for key customer research and a continuous enhancement of market influence. It continued to promote the integration of cross-border research, shared domestic and international research resources, advanced research on overseas emerging markets, and intensified research services for overseas institutional customers. During the Reporting Period, the research institute of the Company completed a total of 9,066 research reports and conducted roadshows for 51,235 institutional customers, of which, 33,900 were core customers, representing a year-on-year increase of 26.2%.

#### (2) *Institution brokerage business*

In 2024, the Group's institutional business advanced the construction of an institutional customer service system with open connections, continuously developed differentiated service models based on customer classification and stratification, and established "1 + N" comprehensive financial services system. The Company is committed to achieve professional, comprehensive, and platform-based services for institutional customers and strengthen "institution +" synergy. Its integrated service capabilities for mutual funds, insurance companies, bank wealth management subsidiaries, trusts, private funds, and overseas institutions continued to improve, with the coverage rate of institutional customers steadily increasing. During the Reporting Period, the share of institutional customers' stock and fund transactions and commission revenues continued to grow, while businesses such as QFII and brokerage trading and settlement developed rapidly. The custody and fund services business maintained staying ahead in the industry.

## Section III Discussion and Analysis of the Board of Directors

During the Reporting Period, the stock and fund transaction volume of institutional customers amounted to RMB14.89 trillion, representing a year-on-year increase of 34.8%, with a market share of 2.54%, representing an increase of 0.24 percentage points as compared with last year. In particular, the stock and fund transaction volume of QFII amounted to RMB6.28 trillion, representing a year-on-year increase of 88.5%. Integrated service platform for institutional clients - the activity level of Daohe platform increased significantly, with the sales scale of Daohe-Xiaoshoutong amounted to RMB76.638 billion at the end of the Reporting Period, representing an increase of 75.0% as compared with the end of last year. The customer asset size of PB (prime brokers) trading system amounted to RMB809.550 billion, representing an increase of 32.9% as compared with the end of last year. The scale of custody and fund services business reached RMB3,224.9 billion, representing an increase of 5.5% as compared with the end of last year. In particular, the number of private fund products under custody continued to rank second in the securities industry, ranked first in the industry in terms of market share of the number of new securities-based private equity products under custody in 2024, while the scale of mutual funds under custody amounted to RMB207.758 billion, representing an increase of 18.5% as compared with the end of last year, and continued to rank first in the securities industry.



Source: the Company's business data.

### (3) Trading and investment business

According to the statistics of Wind, in 2024, SSE Index rose by 12.67% and China Bond Total Full Price (Total Value) Index rose by 5.43%, the exchange rate of USD against RMB appreciated by 2.92%, and Nanhua Commodity Index decreased by 1.26%.

## Section III Discussion and Analysis of the Board of Directors

In respect of trading and investment business, the Group continued to focus on becoming an “outstanding financial asset trader”, steadfastly transitioning to low-risk and non-directional businesses driven by customer demand, and implemented top-tier transaction pricing and customer service capabilities. During the Reporting Period, the Company’s cumulative nominal principal amount of OTC derivatives business increased by RMB1,238.345 billion, representing a year-on-year increase of 40.1%. The closing amount of the existing nominal principal amounted to RMB285.377 billion, representing a decrease of 12.4% as compared with the end of last year.

In respect of the equity business, the Group seized market opportunities by actively adjusting investment strategies, increasing allocation to high-quality assets, and strengthening its market-making and quantitative trading capabilities, thereby achieving favorable investment returns, and was among the first to have obtained the swap facilities business qualification. The functionality of the market-making business continued to improve, while the scale of on-exchange options market-making remained industry-leading. The Group maintained an AA rating from stock exchanges. The Group’s ETF market-making trading scale reached RMB220 billion, with significant growth in both the variety and scale of market-making products. The number of market-making stocks on the STAR Market was 88, maintaining the Group’s position as the third-largest in the industry. Leveraging on the leading role in innovation of the OTC derivatives business, the Group continued to enrich the scope of covered products and diversified the structure types, and focused on improving customer-side trading capabilities and risk hedging capabilities. The cross-border transaction business model was refined, and the supply of global allocation products was advanced, leading to rapid growth in southbound cross-border business.

## Section III Discussion and Analysis of the Board of Directors

In respect of the FICC business, the Group strengthened market analysis on fixed income investments, optimized asset allocation, accurately captured domestic and overseas market trends and volatility trading opportunities to achieve stable profitability, as well as enhanced multi-asset, multi-strategy trading capabilities, and thus achieved good investment performance. For the market-making business, the Group strengthened refined management, leading to continuous improvement in trading capabilities. During the Reporting Period, the Company's volume of spot bond transactions in the inter-bank bond market was RMB6.80 trillion, while the scale of market-making for exchange-traded bonds exceeded RMB700 billion. The Company ranked first in the industry in terms of net bond settlement transaction volume and provided market-making services for 13 publicly offered REITs. Additionally, the Company obtained the major market maker qualification for treasury bond futures. For the customer demand-oriented business, the Group addressed the needs of various key customer groups for asset allocation and risk management by developing a diversified product series, including FICC strategy index and "Guotai Junan Risk Hedging (國泰君安避險)", and strengthened comprehensive services for three types of customers, resulting in rapid business growth. In respect of the foreign exchange business, the Group steadily carried out proprietary trading of RMB foreign exchange and foreign currency pairs, with increased trading activity. The Company focused on the promotion of foreign exchange derivative business for customers, such as Southbound Trading and QFII. In respect of the commodities business, the Group effectively explored cross-temporal, cross-species and cross-market arbitrage opportunities, resulting in a significant increase in revenue. The Company expanded the scope of customer services, with a steady growth in the number of corporate customers and transaction volume. In respect of the carbon finance business, a customer service system was established, with carbon matching transaction volume growing more than fourfold year-on-year, rapidly elevating green finance service capabilities.

### **(4) Alternative investment business**

In 2024, Guotai Junan Zhengyu focused on advancing strategic investments, assisted the construction of Shanghai Technology Innovation Center, and concentrated on strategic emerging industries and future industries to conduct industrial investments prudently. The Company also optimized exit management and achieved diversification in project exits. During the Reporting Period, there were 11 new investment projects with a total investment amount of RMB391 million, and 11 projects were divested with the investment cost of RMB1.050 billion. As of the end of the Reporting Period, there were 73 ongoing investment projects with a total investment amount of RMB5.146 billion, including 13 ongoing co-investment projects with a total co-investment amount of RMB1.048 billion.

## Section III Discussion and Analysis of the Board of Directors

### Overview of alternative investment business of Guotai Junan Zhengyu as at the end of 2024

	At the end of the Reporting Period	At the end of last year
Number of investment projects at the end of the period (unit)	73	73
Including: number of co-investment projects (unit)	13	21
Amount of investment projects as at the end of the period (RMB100 million)	51.46	54.47
Including: amount of co-investment (RMB100 million)	10.48	16.87

Source: the Company's business data.

#### 4. Investment management business

##### (1) Fund management

According to the statistics of the Asset Management Association of China, as of the end of 2024, the mutual fund assets under management of mutual funds management institutions was RMB32.83 trillion, representing an increase of 18.9% as compared with the end of last year. In particular, assets under management of non-monetary mutual funds amounted to RMB19.22 trillion, representing an increase of 17.7% as compared with the end of last year.

## Section III Discussion and Analysis of the Board of Directors

In 2024, HuaAn Funds continued to enhance the construction of its core investment and research capabilities, focusing on building a “centralized research platform + diversified investment team.” The investment performance of active equity funds in the medium to long term was outstanding. Adhering to a diversified business layout, the total assets under management scale reached a new high. The strength of various businesses, such as active equity, passive index, fixed income, designated accounts, publicly offered REITs, was significantly enhanced. The Company continued to build distinctive advantages, with products such as Gold ETFs and ChiNext 50 ETF maintaining their positions as market leaders. The Company also improved the forward-looking layout of products, launching 32 new mutual funds during the year with a total fundraising scale of RMB21.8 billion. Adhering to innovation-driven strategies, the Company launched Shanghai’s first consumer-focused REIT and the first batch of A500 over-the-counter index funds, among other products. As at the end of the Reporting Period, the scale of assets under management of HuaAn Funds amounted to RMB772.405 billion<sup>3</sup>, representing an increase of 14.4% as compared with the end of last year. The scale of assets under management of mutual funds amounted to RMB693.169 billion, representing an increase of 14.7% as compared with the end of last year. In particular, the scale of assets under management of non-monetary mutual funds amounted to RMB413.538 billion, representing an increase of 17.5% as compared with the end of last year. The scale of assets under management of designated accounts amounted to RMB79.236 billion, representing an increase of 11.3% as compared with the end of last year.

### Scale of assets under management of HuaAn Funds as at the end of 2024 (Unit: RMB100 million)

	At the end of the Reporting Period	At the end of last year
Scale of assets under management	<b>7,724.05</b>	6,752.92
Scale of assets under management of mutual funds	<b>6,931.69</b>	6,040.77
Including: scale of assets under management of non-monetary mutual funds	<b>4,135.38</b>	3,520.18
Scale of assets under management of designated accounts	<b>792.36</b>	712.15

Source: the Company’s business data.

3 The scale of assets under management does not include the scale of assets under management of the Hong Kong subsidiaries of HuaAn Funds.

## Section III Discussion and Analysis of the Board of Directors

### (2) *Asset management*

According to the statistics of the Asset Management Association of China, as of the end of 2024, the scale of private assets management products of securities companies and their asset management subsidiaries was RMB5.47 trillion, representing an increase of 3.0% as compared with the end of last year.

In 2024, Guotai Junan Asset Management deepened the construction of its core capabilities in investment research, forged the competitiveness of its pan-equity, pan-fixed income and financing businesses. Key products such as public quantitative index-enhanced funds and short-to-medium-term bond funds delivered strong performance, and the overall scale of assets under management continued to grow. During the Reporting Period, the Company established the “Enterprise Jia (企業嘉)” service platform and deepened its cooperation in the sales of mutual and private fund products, fully integrating into the three major customer service systems of the Group. The Company continuously optimized its product offering, strengthened the coverage of fixed-income product lines across maturities and strategies. It launched one of the first batch of A500 index-enhanced mutual fund products and accelerated the development of “Jun Li Cai” and “Jun Xiang Tou” private fund products. Additionally, it actively advanced the construction of the REITs ecosystem, enhancing its influence within the industry. As at the end of the Reporting Period, the scale of assets under management of Guotai Junan Asset Management amounted to RMB588.430 billion, representing an increase of 6.5% as compared with the end of last year. In particular, the scale of collective assets under management amounted to RMB239.324 billion, representing an increase of 9.1% as compared with the end of last year; the scale of single assets under management amounted to RMB129.538 billion, representing a decrease of 2.6% as compared with the end of last year; the scale of specialized assets under management amounted to RMB140.401 billion, representing a decrease of 4.1% as compared with the end of last year. During the Reporting Period, 10 mutual fund products were newly issued, with a total IPO size of RMB6.139 billion. As at the end of the Reporting Period, there were 57 existing mutual fund products with a total scale of RMB79.167 billion, representing an increase of 47.3% as compared with the end of last year.

## Section III Discussion and Analysis of the Board of Directors

### Scale of assets under management of Guotai Junan Asset Management as at the end of 2024 (Unit: RMB100 million)

Business categories	At the end of the Reporting Period	At the end of last year
Scale of asset management	<b>5,884.30</b>	5,524.35
Scale of collective asset management business	<b>2,393.24</b>	2,192.82
Scale of single asset management business	<b>1,295.38</b>	1,330.10
Scale of specialized asset management business	<b>1,404.01</b>	1,463.95
Scale of mutual funds management business	<b>791.67</b>	537.48

Source: the Company's business data.

Note: The calculation of the scale of management business is based on net assets.

#### (3) Private equity fund management

According to the statistics of the Asset Management Association of China, as of the end of 2024, there were 12,083 registered private equity/venture investment fund managers, representing a decrease of 6.3% as compared with the end of last year. A total of 30,282 private equity investment funds were under management with a total scale of RMB10.94 trillion, representing a decrease of 1.6% as compared with the end of last year.

In 2024, Guotai Junan Innovation Investment adhered to the collaborative model of investment banking + investment + investment research, focusing on technological innovation, deepening cooperation with industry leaders, strengthening the layout in CVC (corporate venture capital) of the industry leader of Fund of Funds. It promoted the business of industrial direct investment funds, M&A funds, and urban renewal and new infrastructures funds, and optimized post-investment and exit management, continuously improving its core capabilities in “fundraising, investment, management and withdrawal”. During the Reporting Period, there were 2 new industrial direct investment funds with a total scale of RMB2.3 billion and 3 new M&A funds with a total scale of RMB2.3 billion. It also established the first commercial Pre-REIT fund in China, Bailian Guotai No. 1 Fund.

## Section III Discussion and Analysis of the Board of Directors

### Overview of the private equity fund business of Guotai Junan Innovation Investment as at the end of 2024

	At the end of the Reporting Period	At the end of last year
Number of funds under management (unit)	38	37
Cumulative committed capital of funds under management (RMB100 million)	632.62	621.04
Cumulative paid-in capital of funds under management (RMB100 million)	413.21	407.90

Source: the Company's business data.

#### 5. International business

According to the statistics of the Hong Kong Stock Exchange, in 2024, the Hang Seng Index rose by 17.67%, with the total transaction amount in the Hong Kong stock market of HKD32.43 trillion, representing a year-on-year increase of 27.08%. The total amount of funds raised through IPOs was HKD87.478 billion, representing a year-on-year increase of 88.9%.

The Group's international business covers brokerage, corporate financing, asset management, loans and financing, financial products, market-making, and investment businesses. Additionally, the Group actively expanded into markets in the United States, Europe, and Southeast Asia.

## Section III Discussion and Analysis of the Board of Directors

In 2024, the Group's international business optimized the design of the top-level structure, strengthened the integrated cross-border management, and optimized the structure of overseas assets and liabilities, resulting in excellent performance. During the Reporting Period, the wealth management business tapped into the cross-border demand of local customers and refined the product layout. The Group was among the first trial securities brokerage to be included in the Cross-boundary Wealth Management Connect Scheme, and successfully launched related services. The investment banking business demonstrated the benefits of cross-border integrated cooperation, with 3 IPOs and 10 placing projects completed throughout the year. The cross-border derivatives business expanded its product range and intensified customer acquisition efforts, leading to sustained growth in business scale. Overseas layout made significant progress, with the Vietnam subsidiary's capital increase approved by the Vietnam Securities Regulatory Commission, the UK subsidiary achieving full coverage of E-FICC asset, and the Macau subsidiary officially commencing operations. As of the end of 2024, the amount of customer assets under custody increased by 16.7% as compared with the end of last year. Assets under management amounted to HKD11.77 billion, representing an increase of 178% as compared with the end of last year. The scale of bonds underwritten under the investment banking business amounted to HKD389.083 billion, representing an increase of 85.2% as compared with the end of last year. The cumulative amount of additional nominal principal of cross-border derivatives was RMB612.786 billion, representing a year-on-year increase of 35.5%, with a closing balance of RMB117.237 billion, representing a decrease of 28.1% as compared with the end of last year.

### Major components of revenue of Guotai Junan International for 2024 (Unit: HK\$'000)

Item	During the Reporting Period	Corresponding period of last year
Fee and commission income	871,755	689,574
Interest income	2,314,006	1,810,154
Net trading and investment income	1,235,848	717,644
<b>Total revenue</b>	<b>4,421,609</b>	<b>3,217,372</b>

Source: relevant announcements of Guotai Junan International.

## **Section III Discussion and Analysis of the Board of Directors**

### **II. DESCRIPTION OF THE INDUSTRY IN WHICH THE COMPANY OPERATE DURING THE REPORTING PERIOD**

#### **(I) INDUSTRY CONDITIONS OF THE COMPANY**

Over the past three decades, with the development of the PRC securities market, the PRC securities industry has continued to standardize and expand. The securities companies have gradually accelerated their pace of innovation, expanded their business scope, improved their profitability, and enhanced their risk resistance capacity. Meanwhile, the profitability of the PRC securities industry is driven by brokerage, proprietary trading, underwriting, margin trading, and asset management businesses. This leads to the revenue and profits of the industry being more dependent on the trends of the securities market. Along with the change in the booming cycle of the securities market, the profit level of the PRC securities industry also demonstrates a cyclical fluctuation nature. In terms of changes in profitability in recent years, the industry achieved profitable growth for three consecutive years from 2019 to 2021 and recorded declined profit from 2022 to 2023.

In 2024, China's economic operation was stable as a whole, with steady progress, and high-quality development was solidly promoted. In April, the State Council issued the new "National Nine Articles", with the main line of strengthening supervision, preventing risks, and promoting high-quality development, it will focus on strengthening the fundamentals and strict supervision and management, so as to strive to improve the quality of listed companies and support medium and long-term funds to enter the market, while continuing to improve the capital market functions of coordinating investment and financing. These policies and measures laid a solid institutional foundation for the long-term sustainable development of the capital market. Since September, a series of incremental policies to boost the capital market have been successively introduced, the construction of fundamental systems has been accelerated, and instruments such as swap facilities, repurchase, increase in shareholding and refinancing have been launched successively. This has ushered in new development opportunities for the capital market, with activities increased significantly, creating a rare opportunity for the securities industry to accelerate its transformation, upgrading, and high-quality development, as such, securities companies accelerated the pace of reform and transformation, and improved their comprehensive capabilities in serving new quality productive forces and residents' wealth management. Meanwhile, the CSRC proposed to establish 2 to 3 investment banks and investment institutions with international competitiveness and market leadership by 2035, and to support leading institutions to enhance their core competitiveness through mergers and acquisitions, organizational innovation, etc., setting a clear development direction of building better and stronger leading securities companies and accelerating the construction of first-class investment banks. In respect of the securities firms, the pace of mergers and acquisitions was significantly accelerated in order to achieve strong alliances and complementary advantages.

#### **(II) Position of the Company in the industry**

The Group is a long-term, consistent and across-the-board leader in the PRC securities industry, providing integrated financial services. The Group has experienced the entire history and multiple cycles of the development of the PRC capital market and has stood at the forefront of the capital market through trials and hardships. It has maintained its leading position in the industry in terms of capital scale, profitability, business strength and risk management capabilities.

## Section III Discussion and Analysis of the Board of Directors

### III. MAJOR AWARDS AND HONORS

Winner	Issuer	Awards or honors
<b>The Company</b>	People's Bank of China	Fintech First Prize
	CaiLianPress	ESG Financial Annual Award
	Yicai	Annual Securities Company
	China Securities Journal	Golden Bull Securities Company
<b>Wealth management business</b>	Shenzhen Stock Exchange	Outstanding ETF Marketing Agency
	Shanghai Futures Exchange	2024 Outstanding Member Gold Award
	Securities Times • Brokerage China	2024 Junding Award for All-round Wealth Broker in Chinese Securities Industry, Junding Award for Investment Advisory Services, Wealth Service Brand Junding Award (Jun Xiang Tou), Digital Pioneer APP Junding Award, APP Operation Team Junding Award, China Excellent Futures Risk Management Subsidiary Junding Award
	CaiLianPress	Wealth Management • Huazun Award – Best Wealth Management Institution, Best Digital Wealth Management Award, Best Investor Education Award, Best Fund Investment Advisory Award, Best Investment Advisory Team Award
		2024 CaiLianPress Capital Market Most Valuable Influence List Selection – Best Wealth Evergreen Award

## Section III Discussion and Analysis of the Board of Directors

Winner	Issuer	Awards or honors
<b>Investment banking business</b>	China Fund	2024 Yinghua Award – Outstanding Wealth Management Model Institution, Outstanding Wealth Management Brand Model Case (Guotai Junan 818 Wealth Management Festival), Outstanding Broker APP Model Case, Outstanding Broker Investor Education Model Case, Outstanding ETF Seller, Outstanding Private Equity Sales Broker Model Institution
	National Business Daily	2024 Golden Tripod Award – Best Comprehensive Securities Firm in Wealth Management
	The Asian Banker	China Annual Fund Investment Advisor
	Shanghai Stock Exchange	Silver Award for Comprehensive Bond Market Services
	New Fortune	The 17th New Fortune Best Investment Bank Selection – Best Domestic Investment Bank, Best ESG Practicing Investment Bank, Best Equity Underwriting Investment Bank, Best Debt Underwriting Investment Bank, Best IPO Investment Bank, Best Refinancing Investment Bank, Best M & A Investment Bank, Best Corporate Bond Investment Bank, Best Asset-backed Securitization (ABS) Investment Bank, Best Technology and Intelligent Manufacturing Industry Investment Bank, Best New Energy Industry Investment Bank
	Securities Times • Brokerage China	2024 Junding Award for All-round Investment Bank in Chinese Securities Industry, Junding Award for Financial Advisor in M & A, Junding Award for Regional Investment Banks – East China Region
	China Securities Journal	Golden Bull Investment Banking Team
	National Business Daily	2024 Golden Tripod Award – Best Broker and Investment Bank Manager

## Section III Discussion and Analysis of the Board of Directors

Winner	Issuer	Awards or honors
Institution and transaction business	Shanghai Stock Exchange	Outstanding Stock Market Maker on STAR Market
	China Financial Futures Exchange	Outstanding Market Maker for Stock Index Options
	New Fortune	In the “New Fortune Best Analyst” Awards, a total of nine teams were shortlisted and six research teams were ranked in the top three
	China Fund	2024 Ying Hua Award – Outstanding ETF Custodian and Exemplary Institution of Outstanding Private Equity Custodian Securities Firms
	The Asset	Best Domestic Custodian (Brokers), Best Private Fund Custodian and Best Private Fund Administrative Service Institution – QDLP in China
	China Securities Journal	ETF 20th Anniversary Golden Bull Ecosystem Typical Boutique Case – Excellent Custodian Institution of ETF Golden Bull Ecosystem
	Bond Connect Company Limited	2024 Outstanding Market Maker of Northbound Trading Link
	Beijing Financial Assets Exchange	2024 Most Market Innovative Organization, 2024 Most Market Leading Organization, 2024 Most Market Cohesive Organization

## Section III Discussion and Analysis of the Board of Directors

Winner	Issuer	Awards or honors
<b>Investment management business</b>	China-fof	TOP6 in 2024 Best State-owned Market-oriented FoFs
	China Fund	2024 Ying Hua Award – Outstanding ETF Manager, Outstanding Broker Asset Management Model Institution, Fixed-income Broker Asset Management Model Institution
	CV Awards	China's Best Venture Capital LPs TOP30, China's Best FoFs TOP20, China's Most Popular FoFs TOP10 among GPs in 2024
	China Securities Journal	Golden Bull Award for Fund Investment Advisory Services
	National Business Daily	2024 Golden Tripod Award – Most Powerful Broker Asset Management and Most Powerful Broker in ABS
<b>International business</b>	Securities Times • Brokerage China	2024 Junding Award for All-round Asset Management Institution in Chinese Securities Industry
	The Asset	2024 AAA Sustainable Finance Award
	Corporate Governance Asia	The 14th Asian Excellence Awards – Best Investor Relations Company (China) and Asia Sustainable Development Award
	Bond Connect Company Limited	Primary Market Innovative Institution (Underwriters) and Outstanding Investor of Northbound Connect (Investment Banks)

## Section III Discussion and Analysis of the Board of Directors

### IV. DESCRIPTION OF PRINCIPAL BUSINESSES OF THE COMPANY DURING THE REPORTING PERIOD

Driven by customer demand, the Group has established a retail, institutional and corporate customer service system, forming the business segments covering wealth management business, investment banking business, institutional and transaction business, investment management business and international business. The Group generates fee and commission income and interest income mainly through provision of financial products or services for clients and receives investment gains through securities or equity investments.

In terms of specific businesses:

Our wealth management business mainly provides securities and futures brokerage, financial products, investment advisory, margin financing and securities lending, stock pledging, agreed securities repurchase and other services to clients;

Our investment banking business mainly provides listing sponsorship, equity underwriting, debt underwriting, structured debt financing, M&A financial advisory and diversified corporate solutions to corporate and government clients;

Our institutional and transaction business mainly consists of research, institutional brokerage, trading and investment and alternative investment. Among which, institutional brokerage mainly provides prime brokers, seat leasing, custody and outsourcing, QFII and other services to institutional clients; trading and investment business mainly includes investment transactions in stocks, fixed income, foreign exchange, large commodities and their derivative financial instruments, as well as provision of integrated financial solutions for clients' investment, financing and risk management;

Our investment management business provides fund management and asset management services to institutions and individuals;

Our international business covers brokerage, corporate financing, asset management, loans and financing, financial products, market-making, and investment businesses. Additionally, the Group actively expanded into markets in the United States, Europe, and Southeast Asia.

In 2024, the Group realized total revenue and other income of RMB61.757 billion, representing an increase of 18.07% as compared to the same period of last year; profit attributable to equity holders of the Company for the year amounted to RMB13.024 billion, representing an increase of 38.94% as compared to the same period of last year.

## Section III Discussion and Analysis of the Board of Directors

### The Group's business composition and income drivers for 2024

Category of principal business	Total revenue and other income (RMB'000)	Increase compared with the same period of last year (%)	Contribution to total revenue and other income (%)
Wealth Management	20,140,033	15.47	32.61
Investment banking	2,805,736	-23.53	4.54
Institutional and transaction	26,258,208	25.52	42.52
Investment management	4,587,855	2.53	7.43
International business	7,096,032	51.26	11.49
Others	869,214	-21.51	1.41
<b>Total</b>	<b>61,757,078</b>	<b>18.07</b>	<b>100.00</b>

### Description of significant changes in the Company's major assets during the Reporting Period

As at the end of 2024, total assets of the Group amounted to RMB1,047.745 billion, representing an increase of 13.22% compared with the end of last year. Among which, financial assets at fair value through profit or loss amounted to RMB408.473 billion, representing an increase of 9.64% compared with the end of last year, which was mainly due to the adjustment of the scale of the Group's investment in accordance with the market environment; equity instruments at fair value through other comprehensive income amounted to RMB22.021 billion, representing an increase of 1,074.04% compared with the end of last year, which was mainly due to an increase of non-trading equity investment for the Group's consideration of market environment, swap convenience and other factors; margin accounts receivable amounted to RMB106.268 billion, representing an increase of 18.40% compared with the end of last year, mainly due to fluctuations in securities market conditions; cash held on behalf of brokerage customers amounted to RMB202.568 billion, representing an increase of 42.71% compared with the end of last year, which was mainly due to fluctuations in securities market conditions.

Of which, offshore assets amounted to RMB172.959 billion, accounting for 16.51% of the total assets.

## V. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD

√ Applicable    □ Not applicable

During the long development process, the Company has gradually developed three core competitive advantages of integrated service platform, leading digital technology and sound compliance culture, which have played an irreplaceable pillar role in the long-term sustainable and stable development of the Group.

## Section III Discussion and Analysis of the Board of Directors

### (I) Integrated service platform

The Group has a complete set of licenses, comprehensive business, nationwide coverage and overseas exposure, and its main businesses rank among the top in the industry with strong integrated service capability. Since its establishment, the Group has always adhered to the concept of integrated services and provided customers with integrated services, so that its competitiveness has continued to rise, operating performance has maintained leadership and its position in the industry has been consolidated. In 1999, faced with the mission of full consolidation and deep integration, the Group proposed the development direction of adhering to customer-centric integrated services. After its IPO and listing of A-share in 2015, the Group actively capitalized on the advantages of resource endowments and explored and promoted synergy. In recent years, in response to new changes in customer demand and market landscape, the Group the Company clarified the goals, methods and tasks of building an integrated service platform, actively seized the opportunity of the comprehensive reform of state-owned assets and state-owned enterprises, further promoted integrated services, and set up three collaborative development committees for retail, institutional and corporate customers, optimized and improved the supporting guarantee mechanism for collaborative business development, promoted cross-line and cross-divisional collaboration at home and abroad, resulting in closer coordination and cooperation between the head office and subsidiaries and the various business lines, thereby gradually improving the advantages of the Group's comprehensive financial service platform. During the Reporting Period, the Group fully promoted the construction of retail, institutional and corporate customer service systems, and strengthened the interconnection and collaboration of its customer service systems, as such, a comprehensive value mechanism was initially established, the OneID customer master data system was fully established, and the OneLink branch integrated platform was launched. All these efforts have gradually improved the customer-centric integrated service system.

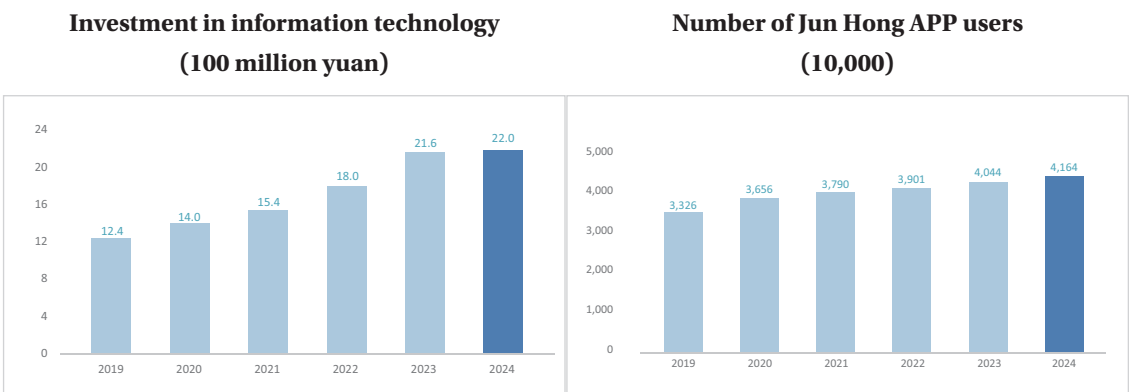
## Section III Discussion and Analysis of the Board of Directors

### (II) Leading digital technology

The Group places great emphasis on strategic investment in technology and continuously promotes proprietary financial technology innovation. The Group is a pioneer in the application of financial technology in the securities industry, and its investment in information technology has always been at the forefront of the industry. In 2003, in response to the industry's large-scale and intensive development trend, the Group took the lead in building a centralized trading system for large-scale application. In 2014, the Group built the industry's first high-level, large-capacity and park-type green data center, which effectively guaranteed the stable operation of the system under extreme market conditions in 2015. In 2017, the Group put forward the AI in ALL artificial intelligence application strategy and explored the application of AI in various fields. In recent years, in the face of the new development trend of accelerated integration and deep mutual embedding between the securities industry and digital technology, the Group was the first in the industry to creatively put forward the comprehensive digital transformation vision of building a "SMART investment bank" and the ecological development concept of "open securities". The Company was the first to complete the construction and switch of the full-link and full-stack decentralized securities core trading system for information technology application and innovation, and was awarded the first prize in FinTech Development Awards by the People's Bank of China, leading the development of digital technology in the industry. In 2024, the construction of the enterprise-level database has been fully completed, the construction of the OneID customer master data operation system covering the whole process has been completed, and the OneLink branch-integrated digital and intelligence business service platform has been launched, therefore, data governance and application capabilities have been greatly improved, and laid a solid foundation for the Company to rapidly realize integrated business development in mergers and acquisitions. The application of artificial intelligence has been comprehensively upgraded, with the implementation of the strategy of "ALL in AI", the Company released the industry's first 100-billion parameter multimodal securities vertical large model – Junhong Lingxi Large Model, and is one of the first companies in the industry to deploy DeepSeek locally. The Company is currently the industry's only securities company to have completed algorithm registration of the Cyberspace

### Section III Discussion and Analysis of the Board of Directors

Administration of China and the registration of generative artificial intelligence services in Shanghai. The digital wealth management platform centred on Jun Hong APP, the comprehensive institutional client service platform centred on Daohe APP and the investment banking digital intelligence platform continued to be upgraded, and at the end of the Reporting Period, Jun Hong APP ranked the second in the industry in terms of average monthly active users, with mobile terminal users of 41.6397 million, representing an increase of 3.0% as compared with the end of precious year; the accumulative number of users of the Daohe platform was 81.8 thousand, with a coverage of 10.6 thousand institutional and corporate customers, representing an increase of 12.4% and 16.2% as compared with the end of last year, respectively; full digital intellectualization of the investment banking business has increased the efficiency of quality control and auditing by more than 50%. In 2024, the Company's investment in information technology amounted to RMB2.2 billion, representing a year-on-year increase of 1.8%. The continuous investment in digital technology plays an increasingly important leading role in enhancing customer experience, promoting business development and improving management capabilities.



Source: Business and financial data of the Company.

Note: The Company's investments in information technology include: IT capital expenditure, daily expenses for IT operation and maintenance, leasing or depreciation cost of computer rooms, circuit leasing cost, remuneration of IT personnel, etc. of the parent company and securities subsidiaries.

## Section III Discussion and Analysis of the Board of Directors

### (III) Sound compliance culture

The Group firmly believes that risk management is the primary core competitiveness of securities companies. Since its establishment, the Group has committed to the business values of soundness and compliance, adhered to the corporate culture of soundness and compliance, and established a comprehensive and effective risk management and internal control system. In addition, the Group has accurately identified and effectively managed risks through a sound risk management system, scientific risk management models and methods and advanced risk management methods, which has promoted the long-term sustainable and comprehensive development of the Group. At the beginning of its establishment in 1999, the Company proposed to focus on the main business and earn profits under the sun. During the integrated management period of the industry from 2004 to 2007, the Company pioneered the third-party custody model and successfully passed through the industry cycle. In 2015, in the face of abnormal fluctuations in the stock market, the Company took the lead in making counter-cyclical adjustment in respect of its margin financing and securities lending business, which maximized the safety of customer assets. In recent years, in the face of the new environment of the increasingly stricter compliance and risk control, the Group has gradually consolidated the foundation of a group-based unified risk management system, strived to build three lines of defense, namely business units, compliance risk control and audit, promoted the formation of a complete set of scientific, complete, efficient, intensive and professional group-based comprehensive risk control management system and comprehensively built a lifeline for high-quality development; constantly strengthened its comprehensive risk pre-warning and response capabilities, continuously improved the refined level of compliance risk management, and steadily propelled its risk management to shift from postmortem to forward-looking judgment, from passive management to active empowerment, ensuring the stable and healthy development of the Group. In 2024, the Group continued to improve its compliance and risk control management system, continuously optimized its mechanisms and processes, strengthened the penetration control in key areas, enhanced its professional empowerment and firmly held the bottom line of preventing systemic financial risks from occurring. So far, the Company was the only company in the industry to attain the Grade AA rating in Class A from the CSRC for 17 consecutive years and the highest rating in the industry cultural construction practice evaluation for four consecutive years.

## Section III Discussion and Analysis of the Board of Directors

### VI. PRINCIPAL OPERATION CONDITION DURING THE REPORTING PERIOD

#### (I) Analysis of financial statements

##### 1 Analysis of consolidated statements of profit or loss

##### (1) Total revenue and other income structure

Unit: thousand yuan Currency: RMB

Items	January to December of 2024		January to December of 2023		Changes	
	Amount	Component	Amount	Component	Amount	Component
Fee and commission income	21,080,124	34.13%	18,748,922	35.85%	2,331,202	12.43%
Interest income	15,064,409	24.39%	15,635,577	29.89%	-571,168	-3.65%
Net investment gains	14,795,459	23.96%	9,120,378	17.44%	5,675,081	62.22%
<b>Total revenue</b>	<b>50,939,992</b>	<b>82.48%</b>	<b>43,504,877</b>	<b>83.18%</b>	<b>7,435,115</b>	<b>17.09%</b>
Other income and gains	10,817,086	17.52%	8,798,954	16.82%	2,018,132	22.94%
<b>Total revenue and other income</b>	<b>61,757,078</b>	<b>100.00%</b>	<b>52,303,831</b>	<b>100.00%</b>	<b>9,453,247</b>	<b>18.07%</b>

In 2024, the Group realized total revenue and other income of RMB61.757 billion, representing an increase of 18.07% as compared to the same period of last year. Of which, fee and commission income amounted to RMB21.080 billion, accounting for 34.13% and representing an increase of 12.43% as compared to the same period of last year, which was mainly due to increase in securities brokerage and futures brokerage revenues; net investment gains amounted to RMB14.795 billion, accounting for 23.96% and representing an increase of 62.22% as compared to the same period of last year, which was mainly due to an increase in investment gains in financial instruments at fair value through profit or loss; other income and gains amounted to RMB10.817 billion, accounting for 17.52% and representing an increase of 22.94% as compared to the same period of last year, which was mainly due to increase in sales revenue of bulk commodity tradings.

## Section III Discussion and Analysis of the Board of Directors

### (2) Total expenses structure

Unit: thousand yuan    Currency: RMB

Items	January to December of 2024		January to December of 2023		Changes	
	Amount	Component	Amount	Component	Amount	Component
Fee and commission expenses	5,953,030	13.11%	3,681,163	9.08%	2,271,867	61.72%
Interest expenses	12,707,342	27.99%	12,832,969	31.66%	-125,627	-0.98%
Staff costs	10,475,942	23.08%	9,910,878	24.45%	565,064	5.70%
Depreciation and amortization expenses	1,591,874	3.51%	1,514,452	3.73%	77,422	5.11%
Tax and surcharges	197,149	0.43%	185,331	0.46%	11,818	6.38%
Other operating expenses and costs	14,183,742	31.24%	12,115,669	29.89%	2,068,073	17.07%
Provision for impairment losses	41,602	0.09%	32,399	0.08%	9,203	28.41%
Credit loss expense	249,973	0.55%	262,518	0.65%	-12,545	-4.78%
<b>Total expenses</b>	<b>45,400,654</b>	<b>100.00%</b>	<b>40,535,379</b>	<b>100.00%</b>	<b>4,865,275</b>	<b>12.00%</b>

In 2024, the Group's total expenses amounted to RMB45.401 billion, representing an increase of 12.00% compared with the same period of last year, among which: fee and commission expenses amounted to RMB5.953 billion, accounting for 13.11%, representing an increase of 61.72% compared with the same period of last year, primarily due to that increase in expense in futures brokerage business; other operating expenses and costs amounted to RMB14.184 billion, accounting for 31.24%, representing an increase of 17.07% compared with the same period of last year, which was mainly due to increase in cost of bulk commodity trading; credit loss expense accrued amounted to RMB0.250 billion, due to the fact that after taking into account the changes in the market environment and project conditions, combined with the assessment of the expected credit loss model, a provision for credit impairments was made in this year.

## Section III Discussion and Analysis of the Board of Directors

### 2 Analysis of consolidated statements of cash flows

In 2024, the net decrease in cash and cash equivalents of the Group was RMB5.553 billion, among which:

Net cash used in operating activities amounted to RMB4.337 billion, mainly attributed to (i) an increase of RMB60.425 billion in cash held on behalf of brokerage customers; (ii) an increase of RMB33.054 billion in financial instruments and derivative financial instruments measured at fair value through profit or loss for the current period; (iii) an increase of RMB16.600 billion in margin accounts receivable, which was partially offset by (i) an increase of RMB73.946 billion in accounts payable to brokerage customer; (ii) an increase of RMB28.127 billion in financial assets sold under repurchase agreements.

Net cash used in investing activities amounted to RMB8.725 billion, mainly due to the cash payment of RMB107.795 billion for the purchase of financial assets measured at fair value through other comprehensive income and other investments, partially offset by the cash received from the disposal of financial assets measured at fair value through other comprehensive income and other investments of RMB95.561 billion.

Net cash flow generated from financing activities amounted to RMB7.509 billion, mainly due to (i) cash received from loans and borrowings of RMB91.430 billion; (ii) cash received from the issuance of bonds of RMB31.881 billion; (iii) cash received from the issuance of short-term debt instruments of RMB59.350 billion, which was partially offset by (i) cash repayments of loans and borrowings of RMB94.141 billion; (ii) cash repayments of debt securities issued of RMB63.156 billion.

## Section III Discussion and Analysis of the Board of Directors

### 3 Analysis of consolidated statements of financial position

Unit: thousand yuan Currency: RMB

Items	31 December 2024		31 December 2023		Changes	
	Amount	Component	Amount	Component	Amount	Component
<b>Non-current assets</b>						
Property and equipment	4,329,909	0.41%	4,345,379	0.47%	-15,470	-0.36%
Investment property	1,033,781	0.10%	1,067,254	0.11%	-33,473	-3.14%
Right-of-use assets	2,158,939	0.20%	2,311,388	0.25%	-152,449	-6.60%
Goodwill	4,070,761	0.39%	4,070,761	0.44%	-	0.00%
Other intangible assets	908,140	0.09%	840,235	0.09%	67,905	8.08%
Investments in associates	8,154,064	0.78%	7,556,250	0.82%	597,814	7.91%
Investments in joint ventures	5,067,765	0.48%	5,234,512	0.57%	-166,747	-3.19%
Debt investments at amortised cost	3,584,371	0.34%	3,010,433	0.32%	573,938	19.06%
Debt instruments at fair value through other comprehensive income	66,907,683	6.39%	76,450,493	8.26%	-9,542,810	-12.48%
Equity instruments at fair value through other comprehensive income	21,395,129	2.04%	1,806,371	0.19%	19,588,758	1084.43%
Financial assets held under resale agreements	1,810,988	0.17%	1,783,561	0.19%	27,427	1.54%
Financial assets at fair value through profit or loss	12,083,399	1.15%	22,550,093	2.44%	-10,466,694	-46.42%
Refundable deposits	69,011,661	6.59%	56,787,627	6.14%	12,224,034	21.53%
Deferred tax assets	1,424,446	0.14%	2,457,519	0.27%	-1,033,073	-42.04%
Other non-current assets	275,077	0.03%	199,939	0.02%	75,138	37.58%
<b>Total</b>	<b>202,216,113</b>	<b>19.30%</b>	<b>190,471,815</b>	<b>20.58%</b>	<b>11,744,298</b>	<b>6.17%</b>
<b>Current assets</b>						
Accounts receivable	13,082,258	1.25%	16,823,117	1.82%	-3,740,859	-22.24%
Other current assets	2,685,088	0.26%	2,409,925	0.26%	275,163	11.42%
Margin accounts receivable	106,268,255	10.14%	89,753,965	9.70%	16,514,290	18.40%
Debt investments at amortised cost	410,934	0.04%	604,110	0.06%	-193,176	-31.98%
Debt instruments at fair value through other comprehensive income	19,120,035	1.82%	17,696,292	1.91%	1,423,743	8.05%
Equity instruments at fair value through other comprehensive income	626,186	0.06%	69,309	0.01%	556,877	803.47%
Financial assets held under resale agreements	58,834,713	5.62%	67,882,530	7.34%	-9,047,817	-13.33%
Financial assets at fair value through profit or loss	396,390,006	37.83%	350,024,147	37.82%	46,365,859	13.25%
Derivative financial assets	9,016,783	0.86%	9,672,698	1.05%	-655,915	-6.78%
Clearing settlement funds	9,813,170	0.94%	7,315,428	0.79%	2,497,742	34.14%
Cash held on behalf of brokerage customers	202,568,220	19.33%	141,939,238	15.34%	60,628,982	42.71%
Cash and bank balances	26,713,651	2.55%	30,739,910	3.32%	-4,026,259	-13.10%
<b>Total</b>	<b>845,529,299</b>	<b>80.70%</b>	<b>734,930,669</b>	<b>79.42%</b>	<b>110,598,630</b>	<b>15.05%</b>
<b>Total assets</b>	<b>1,047,745,412</b>	<b>100.00%</b>	<b>925,402,484</b>	<b>100.00%</b>	<b>122,342,928</b>	<b>13.22%</b>

## Section III Discussion and Analysis of the Board of Directors

Unit: thousand yuan Currency: RMB

Items	31 December 2024		31 December 2023		Changes	
	Amount	Component	Amount	Component	Amount	Component
<b>Current liabilities</b>						
Loans and borrowings	9,196,390	1.06%	11,661,690	1.55%	-2,465,300	-21.14%
Short-term debt instruments	47,491,065	5.46%	19,372,094	2.58%	28,118,971	145.15%
Placements from other financial institutions	5,416,271	0.62%	11,744,902	1.56%	-6,328,631	-53.88%
Accounts payable to brokerage customers	252,069,517	28.96%	178,055,072	23.68%	74,014,445	41.57%
Employee benefits payable	8,072,898	0.93%	7,728,844	1.03%	344,054	4.45%
Income tax payable	632,231	0.07%	1,078,951	0.14%	-446,720	-41.40%
Financial assets sold under repurchase agreements	244,937,517	28.14%	216,829,590	28.83%	28,107,927	12.96%
Financial liabilities at fair value through profit or loss	66,269,045	7.61%	57,623,628	7.66%	8,645,417	15.00%
Derivative financial liabilities	9,391,575	1.08%	11,488,606	1.53%	-2,097,031	-18.25%
Bonds payable	31,392,278	3.61%	32,443,108	4.31%	-1,050,830	-3.24%
Contract liabilities	22,076	0.00%	80,141	0.01%	-58,065	-72.45%
Lease liabilities	666,432	0.08%	615,271	0.08%	51,161	8.32%
Other current liabilities	80,698,295	9.27%	82,087,047	10.92%	-1,388,752	-1.69%
<b>Total</b>	<b>756,255,590</b>	<b>86.89%</b>	<b>630,808,944</b>	<b>83.88%</b>	<b>125,446,646</b>	<b>19.89%</b>
<b>Net current assets</b>	<b>89,273,709</b>		<b>104,121,725</b>		<b>-14,848,016</b>	<b>-14.26%</b>
<b>Non-current liabilities</b>						
Loans and borrowings	539,495	0.06%	549,552	0.07%	-10,057	-1.83%
Bonds payable	102,606,187	11.79%	101,582,435	13.51%	1,023,752	1.01%
Lease liabilities	975,153	0.11%	1,214,080	0.16%	-238,927	-19.68%
Deferred tax liabilities	397,060	0.05%	155,141	0.02%	241,919	155.93%
Financial liabilities at fair value through profit or loss	9,014,927	1.04%	17,200,633	2.29%	-8,185,706	-47.59%
Other non-current liabilities	483,303	0.06%	513,689	0.07%	-30,386	-5.92%
<b>Total</b>	<b>114,016,125</b>	<b>13.11%</b>	<b>121,215,530</b>	<b>16.12%</b>	<b>-7,199,405</b>	<b>-5.94%</b>
<b>Total liabilities</b>	<b>870,271,715</b>	<b>100.00%</b>	<b>752,024,474</b>	<b>100.00%</b>	<b>118,247,241</b>	<b>15.72%</b>
<b>Total equity</b>	<b>177,473,697</b>		<b>173,378,010</b>		<b>4,095,687</b>	<b>2.36%</b>

## Section III Discussion and Analysis of the Board of Directors

As of 31 December 2024, total assets of the Group were RMB1,047.745 billion, representing an increase of 13.22% compared with the end of last year; total liabilities were RMB870.272 billion, representing an increase of 15.72% compared with the end of last year; total equity was RMB177.474 billion, representing an increase of 2.36% compared with the end of last year.

The assets of the Group was mainly comprised of: financial assets at fair value through profit or loss of RMB408.473 billion (38.98% of total assets); cash held on behalf of brokerage customers of RMB202.568 billion (19.33% of total assets); margin accounts receivable of RMB106.268 billion (10.14% of total assets); debt instruments at fair value through other comprehensive income of RMB86.028 billion (8.21% of total assets); financial assets held under resale agreements of RMB60.646 billion (5.79% of total assets). Among the above, current assets amounted to RMB845.529 billion and accounted for 80.70% of total assets. The liquidity of the Group was fine with reasonable structure. In addition, the Group made impairment provisions for the assets showing impairment indications under market fluctuation and therefore the assets were of relatively high quality.

### ***Non-current assets***

As of 31 December 2024, non-current assets amounted to RMB202.216 billion, representing an increase of 6.17% compared with the end of last year. Among which: refundable deposits amounted to RMB69.012 billion, representing an increase of 21.53% compared with the end of last year, which was primarily due to fluctuations in securities market conditions; equity instruments at fair value through other comprehensive income amounted to RMB21.395 billion, representing an increase of 1,084.43% compared with the end of last year, which was mainly due to an increase of non-trading equity investment for the Group's consideration of market environment, swap convenience and other factors; debt instruments at fair value through other comprehensive income amounted to RMB66.908 billion, representing a decrease of 12.48% compared with the end of last year; financial assets at fair value through profit or loss amounted to RMB12.083 billion, representing a decrease of 46.42% compared with the end of last year, which was primarily due to the adjustment in the scale of such investment by the Group according to the market environment.

### ***Current assets***

As of 31 December 2024, current assets amounted to RMB845.529 billion, representing an increase of 15.05% compared with the end of last year. Among which: financial assets at fair value through profit or loss amounted to RMB396.390 billion, representing an increase of 13.25% compared with the end of last year, which was primarily due to the increase in the scale of such investment by the Group according to the market environment; cash held on behalf of brokerage customers amounted to RMB202.568 billion, representing an increase of 42.71% compared with the end of last year, which was primarily due to fluctuations in securities market conditions.

## Section III Discussion and Analysis of the Board of Directors

### ***Current liabilities***

As of 31 December 2024, current liabilities amounted to RMB756.256 billion, representing an increase of 19.89% compared with the end of last year. Among which: accounts payable to brokerage customers amounted to RMB252.070 billion, representing an increase of 41.57% compared with the end of last year, which was primarily due to fluctuations in securities market conditions; short-term debt instruments amounted to RMB47.491 billion, representing an increase of 145.15% compared with the end of last year; financial assets sold under repurchase agreements amounted to RMB244.938 billion, representing an increase of 12.96% compared with the end of last year, which was primarily due to the increase in the scale of the above-mentioned liabilities by the Group based on its business development needs and in combination with the optimization of its liability structure.

### ***Non-current liabilities***

As of 31 December 2024, non-current liabilities amounted to RMB114.016 billion, representing a decrease of 5.94% compared with the end of last year. Among which: financial liabilities at fair value through profit or loss amounted to RMB9.015 billion, representing a decrease of 47.59% compared with the end of last year, which was primarily due to the Group's adjustment to its liability structure.

### ***Equity***

As of 31 December 2024, the Group's equity attributable to equity holders of the Company amounted to RMB170.775 billion, representing an increase of 2.28% compared with the end of last year.

### ***Major restricted assets at the end of the Reporting Period***

For details of assets with restricted ownership or use rights, please refer to notes to the consolidated financial statements.

### ***Borrowings and debt financing***

As of 31 December 2024, total borrowings and debt financing of the Group amounted to RMB191.225 billion, details of which are set out as follows:

	<i>Unit: thousand yuan    Currency: RMB</i>	
	<b>31 December 2024</b>	31 December 2023
Loans and borrowings	<b>9,735,885</b>	12,211,242
Short-term debt instruments	<b>47,491,065</b>	19,372,094
Bonds payable	<b>133,998,465</b>	134,025,543
<b>Total</b>	<b>191,225,415</b>	165,608,879

## Section III Discussion and Analysis of the Board of Directors

For details of the interest rate and the terms of loans and borrowings, short-term debt instruments and bonds payable, please refer to notes to the annual condensed consolidated financial statements.

Except for borrowings and debt financing, the Group obtained funds through placements from other financial institutions and financial assets sold under repurchase agreements. As of 31 December 2024, the balance of placements from other financial institutions was RMB5.416 billion, while the balance of financial assets sold under repurchase agreements was RMB244.938 billion. Total debts mentioned above was RMB441.579 billion.

Except for liabilities disclosed in this report, the Group did not have, as of 31 December 2024, any outstanding mortgages, charges, bonds, other debt capital, liabilities under acceptance or other similar indebtedness, guarantees or other material contingent liabilities.

### ***Major customers and suppliers***

In 2024, revenue from the five largest customers of the Group accounted for less than 2% of its total revenue and other income, and none of the five largest customers is its related party. None of the Directors, supervisors and their respective associates as well as Shareholders holding more than 5% of the issued share capital of the Company has any interest in any of the five largest customers of the Company.

Due to its business nature, the Group has no major suppliers.

## **(II) Analysis of investments**

### **Overall analysis of external equity investments**

☐ Applicable    ☒ Not applicable

#### **1. Material equity investments**

☐ Applicable    ☒ Not applicable

#### **2. Material non-equity investments**

☐ Applicable    ☒ Not applicable

## Section III Discussion and Analysis of the Board of Directors

### 3. Financial assets measured at fair value

☒ Applicable   ☐ Not applicable

Unit: yuan   Currency: RMB

Type of assets	Opening balance of the period	Closing balance of the period	Regular changes	Effect on the amount of profit for the current period
Financial instruments at fair value through profit or loss	297,749,978,422	333,189,433,322	35,439,454,900	10,358,099,811
Debt instruments at fair value through other comprehensive income	94,146,784,972	86,027,717,556	-8,119,067,416	2,969,881,978
Equity instruments at fair value through other comprehensive income	1,875,680,246	22,021,314,908	20,145,634,662	394,036,890
Derivative financial instruments	-1,815,908,441	-374,791,684	1,441,116,757	3,151,367,684
<b>Total</b>	<u>391,956,535,199</u>	<u>440,863,674,102</u>	<u>48,907,138,903</u>	<u>16,873,386,363</u>

#### Securities investment

☐ Applicable   ☒ Not applicable

#### Description of securities investment

☐ Applicable   ☒ Not applicable

#### Investment in private funds

☐ Applicable   ☒ Not applicable

#### Investment in derivatives

☐ Applicable   ☒ Not applicable

## Section III Discussion and Analysis of the Board of Directors

### 4. *Specific progress of major asset restructuring and integration*

☒ Applicable    ☐ Not applicable

In order to achieve resource sharing and complementary advantages, as well as to accelerate the establishment of a first-class investment bank with international competitiveness and market leadership, the Company proactively promoted the matters in relation to the merger with Haitong Securities by way of absorption and a share-for-share exchange and raise ancillary funds and the related-party transaction (hereinafter referred to as “the Transaction”). The Transaction was implemented by merging with Haitong Securities by way of absorption and a share-for-share exchange, that is, the Company issued 5,985,871,332 A Shares to all A share-exchange shareholders of Haitong Securities and 2,113,932,668 H shares to all H share-exchange shareholders of Haitong Securities. The exchange ratio was 0.62 A shares for every 1 A share of Haitong Securities, and 0.62 H shares for every 1 H share of Haitong Securities. At the same time, 626,174,076 A shares were issued by the Company to Shanghai SA to raise ancillary funds of RMB10 billion.

The progress of the Transaction is as follows:

On 6 September 2024, the trading of the Company’s A shares and H shares was suspended due to the preparation of the Transaction.

On 9 October 2024, the Company convened the 28th extraordinary meeting of the sixth session of the Board, at which the resolution on the proposed merger with Haitong Securities Co., Ltd. by way of absorption and a share-for-share exchange by Guotai Junan Securities Co., Ltd. and raise ancillary funds and the related-party transaction and the summary and other related resolutions were considered and approved. On the same day, the Company entered into the “Merger by Absorption and Share-for-Share Exchange Agreement Between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd.” with Haitong Securities. On 10 October 2024, the trading of the Company’s A shares and H shares was resumed.

On 19 November 2024, the Transaction was approved by Shanghai State-owned Assets Supervision and Administration Commission (Hu Guo Zi Wei Chan Quan [2024] No. 211).

On 21 November 2024, the Company convened the 29th extraordinary meeting of the sixth session of the Board, at which the resolution on the merger with Haitong Securities Co., Ltd. by way of absorption and a share-for-share exchange by Guotai Junan Securities Co., Ltd. and raise ancillary funds and the report on related-party transaction (draft) and the summary and other related resolutions were considered and approved.

## Section III Discussion and Analysis of the Board of Directors

On 13 December 2024, the Company convened the third extraordinary general meeting for 2024, at which the resolution regarding the proposed merger with Haitong Securities Co., Ltd. by way of absorption and a share-for-share exchange by Guotai Junan Securities Co., Ltd. and raise ancillary funds and the related-party transaction (draft) and the summary and other related resolutions were considered and approved.

On 9 January 2025, the Transaction was approved by the Merger, Acquisition and Reorganization Review Committee of the Shanghai Stock Exchange.

On 15 January 2025, the conditional approval from the Hong Kong Stock Exchange for the listing of the H Shares of the Company to be issued as consideration of the share-exchange on the Hong Kong Stock Exchange has been granted.

On 17 January 2025, the Transaction has obtained the approval of the China Securities Regulatory Commission for “the Registration of the Merger by Absorption between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. (海通證券股份有限公司) and Raising of Ancillary Funds, Approval of the Merger by Guotai Junan Securities Co., Ltd. of Haitong Securities Co., Ltd., Change of Substantial Shareholder and De Facto Controller of HFT Investment Management Co., Ltd. (海富通基金管理有限公司), Change of Substantial Shareholder of Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司), Change of Substantial Shareholder and De Facto Controller of Haitong Futures Co., Ltd. (海通期貨股份有限公司)” Zheng Jian Xu Ke [2025] No.96) from the CSRC, and has obtained the necessary approvals from all jurisdictions deemed necessary for the purpose of the merger.

On 25 February 2025, the Haitong Securities A shares were delisted as decided by the Shanghai Stock Exchange, and the Hong Kong Stock Exchange approved the withdrawal of the listing of Haitong Securities H shares on the Hong Kong Stock Exchange.

On 4 March 2025, Haitong Securities A shares were delisted from the Shanghai Stock Exchange, and the listing of Haitong Securities H shares on the Hong Kong Stock Exchange was revoked.

On 13 March 2025, the share registration of the additional A shares in relation to the A share exchange and the raising of ancillary funds involved in the Transaction has been completed. On 14 March 2025, the share registration of the additional H shares in relation to the H share exchange involved in the Transaction has been completed.

On 17 March 2025, the additional A shares in relation to the A share exchange and the raising of ancillary funds involved in the Transaction and the additional H shares in relation to the H share exchange involved in the Transaction were listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, respectively, for trading.

## Section III Discussion and Analysis of the Board of Directors

From 14 March 2025, the Company will assume all assets, liabilities, businesses, personnel, contracts, qualifications, and other rights and obligations of Haitong Securities. The Company will handle the registration procedures for the relevant industrial and commercial changes of the company name and registered capital.

**The Group did not hold any significant investment with a value exceeding 5% of its total assets as of 31 December 2024.**

### (III) Material assets and equity disposal

☐ Applicable    ☒ Not applicable

### (IV) Analysis of main holding companies

☒ Applicable    ☐ Not applicable

#### 1. Guotai Junan Financial Holdings

Guotai Junan Financial Holdings primarily conducts brokerage, corporate finance, asset management, loans and financing as well as financial products, market making and investments businesses in Hong Kong through Guotai Junan International and its subsidiaries.

The paid-up capital of Guotai Junan Financial Holdings is HK\$2,611,980,000 and the Company holds its 100% equity interest.

Under the Hong Kong Financial Reporting Standards, as of 31 December 2024, total assets of Guotai Junan Financial Holdings were HK\$190.619 billion with net assets of HK\$17.435 billion; in 2024, its operating revenue was HK\$7.834 billion and its net profit was HK\$1.423 billion.

#### 2. Guotai Junan Asset Management

Guotai Junan Asset Management is principally engaged in the licensed project: public fund management business and the general project: securities asset management business.

The registered capital of Guotai Junan Asset Management is RMB2 billion and the Company holds its 100% equity interest.

As of 31 December 2024, total assets of Guotai Junan Asset Management were RMB7.734 billion with net assets of RMB6.312 billion; in 2024, its operating revenue was RMB1.709 billion and its net profit was RMB337 million.

## Section III Discussion and Analysis of the Board of Directors

### 3. Guotai Junan Futures

Guotai Junan Futures is principally engaged in commodity futures brokerage, financial futures brokerage, futures investment consulting and assets management.

The registered capital of Guotai Junan Futures is RMB5.5 billion and the Company holds its 100% equity interest.

As of 31 December 2024, total assets of Guotai Junan Futures were RMB151.394 billion with net assets of RMB10.509 billion; in 2024, its operating revenue was RMB12.411 billion and its net profit was RMB817 million.

### 4. Guotai Junan Innovation Investment

Guotai Junan Innovation Investment is principally engaged in equity investment business and other businesses approved by the CSRC.

The registered capital of Guotai Junan Innovation Investment is RMB7.5 billion and the Company holds its 100% equity interest.

As of 31 December 2024, total assets of Guotai Junan Innovation Investment were RMB8.338 billion with net assets of RMB7.781 billion; in 2024, its operating revenue was RMB188 million and its net profit was RMB42 million.

### 5. Guotai Junan Zhengyu

Guotai Junan Zhengyu is principally engaged in equity investment, financial product investment, and businesses as stipulated in the Management Norms of Alternative Investment Subsidiaries of Securities Companies.

The registered capital of Guotai Junan Zhengyu is RMB4.5 billion and the Company holds its 100% equity interest.

As of 31 December 2024, total assets of Guotai Junan Zhengyu were RMB6.750 billion with net assets of RMB6.359 billion; in 2024, its operating revenue was RMB542 million and its net profit was RMB381 million.

## Section III Discussion and Analysis of the Board of Directors

### 6. HuaAn Funds

HuaAn Funds is principally engaged in fund establishment, management of fund business and other businesses approved by the CSRC.

The registered capital of HuaAn Funds is RMB0.15 billion and the Company holds its 51% equity interest.

As of 31 December 2024, total assets of HuaAn Funds were RMB7.767 billion with net assets of RMB5.687 billion; in 2024, its operating revenue was RMB3.110 billion and its net profit was RMB910 million.

### 7. Shanghai Securities

Shanghai Securities is principally engaged in securities business (securities brokerage; securities investment consultation; financial advisory relating to securities trading and securities investment; securities (exclusive of stocks and corporate bonds issued by listed companies) underwriting; securities proprietary trading; securities asset management; margin financing and securities lending; agency sale of financial products); sale of securities investment fund and the general project: intermediary business for futures companies.

The registered capital of Shanghai Securities is RMB5,326,532,000 and the Company holds its 24.99% equity interest.

As of 31 December 2024, total assets of Shanghai Securities were RMB85.527 billion with net assets of RMB18.807 billion; in 2024, its operating revenue was RMB5.260 billion and its net profit was RMB955 million.

## (V) The situation of structured entities controlled by the Company

☒ Applicable    ☐ Not applicable

As of 31 December 2024, the Group consolidated 134 structured entities, which include asset management schemes, funds and partnerships. For those funds or asset management schemes where the Group is involved as a manager or held by the Group, and partnerships where the Group is involved as general partner or investment manager, the Group considered that it had control rights over some funds and asset management schemes and certain partnerships and incorporated them into the consolidated category after comprehensively taking into account various factors such as the investment decision rights they owned and their exposures to the variable returns. As at 31 December 2024, the effect of the above structured entities which were incorporated into the consolidated category on the Group's consolidated total assets was RMB7.823 billion, and the effect on the consolidated operating revenue and consolidated net profit in 2024 was RMB91 million and RMB38 million.

## Section III Discussion and Analysis of the Board of Directors

### (VI) Establishment and disposal of branches

#### 1. Establishment and disposal of branches and business branches

During the Reporting Period, the Group newly established 4 securities business branches and 10 futures branches, relocated 5 securities branches and 38 securities business branches in the same cities and deregistered 2 securities business branches in China. Please refer to Appendix III for the details of establishment and disposal.

	Newly established branches	Newly established business branches	Relocated branches	Relocated business branches	Deregistered business branches
The Company	–	4	5	38	2
Guotai Junan Futures <sup>Note</sup>	10	–	–	–	–

Note: Guotai Junan Futures has 8 business branches upgraded to branches

### (VII) Principal financing channel, structure of long – and short-term liabilities, measures taken and management policies adopted to maintain liquidity, financing ability, contingent matters and their effects on financial conditions

#### 1. Financing channel

In the PRC, the Company mainly uses financing products such as interbank borrowings, debt securities repurchase, short-term financing bills, financial bonds, corporate bonds, subordinated bonds, structured notes, margin refinancing, perpetual bonds, convertible bonds, new issuance and placing to provide short-term financing and medium-to-long-term financing through exchanges and interbank and over-the-counter markets according to relevant policies and regulations, as well as market environment and its own needs. The Company may also raise funds overseas through placing, convertible bonds, rights issue and issuance of medium-term notes, etc., thereby supporting the Company's business development.

#### 2. Liability structure

For details, please refer to “3 Analysis of consolidated statements of financial position” in “VI. PRINCIPAL OPERATION CONDITION DURING THE REPORTING PERIOD” in this section.

## Section III Discussion and Analysis of the Board of Directors

### 3. Liquidity management policies and measures

In order to maintain the liquidity and yield rate of its assets, the Company has established a liquidity reserve pool system as well as mechanisms relating to the management and operation of proprietary funds and liquidity, whereby the Company has established explicit responsibility division and authorization mechanism for the departments involved therein, to enhance the professionalism of the management and operation of liquidity. The Company has established and improved its financing strategies by continuously improving the diversity and stability of its source of funding, thus effectively maintaining its overall liquidity position at a relatively safe level. In respect of liquidity operation, the Company always maintains short-term financing channels, such as relatively stable interbank borrowing and repurchase, in domestic exchanges and interbank markets, and continuously exploits new trading methods and counterparties.

### 4. Analysis of financing capability and financing strategies

The Company enjoys a well-established operation and good reputation with strong capital strength, profitability and solvency. The Company has maintained the international credit ratings at BBB+ by Standard & Poor and Baa1 by Moody for many years, and good cooperative relations with major commercial banks for a long time by enjoying generous credit lines. At the same time, the Company has strong short-term and medium-to-long-term financing capabilities since its various risk regulatory indicators have met the relevant regulatory requirements, and its financing channels have been smooth. As a listed securities company, the Company can also reasonably determine the scale and timing of financing through equity refinancing and other means to meet its capital needs for long-term development.

The Company has continuously strengthened its asset and liability portfolio management, and dynamically planned its financing strategies in light of the market environment and business capital needs. The Company will strengthen the coordinated management of domestic and overseas capital needs, continue to improve its overall capital allocation efficiency, and ensure the capital needs for business development. Meanwhile, the Company will continue to explore diversified domestic and overseas financing models and types of financing, strengthen the research and application of interest rate and exchange rate markets, and balance financing security and cost control.

## Section III Discussion and Analysis of the Board of Directors

### VII. DISCUSSION AND ANALYSIS OF THE COMPANY ON ITS FUTURE DEVELOPMENT

#### (I) Industry landscape and trend

☒ Applicable   ☐ Not applicable

Since 2024, the new “National Nine Articles”, and the “1+N” series policy concerning the capital market were successively issued, highlighting strengthening supervision, preventing risk and promoting high-quality development as the main line, emphasizing on “strengthening foundation” and “imposing stricter supervision and management”, and imposing higher requirements for promoting the securities industry to return to its roots, accelerate transformation and upgrading and promote high-quality development. Against this backdrop, the securities industry strengthens the fulfillment of functional responsibilities and missions, continuously improves professional service capabilities and globalization level, and further presents a development trend of service integration, differentiated competition, globalization development and digital intellectualization of operations.

##### 1. Service integration

The PRC capital market has entered a new stage of building a modern capital market with Chinese characteristics. With the continuous deepening of capital market reform and the continuous accumulation of wealth of Chinese residents, the traditional business model of securities firms is in urgent need of transformation and innovation. On the financing side, the emphasis is on serving new-quality productive forces and efforts are being made to improve the quality of listed companies. On the investment and trading sides, various medium – and long-term funds are accelerating their entry into the market and more attention is being paid to investor returns. Retail, institutional and corporate customer demands are becoming more specialized, diversified and comprehensive. Traditional business and service models of securities companies are in urgent need of transformation and innovation. At the same time, other financial institutions represented by banks and insurance companies are also penetrating into the securities business with their own advantages, challenging the comprehensive service capabilities of securities firms. In the future, in order to adapt to the changes in customer demands and competitive environment, securities companies will accelerate the promotion of innovative business and continue to expand the depth and breadth of business and services, and integrating business, products, channels, and support service systems to transform into an all-round integrated financial service provider with a complete business, industrial and service chains, and shifting from a passive channel provider to a market organizer, enterprise partner, product creator, risk manager, and value explorer.

## Section III Discussion and Analysis of the Board of Directors

### 2. Differentiated competition

The experience from developed countries in Europe and America shows that differentiation and centralization are the inevitable path for the development of the securities industry. In recent years, with the improvement of marketization and increasingly fierce market competition, the PRC securities industry has gradually transformed from homogenization, decentralization and channelization to differentiation, centralization and specialization, with capital, profits and principal business shares concentrated in top securities companies. The increasingly intensified market competition and the rapid development of innovative business have imposed higher requirements on the capital strength, talent pool and risk management capabilities of securities companies and also explored broader development space for securities companies, promoting the increasingly business differentiation of the securities industry and the concentration of high-quality project resources to leading securities companies. The CSRC has proposed to “establish two or three investment banks and institutions with international competitiveness and market leadership by 2035”. Top securities companies will continue to expand their scale and enhance their strength through endogenous growth and external development, accelerate the enhancement of competitive advantages in the entire market and business fields and achieve comprehensive leadership. At the same time, small and medium-sized securities companies without comprehensive advantages will concentrate their advantageous resources and other favorable conditions to establish competitive advantages in certain segmented business areas or regional markets and form a differentiated and multi-level competitive landscape with top securities companies.

### 3. Globalization development

With the further comprehensive deepening of reforms and the continuous optimization of the opening-up system, the PRC capital market and securities industry has continued to expand its high-level systematic opening-up and accelerated to introduce and implement various opening-up measures. The system for overseas listing and financing of enterprises has been continuously improved, the scope of stock connect has gradually expanded, the international product system has become increasingly diverse and the cooperation between domestic and overseas markets has continued to deepen. In this process, the internationalization level of the PRC securities industry has further improved, more and more domestic securities firms are intensifying their efforts to expand overseas markets through branches establishment, business cooperation, and mergers and acquisitions. Particularly, they are enhancing branches establishment and team layouts in regions along the “Belt and Road”, to provide comprehensive cross-border investment and financing services for global institutional investors and domestic and foreign industrial clients. In the future, the high-level two-way opening of the capital market will be further deepened and the convenience of cross-border investment and financing

## Section III Discussion and Analysis of the Board of Directors

will be further improved, which will bring more diverse cross-border business scenarios and service tools and more opportunities for the international development of securities firms. At the same time, securities companies are also required to make forward-looking layouts in various aspects such as license qualifications, system construction, customer acquisition, product reserves and capacity building to strengthen cross-border integrated risk control and business collaboration. Among them, leading securities companies have the greater potential to grow into large-scale investment banks with international competitiveness by allocating resources, serving customers and managing risks globally.

### 4. Digital and intelligent operations

Advanced digital and intelligent technologies have profoundly changed the operating environment and competitive landscape of the securities industry. In response to the penetration of the internet and the new revolution caused by large models, securities firms have increased their investment in information technology. Advanced digital technologies have been used to enhance customer experience, optimize business processes, improve operational efficiency and reduce the cost of risk, which has increasingly promoted the transformation of the PRC securities companies' businesses from the traditional fee-based model to diversified model focusing on professional services, deepening customer relationships and leveraging online services. In recent years, the top-level layout planning of the PRC digitalized economy has been continuing to improve, the "science and technology finance" and "digital finance" proposed by Central Economic Work Conference also put forward clear requirements for the development of financial technology and digital transformation of the securities industry. In order to enhance the capabilities for serving real economy and improve their own development quality, securities companies must further strengthen their digital intellectualization of business thinking, use digital intellectualization technology as an important force for change, make full use of leading technologies such as big data and artificial intelligence to promote organizational change, process innovation and business model upgrade, continuously improve overall operational efficiency, and form a strategic synergy driven by digital technology from top to bottom, providing investors with more intelligent, personalized and precise products and services, and better serving the real economy.

## Section III Discussion and Analysis of the Board of Directors

### (II) Development strategies of the Company

√ Applicable    □ Not applicable

#### 1. Opportunities and Challenges for Development

In terms of external environment, the capital market reform continues to deepen, the basic system is further improved, the investment and financing functions are constantly coordinated, endogenous stability is improved, providing a favorable policy environment and external conditions for the long-term sustainable and healthy development of securities companies; at the same time, the CSRC supports top securities companies in enhancing their core competitiveness through mergers and acquisitions, organizational innovation and other means, providing development directions for top securities firms to become better and stronger, and accelerate the construction of first-class investment banks. In terms of internal conditions, the Group is determined to deepen the reform, accelerated the merger and reorganization with Haitong Securities, optimized the organizational structure and supporting operational mechanism, and improved the incentive and restraint mechanisms, creating favorable conditions for the further innovation and development of the Group. However, challenges and opportunities coexist in the macro-environment. With the increasingly accelerated opening up of capital market, and the continuous promotion of fee reductions and discounts in the securities industry, competition is becoming increasingly fierce, bringing many challenges to the future development of the Group.

#### 2. The Company's industry strengths and shortcomings

The Group's industry strengths mainly include: integrated service platform, leading digital technology and sound compliance culture (please refer to "V. ANALYSIS OF CORE COMPETITIVENESS DURING THE REPORTING PERIOD" in this section for details). In the process of future development, the Group will promote outward development and endogenous growth to further enhance the core competitiveness of principal businesses and the management and support capabilities of the middle and back offices, optimize the integrated synergy mechanism at group level and gradually narrow the gap between itself and leading international investment banks.

#### 3. Development strategies

In 2020, combination of national and regional development strategies and taking vision as the overall goal, the Company proposed a "Nine-Year Strategic Plan in 3 Three-Year Steps" for medium to long term development. In the first three-year (2020-2022), the Company focused on laying the foundation to improve weaknesses and consolidate leading position among securities companies in the market. In the second three-year (2023-2025), the Company will focus on enhancing abilities and developing advantages to make the core indicators exceed peers. In the third three-year (2026-2028), the Company will focus on integration and internationalization to become a respectable and comprehensive leading modern investment bank with international competitiveness.

## Section III Discussion and Analysis of the Board of Directors

In March 2025, the Company has completed the merger and reorganization with Haitong Securities. With a new starting point, the Company will, on the basis of the above-mentioned strategic system, adhere to the strategic vision of becoming a first-class investment bank with international competitiveness and market leadership and draw a new blueprint for its development with the principles of new strategy, new culture and new structure. Relying on more robust and efficient capital utilization, more professional and comprehensive service capabilities, and more intensive and solid management support, the Company will fully unleash the synergy effect, leverage the complementary effect of licenses and the increase of customer base, so as to consolidate the leading position in the industry and strive to achieve comprehensive competitiveness to be at the forefront of the world.

### (III) The operation plan

√ Applicable    ☐ Not applicable

The year 2025 marks a decisive year for the Company to implement the enhanced action plan for reform deepening, as well as the inaugural year of a new journey following the completion of the merger and restructuring with Haitong Securities. By adhering to the work philosophy of “enhancing learning, relying on research, improving position, building consensus, respecting laws, seeking truth and being pragmatic, respecting the market, and advocating professionalism”, the Company will be pragmatic, make every effort, deepen reform, and steadily improve the industry positions of various businesses. It will promote the merger and integration work in a stable and orderly manner, adhere to the principles of marketization and specialization, and continuously promote the comprehensive integration of teams, systems, operations, and other aspects. The Company will combine the merger and restructuring with reform and enhancement, and continuously improving the core competitiveness for the Company’s sustainable and high-quality development and relentlessly pursuing the goal of building a first-class investment bank with international competitiveness and market leadership.

In terms of the major tasks for the year, firstly, the first priority is to refine the three major customer service systems. This includes deepening the standardization and market-oriented reform of the retail customer service system, enhancing the depth, breadth, and operational efficiency of the institutional customer service system, and accelerating the empowerment of the corporate customer service system to improve industrial capabilities and provide comprehensive services to corporate customers. Secondly, the Company will comprehensively advance digital transformation, focusing on building customer service and management platforms, implementing the “All in AI” strategy, and strengthening group-wide data governance. Thirdly, the Company will promote internationalization strategy, optimize cross-border integrated management mechanisms and development models, continue to deepen presence in key regional markets, strengthen the layout in “Belt and Road” countries, so as to comprehensively enhance the internationalization of business, personnel and operations.

## Section III Discussion and Analysis of the Board of Directors

Specifically for each of principal businesses, the wealth management business will adhere to the dual-drive approach of wealth management and trading services, promote high-quality customer acquisition, accelerate the construction of asset allocation ability and optimize the internet-based customer management model. The futures business will fully leverage the synergy of its customer base and export trading capabilities. The margin financing and securities lending business will refine business strategies by region and customer type, fully integrating into the three major customer service systems. The stock pledging business will focus on comprehensive customer services to enhance its overall impact. The investment banking business will strengthen the construction of industrial capacity, reinforce the linkage between investment banking + investment + investment research, increase the coverage of key customers, and seize the opportunities of merger, acquisition and restructuring. The institution and transaction business should continue to promote the construction of an open and connected institutional customer service system and strengthen the comprehensive management programme of the customer classification and layering industry, enhancing the market influence of sell-side research, with an aim to drive the transformation of transaction and investment businesses toward customer needs, create more products and solutions, and excel in asset allocation. The investment management business will clarify its positioning, enhance differentiated competitiveness, and accelerate integration into the Group's wealth management system. The international business will deepen cross-border integrated management, focus on enhancing the capabilities in trading services, financing services, asset allocation and research.

### (IV) Possible risk exposure

√ Applicable    ☐ Not applicable

#### 1. Overview

During the Reporting Period, the Company insisted on its prudent risk culture, firmly took the "compliance risk management" as one of its core strategies, continually established comprehensive risk management system, improved risk management system, optimized risk management organization structure, explored risk management models and methods, built up risk management information system, and enhanced the professional level of risk management, in order to ensure the long-term and healthy development of the Company.

#### 2. Risk management structure

The Company has established a four-level risk management system consisting of the Board (including Risk Control Committee) and Supervisory Committee, operation management (including compliance and risk management committee and assets and liabilities management committee), risk management department, other business departments and branches and subsidiaries.

## Section III Discussion and Analysis of the Board of Directors

### 1) *The Board (including Risk Control Committee) and Supervisory Committee*

The Board is the highest decision-making body in risk management structure, ultimately responsible for the overall risk management of the Company. The Board is responsible for promoting the construction of risk culture; reviewing and approving the fundamental risk management policies of the Company; reviewing and approving the Company's risk appetite, risk tolerance and major risk limits; reviewing periodic risk assessment report; appointment, dismissal and assessment of the chief risk officer, determining his/her remuneration; establishing a mechanism for communicating with the chief risk officer directly. The Board has established the Risk Control Committee, which is responsible for reviewing the overall objectives and fundamental policies of risk management; reviewing the establishment and the duties of the risk management divisions; assessing the risks associated with significant business decisions and the solutions to address significant risks; reviewing various risk assessment reports; reviewing the effectiveness of the Company and its subsidiaries' risk management and internal control systems at least once a year in accordance with the instruction of the Board.

The Supervisory Committee is responsible for supervising comprehensive risk management of the Company, supervising and reviewing the performance of risk management and rectification of defect by the Board and senior management.

### 2) *Operation management (including compliance and risk management committee and assets and liabilities management committee)*

Our operation management takes the major responsibility of the comprehensive risk management of the Company; is responsible for organizing and implementing the publicity and dissemination of risk culture; establishes risk management system and makes timely adjustment; establishes a healthy operation management structure for the Company's comprehensive risk management and clarifies the duty division of comprehensive risk management among risk management functions, business departments and other departments; establishes the specific execution plans of risk appetite, risk tolerance and major risk limits, and ensures the effective implementation of the plans; monitors its progress, analyzes its reasons in a timely manner and handles it according to the authorizations granted by the Board; periodically assesses the overall risk of the Company and various types of important risk management conditions, resolves problems that are found in risk management and reports to the Board; establishes a performance assessment system for all staff that covers effectiveness of risk management; and establishes a complete IT system and data quality control mechanism.

## Section III Discussion and Analysis of the Board of Directors

A compliance and risk management committee is established at the operation level of the Company, which conducts overall management for the Company's operational risks, and reviews and makes decisions on major issues of risk management and performs following duties; reviewing arrangements and important systems for compliance risk control mechanism of the Company and its subsidiaries, making decisions or submitting to relevant decision-making bodies for consideration; reviewing the Company's basic policies for risk management, annual risk appetite, self-funded business scale, and maximum risk limits, reviewing the Company's interim and annual compliance reports, risk management reports, and annual internal control evaluation reports and submitting to the Board and the Risk Control Committee of the Company for approval; within the scope of the Board's authorization, considering and determining various investment and financing business scales, risk limits allocation plans, and important risk control indicators and its major adjustments of the Company; submitting to the Board and the Risk Control Committee for approval if the matters reviewed are beyond the scope of the Board's authorization; reviewing the Company's major innovative business risks, compliance assessment report, making decisions and granting authorization; reviewing and making decisions for the Company's business matters that have major disputes in the risk assessment and risk control mechanism arrangement; judging and identifying prospectively on regulatory situation and the risk situation, making decision for risk control response; considering and deciding the disposal options for the Company's major risk issues; considering and making decisions for other matters of significant risk management in business activities.

The members of the compliance and risk management committee include the president, the chief risk officer, the chief compliance officer, the head of the strategic development department, the head of the planning and finance department, the head of the legal compliance department, the head of the risk management department, the head of the group audit center, the head of the internal audit risk management department, the head of the information technology department, and the head of brand center of executive office.

## Section III Discussion and Analysis of the Board of Directors

### 3) *Risk management departments*

Our departments that perform risk management duties include the risk management department, the internal audit risk management department, the legal compliance department, and the group audit center, the planning and finance department, the assets and liabilities department, the IT department, the information center, the operation center and the executive office, as well as other departments. Risk management department manages the market risks, credit risks, operational risks and liquidity risks, and performs specific risk management responsibilities; internal audit risk management department is responsible for the risk review and assessment of the Company's securities issuance business in the primary market; legal compliance department is responsible for identifying, assessing, notifying, monitoring, reporting and preventing legal compliance risks of the Company to protect the Company from legal penalties, significant financial losses or damages to reputation; group audit center is responsible for independent and objective inspection, supervision, evaluation of and recommendations on the compliance and reasonableness of business, management, finance and other operations, on the security and profitability of assets, and on the comprehensiveness and effectiveness of internal controls among the Company's various departments, branches and controlled subsidiaries. Planning and finance department is responsible for the Company's budget planning, financial management, accounting and net capital management; assets and liabilities department is responsible for liquidity management and liquidity risk management; IT department and information center are the management and operation body of the Company's IT, and are responsible for the planning, construction, operation and management of the Company's IT system, establishing and implementing IT-related system, assessing and controlling the Company's IT risks; operation center is the daily operation management department of the Company and is responsible for the centralized clearing, settlement, auditing, third-party depository operation of the Company's various businesses, and takes the responsibility of relevant risk management and control; executive office is responsible for the management of the Company's reputational risk.

### 4) *Other business departments, branches and subsidiaries*

The key responsible persons of each of business departments, branches and subsidiaries are the persons who are primarily responsible for risk control of each business units. In order to enhance the frontline risk responsibility consciousness, strengthen front end risk control, identify and prevent risk timely and effectively, the Company continuously strengthens the risk control function of each specialized management committees, business departments, branches and subsidiaries. The Company established a compliance and risk management system at the subsidiary level, requiring that the subsidiaries shall develop and improve risk management system for their own, and effectively improve the overall risk management level.

## Section III Discussion and Analysis of the Board of Directors

### 3. Risk management system

The Company established a 4-level risk management system based on its business characteristics and level of operational risks and has been constantly perfecting it. The system includes: measures on comprehensive risk management; various risk management measures based on different risks such as market risk, credit risk, operational risk, liquidity risk and reputational risk; risk management system on various business and products; and the practical business operation protocol. During the Reporting Period, the Company revised the Authorization Management Measures (《授權管理辦法》), the Market Risk Management Measures (《市場風險管理辦法》), the Risk Control Indicator Management Measures (《風險控制指標管理辦法》), the Risk Reporting Management Measures (《風險報告管理辦法》), the Institutional Customer Credit Management Measures (《機構客戶授信管理辦法》), the Operational Risk Management Measures (《操作風險管理辦法》), the Operational Risk Event and Loss Data Collection (LDC) Management Guidelines (《操作風險事件及損失數據收集(LDC)管理指引》), the Operational Risk and Control Self-Assessment (RCSA) Management Guidelines (《操作風險與控制自我評估(RCSA)管理指引》), and the Operational Risk Key Risk Indicators (KRI) Management Guidelines (《操作風險關鍵風險指標(KRI)管理指引》) in accordance with the latest regulatory requirements.

### 4. Risk appetite system

Risk appetite is the Company's overall attitude towards risks, as well as the type and level of risks it is willing to bear after taking into full consideration of net capital, assets and liabilities, solvency, liquidity, external ratings, compliance operations and future business risks and opportunities, provided that the requirements of stakeholders including creditors, customers, regulatory authorities and rating agencies have been satisfied.

The Company sorts out the expectation and requirement of respective stakeholders (including Shareholders, regulatory authorities, rating agencies, the Board and senior management), sets specific goals based on the core aspects including development strategies, operation performance, capital strength, liquidity, compliance and external rating and forms the Company's risk appetite system. On the basis of a complete overall risk appetite setting, the Company describes the risk boundaries of different dimensions such as overall risk and major risks through quantized risk tolerance indicators. Subject to risk appetite and risk tolerance, the Company sets limits on key risk indicators and conducts risk monitor and control based on those limits.

During the Reporting Period, after consideration and approval by the Board, the Company defined the Group's risk appetite, tolerance and limit for 2024, and differentiated different dimensions such as risk types and subsidiaries for decomposition and transmission and implemented in the ordinary course of business. In 2024, the Group's various indicators remained stable under its risk appetite system.

## Section III Discussion and Analysis of the Board of Directors

### 5. Measures against various risks

#### 1) *Market risks*

Market risks are those that may cause loss to the Company due to unfavorable changes of market prices, which include but not limited to interest rates, exchange rate, stock prices and commodity prices. The businesses of the Company that involve market risks mainly include the transactions and investment of equity securities and their derivatives, the transactions and investment of fixed-income securities and their derivatives as well as transactions such as foreign exchange transactions, precious metal transactions and commodity transactions.

The Company implements limit management for market risks and formulates a market risk limit system comprising business scale, loss limit, Value at Risk (VaR), exposure, Greek letters, effectiveness of hedge and concentration, and various types of risk indicators. It determines the alarm standards, warning standards and responding measures for market risks. The Company conducts daily monitoring for market risk limits by using its risk management system to monitor the operation of its businesses. The Company reports market risk monitoring and management conditions, and conduct specialized analysis on risk matters, in order to provide basis for decision making. The Company adopts methods such as Value at Risk (VaR) and Stress Test to analyze and assess market risk. The Company's Value at Risk (VaR) calculation applies a historical comparative method based on the historical data for the previous 12 months, assuming the holding period is one day and the confidence level is 95%. The calculation model of VaR covers equity price risk, interest rate risk, commodity price risk and exchange rate risk. The Company regularly reviews the effectiveness of VaR model through the back testing method.

The following table sets forth the VaR of the Company by risk types as at the dates and for the periods indicated: (1) the VaR as of the end of the respective period; (2) the average value, the minimum value and maximum value of the daily VaR for the respective period.

## Section III Discussion and Analysis of the Board of Directors

### Value at Risk (VaR) of the Group for 2024

Unit: ten thousand yuan    Currency: RMB

Category	31 December 2024	29 December 2023	Average	2024 Minimum	2024 Maximum
Equity price-sensitive financial instruments	35,369	17,585	27,049	16,039	35,475
Interest rate-sensitive financial instruments	15,679	7,354	13,513	7,037	20,263
Commodity price- sensitive financial instruments	698	2,676	1,400	527	2,500
Exchange rate-sensitive financial instruments	2,357	2,901	1,855	284	3,137
<b>Total portfolio VaR</b>	<b>33,654</b>	<b>24,860</b>	<b>27,312</b>	<b>19,230</b>	<b>34,716</b>

Note: VaR of the Group covers the financial assets of the self-funded investment business of the Group.

In addition to the VaR, the Company actively uses stress tests to measure and assess possible losses under extreme market conditions. The Company regularly conducts comprehensive and special stress tests to strengthen risk assessment and development monitoring in connection with the trading and investment businesses, and applies its results of stress tests to market risk management and limit management.

During the Reporting Period, the Company conducted exchange rate risk management for assets involving exchange rate risks, managed exchange rate risk exposures by adjusting foreign exchange positions and using foreign exchange derivatives for hedging, and controlled it within an acceptable range.

In 2024, the Company's market risk is generally controllable, and no major market risk events occurred.

### 2) Credit risks

Credit risks are those that may cause a loss to the Company due to failures to perform their obligations stipulated in relevant contracts by securities issuers, counterparties and debtors or the changes of market value of the debts caused by the changes of credit rating or contract performance capacity. The Company's current credit risks mainly concentrate on the bond investment business, margin financing and securities lending business, stock-pledged financing transaction business and OTC derivatives business.

## Section III Discussion and Analysis of the Board of Directors

The Company implements access management for credit risks. Before conducting relevant businesses involving credit risks, clients' credits will be rated. If the rating result is within the accessible credit rating, the credit may be granted and business may be carried out. Each business department shall conduct due diligence management based on actual business conditions, evaluate clients' credit qualifications, and determine transaction limits.

The Company mitigates credit risk through methods such as collecting deposits, qualified collaterals and netting settlements. An entry threshold has been formulated for bond investment business and through white list management and concentration control, the credit risks of bond positions are being continuously tracked and assessed. Credit business department sets detailed access standards and discount rates for collaterals according to the characteristics of their specific business. The credit risk faced by OTC derivatives business mainly refers to the counterparty default risk faced in carrying out OTC derivatives business such as forwards, swaps and options. The counterparties of OTC derivatives transactions are mainly financial institutions and other professional institutions. The Company controls the credit risk of the counterparty by screening the counterparty's qualifications, marking the market on a daily basis, calling for insurance coverage and forced liquidation.

Access standards and discount rates will be reviewed regularly by the Company. When there is a significant change in market or policies or there is a significant credit event related to the relevant entity applying for the credit, the access standards and discount rates shall be reviewed randomly. For collaterals other than cash, the Company conducts marking to market management and assesses collaterals' value. The Company analyzes credit risk factors of each business, identifies the credit risks for the business and conducts credit risks concentration management and measurement and assessment. The Company conducts credit risk management for its large clients in respect of concentration risk control targets. The Company uses analysis methods such as concentration, probability of default, default loss rate, credit exposure and collateral coverage rate as credit risk measures. The Company sets reasonable credit risk stress scenarios, conducts stress tests and analyzes the results thereof.

As at the end of December 2024, the Company's credit risk was generally controllable, and no major credit default events occurred in bond investment business. The average performance guarantee ratio of the margin loans for stock-pledged financing business was 289.8%, and the average of the guarantee ratio for clients with outstanding liabilities in margin financing and securities lending business maintained at 268.1%.

### 3) *Liquidity risks*

Liquidity risks are those the Company might face when it is not able to obtain sufficient funds in time at reasonable costs or price to repay debts that are due, fulfil other payment obligations and satisfy the funding requirements for ordinary business operation.

## Section III Discussion and Analysis of the Board of Directors

The Company mainly adopts the risk indicators analysis method to assess its overall liquidity risks, i.e., the Company assesses and measures its overall liquidity risk condition by analyzing key indicators such as the liquidity coverage ratio, net stable funding ratio, cash flow term gap, net size of the cash management pool, liquidity reserve ratio as well as asset and liability concentration. The Company establishes a liquidity risk limit system, conducts limit management on liquidity risks and monitors and reports the implementation of limits. The Company establishes a quantitative model for the liquidity risk of financial assets and measures the liquidity of various types of exchange and over the counter financial assets on a daily basis to assess the liquidity risk of various financial assets.

The Company explores and maintains financing channels, continuously keeps an eye on the risk conditions of significant capital providers, and regularly monitors the conditions of significant capital providers' transactions with the Company. The Company concerns the changes of capital markets, assesses the ability and cost of supplementing its liquidity by issuing stocks, bonds and other financing instruments and mitigates its period mismatch by supplementing its middle-to-long term liquidity. Under the premise of controlling the liquidity risk at the overall level, the Company pays attention to liquidity risk management at various business line levels, to focus on identifying, assessing, monitoring and controlling the fund management business, trading and investment proprietary business, brokerage business, credit business, investment banking business, and liquidity risk factors of the subsidiaries.

The Company conducts liquidity risk stress tests on a regular or ad hoc basis, simulates the losses that may occur under extreme liquidity pressures, assesses and judges the Company's ability to withstand risks and fulfill its payment obligations in extreme situations, and takes necessary measures to respond to the test conclusions.

The Company establishes and continuously improves the contingency plan for liquidity risks, which includes taking measures such as transferring, decentralizing and reducing risks exposure to reduce the level of liquidity risks. The Company also establishes emergency response or standby systems, procedures and measures for natural disasters, system failures and other emergencies so as to reduce losses and reputation damages that the Company may suffer. The contingency plan will be rehearsed and assessed regularly and emergency response arrangements will be continually updated and improved.

In 2024, the liquidity of the market was generally reasonable and sufficient with occasional fluctuations. The Company's liquidity coverage ratio and net stable funding ratio met the regulatory requirement. The net size of the daily average cash management pool was higher than the minimum scale limit set by the Company and the overall liquidity status was good.

## Section III Discussion and Analysis of the Board of Directors

### 4) *Operational risks*

Operational risks are the possibility of losses caused by the failures of internal systems and procedures, improper employee behaviors, IT risks and the influence of external events.

The Company sorts out the key risk points and control processes of each business, manages daily operational risks by using the operational risk management system, and establishes the self-evaluating procedure of operational risk and control. Each department, branch and subsidiary actively identify operational risks in their internal systems and procedures, employee behaviors and IT systems to ensure that the operational risks in existing and new businesses and management are adequately assessed. The Company systematically gathers and organizes the information of the events of operational risk and loss data, establishes key operational risk indicator system and monitors its process, and prepares periodical reports. In terms of significant operational risk events, it will provide specific valuation reports to ensure that the operational risk situation of the Company could be fully understood in a timely manner, which in turn facilitates their decision-making regarding the response to the risks or the initiation of contingency plans.

The Company continuously strengthens the security of information systems, formulates a comprehensive emergency response plan for information security events, and conducts regular assessment over the main plan and sub plan of emergency response. It also arranges various rehearsals against incidents, disaster and other scenarios that cover all important information systems in the headquarters and all branches, and improves, modifies and upgrades its system and emergency response plan based on the results of rehearsal and findings identified.

In 2024, the Company's information technology and operation affairs ran smoothly in a safe way with no significant operational risk events. The fault backup and recovery time for each information system emergency rehearsal reached established goal, which has proved that the Company's core information system has incident and disaster response capabilities in line with the requirements.

### 5) *Reputational risk*

Reputational risk refers to the risk of negative publicity from investors, issuers, regulators, self-regulatory organizations, the public and the media on the Company due to its actions or external events and violations of integrity regulations, professional ethics, business norms and conventions by its staff, thereby damaging its brand value, disadvantaging its normal operation, and even affecting the market stability and social stability.

## Section III Discussion and Analysis of the Board of Directors

The Company incorporates reputational risk management into a comprehensive risk management system, establishes a reputational risk management mechanism, and sets up a brand center as the leading management department for Company's reputational risk under the executive office, requiring all departments, branches, sales offices and subsidiaries to actively and effectively prevent reputational risks and respond to reputational risk events, accurately identify, prudently evaluate, dynamically monitor, timely respond to and manage the reputational risks in the process of business management, and strive to maintain the Company's reputation and build a high-quality brand image.

In 2024, the Company further improved its reputational risk management works. During the Reporting Period, the Company did not experience any major reputational risk events.

### (V) Other disclosures

☒ Applicable    ☐ Not applicable

#### 1. Business innovation during the Reporting Period

During the Reporting Period, with a customer-oriented approach, the Group comprehensively advanced the construction of three customer service systems, refining the strategic layout of key businesses, and driving innovative development across all operations to consolidate the competitive advantages of its principal businesses. In respect of wealth management business, the Group enhanced its market influence in product sales, becoming one of the first in the industry to conduct business under the Cross-boundary Wealth Management Connect Scheme. The Qingpu Branch, positioned for internet innovation, commenced operations. For the investment banking business, the Group pioneered several innovative bond products, including the "Belt and Road" Science and Technology Innovation Corporate Bond ("一帶一路"科技創新公司債) and the Science and Technology Innovation and Low-Carbon Transition "Belt and Road" Corporate Bond (科技創新低碳轉型"一帶一路"公司債). In respect of the institution and transaction business, the Group was among the first to have obtained the swap facilities business qualification, and launched the "Daohe Zhitou (道合·智投)", a one-stop product investment research and allocation platform for customers. Brokerage settlement, market-making, and cross-border businesses continued to grow, with the completion of the first batch of overseas bond market-making transactions and the first batch of commodity trading and clearing on the Singapore Exchange. For the investment management business, the Group actively promoted product innovation. HuaAn Funds introduced Shanghai's first consumer-focused REIT and the first batch of A500 OTC index products and other innovative products. Guotai Junan Asset Management issued the Guotai Junan CSI A500 Index-Enhanced Fund (國泰君安中證 A500 指數增強基金), while Guotai Junan Innovation Investment established its M&A fund. In respect of international business, the Group's UK subsidiary executed its first batch of northbound equity and commodity transactions for customers, and the Singapore futures subsidiary of Guotai Junan completed its first cross-border OTC derivatives transaction.

## Section III Discussion and Analysis of the Board of Directors

### 2. Risk control for business innovation

- (1) The Company has included innovative business in its comprehensive risk management system. Based on the development and risk profile of innovative business, the Company has established a complete decision-making mechanism, a management model and an organization structure catering for its business and formulated relevant compliance and risk management policies for the innovative business to standardize the risk management for the innovative business during the entire process. The sustainable and healthy development of each innovative business on the premise of building the capability to monitor, control and bear risks was ensured through risk assessment and determination, inspection before launch and continuous management for innovative business. Before the launch of innovative business, risk management departments of the Company conducted compliance verification, identification and assessment, measurement and analysis of the relevant risks, and directed business department to improve internal control mechanism in relation to policies and procedures.
- (2) The Company has established multi-level risk control and warning mechanism for innovative business and designed various risk control indicators and risk limits for each level based on the risk profile of the business, which enabled dynamic track to the risks of innovative business. In the course of each particular business, the specific compliance and risk controller of business department was responsible for overseeing the market and the risk management department conducted independent monitoring, so as to prompt risk warning in case of abnormal risk control indicators and take corresponding risk control measures based on the level of the risk warning, therefore ensuring the risk level of innovative business at any time was within the tolerance of the Company.
- (3) The Company has established the policy of regular report and significant risk event report for innovative business to issue regular risk information report for the innovative business, ensuring that all the staff and senior management involved in innovative business were informed of all necessary business, risk and management information on a timely basis. When the operation of innovative business was impacted by reason of external market turmoil, internal management problems and technical system failure, which might result in significant loss to the interest or reputation of the Company, the responsible department or the internal control department that identified the risk should immediately report to the business leader, the chief risk officer and the risk management department for the implementation of existing contingency plan or proposing new response plan based on the actual situation by the decision makers.
- (4) The Company conducted special review on the conduction of innovative business on a regular basis to improve the internal control and risk response capacity of the business. Such special review covered important steps of innovative business and management. Each of the related departments studied and analyzed the development and internal control mechanism of innovative business based on the findings of special review, constantly improved the management policies, operation process and corresponding control mechanism, and completed the contingency plan for innovative business, ensuring the stable and healthy development of innovative business.

## Section III Discussion and Analysis of the Board of Directors

### 3. ESG risk factors and management

The Company incorporates ESG risk factors into its comprehensive risk management system. It established the Risk Management Working Group under ESG and Sustainable Development Committee to coordinate and promote the construction of its ESG risk management system. The Company continues to improve the ESG risk management and control system and mechanism. The parent company and its subsidiaries, including Guotai Junan Futures, Guotai Junan Asset Management, Guotai Junan International and HuaAn Funds, have formulated their own ESG Risk Management Measures, respectively. Business departments such as investment banking, equity investment, and pledge financing have also established corresponding ESG risk management policies, mechanisms and processes. The company fully integrates ESG concepts into risk management practices, includes ESG risk review requirements in customer ratings and project reviews, continuously strengthens monitoring and alert for ESG risks, gives prompt reminders on important ESG risk policies, events and related entities, conducts regular inspections on risk exposure, and continuously enhances its capabilities in ESG risk perception, research and judgment. The Company attaches great importance to the application of information technology in ESG risk management and has developed an ESG risk management system to empower ESG risk management with information technology. The Company is fully aware of the possible impacts of climate change on its daily operations and financial business. With reference to the proposed framework of IFRS S2 Climate-related Disclosures ("IFRS S2") published by the International Sustainability Standards Board ("ISSB"), the Company has established a climate risk management system in four aspects: governance, strategy, risk management, indicators and objectives, paid close attention to the relevant impacts of climate risks, and proactively assessed the risks and opportunities of climate change. The Company aims to boost the construction of its ESG risk culture, promote the concept of ESG risk management, strengthen technical research on ESG risk management and has released a Statement on ESG Risk Management to improve the quality of its ESG information disclosure.

### 4. The establishment of dynamic risk control indicators monitoring and capital replenishment mechanism, risk control indicators that do not meet the required standards, rectification measures and rectification effect during the Reporting Period

#### *(1) The establishment of dynamic risk control indicators monitoring mechanism of the Company*

- a) In order to establish and improve the dynamic monitoring of the Company's risk control indicators and capital replenishment mechanism, strengthen risk monitoring and carry out various businesses under measurable, controllable and sustainable risks, according to the Administrative Measures for the Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》) issued by the CSRC, the Guidelines for Dynamic Monitoring System of Risk Control Indicators of Securities Companies (《證券公司風險控制指標動態監控系統指引》) issued by the SAC and other relevant regulations, the Company has formulated the Administrative Measures for the Net Capital and Liquidity Risk Control

## Section III Discussion and Analysis of the Board of Directors

Indicators of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司淨資本和流動性風險控制指標管理辦法》) and the Guidelines for Dynamic Monitoring System of Risk Control Indicators of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司風險控制指標動態監控系統工作指引》) and other internal systems.

- b) In accordance with regulatory requirements, the Company has established a dynamic monitoring system of risk control indicators to achieve dynamic monitoring and automatic warning of risk control indicators. The dynamic monitoring system of the Company can cover various business data that affect the net capital and liquidity risk control indicators and dynamically calculate various risk control indicators including net capital and liquidity; carry out dynamic monitoring based on the characteristics of each business, and automatically warn the risk control indicators such as net capital and liquidity according to the preset monitoring standards; generate dynamic monitoring reports on risk control indicators such as net capital and liquidity.
- c) The Company shall monitor various risk control indicators such as net capital and liquidity in accordance with the relevant provisions of the CSRC, prepare supervision reports on risk control indicators, and make classified warning and follow-up reports on risk information in a timely manner; all relevant departments of the Company shall carry out their work within the scope of their responsibilities, provide relevant information with accuracy on a timely basis, and make regular follow-up control and analysis on indicators.

### **(2) Non-compliance and rectification measures**

- a) When the Company's net capital or other risk control indicators reach the warning level prescribed by the CSRC or fail to meet the stipulated requirement, the Company shall file a written report to the relevant local office of the CSRC within three working days and one working day, respectively, to explain the basic situation, the cause of the problem and the specific measures and deadline to solve the problem.
- b) As at the end of 2024, each risk control indicator of the Company met the required standards.

## **VIII. THE SITUATION IN WHICH THE COMPANY FAILED TO DISCLOSE INFORMATION DUE TO NON-APPLICABILITY OF STANDARDS OR SPECIAL REASONS SUCH AS STATE SECRETS AND TRADE SECRETS AND REASONS THEREFOR**

☐ Applicable    ☒ Not applicable

## Section IV Corporate Governance

### I. CORPORATE GOVERNANCE

☒ Applicable   ☐ Not applicable

As a company listed on the SSE and the Hong Kong Stock Exchange, the Company has standardized its operations in strict compliance with laws, regulations and regulatory documents of the listing place, both domestic and overseas. The Company keeps improving its corporate governance structure and system in order to enhance its corporate governance.

According to the requirements of laws, regulations and regulatory documents such as the Company Law of the PRC (《中華人民共和國公司法》), the Securities Law of the PRC (《中華人民共和國證券法》), the Regulations on Supervision and Administration of Securities Companies (《證券公司監督管理條例》), the Rules for Governance of Securities Companies (《證券公司治理準則》) and the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Company has established a sound and complete corporate governance structure, comprising the general meeting, the Board, the Supervisory Committee and the management of the Company to form a complete corporate governance system for discussion, decision-making, delegation and implementation with clear responsibilities, regulated operation, coordination and balance among the competent authorities, the decision-making body, the supervision body and management.

The Directors of the Company believe that good corporate governance is crucial to maintaining effective corporate operations, establishing a comprehensive corporate culture, realizing sound business development and protecting long-term shareholders' value. Therefore, the Company has been practicing a high standard of corporate governance.

During the Reporting Period, the Company has strictly complied with the relevant provisions under the Corporate Governance Code and satisfied most requirements of provisions for recommended best practices. During the Reporting Period, the Company has amended the Articles of Association and certain policies; the Chairman of the Company has communicated with non-executive Directors via various channels such as meetings to obtain suggestions and advice, and has held special strategy seminars to discuss and improve the Company's development strategy; the management of the Company has reported monthly operation and management to Directors and Supervisors on a monthly basis; the Chairman, Directors, the president, secretary to the Board and other management personnel of the Company have communicated with the Shareholders via performance explanation sessions, roadshows, survey and research on investors, online interactions, telephone and other methods, and continued to improve its corporate governance.

During the Reporting Period, the Company has convened eight general meetings; thirteen Board meetings, including four regular meetings and nine extraordinary meetings; and seven Supervisory Committee meetings, including four regular meetings and three extraordinary meetings. The convening, proposals, holding, voting, resolutions and minutes of each of these general meetings, Board meetings and Supervisory Committee meetings were in compliance with the requirements of laws, regulations, regulatory documents, the Articles of Association, Rules of Procedure of General Meetings (《股東大會議事規則》), Rules of Procedure of Board Meetings (《董事會議事規則》), and Rules of Procedure of Supervisory Committee Meetings (《監事會議事規則》). Each of the Directors and Supervisors has performed their duties and obligations with diligence in compliance with laws, regulations and the Articles of Association and each of the independent Directors has considered the proposals and provided independent opinion with due care in accordance with the Working System for Independent Directors (《獨立董事工作制度》), assuring Shareholders to exercise their rights under relevant laws, taking into sufficient account the interests of minority Shareholders and making no detriment to the interests of minority Shareholders.

## Section IV Corporate Governance

**Whether there is any significant difference between corporate governance of the Company and requirements of laws, administrative regulations and regulations of the CSRC on governance of listed companies; if any, reasons should be explained**

☐ Applicable ☒ Not applicable

### **II. SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS <sup>NOTE</sup> OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY'S ASSETS, PERSONNEL, FINANCE, ORGANIZATION, BUSINESS, ETC., AS WELL AS THE SOLUTIONS, WORK PROGRESS AND FOLLOW-UP WORK PLANS THAT AFFECT THE COMPANY'S INDEPENDENCE**

☒ Applicable ☐ Not applicable

The controlling shareholders and de facto controllers of the Company have established a relatively sound corporate governance structure and business operation system to ensure the independence of the Company's assets, personnel, finance, organization, business, etc. In terms of assets, both parties have their own independent business premises and do not have joint offices or mixed assets, and the ownership of assets is clear; in terms of personnel, the management and business teams of both parties are completely separated and do not have concurrent posts, and have independent and complete systems for labor relations, labor contracts, personnel, wage management and social insurance, etc.; in terms of finance, both parties have established independent financial and accounting institutions, with independent accounting budgets, accounting systems and financial management systems, independent bank accounts and independent tax payments and no financial personnel holding concurrent posts in the Company; in terms of institutions, both parties have established an independent and complete business system and an independent administrative management system, and there is no administrative affiliation between each functional organization and the Company; in terms of business, both parties have established an independent business operation mechanism.

Note: Controlling shareholders and de facto controllers referred to herein have the meanings as defined in the SSE listing rules.

**Information of controlling shareholders, de facto controllers and other entities controlled by them that are engaged in businesses same as or similar to that of the Company, the impact of horizontal competition or major changes in horizontal competition on the Company, and the resolution measures that have been taken, the progress of resolution and follow-up resolution plans**

☐ Applicable ☒ Not applicable

## Section IV Corporate Governance

### III. INFORMATION OF GENERAL MEETINGS

Meeting session	Convening date	The address of the designated website for publishing resolutions	The disclosure date for publishing resolutions	Resolutions at the meeting
2024 First Extraordinary General Meeting	20 March 2024	www.sse.com.cn www.hkexnews.hk	21 March 2024	The Resolution on Proposing to Consider the Repurchase and Cancellation of Certain Restricted A Shares and the Resolution on Electing Mr. LI Junjie and Mr. ZHANG Manhua as Directors of the Company were reviewed and approved
2024 First A Share Class Meeting	20 March 2024	www.sse.com.cn www.hkexnews.hk	21 March 2024	The Resolution on Proposing to Consider the Repurchase and Cancellation of Certain Restricted A Shares was reviewed and approved
2024 First H Share Class Meeting	20 March 2024	www.sse.com.cn www.hkexnews.hk	21 March 2024	The Resolution on Proposing to Consider the Repurchase and Cancellation of Certain Restricted A Shares was reviewed and approved
2023 Annual General Meeting	21 May 2024	www.sse.com.cn www.hkexnews.hk	22 May 2024	The 2023 Work Report of the Board, the 2023 Work Report of the Supervisory Committee, the Resolution on Proposing to Consider the 2023 Profit Distribution Plan of the Company, the Resolution on Proposing to Consider the Re-appointment of Accounting Firm, the Resolution on Proposing to Consider the 2023 Annual Report of the Company, the Resolution on the Potential Related Party Transactions Contemplated in the Ordinary Course of Business of the Company in 2024, the 2023 Duty Performance Report of the Independent Directors, the Resolution on the Grant of General Mandate to the Board to Issue Additional A Shares and/or H Shares, the Resolution on Proposing to Consider the General Mandate to Issue Onshore and Offshore Debt Financing Instruments, the Resolution on the Potential Related Party Transactions Involved in the Issuance of Onshore and Offshore Debt Financing Instruments, the Resolution on Proposing to Consider the Amendments to the Articles of Association and the Resolution on the Authorisation to the Board to Decide on the Interim Profit Distribution Plan for year 2024 were reviewed and approved

## Section IV Corporate Governance

Meeting session	Convening date	The address of the designated website for publishing resolutions	The disclosure date for publishing resolutions	Resolutions at the meeting
2024 Second A Share Class Meeting	21 May 2024	www.sse.com.cn www.hkexnews.hk	22 May 2024	The Resolution on Proposing to Consider the Amendments to the Articles of Association was reviewed and approved
2024 Second H Share Class Meeting	21 May 2024	www.sse.com.cn www.hkexnews.hk	22 May 2024	The Resolution on Proposing to Consider the Amendments to the Articles of Association was reviewed and approved
2024 Second Extraordinary General Meeting	27 September 2024	www.sse.com.cn www.hkexnews.hk	28 September 2024	The Resolution on Electing Mr. WANG Tao and Mr. CHEN Yijiang as Directors of the Company was reviewed and approved
2024 Third Extraordinary General Meeting	13 December 2024	www.sse.com.cn www.hkexnews.hk	14 December 2024	The Resolution on the Proposed Transaction in Compliance with the Laws and Regulations Related to the Material Assets Restructuring of Listed Companies, the Resolution on the Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction, the Resolution on the “Report on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (Draft)” and Its Summary, the Resolution on Signing the “Merger by Absorption and Share-for-Share Exchange Agreement between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd.” (Subject to Effectiveness Conditions), the Resolution on Signing the “Share Subscription Agreement Subject to Conditions between Guotai Junan Securities Co., Ltd. and Shanghai State-owned Assets Management Co., Ltd.” (Subject to Effectiveness Conditions), the Resolution on the Proposed Transaction Constituting Material Assets Restructuring, the Resolution on the Proposed Transaction Constituting a Related/Connected Transaction, the Resolution on the Proposed Transaction in Compliance with the requirements of Articles 11 and 43 of the Administrative Measures for Major Assets Restructuring of Listed Companies, the Resolution on the Proposed Transaction in Compliance with Article 4 of “the Regulatory Guidelines

## Section IV Corporate Governance

Meeting session	Convening date	The address of the designated website for publishing resolutions	The disclosure date for publishing resolutions	Resolutions at the meeting
				<p>for Listed Companies No.9 – Regulatory Requirements for the Planning and Implementation of Material Assets Restructurings by Listed Companies”, the Resolution on the Proposed Transaction Not Constituting a Restructuring and Listing as Specified in Article 13 of “the Administrative Measures for the Material Assets Restructuring of Listed Companies”, the Resolution on the Completeness of and Compliance with Statutory Procedures of the Proposed Transaction and the Validity of Legal Documents Submitted, the Resolution on the Relevant Entities in the Proposed Transaction Not Being Prohibited from Participating in Any Material Assets Restructuring of Listed Companies in accordance with Article 12 of “the Regulatory Guidelines for Listed Companies No. 7 – Regulation of Abnormal Stock Trading Relating to Material Assets Restructuring of Listed Companies”, and Article 30 of “the Guidelines No. 6 for the Application of Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange – Material Assets Restructuring”, the Resolution on the Proposed Transaction in Compliance with Article 11 of “the Administrative Measures for the Registration of the Issuance of Securities by Listed Companies”, the Resolution on Purchase and Sale of Assets within 12 Months Prior to the Proposed Transaction., the Resolution on Approving the Relevant Documents in Relation to the Pro Forma Consolidated Financial Statements of the Proposed Transaction, the Resolution on Confirming the “Valuation Report of Orient Securities Co., Ltd. on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction”, the Resolution on the Independence of the Valuation Agency, the Reasonableness of Valuation Assumptions, the Relevance of Valuation Methods and Valuation Purposes, and the Fairness of Valuation and Pricing, the Resolution on the Remedial Measures and Undertakings by Relevant Parties in Relation to Dilutive Impact on Immediate Returns of the Proposed</p>

Section IV Corporate Governance

Meeting session	Convening date	The address of the designated website for publishing resolutions	The disclosure date for publishing resolutions	Resolutions at the meeting
				Transaction, the Resolution on the Dividend Distribution Plan for the Shareholders of Guotai Junan Securities Co., Ltd. for the Next Three Years (2024 to 2026), the Resolution on Proposing the General Meeting to Authorize the Board of Directors and Its Authorized Persons to Fully Handle Matters Related to the Proposed Transaction, the Resolution on Proposing the General Meeting to Grant a Specific Mandate to the Board of Directors to Issue Additional A Shares and H Shares for the Merger by Absorption and Share-for-Share Exchange and the Resolution on Proposing the General Meeting to Grant a Special Mandate to the Board of Directors to Issue Additional A Shares for Raising Ancillary Funds were reviewed and approved

Request for convening of an extraordinary general meeting by the holders of preferred shares with voting rights restored

☐ Applicable    ☒ Not applicable

General meetings

☐ Applicable    ☒ Not applicable

## Section IV Corporate Governance

### IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### (I) Changes in the shareholdings and remuneration of the current Directors, Supervisors and senior management of the Company and those who resigned during the Reporting Period

√ Applicable    □ Not applicable

Unit: share

Name	Title	Gender	Age	Start date of the term	Closing date of the term	Shares		Amount of increase or decrease of shares		Reasons for the changes	Total remuneration before tax received from the Company during the Reporting Period (ten thousand yuan)	Whether having received remunerations from the related parties of the Company
						held at the beginning of the year	Shares held at end of year	within the year				
ZHU Jian	Chairman of the Board, executive Director	Male	53	29 December 2023	Until expiry of term	-	-	-	-		86.76	No
LI Junjie	Vice chairman of the Board, executive Director President	Male	49	20 March 2024 23 January 2024	Until expiry of term	599,686	599,686	-	-		75.46	No
LIU Xinyi	Non-executive Director	Male	59	28 June 2021	Until expiry of term	-	-	-	-		-	Yes
GUAN Wei	Non-executive Director	Female	53	28 June 2021	Until expiry of term	-	-	-	-		-	Yes
ZHONG Maojun	Non-executive Director	Male	55	28 June 2021	Until expiry of term	-	-	-	-		-	Yes
CHEN Hua	Non-executive Director	Male	50	28 June 2021	Until expiry of term	-	-	-	-		-	Yes
SUN Minghui	Non-executive Director	Male	43	29 December 2023	Until expiry of term	-	-	-	-		-	Yes
ZHANG Manhua	Non-executive Director	Male	50	20 March 2024	Until expiry of term	-	-	-	-		-	Yes
WANG Tao	Non-executive Director	Male	51	27 September 2024	Until expiry of term	-	-	-	-		-	Yes
CHEN Yijiang	Non-executive Director	Male	51	27 September 2024	Until expiry of term	-	-	-	-		-	Yes
DING Wei	Independent non- executive Director	Male	65	28 June 2021	Until expiry of term	-	-	-	-		25	Yes
LI Renjie	Independent non- executive Director	Male	70	28 June 2021	Until expiry of term	-	-	-	-		25	No
BAI Wei	Independent non- executive Director	Male	60	28 June 2021	Until expiry of term	-	-	-	-		25	Yes

## Section IV Corporate Governance

										Total remuneration before tax received from the Company during the Reporting Period (ten thousand yuan)	Whether having received remunerations from the related parties of the Company
Name	Title	Gender	Age	Start date of the term	Closing date of the term	Shares held at the beginning of the year	Shares held at end of year	Amount of increase or decrease of shares within the year	Reasons for the changes		
WANG Guogang	Independent non-executive Director	Male	69	29 May 2023	Until expiry of term	-	-	-	-	25	No
YIM, Chi Hung Henry	Independent non-executive Director	Male	63	29 May 2023	Until expiry of term	-	-	-	-	25	No
PU Yonghao	Independent non-executive Director	Male	67	30 November 2023	Until expiry of term	-	-	-	-	25	No
WU Hongwei	Vice chairman of the Supervisory Committee, employee representative Supervisor	Male	58	28 June 2021	Until expiry of term	-	-	-	-	78.18	No
ZHOU Zhaohui	Supervisor	Male	54	28 June 2021	Until expiry of term	-	-	-	-	15	Yes
SHEN Yun	Supervisor	Male	46	28 June 2021	Until expiry of term	-	-	-	-	15	Yes
ZUO Zhipeng	Supervisor	Male	55	28 June 2021	Until expiry of term	-	-	-	-	15	Yes
SHAO Liangming	Employee representative Supervisor	Male	53	28 June 2021	Until expiry of term	-	-	-	-	91.07	No
XIE Min	Employee representative Supervisor	Male	55	28 June 2021	Until expiry of term	-	-	-	-	32.29	No
XIE Lebin	Vice president	Male	57	28 June 2021	Until expiry of term	595,000	595,000	-	-	68.58	No
LUO Dongyuan	Vice president	Male	56	28 June 2021	Until expiry of term	595,000	595,000	-	-	68.58	No
NIE Xiaogang	Vice president, chief financial officer, chief risk officer, secretary to the Board	Male	52	28 June 2021 5 July 2024	Until expiry of term	315,000	315,000	-	-	67.08	No
CHEN Zhongyi	Vice president	Male	54	24 May 2024	Until expiry of term	211,050	211,050	-	-	40.01	No
HAN Zhida	Vice president	Male	42	17 July 2024	Until expiry of term	210,000	71,400	-138,600	Shareholdings reduction according to personal capital needs	28.58	No

## Section IV Corporate Governance

										Total remuneration before tax received from the Company during the Reporting Period (ten thousand yuan)	Whether having received remunerations from the related parties of the Company
Name	Title	Gender	Age	Start date of the term	Closing date of the term	Shares held at the beginning of the year	Shares held at end of year	Amount of increase or decrease of shares within the year	Reasons for the changes		
ZHANG Zhihong	Chief compliance officer, chief legal counsel	Female	55	28 June 2021 26 August 2022	Until expiry of term	595,000	595,000	-	-	152.20	No
ZHAO Hong	Chief auditor	Male	58	30 October 2024	Until expiry of term	595,000	522,300	-72,700	Shareholdings reduction according to personal capital needs	24.31	No
WANG Song (resigned)	Former vice chairman of the Board, executive Director, president	Male	61	28 June 2021	23 January 2024	722,000	722,000	-	-	6.34	No
WANG Wenjie (resigned)	Former non-executive Director	Male	55	28 June 2021	4 January 2024	-	-	-	-	-	Yes
YU Jian (resigned)	Former executive Director, secretary to the Board	Male	60	28 June 2021	24 May 2024	595,000	595,000	-	-	72.80	No
AN Hongjun (resigned)	Former non-executive Director	Male	49	28 June 2021	6 August 2024	-	-	-	-	-	No
ZHANG Yipeng (resigned)	Former non-executive Director	Male	60	25 November 2021	20 August 2024	-	-	-	-	-	No
ZHANG Zhihong	Former chief auditor	Female	55	29 March 2023	30 October 2024	-	-	-	-	-	No
Total	/	/	/	/	/	5,032,736	4,821,436	-211,300	/	1,087.23	/

Note: Any discrepancies in the above table between the figures shown as totals and the sum of the breakdown figures are due to rounding.

1. Mr. WANG Wenjie resigned as a director of the Company on 4 January 2024 due to work reason.
2. Mr. WANG Song resigned from the positions of vice chairman of the Board, Director and president of the Company on 23 January 2024, as he has reached the age of retirement.
3. On 23 January 2024, the Company considered and approved the Resolution on Proposing to Consider the Appointment of the President (《關於提請審議聘任公司總裁的議案》) in the 23rd extraordinary meeting of the sixth session of the Board, to appoint Mr. LI Junjie as the president of the Company.

## Section IV Corporate Governance

4. On 20 March 2024, the Company considered and approved the Resolution on the Appointment of Mr. LI Junjie and Mr. ZHANG Manhua as Directors of the Company (《關於選舉李俊傑先生、張滿華先生為公司董事的議案》) in the 2024 First Extraordinary General Meeting, to appoint Mr. LI Junjie and Mr. ZHANG Manhua as Directors of the sixth session of the Board. Mr. LI Junjie and Mr. ZHANG Manhua have obtained the legal opinions required by Rule 3.09D of the Hong Kong Listing Rules on 18 March 2024 and 15 March 2024, respectively, and understand their obligations as directors of the Company under the Hong Kong Listing Rules. According to the resolution of the 23rd extraordinary meeting of the sixth session of the Board, Mr. LI Junjie has been appointed as the vice chairman of the sixth session of the Board with immediate effect.
5. Mr. YU Jian resigned from the positions of Director and secretary to the Board of the Company on 24 May 2024, as he has reached the age of retirement.
6. On 24 May 2024, the Company considered and approved the Resolution on the Proposed Appointment of the Vice President of the Company (《關於提請聘任公司副總裁的議案》) and the Resolution on the Proposed Appointment of Secretary to the Board (《關於提請聘任公司董事會秘書的議案》) in the 25th extraordinary meeting of the sixth session of the Board, to appoint Mr. CHEN Zhongyi and Mr. HAN Zhida as the vice presidents of the Company and appoint Mr. NIE Xiaogang as the secretary to the Board of the Company; Mr. CHEN Zhongyi officially took office on the same date; Mr. HAN Zhida formally took office on 17 July 2024 after passing the level assessment test for senior management of the securities companies; Mr. NIE Xiaogang formally took office on 5 July 2024 after obtaining the certificate of appointment training for the Board secretary issued by the SSE.
7. Mr. AN Hongjun resigned as a director of the Company on 6 August 2024 due to work arrangements.
8. Mr. ZHANG Yipeng resigned as a director of the Company on 20 August 2024 due to retirement.
9. On 27 September 2024, the Company considered and approved the Resolution on Electing Mr. WANG Tao and Mr. CHEN Yijiang as Directors of the Company in the 2024 Second Extraordinary General Meeting, to appoint Mr. WANG Tao and Mr. CHEN Yijiang as Directors of the sixth session of the Board. Mr. WANG Tao and Mr. CHEN Yijiang have obtained the legal opinions required by Rule 3.09D of the Hong Kong Listing Rules on 25 September 2024 and 26 September 2024, respectively, and understand their obligations as directors of the Company under the Hong Kong Listing Rules.
10. On 30 October 2024, Ms. ZHANG Zhihong resigned as the chief auditor of the Company due to work arrangements; the Company considered and approved the Resolution on Appointment of the Chief Auditor of the Company (《關於提請審議聘任公司總審計師的議案》) in the 15th meeting of the sixth session of the Board, to appoint Mr. ZHAO Hong as the chief auditor of the Company.
11. In accordance with the provisions of the Regulations on Supervision and Administration of Securities Companies, the remuneration structure and level for the Chairman and the chairman and vice chairman of the Supervisory Committee shall be determined in accordance with Opinions on Deepening the Remuneration System Reform of Senior Management of the State-owned Enterprises 《關於深化國有企業領導人員薪酬制度改革的意見》 in Shanghai and the relevant requirements of the competent authorities at the higher level since 1 January 2015. Payment for 40% of the annual performance-based bonus of the full-time professional managers, the secretary to the Board and senior management of the Company shall be deferred for a period of three years. The deferred payment of remuneration shall be divided equally. Among which, the remuneration structure and level for the president and vice president of the Company shall be determined in accordance with the Implementation Plan on Further Deepening the Remuneration System Reform of the Professional Managers (2022 – 2024) 《進一步深化職業經理人薪酬制度改革實施方案(2022-2024 年)》 as approved by the competent authorities at the higher level since 1 January 2022. The final amount of compensation of directors, supervisors and senior management who received compensation from the Company during the Reporting Period is still in the process of confirmation and the remaining part will be disclosed upon confirmation.

## Section IV Corporate Governance

12. Data on the remuneration of the directors, supervisors and senior management during the Reporting Period is based on their remuneration received during the periods they were serving as directors, supervisors and senior management, excluding any remuneration received from other positions.
13. According to the Resolution on Proposing to Consider the Remuneration for Directors of the Sixth Session of the Board and Supervisors of the Sixth Session of the Supervisory Committee (《關於提請審議第六屆董事會董事和第六屆監事會監事報酬的議案》) considered and passed at the 2020 Annual General Meeting, each of the independent Directors receives a remuneration of RMB250,000 (before tax) each year; each of the Directors nominated by the Shareholders and Supervisors nominated by the Shareholders is entitled to a remuneration of RMB150,000 (before tax) each year. The Directors and the employee representative Supervisor who hold other positions in the Company will not receive any other payment as the Directors and Supervisors in addition to the remunerations they receive from the Company. As of the date of this report, Mr. LIU Xinyi, Ms. GUAN Wei, Mr. ZHONG Maojun, Mr. CHEN Hua, Mr. SUN Minghui, Mr. ZHANG Manhua, Mr. WANG Tao and Mr. CHEN Yijiang, being the Directors of the Company, Mr. WANG Wenjie, Mr. ZHANG Yipeng and Mr. AN Hongjun, being the former Directors of the Company, have waived their remuneration arrangements.
14. During the Reporting Period, Mr. HAN Zhida and Mr. ZHAO Hong held some Shares under the Restricted Share Incentive Scheme of A Shares of the Company and, before taking up their positions as senior management of the Company, reduced their holdings of unlocked Shares according to their personal capital needs.

### Name

### Major working experience

ZHU Jian

Born in June 1971. Mr. ZHU has served as the chairman of the Board and an executive Director of the Company since 29 December 2023. Mr. ZHU successively served as the deputy director of the Information Research Department of the Shanghai Securities Regulatory Office of the CSRC (中國證監會上海證管辦), the deputy director and director of the Information Research Department of the Shanghai Bureau of the CSRC, the head of the general office and the director of the Institutional Second Division of the Shanghai Bureau of the CSRC, the assistant of director general and deputy director general of the Shanghai Bureau of the CSRC, and the vice president of the Company. He also served as the vice chairman and president of Bank of Shanghai Co., Ltd. (a listed company on the Shanghai Stock Exchange with stock code of 601229) from October 2020 to December 2023. Mr. ZHU obtained a bachelor's degree in law and a master's degree in law from Fudan University in 1993 and 1996, respectively, and obtained an executive master of business administration degree from Shanghai Jiao Tong University in 2013.

## Section IV Corporate Governance

Name	Major working experience
LI Junjie	<p>Born in August 1975. Mr. LI has served as the president of the Company since 23 January 2024, and the vice chairman of the Board and executive Director of the Company since 20 March 2024. He has concurrently served as the president of the Wealth Management Committee of the Company since May 2023. Mr. LI successively served as the assistant director of general office of China UnionPay Co., Ltd. (中國銀聯股份有限公司), the assistant to the general manager of the Administrative Management Headquarters and a deputy general manager of the Financial Management Headquarters of Shanghai International Group Co., Ltd. (上海國際集團有限公司), the deputy director and director of the Board Office and the securities affairs representative of the Company, and the general manager, vice chairman and chairman of Shanghai Securities Co., Ltd., the vice president and the general manager of the Human Resources Department of the Company, during which, he concurrently served as the president of the Investment Banking Business Unit, and the director of the Executive Board of the Company. Mr. LI obtained a bachelor's degree in literature from Renmin University of China in 1999 and a master's degree in economics from the Research Institute of the People's Bank of China in 2002.</p>
LIU Xinyi	<p>Born in July 1965. A senior economist. Mr. LIU has served as a non-executive Director of the Company since 15 June 2020. Mr. LIU is currently a director and president of Shanghai International Group Co., Ltd. Since joining Shanghai Pudong Development Bank (上海浦東發展銀行) (a listed company on the Shanghai Stock Exchange with stock code of 600000) in 1993, Mr. LIU consecutively served as deputy director of Airport Office, vice president of Airport Branch (in charge of daily operations), and deputy general manager of Shanghai Regional Headquarters, head of financial institutions division of Shanghai Financial Services Office (上海市金融服務辦公室) (temporary), assistant director of Shanghai Financial Services Office (temporary), vice president and general manager of Shanghai Regional Headquarters, and president of Shanghai Branch, vice president and chief financial officer, and chief risk officer of Shanghai Pudong Development Bank, and president of First Sino Bank. From February 2014 to April 2015, he served as president and director of Shanghai Guosheng Group Company Limited (上海國盛(集團)有限公司). From April 2015 to November 2019, he served as president and vice chairman of Shanghai Pudong Development Bank, and chairman of SPD Silicon Valley Bank (浦發硅谷銀行). Mr. LIU obtained a bachelor's degree in industrial management engineering from Tongji University in 1988 and a master's degree in technical economics from Tongji University in 1993.</p>

## Section IV Corporate Governance

### Name

### Major working experience

GUAN Wei

Born August 1971. Formerly GUAN Zhaohui (管朝暉), a senior accountant. Ms. GUAN has served as a non-executive Director of the Company since 25 July 2019. Ms. GUAN currently serves as the deputy general manager and chief financial officer of Shanghai International Group Co., Ltd., and the chairman of Shanghai State-owned Assets Management Co., Ltd. Ms. GUAN started to work in July 1993 and successively served as the assistant manager of the financial management department of Shanghai Shentong Group Co., Ltd. (上海申通集團有限公司), deputy manager, manager of the financial management department, member of the disciplinary committee, manager of the audit and supervision department, and supervisor of the supervisory committee of Shanghai Jiushi Company, general manager of Shanghai Metropolitan Tourism Card Development Co., Ltd. (上海都市旅遊卡發展有限公司), the chief financial officer of Shanghai Real Estate (Group) Co., Ltd. (上海地產(集團)有限公司), the chief financial officer and deputy general manager of Shanghai International Group Co., Ltd. Ms. GUAN has been serving as a director of Shanghai Pudong Development Bank Co., Ltd. (上海浦東發展銀行股份有限公司) (a listed company on the Shanghai Stock Exchange with stock code of 600000) since July 2019. Ms. GUAN obtained a bachelor's degree in economics from Shanghai University of Technology in 1993 and a master's degree in management from Shanghai University of Finance and Economics in 2003.

ZHONG Maojun

Born in April 1969. Mr. ZHONG has served as a non-executive Director of the Company since 1 June 2015. Mr. ZHONG currently serves as a director, general legal counsel and the chief operating officer of Shanghai International Group Co., Ltd., and the chairman of the supervisory committee of Shanghai State-owned Assets Management Co., Ltd. Mr. ZHONG started to work in July 1994 and successively served as the general manager's assistant of the investment banking department and the deputy head of the reorganization office of Orient Securities Company Limited, the deputy head of the financial institution division, the deputy head of the financial stabilization division (in charge of daily operations), the head of the financial stabilization division, the head of the financial institution service division and the director of municipal financial state-owned assets supervisory service division in Shanghai Municipal Financial Service Office, the chief operating officer, director, the general manager of the strategic research department, the general manager of the capital operation department of Shanghai International Group Co., Ltd. Mr. ZHONG obtained a bachelor's degree in law and a master's degree in law from Peking University in 1991 and 1994, respectively.

## Section IV Corporate Governance

Name	Major working experience
CHEN Hua	<p>Born in June 1974. A senior engineer. Mr. CHEN has served as a non-executive Director of the Company since 28 June 2021. Mr. CHEN began his career in July 1996 and successively worked as the deputy director of the corporate management department, the deputy director of planning and finance department and the deputy director of the strategy development department of Shanghai Airport Authority (上海機場(集團)有限公司), the deputy general manager of the Construction and Development Company of Shanghai Airport Authority; and the general manager of Airline Logistics Development Company, the Freight Hub Promotion Division of Shanghai Airport Authority. Mr. CHEN served as an executive vice president of Shanghai State-owned Assets Management Co., Ltd. from November 2018 to July 2023. He has been serving as the vice chairman and president of Shanghai State-owned Assets Management Co., Ltd. since July 2023. Mr. CHEN obtained a bachelor's degree in economic information from Tongji University in 1996, a master's degree in aeronautical engineering from Nanjing University of Aeronautics and Astronautics in 2002, and a doctoral degree in management science and engineering from Tongji University in 2009.</p>
SUN Minghui	<p>Born in September 1981. A senior accountant. Mr. SUN has served as a non-executive Director of the Company since 29 December 2023. Mr. SUN currently serves as the chief accountant and the head (director) of the financial department (settlement center) of Shenzhen Investment Holdings Co., Ltd. Mr. SUN successively worked in the preparatory group of Shenzhen Energy Finance Co., Ltd. (深圳能源財務有限公司), the funding department of Shenzhen Energy Finance Co., Ltd. and the financial management department of Shenzhen Energy Group Co., Ltd. (深圳能源集團股份有限公司). Mr. SUN has been working at Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司) since February 2012, and successively served as the head of financing management of the financial budget department, the senior head of the finance department, the senior head of the office of the board, and the deputy head of the financial department (settlement center). Mr. SUN has served as a director of Shenzhen Special Economic Zone Real Estate &amp; Properties (Group) Co. Ltd. (深圳經濟特區房地產(集團)股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code of 000029) from December 2020 to August 2024, and a director of Shenzhen Textile (Holdings) Co., Ltd. (深圳市紡織(集團)股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code of 000045) from February 2021 to July 2024. Mr. SUN obtained a bachelor's degree in economics and a master's degree in economics from Zhongnan University of Economics and Law in 2004 and 2007, respectively.</p>

## Section IV Corporate Governance

### Name

### Major working experience

ZHANG Manhua

Born in February 1975. Mr. ZHANG has served as a non-executive Director of the Company since 20 March 2024. Mr. ZHANG successively served as the senior manager of the investment center of Konka Group Co., Ltd. (康佳集團股份有限公司), the secretary of the board of directors of Shenzhen Julong Optoelectronics Co., Ltd. (深圳聚龍光電有限公司), and the head of the investment department of Shenzhen Shenchao Technology Investment Co., Ltd. (深圳市深超科技投資有限公司). Mr. ZHANG has worked in Shenzhen Investment Holdings Co., Ltd. since June 2013, and successively served as the senior director of the first enterprise department, the deputy director of the strategic development department, the deputy director of the capital operation department and the deputy director of the legal and risk management department (in charge of daily operations). Mr. ZHANG has been the head of the legal and risk management department of Shenzhen Investment Holdings Co., Ltd. since October 2018, a supervisor of Shenzhen Property Development (Group) Co., Ltd. (深圳市物業發展(集團)股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code of 000011) since September 2014, and a director of Shenzhen Special Economic Zone Real Estate & Properties (Group) Co. Ltd. (a company listed on the Shenzhen Stock Exchange with stock code of 000029) since March 2023. Mr. ZHANG obtained a bachelor's degree in engineering and a master's degree in management from Central South University in 1996 and 2003, respectively.

WANG Tao

Born in July 1973. Mr. WANG has served as a non-executive Director of the Company since 27 September 2024. Mr. WANG started working in July 1993 and has successively served as a section member of the first accounting inspection section of the fourth branch of Shanghai Municipal Finance and Taxation Bureau (上海市財稅局), a deputy secretary of the general branch, a section member, a deputy section chief and a deputy director of the first section of the branch of the People's Committee (人教科團). He also served as a deputy director of Shanghai Institute of Fiscal Science (上海市財政科學研究所), a deputy director of Shanghai Institute of Finance and Taxation (上海市財稅科學研究所), a director of the Planning Department (規劃處) and an office director of Shanghai Municipal Finance and Taxation Bureau (上海市財稅局), an office director, a director of the Supervision and Inspection Department (監督檢查局), a secretary of the Party Leadership Group of the Supervision and Inspection Department, a director of the Foreign Economic Department (Finance Department) (涉外經濟處(金融處)), a first-level investigator, and a second-level inspector of Shanghai Municipal Finance Bureau (上海市財政局). He has served as the chief financial officer of Shanghai Municipal Investment (Group) Corporation (上海城投(集團)有限公司) since July 2024. Mr. WANG obtained a bachelor's degree in economics and a master's degree in economics from Shanghai University of Finance and Economics in 1993 and 1999, respectively.

## Section IV Corporate Governance

Name	Major working experience
CHEN Yijiang	<p>Born in August 1973. Mr. CHEN has served as a non-executive Director of the Company since 27 September 2024. Mr. CHEN currently serves as the chairman of New China Asset Management (Hong Kong) Limited (新華資產管理(香港)有限公司), the deputy secretary of the Party Committee and the interim person in charge and proposed general manager of New China Asset Management Co., Ltd., the deputy secretary-general of the Institutional Investors Committee and a member of the Risk Control Expert Committee of Insurance Asset Management Association of China and an external expert in the asset management plan of China Insurance Asset Registration and Trading System Co., Ltd. Mr. CHEN joined New China Life Insurance Company Ltd. (新華人壽保險股份有限公司) (A shares are listed on the SSE, stock code: 601336; H shares are listed on the Hong Kong Stock Exchange, stock code: 01336) since April 2003, and he successively served as a manager and an assistant general manager of the financial management office of the financial management department, an assistant general manager, deputy general manager and general manager of the fund utilization management department, the general manager of the investment department. Mr. CHEN has served as a non-executive director of China Jinmao Holdings Group Limited (中國金茂控股集團有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 00817) since June 2024. Mr. CHEN obtained a bachelor's degree in economics from Renmin University of China in 1996, a master's degree in management in finance and accounting from Xiamen University in 1999, and an executive master of business administration degree (EMBA) from the University of Illinois in the United States in 2002.</p>
DING Wei	<p>Born in January 1960. Mr. DING has served as an independent non-executive Director of the Company since 28 June 2021. Mr. DING successively served as the economist and department head of the World Bank and the IMF, head of China Region in Deutsche Bank, chairman of the investment banking management committee and the head of the investment banking department of China International Capital Corporation Limited (中國國際金融股份有限公司, the A shares of which are listed on the Shanghai Stock Exchange with stock code of 601995; the H shares of which are listed on the Hong Kong Stock Exchange with stock code of 3908), member of the global senior management committee, member of the global investment policy committee, head of China Region of the Temasek, vice chairman of Asia Region of the investment banking division at Morgan Stanley, CEO and chairman of CICC Capital Management Co., Ltd. (中金資本運營有限公司). Mr. DING has been the founder and chairman of Xiamen Borun Capital Investment Management Co., Ltd. (廈門博潤資本投資管理有限公司) since January 2021, an independent director of Hundsun Technologies Inc. (a company listed on the Shanghai Stock Exchange with stock code of 600570) since September 2021, and an independent director of Chongqing Changan Automobile Co., Ltd. (a company listed on the Shenzhen Stock Exchange with stock code of 000625) since June 2022. Mr. DING obtained a bachelor's degree in public finance from Renmin University of China in 1982.</p>

## Section IV Corporate Governance

Name	Major working experience
LI Renjie	<p>Born in March 1955. A senior economist. Mr. LI has served as an independent non-executive Director of the Company since 28 June 2021. Mr. LI successively served as the director of planning division of the People's Bank of China Fujian Branch, executive director of Hong Kong Jiangnan Finance Company (香港江南財務公司), chairman of Great Wall Securities Co., Ltd. (長城證券有限責任公司), president of Industrial Bank Shenzhen Branch, vice president of Industrial Bank, director and president of Industrial Bank, chairman of Lufax Holding Ltd. (陸金所控股有限公司) (a company listed on the New York Stock Exchange with stock code of LU). Mr. LI has been an independent director of Bank of Ningbo Co., Ltd. (a company listed on the Shenzhen Stock Exchange with stock code of 002142) since June 2023. Mr. LI obtained a bachelor's degree in economics from Xiamen University in 1982.</p>
BAI Wei	<p>Born in November 1964. Mr. BAI has served as an independent non-executive Director of the Company since 28 June 2021. Mr. BAI successively served as a lawyer at China Global Law Office (中國環球律師事務所), an associate at Sullivan &amp; Cromwell LLP, and a member of the 19th CSRC Public Offering Review Committee, a member of the Listing Committee for the Shanghai Stock Exchange, an independent non-executive director of China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司), an independent non-executive director of Huatai Securities Company Limited, and an independent director of Ningxia Orient Tantalum Industry Co., Ltd. (寧夏東方鋇業股份有限公司). Mr. BAI has been serving as a founding partner and lawyer at Jingtian &amp; Gongcheng since April 1992. Mr. BAI obtained a bachelor's degree in law from Peking University in 1986, a master's degree in law from China Foreign Affairs University in 1989, and a master's degree in law from New York University in 1997.</p>

## Section IV Corporate Governance

Name	Major working experience
WANG Guogang	<p>Born in November 1955. A member of the Chinese Academy of Social Sciences and recipient of special government allowance. Mr. WANG has served as an independent non-executive Director of the Company since 29 May 2023. Mr. WANG is currently a first-class professor of the School of Finance of Renmin University of China. He was the director of the Institute of Finance &amp; Banking of the Chinese Academy of Social Sciences, and the vice president of China Huaxia Securities Co., Ltd. (中國華夏證券有限公司). Mr. WANG currently concurrently serves as an expert in the planning and evaluation group of the National Social Science Fund of China, an executive director of the China Society for Finance &amp; Banking, an executive director of the China Urban Financial Society, and an executive director of the China Rural Financial Society. In recent years, Mr. WANG has been mainly engaged in the research on theoretical and practical issues related to monetary policy, financial operation and capital market. He has published more than 50 books, including Introduction to Capital Market (《資本市場導論》) and Theoretical Discussion on China's Financial Reform and Development (《中國金融改革發展的學理探討》), and more than 1,000 papers. He has conducted nearly 100 scientific research projects, including more than 40 major and key projects at the provincial and ministerial levels, and won the Sun Yefang Economic Science Award and more than 30 scientific research and teaching awards at or above the provincial and ministerial levels. Mr. WANG graduated from Fujian Normal University in 1979 majoring in politics and education, received a master's degree in economics from Fujian Normal University in 1985 and a doctorate in economics from Renmin University of China in 1988.</p>
YIM, Chi Hung Henry	<p>Born in April 1961. Mr. YIM has served as an independent non-executive Director of the Company since 29 May 2023. Mr. YIM has over 30 years of experience in financial auditing and served as a partner of Ernst &amp; Young, Hong Kong and Ernst &amp; Young Huaming (Special General Partnership) for many years until his retirement in December 2021. Mr. YIM has served as an independent non-executive director of Yixin Group Limited (a company listed on the Hong Kong Stock Exchange with stock code of 2858) since February 2025. Mr. YIM is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. YIM received a bachelor's degree in social sciences from the University of Hong Kong in 1984.</p>

## Section IV Corporate Governance

### Name

PU Yonghao

### Major working experience

Born in October 1957. Mr. PU has served as an independent non-executive Director of the Company since 30 November 2023. Mr. PU is a senior advisor of Fountainhead Partners Company Limited and the vice chairman of the Chinese Financial Association of Hong Kong. Mr. PU has over 20 years of experience in senior positions in investment banking. Mr. PU successively served as a senior economist and vice president of BOC International (UK) Limited (中銀國際(英國)有限公司), a senior economist of Nomura International (Hong Kong) Limited, a senior advisor of Asian Development Bank, a managing director and the chief investment officer, chief investment strategist, and head of Wealth Management Research Department for Asia Pacific at Swiss Bank (瑞士銀行), the founder and chief investment officer of Fountainhead Partners Company Limited and a managing director of Perry Wealth Consulting (伯瑞財富諮詢). Mr. PU has been serving as an independent non-executive director of Interra Acquisition Corporation (a listed company on the Hong Kong Stock Exchange with stock code of 7801) since September 2022, and an independent non-executive director of Huafa Property Services Group Company Limited (a company previously listed on the Hong Kong Stock Exchange with its listing being withdrawn on 30 September 2024, former stock code: 0982) from June 2020 to November 2024. Mr. PU obtained a bachelor's degree in accounting from Xiamen University in 1982, a master's degree in economics from Xiamen University in 1985, and a master's degree in science (demographics) from the London School of Economics and Political Science in 1989.

## Section IV Corporate Governance

### Name

WU Hongwei

### Major working experience

Born in September 1966. Formerly WU Hongwei (吳紅衛), a researcher. Mr. WU has served as the vice chairman of the Supervisory Committee and employee representative Supervisor of the Company since 28 June 2021. Mr. WU successively served as a designer, project leader, assistant and deputy director of the research plan office, deputy director of the science and technology office, secretary of the science and technology committee, the director of the personnel security department, the director of the administration department, the deputy secretary of CPC party committee and secretary of discipline inspection committee, and the chairman of the labor union at Unit 801 of Shanghai Aerospace Administration (上海航天局八〇一研究所). Mr. WU served as the secretary of CPC party committee at Shanghai Xinguang Telecom Factory (上海新光電訊廠). Mr. WU consecutively served as the deputy director of the human resources department (in charge of daily operations), the director of the human resources department and the general secretary of the CPC party committee at the Social Work Committee of CPC Shanghai Municipal Committee (上海市社會工作黨委). Mr. WU consecutively served as the secretary of the discipline inspection committee, a member of CPC party committee and the leader of dispatched discipline inspection office of the Discipline Inspection Committee of CPC Shanghai Municipal Committee to the CPC party committee of Shanghai SASAC (上海市紀委駐上海市國資委黨委紀檢組組長). Mr. WU served as the deputy secretary of CPC party committee, secretary of discipline inspection committee, vice chairman of the supervisory committee and the leader of dispatched discipline inspection office of the Discipline Inspection Committee of CPC Shanghai Municipal Committee to Haitong Securities Co., Ltd. (the A shares of which are listed on the Shanghai Stock Exchange with stock code of 600837 and the H shares of which are listed on the Hong Kong Stock Exchange with stock code of 6837) (上海市紀委監委駐海通證券股份有限公司紀檢監察組組長) from September 2017 to May 2021. Mr. WU has been serving as the deputy secretary of CPC party committee of the Company since May 2021 and the chairman of the labor union of the Company since August 2024. Mr. WU obtained a bachelor's degree in engineering from Shanghai Jiao Tong University in 1990 and a master's degree in business administration from Fudan University in 2000.

## Section IV Corporate Governance

### Name

ZHOU Zhaohui

### Major working experience

Born in January 1971. An engineer. Mr. ZHOU has served as a Supervisor of the Company since 28 June 2021. Mr. ZHOU successively served as the office business director, the deputy director, the director and the deputy minister of the securities department, and the securities affairs representative of Shenzhen Energy Investment Co., Ltd. (深圳能源投資股份有限公司), the secretary of the board of directors of Shenzhen Energy Logistics Co., Ltd. (深圳能源物流有限公司), the office director and the secretary of the chairman of the board of directors of Shenzhen Energy Group Co., Ltd. (深圳市能源集團有限公司), the secretary of the chairman of the board of directors, the senior manager of investor relations of the office of the board of directors, the acting director, the director, general manager and the securities affairs representative of Shenzhen Energy Group Co., Ltd. (深圳能源集團股份有限公司), and a director of Shenzhen Energy Environmental Co., Ltd. (深圳市能源環保有限公司). From October 2020 to June 2024, Mr. ZHOU concurrently served as the vice chairman and director of China Great Wall Securities Co., Ltd. (a company listed on the Shenzhen Stock Exchange with stock code of 002939) From June 2021 to July 2022, Mr. ZHOU concurrently served as an executive director and general manager of Shenzhen East Electricity Co., Ltd. (深圳市東部電力有限公司). From November 2021 to July 2022, Mr. ZHOU concurrently served as an executive director and general manager of Shenzhen Pengwan Power Operation Co., Ltd. (深圳市鵬灣電力運營有限公司). Mr. ZHOU has been serving as the secretary of board of directors of Shenzhen Energy Group Co., Ltd. (深圳能源集團股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code of 000027) since June 2020, a supervisor of Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) since May 2012, a director of Shenzhen Energy Environmental Co., Ltd. (深圳能源環保股份有限公司) since November 2021 and an executive director and general manager of Shenzhen Energy Transportation Co., Ltd. (深圳市能源運輸有限公司) since May 2024. Mr. ZHOU obtained a bachelor's degree in automatic control from Harbin College of Shipbuilding Engineering in 1992 and a master's degree in engineering from Wuhan University of Hydraulic and Electrical Engineering (武漢水利電力大學) in 1995.

## Section IV Corporate Governance

Name	Major working experience
SHEN Yun	<p>Born in May 1978. Mr. SHEN has served as a Supervisor of the Company since 28 June 2021. Mr. SHEN successively served as the staff of the planning and finance department of Shanghai Jin Jiang International Hotel Company Limited (上海錦江國際酒店股份有限公司), the assistant in the office of the board of directors of Shanghai Jin Jiang Capital Company Limited (上海錦江資本股份有限公司) (a company listed on the Hong Kong Stock Exchange with stock code of 2006), the deputy manager of the planning and development department and the secretary to the board of directors of Shanghai Jin Jiang International Travel Service Company Limited (上海錦江國際旅遊股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code of 900929). Mr. SHEN has been serving as the secretary to the board of directors of Shanghai Jin Jiang Online Network Service Company Limited (上海錦江在線網絡服務股份有限公司) (a company listed on the Shanghai Stock Exchange with stock code of 600650, 900914) since June 2015. Mr. SHEN obtained a bachelor's degree in accounting from Fudan University in 2004.</p>
ZUO Zhipeng	<p>Born in January 1970. Formerly ZUO Fanxiu (左反修), a senior accountant and a non-practicing member of the Chinese Institute of Certified Public Accountants. Mr. ZUO has served as a Supervisor of the Company since 27 June 2016. Mr. ZUO successively served as an officer of the finance division of Anqing Textile Factory (安慶紡織廠), and an assistant of the finance division head of Anhui Huamao Textile Co., Ltd. (安徽華茂紡織有限公司). Mr. ZUO then successively held various positions in Anhui Huamao Textile Company Limited (安徽華茂紡織股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code of 000850), including director, the director of finance division, the deputy general manager, the secretary to the board of directors and the chief financial officer, and concurrently served as a director or chairman of the board of directors in many of its subsidiaries. Mr. ZUO has been serving as a director of Anhui Huamao Group Co., Ltd. (安徽華茂集團有限公司) since March 2007, a director and the general manager of Anhui Huamao Textile Company Limited (安徽華茂紡織股份有限公司) since April 2016. Mr. ZUO obtained a bachelor's degree in economics from Anhui Finance &amp; Trade College in 1989 and an executive master of business administration degree from Jinan University in 2011.</p>

## Section IV Corporate Governance

### Name

### Major working experience

SHAO Liangming

Born in January 1972. Mr. SHAO has served as an employee representative Supervisor of the Company since 28 June 2021. Mr. SHAO successively served as teacher and vice president at Chi'an Middle School of Hanjiang District, Yangzhou (揚州市邗江區赤岸中學), the deputy chief section member of the organization section of the Organization Department of Chongming Party Committee (崇明縣委組織部) of Shanghai, the deputy chief section member, chief section member at the human resources office of CPC Municipal financial working committee of Shanghai, and the vice president, the general manager of the human resources department, office director of CPC working committee and the general manager of the wealth management business department of Aijian Securities Co., Ltd. (愛建證券有限責任公司). Mr. SHAO served as the deputy general manager of the human resources department of the Company from November 2020 to October 2021, and the deputy director of the Party Committee Office (in charge of daily operations) and the deputy director of the Party Committee Propaganda Department (in charge of daily operations) of the Company from October 2021 to May 2022. Mr. SHAO has been serving as the director of the Party Committee Office and the director of the Party Committee Propaganda Department of the Company since May 2022. Mr. SHAO obtained a bachelor's degree in ideological and political education from Yangzhou University in 2001 and a master's degree in law from Fudan University in 2008.

XIE Min

Born in January 1970. Mr. XIE has served as an employee representative Supervisor of the Company since 28 June 2021. Mr. XIE successively served as a teacher of the primary section at Jiangxi Vocational & Technical College of Electricity (江西電力職業技術學院), a researcher at the Jiangxi Economic Development Research Institute (江西經濟發展研究院) of Jiangxi University of Finance and Economics (江西財經大學), and the senior manager of the strategic development department of Shanghai International Group Co., Ltd. (上海國際集團有限公司). Mr. XIE successively served at the post-doctoral workstation project research post and performance management post of human resources department of the Company. Mr. XIE has been serving at the office of the Labor Union of the Company since December 2016. Mr. XIE obtained a bachelor's degree in English from Jiangxi Normal University in 1992 and a doctorate degree in economics from Jiangxi University of Finance and Economics in 2007.

## Section IV Corporate Governance

Name	Major working experience
XIE Lebin	<p>Born in August 1967. Mr. XIE has served as the vice president of the Company since 28 June 2021. Mr. XIE successively served as an executive director of the investment banking department of J&amp;A Securities Co., Ltd., a deputy general manager of the Shanghai Investigation and Auditing Department, a deputy general manager of the Investigation and Auditing Headquarters, a deputy general manager (in charge of daily operations) of the Investigation and Auditing Headquarters, and the general manager of the Investigation and Auditing Headquarters of the Company. He also served as the general manager, the deputy chief financial officer, the chief financial officer and the chief operation officer, and the chief risk officer of the Planning and Finance Department, the president of the Investment Banking Business Unit, and the director of the Executive Board of the Company. Prior to that, Mr. XIE worked at Wanguo Securities Co., Ltd. (萬國證券有限公司). Mr. XIE obtained a bachelor's degree in economics from Shanghai Ocean University (formerly known as Shanghai Fisheries College) in 1990, a master's degree and a doctorate degree in economics from East China Normal University in 1993 and 2010, respectively.</p>
LUO Dongyuan	<p>Born in November 1968. An auditor. Mr. LUO has served as the vice president of the Company since 28 June 2021. Mr. LUO successively served as the senior manager of the bond department of J&amp;A Securities Co., Ltd., the business director of the Second Bond Business Department, the business director, the managing director, the deputy general manager, the deputy general manager (in charge of daily operations) and the general manager of the Fixed Income Securities Headquarters, the general manager of the Debt Financing Department, the general manager of the Fixed Income Securities Department, the president of the Trading and Investment Committee, and the general manager of the Fixed Income Foreign Exchange Commodity Department of the Company. Prior to that, Mr. LUO Dongyuan worked in the Audit Office of Jiaozuo Jiefang District. Mr. LUO has been concurrently serving as the president of the Institutional and Transaction Business Committee of the Company since July 2021. Mr. LUO obtained a master's degree in business administration from Tsinghua University in 1997.</p>

## Section IV Corporate Governance

### Name

### Major working experience

NIE Xiaogang

Born in May 1972. Mr. NIE has served as the vice president, the chief financial officer and the chief risk officer of the Company since 28 June 2021 and the secretary to the Board of the Company since 5 July 2024. Mr. NIE successively served as an employee of the Investment Banking Department of Guotai Securities Co., Ltd., the head and deputy manager of the President Office, the deputy manager of the Marketing Management Headquarters, the assistant to the director, deputy director and the director of the secretariat of the Board of the Company, and the president of Guotai Junan Innovation Investment Co., Ltd. He also served as the general manager of the Strategies Management Department, the general manager of the Equity Investment Department, the general manager of the Strategic Investment Department, the vice president of the Strategic Investment and Direct Investment Business Committee of the Company, the general manager and chairman of Guotai Junan Zhengyu Investment Co., Ltd., and the general manager of Risk Management Department of the Company. Mr. NIE obtained a bachelor's degree in engineering and a master's degree in engineering from Tsinghua University in 1995 and 1998, respectively, and a doctorate degree in economics from Fudan University in 2006.

CHEN Zhongyi

Born in October 1970. Mr. CHEN has served as the vice president of the Company since 24 May 2024. Mr. CHEN successively served as the leader of the finance planning department and the assistant to the general manager of the settlement department of J&A Securities; the assistant to the general manager for finance management of the planning and finance department, the assistant to the general manager for finance management of the planning and finance department (Shenzhen), the assistant to the general manager for finance management of the finance headquarters, the assistant to the general manager and the deputy general managers of the settlement headquarters, the deputy general manager of the fund settlement headquarters and the deputy general manager of the operation center of the Shenzhen Branch of the Company; the general manager of the operation and management headquarters of Everbright Securities Company Limited; the general manager of the Asset Custody Department and the general manager of the Data Platform Operation Department of the Company. Mr. CHEN has concurrently served as the co-president of the Institutional and Transaction Business Committee of the Company since March 2023, the chief operating officer of the Company since January 2024 and the head of the research institute of the Company since June 2024. Mr. Chen obtained a bachelor's degree in economics from the Central Institute of Finance and Economics in 1993 and an executive master's degree in business administration from Shanghai Jiao Tong University in 2015.

## Section IV Corporate Governance

Name	Major working experience
HAN Zhida	<p>Born in September 1982. Mr. HAN has served as the vice president of the Company since 17 July 2024. Mr. HAN joined the Company in July 2005, and successively served as a senior manager, assistant director and director of the Fixed Income Securities Headquarters; executive director of the M&amp;A Headquarters; executive director and managing director of the M&amp;A financing department; the head of administration of the First Beijing Investment Banking of the Investment Banking Department, the vice chairman and general manager of Guotai Junan Zhengyu Investment Co., Ltd., the general manager of the Strategic Development Department, the director of the Digital Transformation Office, and the dean of the Policy Research Institute. Mr. HAN has been concurrently serving as the chairman and the chairman of the executive committee of Guotai Junan Innovation Investment Co., Ltd. since April 2024 and the chairman of the board of directors of Guotai Junan Financial Holdings Co., Ltd. since November 2024. Mr. HAN obtained a bachelor's degree in management from Central University of Finance and Economics in 2003 and a master's degree in management from Peking University in 2005.</p>
ZHANG Zhihong	<p>Born in June 1969. An senior economist. Ms. ZHANG has served as the chief compliance officer of the Company since 19 November 2018 and the chief legal counsel of the Company since 26 August 2022. Ms. ZHANG successively served as the deputy director of the party committee (discipline inspection) office and the deputy director of the agency department of the Shanghai Securities Management Office, the director of the agency supervision department, the director of the agency supervision department I, the director of the listed companies' supervision department I of the Shanghai Bureau of the CSRC, the chief compliance officer and a deputy general manager of Great Wall Securities Co., Ltd, the president assistant, a vice president of the Investment Banking Business Committee, the business director, and a vice president of the Investment Banking Business Committee of the Company. Ms. ZHANG has served as the chairman of the Trade Union of the Company from May 2020 to August 2024 and the chief auditor of the Company from March 2023 to October 2024. Ms. ZHANG obtained a bachelor's degree in economics and a master's degree in business administration from Shanghai University of Finance and Economics in 1991 and 1999, respectively, and a doctoral degree in economics from Fudan University in 2005.</p>

## Section IV Corporate Governance

Name	Major working experience
ZHAO Hong	<p>Born in September 1966. Mr. ZHAO has served as the chief auditor of the Company since 30 October 2024. Mr. ZHAO Hong started his career in July 1988 and served successively as salesman in chemicals light company of Xingtai Material Bureau of Hebei Province (河北省邢台市物资局), the manager of trust and investment company of Hebei Branch of China Construction Bank, the assistant to general manager and head of the business department of Shijiazhuang Branch of J&amp;A Securities. Mr. ZHAO has worked in Guotai Junan Securities Co., Ltd., and successively served as the general manager of the Shijiazhuang Jianhua South Street Business Department, the general manager of the Hebei Business Headquarters, the deputy director of the Marketing Management Headquarters, the deputy general manager of the Institutional Customer Service Headquarters, the deputy general manager of the M&amp;A Headquarters, the deputy director and director of the party committee office, the general manager of the Human Resources Department, the Human Resources Director, Sales Director and general manager of Shanghai Branch since August 1999. Mr. ZHAO has concurrently served as the general manager of the Group Audit Center of the Company since October 2024. Mr. ZHAO obtained a bachelor's degree in engineering from Hebei University of Technology in 1988 and a master's degree in engineering from Wuhan University of Technology in 1999.</p>
<b>Other Information</b>	
<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not applicable	

## Section IV Corporate Governance

### (II) POSITIONS OF THE CURRENT AND RESIGNED DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

#### 1. Positions in Shareholder entities

√ Applicable    □ Not applicable

Staff name	Name of Shareholder entities	Position held in the Shareholder entities	Starting date of term of office	Expiry date of term of office
LIU Xinyi	Shanghai International Group Co., Ltd.	Director, president	November 2019	Until expiry of term
GUAN Wei	Shanghai International Group Co., Ltd.	Vice president, chief financial officer	September 2019	Until expiry of term
	Shanghai State-owned Assets Management Co., Ltd.	Chairman	December 2021	Until expiry of term
ZHONG Maojun	Shanghai International Group Co., Ltd.	Director, chief operation officer	May 2016	Until expiry of term
	Shanghai State-owned Assets Management Co., Ltd.	Chairman of the supervisory committee	April 2020	Until expiry of term
CHEN Hua	Shanghai State-owned Assets Management Co., Ltd.	Vice chairman, president	July 2023	Until expiry of term
SUN Minghui	Shenzhen Investment Holdings Co., Ltd.	Chief accountant	April 2024	Until expiry of term
ZHANG Manhua	Shenzhen Investment Holdings Co., Ltd.	Head of the legal and risk management department	October 2018	Until expiry of term
WANG Tao	Shanghai Municipal Investment (Group) Corporation	Chief financial officer	July 2024	Until expiry of term
CHEN Yijiang	New China Asset Management (Hong Kong) Limited	Chairman	October 2023	Until expiry of term
ZHOU Zhaohui	Shenzhen Energy Group Co., Ltd.	Secretary to the Board	June 2020	Until expiry of term
SHEN Yun	Shanghai Jin Jiang Online Network Service Company Limited	Secretary to the Board	June 2015	Until expiry of term
ZUO Zhipeng	Anhui Huamao Textile Company Limited	Director, general manager	April 2016	Until expiry of term
<b>Explanations on the positions in Shareholder entities</b>	None			

## Section IV Corporate Governance

### 2. Positions in other entities

√ Applicable    □ Not applicable

Staff name	Name of other entities	Position held in other entities	Starting date of term of office	Expiry date of term of office
LIU Xinyi	Sailing Capital Management Co., Ltd.	Director	January 2020	Until expiry of term
GUAN Wei	Shanghai Guosheng Capital Management Co., Ltd. (上海國盛資本管理有限公司)	Director	March 2019	Until expiry of term
	Shanghai Pudong Development Bank Co., Ltd.	Director	July 2019	Until expiry of term
ZHONG Maojun	Shanghai Xieyi Asset Management Co., Ltd.	Chairman	January 2016	Until expiry of term
CHEN Hua	Guohua Satellite Application Industry Fund Management (Nanjing) Co., Ltd. (國華衛星應用產業基金管理(南京)有限公司)	Director	May 2020	Until expiry of term
	Shanghai Zhaoxin Semiconductor Co., Ltd. (上海兆芯集成電路有限公司)	Director	November 2022	Until expiry of term
	Changdian Technology Automotive Electronics (Shanghai) Co., Ltd. (長電科技汽車電子(上海)有限公司)	Director	February 2024	Until expiry of term
SUN Minghui	Hubei Shentoukong Investment Development Co., Ltd. (湖北深投控投資發展有限公司)	Director	November 2020	Until expiry of term
	ULTRARICH INTERNATIONAL LIMITED	Director	November 2020	Until expiry of term
	Guotai Junan Investment Management Co., Ltd.	Director	December 2023	Until expiry of term
	Shenzhen Urban Construction and Development (Group) Co., Ltd. (深圳市城市建設開發(集團)有限公司)	Director	April 2024	Until expiry of term

## Section IV Corporate Governance

Staff name	Name of other entities	Position held in other entities	Starting date of term of office	Expiry date of term of office
ZHANG Manhua	Shenzhen Investment International Capital Holdings Company Limited (深圳投控國際資本控股有限公司)	Director	July 2024	Until expiry of term
	Shenzhen SDG Co., Ltd.	Director	August 2024	Until expiry of term
	Shenzhen Asset Management Co., Ltd. (深圳資產管理有限公司)	Director	August 2024	Until expiry of term
	Guoren Property and Casualty Insurance Co. Ltd. (國任財產保險股份有限公司)	Director	September 2024	Until expiry of term
	China Southern Asset Management Co., Ltd.	Chairman of the Supervisory Committee	September 2024	Until expiry of term
	Shenzhen Property Development (Group) Co., Ltd. (深圳市物業發展(集團)股份有限公司)	Supervisor	September 2014	Until expiry of term
	Shenzhen General Institute of Architectural Design and Research Co., Ltd. (深圳市建築設計研究總院有限公司)	Director	July 2017	Until expiry of term
	Shenzhen Asset Management Co., Ltd. (深圳資產管理有限公司)	Director	April 2020	Until expiry of term
	Shenzhen Bay Area Urban Construction and Development Co., Ltd.	Director	August 2021	Until expiry of term
	Shenzhen Hi-Tech Zone Investment Development Group Co., Ltd. (深圳市高新區投資發展集團有限公司)	Director	February 2023	Until expiry of term
	Shenzhen Special Economic Zone Real Estate (Group) Company Limited (深圳經濟特區房地產(集團)股份有限公司)	Director	March 2023	Until expiry of term
	Shenzhen Bay Technology Development Co., Ltd.	Director	December 2024	Until expiry of term

## Section IV Corporate Governance

Staff name	Name of other entities	Position held in other entities	Starting date of term of office	Expiry date of term of office
WANG Tao	Galaxy Fund Management Company Limited (銀河基金管理有限公司)	Director	October 2024	Until expiry of term
CHEN Yijiang	New China Life Excellent Health Investment Management Co., Ltd.	Director	January 2016	Until expiry of term
	New China Pension Co., Ltd.	Director	March 2017	Until expiry of term
	Allinpay Network Service Co., Ltd (通聯支付網路服務股份有限公司)	Director	July 2022	Until expiry of term
	China Jinmao Holdings Group Limited	Director	June 2024	Until expiry of term
	Huixin Capital International Management Limited	Director	July 2024	Until expiry of term
	New China Capital Management Limited	Director	August 2024	Until expiry of term
DING Wei	Xiamen Borun Capital Investment Management Co., Ltd. (廈門博潤資本投資管理有限公司)	Executive director, legal representative	January 2021	Until expiry of term
	Xiamen Borun Bowei Consulting Management Co., Ltd. (廈門博潤博為諮詢管理有限公司)	Legal representative	January 2023	Until expiry of term
	Xiamen Borun Capital Holding Partnership (Limited Partnership) (廈門博潤資本控股合夥企業(有限合夥))	Managing partner	October 2020	Until expiry of term
	Borun Multi-strategies (Xiamen) Equity Investment Partnership (Limited Partnership) (博潤多策略(廈門)股權投資合夥企業(有限合夥))	Representative of managing partner	November 2021	Until expiry of term
	Hundsun Technologies Inc.	Independent director	September 2021	Until expiry of term
	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Independent director	June 2022	Until expiry of term

## Section IV Corporate Governance

Staff name	Name of other entities	Position held in other entities	Starting date of term of office	Expiry date of term of office
LI Renjie	Xiamen International Bank Co., Ltd.	Independent director	December 2021	Until expiry of term
	Bank of Ningbo Co., Ltd. (寧波銀行股份有限公司)	Independent director	June 2023	Until expiry of term
BAI Wei	Jingtian & Gongcheng	Partner	April 1992	Until expiry of term
WANG Guogang	The School of Finance of Renmin University of China	Professor	September 2017	Until expiry of term
	Industrial Securities Assets Management Co., Ltd.	Independent director	December 2023	Until expiry of term
YIM, Chi Hung Henry	Breton Technology Co., Ltd. (博雷頓科技股份分公司)	Independent director	April 2024	Until expiry of term
	Beijing Tong Ren Tang Healthcare Investment Co., Ltd. (北京同仁堂醫養投資股份有限公司)	Independent director	June 2024	Until expiry of term
	Yixin Group Limited	Independent non-executive director	February 2025	Until expiry of term
PU Yonghao	Fountainhead Partners Company Limited	Senior consultant	February 2018	Until expiry of term
	Interra Acquisition Corporation	Independent director	September 2022	Until expiry of term
ZHOU Zhaohui	Shenzhen Energy Environmental Co., Ltd. (深圳能源環保股份有限公司)	Director	November 2021	Until expiry of term
	Shenzhen Energy Transportation Co., Ltd. (深圳市能源運輸有限公司)	Executive director, general manager	May 2024	Until expiry of term
	Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司)	Supervisor	May 2012	Until expiry of term

## Section IV Corporate Governance

Staff name	Name of other entities	Position held in other entities	Starting date of term of office	Expiry date of term of office
ZUO Zhipeng	Anhui Huamao Group Co., Ltd.	Director	March 2007	Until expiry of term
	Anhui Huatai Textile Co., Ltd.(安徽華泰紡織有限公司)	Director	June 2007	Until expiry of term
	Anhui Huayi Sewing Threads Co., Ltd. (安徽華意制線有限公司)	Director	June 2007	Until expiry of term
	Anhui Huamao Weaving and Dyeing Co., Ltd. (安徽華茂織染有限公司)	Director	January 2011	Until expiry of term
	Anqing Huamao Baisite Textile Technology Co., Ltd.(安慶華茂佰斯特紡織科技有限公司)	Director	July 2012	Until expiry of term
	Anqing Huaxin Industrial Cloth Co., Ltd. (安慶華欣產業用布有限公司)	Director	August 2015	Until expiry of term
	Alar Xinkai Textile Co., Ltd.(阿拉爾市新凱紡織有限公司)	Director	September 2010	Until expiry of term
	Yuanda (Hong Kong) Trade Co., Ltd. (源達(香港)貿易有限公司)	Director	February 2013	Until expiry of term
	Anhui Yiyuan Environmental Technology Co., Ltd. (安徽宜源環保科技股份有限公司)	Director	May 2011	Until expiry of term
	Shanghai Huamao Entiaishi Apparel Co., Ltd. (上海華茂恩遜艾世服飾有限公司)	Director	September 2012	Until expiry of term
	Anhui Huamao Industrial Investment Co., Ltd. (安徽華茂產業投資有限公司)	Director	December 2009	Until expiry of term
	Anqing Yuanhong Mining Investment Co., Ltd. (安慶元鴻礦業投資有限公司)	Director	November 2011	Until expiry of term

## Section IV Corporate Governance

Staff name	Name of other entities	Position held in other entities	Starting date of term of office	Expiry date of term of office
	Kunming Dongchuan District Laomingcao Mining Co., Ltd. (昆明市東川區老明槽礦業有限公司)	Director, chairman	June 2007, January 2024	Until expiry of term
	Liuyang Xinlei Mining Development Co., Ltd. (瀏陽市鑫磊礦業開發有限公司)	Director	June 2007	Until expiry of term
	Anhui Xintianzhu Textile Co., Ltd. (安徽新天柱紡織有限公司)	Director	May 2010	Until expiry of term
	Anhui Huajing New Textile Co., Ltd. (安徽華經新型紡織有限公司)	Director	May 2016	Until expiry of term
	Anqing Huawei Industrial Cloth Technology Co., Ltd. (安慶華維產業用布科技有限公司)	Director	May 2016	Until expiry of term
	Anqing Zhenfeng Pawn Co., Ltd. (安慶振風典當有限責任公司)	Director, chairman	June 2016, October 2024	Until expiry of term
	Anqing Zhenfeng Auction Co., Ltd. (安慶市振風拍賣有限公司)	Director, chairman	June 2016, October 2024	Until expiry of term
	Anhui Huamao Zhenyang Investment Co., Ltd. (安徽華茂振陽投資有限公司)	Director	June 2017	Until expiry of term
	Anqing Xinsheng Technology Co., Ltd. (安慶新盛科技有限公司)	Director	September 2021	Until expiry of term
	Anqing Xinyi Industry Investment Co., Ltd. (安慶新益產業投資有限公司)	Director, general manager	February 2024	Until expiry of term
	Guotai Junan Investment Management Co., Ltd.	Supervisor	April 2014	Until expiry of term

## Section IV Corporate Governance

Staff name	Name of other entities	Position held in other entities	Starting date of term of office	Expiry date of term of office
XIE Lebin	Guotai Junan Financial Holdings Co., Ltd.	Director	June 2020	Until expiry of term
	Shanghai Guotai Junan Securities Asset Management Co., Ltd. (上海國泰君安證券資產管理有限公司)	Chairman	January 2022	Until expiry of term
LUO Dongyuan	China Securities Credit Investment Co., Ltd.	Director	May 2022	Until expiry of term
	Guotai Junan Investments (Hong Kong) Limited	Director	July 2017	Until expiry of term
HAN Zhida	Guotai Junan Financial Holdings Co., Ltd.	Chairman of the board	November 2024	Until expiry of term
	Guotai Junan Innovation Investment Co., Ltd.	Chairman, chairman of the executive committee	April 2024	Until expiry of term
	Guotai Junan International Holdings Limited	Director	November 2024	Until expiry of term
ZHANG Zhihong	HuaAn Funds Management Co., Ltd.	Chairman of the supervisory committee	August 2014	Until expiry of term
<b>Explanations on the positions in other entities</b>	None			

## Section IV Corporate Governance

### (III) COMPENSATION FOR DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

☒ Applicable   ☐ Not applicable

Procedure for the determination of compensation for Directors, Supervisors and senior management members of the Company

The Company has established the Remuneration, Appraisal and Nomination Committee under the Board, mainly responsible for reviewing and making recommendations on the assessment and remuneration management system for Directors and senior management members of the Company, establishing formal and transparent procedures for developing remuneration policy and making recommendations to the Board, assessing the Directors and senior management members of the Company and making recommendations, suggesting on the remuneration of the senior management with reference to the corporate operation goals and objectives set by the Board. Compensation for the Supervisors shall be proposed by the Supervisory Committee and subject to the approval at the Shareholders' general meeting.

Whether Directors recuse themselves from the Board's discussion on their remuneration

Yes

Details of recommendations made by the Remuneration, Appraisal and Nomination Committee on the remuneration of Directors, Supervisors and senior management members of the Company

For details, please refer to "(III) During the Reporting Period, the Remuneration, Appraisal and Nomination Committee held eight meetings" in "VII. Special Committees Under the Board" in this section.

## Section IV Corporate Governance

Basis for the determination of compensation for Directors, Supervisors and senior management members of the Company

The Company determines the remuneration of professional managers according to the Implementation Scheme for Further Deepening the Remuneration Policy Reform of Professional Managers (《進一步深化職業經理人薪酬制度改革實施方案》), Measures for the Assessment of Professional Managers (《職業經理人考核辦法》), Measures for the Remuneration of Professional Managers (《職業經理人薪酬辦法》), etc. The remuneration of professional managers is composed of annual salary and medium and long term incentive, where annual salary includes basic annual salary and performance-related annual salary, and the medium and long-term incentives for professional managers are determined in accordance with the Implementation Scheme for Further Deepening the Remuneration Policy Reform of Professional Managers of the Company. The Company determines the remuneration of other leaders according to the Performance Evaluation and Remuneration Distribution Plan for Other Leaders (《其他領導人員業績考核和薪酬分配方案》), and the total annual salary is composed of basic annual salary, performance-related annual salary and tenure incentive.

Actual payment of compensation for Directors, Supervisors and senior management members of the Company

For details, please refer to “(I) Changes in the shareholdings and remuneration of the current Directors, Supervisors and senior management of the Company and those who resigned during the Reporting Period” in “IV. Directors, Supervisors and Senior Management” in this section.

Actual total amount of remuneration received by the Directors, Supervisors and senior management members of the Company at the end of the Reporting Period

RMB10.8723 million

## Section IV Corporate Governance

### (IV) CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

√ Applicable    □ Not applicable

Name	Position	Manner of change	Reason of change
LI Junjie	President	Appointment	Appointment by the Board
LI Junjie	Vice chairman, director	Election	Election by the general meeting and the Board
ZHANG Manhua	Director	Election	Election by the general meeting
WANG Tao	Director	Election	Election by the general meeting
CHEN Yijiang	Director	Election	Election by the general meeting
CHEN Zhongyi	Vice president	Appointment	Appointment by the Board
HAN Zhida	Vice president	Appointment	Appointment by the Board
NIE Xiaogang	Secretary of the Board	Appointment	Appointment by the Board
ZHAO Hong	Chief auditor	Appointment	Appointment by the Board
WANG Wenjie	Former director	Resignation	Work reason
WANG Song	Former vice chairman, director, president	Resignation	Retirement
LI Junjie	Former vice president	Resignation	Work arrangement
ZHANG Yipeng	Former director	Resignation	Retirement
AN Hongjun	Former director	Resignation	Work reason
YU Jian	Former director, secretary to the Board	Resignation	Retirement
ZHANG Zhihong	Form chief auditor	Resignation	Work reason

## Section IV Corporate Governance

### (V) PUNISHMENT BY SECURITIES REGULATORY BODIES FOR THE PAST THREE YEARS

☒ Applicable   ☐ Not applicable

In February 2024, Zhou Zhaohui, the Supervisor of the Company and the secretary of the board of directors of Shenzhen Energy Group Co., Ltd. received the Decision of Shenzhen Securities Regulatory Bureau on issuing warning letters to Zhou Zhaohui, and Zhang Shunwen of Shenzhen Energy Group Co., Ltd. ([2024] No.36) issued by the Shenzhen Securities Regulatory Bureau of the China Securities Regulatory Commission, which was due to the violation of the “Information Disclosure Management Measures for Listed Companies” in the process of making the “Independent Director Nominee Statement” and “Independent Director Candidate Statement” by Shenzhen Energy Group Co., Ltd. and its independent director, Zhang Shunwen. As the secretary of the board of directors of Shenzhen Energy Group Co., Ltd., Zhou Zhaohui was primarily responsible for the violations and was issued a warning letter of administrative supervision measures by the Shenzhen Securities Regulatory Bureau of the China Securities Regulatory Commission.

In April 2024, Ding Wei, an independent non-executive Director of the Company and a former senior management member of China International Capital Corporation Limited, received a document entitled Decision on taking Administrative Supervision Measures for Issuing a Warning Letter against Ding Wei ([2024] No. 96) (《關於對丁瑋採取出具警示函行政監管措施的決定》([2024]96號)) issued by Beijing Securities Regulatory Bureau of the CSRC. Due to the inadequate management of the business and investment activities of its subsidiaries by China International Capital Corporation Limited, which reflected that China International Capital Corporation Limited failed to effectively implement compliance management and violated article 3 under the Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies (Revised in 2020) (《證券公司和證券投資基金管理公司合規管理辦法(2020年修訂)》), Ding Wei, as the then senior management member in charge of the above-mentioned businesses, was responsible for the violations, and was thus subject to administrative supervision measures taken by Beijing Securities Regulatory Bureau of the CSRC with a warning letter.

### (VI) SERVICE CONTRACTS WITH DIRECTORS AND SUPERVISORS

None of the Directors or Supervisors entered into any service agreement with the Company or its subsidiaries, which is not determinable within one year or is determinable with payment of compensation other than statutory compensation.

## Section IV Corporate Governance

### (VII) DIRECTORS' INTERESTS IN BUSINESS COMPETING WITH THE COMPANY

Mr. CHEN Yijiang, a non-executive Director of the Company, has been the chairman of New China Asset Management (Hong Kong) Limited since October 2023. Since New China Asset Management (Hong Kong) Limited currently holds the licenses under the SFO for engaging in the regulated activities of Type 4 (Advising on Securities) and Type 9 (Asset Management), it competes or is likely to compete, either directly or indirectly, with certain businesses of Guotai Junan Financial Holdings and its subsidiaries. Save as disclosed in this report, none of the Directors has any interest in the businesses which compete or is likely to compete, either directly or indirectly, with the Company's business.

### (VIII) Interests of Directors and Supervisors in material contracts

Except for the related party transactions disclosed in "XII. Material Related Party Transactions" of "Section VI Significant Events", the Company has not entered into any significant transaction, arrangement or contract in which Directors, Supervisors or entities associated with such Directors or Supervisors held or had held any direct or indirect material interests during the Reporting Period.

### (IX) Others

☒ Applicable   ☐ Not applicable

The Board has six independent non-executive Directors, representing more than one third of the members of the Board. The number and qualifications of independent non-executive Directors are in compliance with domestic regulatory requirements and the requirement of the Hong Kong Listing Rules.

The Board has received annual self-evaluation confirmations issued by each independent non-executive Director in respect of their independence according to the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Guidelines No. 1 for the Application of Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange – Standard Operation (《上海證券交易所上市公司自律監管指引第1號－規範運作》) issued by the SSE and Rule 3.13 of the Hong Kong Listing Rules. After evaluation, the Board believes that each independent non-executive Director is independent as required by the relevant laws and regulations of the CSRC, the SSE and the Hong Kong Stock Exchange.

The Company has established channels through formal and informal means whereby independent non-executive Directors can express their views in an open and candid manner, and in a confidential manner, should circumstances require; these include dedicated meeting sessions with the Chairman annually and interaction with management and other Board members including the Chairman outside the boardroom. In case of any conflict of interest, the relevant Director will abstain from voting and consider seeking advices from lawyers and company secretary. Therefore, the Company believes that the Board can obtain independent views and opinions.

## Section IV Corporate Governance

### V. CONVENING OF BOARD MEETINGS DURING THE REPORTING PERIOD

Meeting session	Convening date	Resolutions
The 22nd extraordinary meeting of the sixth session of the Board	10 January 2024	The Resolution on Proposing to Consider the Achievement of Releasing Selling Restrictions in the Second Lock-up Period for the First Grant under the Restricted Share Incentive Plan of A Shares and Releasing Selling Restrictions, the Resolution on Proposing to Consider the Achievement of Releasing Selling Restrictions in the First Lock-up Period for the Reserved Grant Under the Restricted Share Incentive Plan of A Shares and Releasing Selling Restrictions, the Resolution on Proposing to Consider the Repurchase and Cancellation of Certain Restricted A Shares, the Resolution on Proposing to Consider the Plan on Implementing the Reform of the Wage Determination Mechanism for 2023 and 2024, the Resolution on Proposing to Consider the Adjustment to the Composition of the Audit Committee of the Board of Directors, and the Resolution on Proposing to Consider the Adjustment to the Functional Positioning of Shanghai Qingpu Branch Office were considered and approved
The 23rd extraordinary meeting of the sixth session of the Board	23 January 2024	The Resolution on Proposing to Consider the Appointment of the President and the Resolution on Proposing to Consider the Nomination of Mr. LI Junjie as a Candidate for Director of the Company were considered and approved
The 24th extraordinary meeting of the sixth session of the Board	29 February 2024	The Resolution on Proposing to Consider the Nomination of Mr. ZHANG Manhua as a Candidate for Director of the Company and the Resolution on Proposed Convening of the 2024 First Extraordinary General Meeting, the 2024 First A Shareholders' Class Meeting and the 2024 First H Shareholders' Class Meeting were considered and approved

## Section IV Corporate Governance

Meeting session	Convening date	Resolutions
The twelfth meeting of the sixth session of the Board	28 March 2024	<p>The Work Report of the Directors of the Company for 2023, the Report on the Operation and Management of the Company for 2023, the Report on the Performance of Duties by the Audit Committee under the Board for 2023, the Resolution on the Proposed Amendments to the Terms of Reference of the Audit Committee under the Board, the Profit Distribution Plan of the Company for 2023, the Resolution on Proposing to Consider the Re-appointment of Accounting Firm, the Risk Management Report of the Company for 2023, the Resolution on Proposing to Consider the Group Companies' Risk Preference for 2024, the Resolution on Proposing to Consider the Scale of Proprietary Trading Business of the Group Companies for 2024, the Resolution on Proposing to Consider the General Mandate to Issue Onshore and Offshore Debt Financing Instruments, the Resolution on Proposing to Consider the Issuance of Onshore and Offshore Debt Financing Instruments by the Company that may constitute Related-party Transaction, the Compliance Report of the Company for 2023, the Internal Control Assessment Report of the Company for 2023, the Resolution on Proposing to Consider the Donations by the Company to Shanghai Guotai Junan Social Welfare Foundation in 2024, the Sustainability Report of the Company for 2023, the Annual Report of the Company for 2023, the Duty Performance Report of the Independent Directors for 2023, the Resolution on the Potential Related Party Transactions Contemplated in the Ordinary Course of Business of the Company in 2024, the Resolution on Proposing the General Meeting to Grant a General Mandate to the Board to Issue Additional A Shares or H Shares, the Resolution on Proposed Amendments to the Articles of Association, and the Resolution on Proposing to Consider the Convening of the 2023 Annual General Meeting, the 2024 Second A Shareholders' Class Meeting and the 2024 Second H Shareholders' Class Meeting were considered and approved. The Work Report on Legal Construction of the Company for 2023 and the Special Report on the Information Technology Management of the Company for 2023 were also listened at the meeting</p>

## Section IV Corporate Governance

Meeting session	Convening date	Resolutions
The thirteenth meeting of the sixth session of the Board	29 April 2024	The First Quarterly Report of the Company for 2024, the Action Plan for “Improving Quality, Increasing Efficiency and Achieving Returns” of the Company in 2024, the Resolution on Proposing the General Meeting to Authorize the Board of Directors to Determine the Interim Profit Distribution Plan for 2024 and the Administration Measures of Internal Audit of the Company were considered and approved
The 25th extraordinary meeting of the sixth session of the Board	24 May 2024	The Resolution on the Proposed Appointment of the Vice President of the Company, the Resolution on the Proposed Appointment of Secretary to the Board of the Company, and the Resolution on the Proposed Appointment of Joint Company Secretaries and Authorized Representatives were considered and approved
The 26th extraordinary meeting of the sixth session of the Board	5 July 2024	The Resolution on Proposing to Consider the Joint Investment and Establishment of the Three Leading Industry FOFs of Shanghai between the Company and Related Parties and the Resolution on Proposing to Consider the Adjustment to the Functions of the International Business Committee of the Company were considered and approved
The fourteenth meeting of the sixth session of the Board	29 August 2024	The 2024 Interim Report of the Company, the 2024 Interim Profit Distribution Plan of the Company, the 2024 Interim Risk Management Report of the Company, the Working Rules of the Special Meeting of Independent Directors of the Company, the Resolution on Proposing to Consider the Nomination of Candidates for Directors of the Company, the 2024 Interim Compliance Report of the Company and the Resolution on Proposing to Consider the Adjustment to the Name and Functions of the Data Platform Operation Department were considered and approved
The 27th extraordinary meeting of the sixth session of the Board	6 September 2024	The Resolution on Proposed Convening of the 2024 Second Extraordinary General Meeting and the Resolution on Proposed Addition of Members to Special Committees under the Board were considered and approved

## Section IV Corporate Governance

Meeting session	Convening date	Resolutions
The 28th extraordinary meeting of the sixth session of the Board	9 October 2024	<p>The Resolution on the Proposed Transaction in Compliance with the Laws and Regulations Related to the Material Assets Restructuring of Listed Companies, the Resolution on the Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction, the Resolution on the “Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction” and Its Summary, the Resolution on Signing the “Merger by Absorption and Share-for-Share Exchange Agreement between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd.” (Subject to Effectiveness Conditions), the Resolution on Signing the “Share Subscription Agreement Subject to Conditions between Guotai Junan Securities Co., Ltd. and Shanghai State-owned Assets Management Co., Ltd.” (Subject to Effectiveness Conditions), the Resolution on the Proposed Transaction Constituting Material Assets Restructuring, the Resolution on the Proposed Transaction Constituting a Related Transaction, the Resolution on the Proposed Transaction in Compliance with the requirements of Articles 11 and 43 of the Administrative Measures for Major Assets Restructuring of Listed Companies, the Resolution on the Proposed Transaction in Compliance with Article 4 of “the Regulatory Guidelines for Listed Companies No.9 – Regulatory Requirements for the Planning and Implementation of Material Assets Restructurings by Listed Companies”, the Resolution on the Proposed Transaction Not Constituting a Restructuring and Listing as Specified in Article 13 of “the Administrative Measures for the Material Assets Restructuring of Listed Companies”, the Resolution on the Completeness of and Compliance with Statutory Procedures of the Proposed Transaction and</p>

## Section IV Corporate Governance

Meeting session	Convening date	Resolutions
		<p>the Validity of Legal Documents Submitted, the Resolution on the Relevant Entities in the Proposed Transaction Not Being Prohibited from Participating in Any Material Assets Restructuring of Listed Companies in accordance with Article 12 of “the Regulatory Guidelines for Listed Companies No. 7 – Regulation of Abnormal Stock Trading Relating to Material Assets Restructuring of Listed Companies”, and Article 30 of “the Guidelines No. 6 for the Application of Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange – Material Assets Restructuring”, the Resolution on the Proposed Transaction in Compliance with Article 11 of “the Administrative Measures for the Registration of the Issuance of Securities by Listed Companies”, the Resolution on Purchase and Sale of Assets within 12 Months Prior to the Proposed Transaction, the Resolution on No Abnormal Fluctuation in the Company’s Stock Price in the 20 Trading Days Prior to the Announcement of the Information on the Proposed Transaction, the Resolution on the Confidentiality Measures and Confidentiality System Adopted in the Proposed Transaction, the Resolution on Proposing the General Meeting to Authorize the Board of Directors and Its Authorized Persons to Fully Handle Matters Related to the Proposed Transaction, the Resolution on Proposing the General Meeting to Grant a Specific Mandate to the Board of Directors to Issue Additional A Shares and H Shares for the Merger by Absorption and Share-for-Share Exchange, the Resolution on Proposing the General Meeting to Grant a Special Mandate to the Board of Directors to Issue Additional A Shares for Raising Ancillary Funds, the Resolution on Approval of the Joint Announcement and the Resolution on Not Convening a General Meeting to Consider Matters Relating to the Transaction were considered and approved</p>
The fifteenth meeting of the sixth session of the Board	30 October 2024	<p>The Resolution on Proposing to Consider the Third Quarterly Report of the Company for 2024, the Resolution on Proposing to Consider the Implementation of the Action Plan for “Improving Quality, Increasing Efficiency and Achieving Returns” of the Company in 2024 and the Resolution on Proposing to Consider the Appointment of the Chief Auditor of the Company were considered and approved</p>

## Section IV Corporate Governance

Meeting session	Convening date	Resolutions
The 29th extraordinary meeting of the sixth session of the Board	21 November 2024	<p>The Resolution on the Proposed Transaction in Compliance with the Laws and Regulations Related to the Material Assets Restructuring of Listed Companies, the Resolution on the Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction, the Resolution on the “Report on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (Draft)” and Its Summary, the Resolution on the Proposed Transaction Constituting Material Assets Restructuring, the Resolution on the Proposed Transaction Constituting a Related Transaction, the Resolution on the Proposed Transaction in Compliance with the requirements of Articles 11 and 43 of the Administrative Measures for Major Assets Restructuring of Listed Companies, the Resolution on the Proposed Transaction in Compliance with Article 4 of “the Regulatory Guidelines for Listed Companies No.9 – Regulatory Requirements for the Planning and Implementation of Material Assets Restructurings by Listed Companies”, the Resolution on the Proposed Transaction Not Constituting a Restructuring and Listing as Specified in Article 13 of “the Administrative Measures for the Material Assets Restructuring of Listed Companies”, the Resolution on the Completeness of and Compliance with Statutory Procedures of the Proposed Transaction and the Validity of Legal Documents Submitted, the Resolution on the Relevant Entities in the Proposed Transaction Not Being Prohibited from Participating in Any Material Assets Restructuring of Listed Companies in accordance with Article 12 of “the Regulatory Guidelines for Listed Companies No. 7 – Regulation of Abnormal Stock Trading Relating to Material Assets Restructuring of</p>

## Section IV Corporate Governance

Meeting session	Convening date	Resolutions
		<p>Listed Companies”, and Article 30 of “the Guidelines No. 6 for the Application of Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange – Material Assets Restructuring”, the Resolution on the Proposed Transaction in Compliance with Article 11 of “the Administrative Measures for the Registration of the Issuance of Securities by Listed Companies”, the Resolution on Purchase and Sale of Assets within 12 Months Prior to the Proposed Transaction, the Resolution on the Confidentiality Measures and Confidentiality System Adopted in the Proposed Transaction, the Resolution on Approving the Relevant Documents in Relation to the Pro Forma Consolidated Financial Statements of the Proposed Transaction, the Resolution on Confirming the “Valuation Report of Orient Securities Co., Ltd. on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction”, the Resolution on the Independence of the Valuation Agency, the Reasonableness of Valuation Assumptions, the Relevance of Valuation Methods and Valuation Purposes, and the Fairness of Valuation and Pricing, the Resolution on the Remedial Measures and Undertakings by Relevant Parties in Relation to Dilutive Impact on Immediate Returns of the Proposed Transaction, the Resolution on the Dividend Distribution Plan for the Shareholders of Guotai Junan Securities Co., Ltd. for the Next Three Years (2024 to 2026), the Resolution on the Non-existent of Direct or Indirect Paid Employment of Other Third-Party Institutions or Individuals in the Proposed Transaction, the Resolution on Approval of the Joint Circular and Related Documents and the Resolution on Proposed Convening of the 2024 Third Extraordinary General Meeting were considered and approved</p>
The 30th extraordinary meeting of the sixth session of the Board	30 December 2024	The Report on the 2023 Annual Appraisal of the Company’s Senior Management was considered and approved

## Section IV Corporate Governance

### VI. PERFORMANCE OF DUTIES BY THE BOARD AND DIRECTORS

#### (I) Duties of the Board

The Board is the permanent authority of the Company, and is responsible to the general meeting of Shareholders. According to the Articles of Association, the Board has the following duties: to convene general meetings and to report to shareholders' general meetings; to implement the resolutions of shareholders' general meetings; to research and formulate the medium and long-term development plan of the Company; to determine business operation plans and investment plans of the Company; to formulate annual preliminary and final financial budgets of the Company; to formulate the profit distribution plans and plans for recovery of losses of the Company; to formulate proposals of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing; to formulate plans for any substantial acquisition by the Company, repurchase of the shares (in circumstances specified to Sub-clauses (1) and (2) of Article 30 of the Articles of Association) or merger, division and change of the form and dissolutions of the Company; to decide on matters relating to the Company's external investment, acquisitions or disposal of assets, mortgage of assets, external guarantee, entrusted wealth management, connected transactions and external donations as authorized by shareholders' general meetings; to decide on the establishment of the Company's internal management structure; to appoint or dismiss the Company's president, secretary to the board of directors, chief risk officer, chief compliance officer, chief legal counsel and chief auditor and, based on the nominations of president, to appoint or dismiss vice presidents, chief financial officer and other senior management and to determine their remuneration and rewards and penalties; to decide on the proposals for the establishment of subsidiaries; to formulate the basic management system of the Company; to formulate proposals for any amendments to the Articles of Association; to manage the disclosure of information of the Company; to propose to shareholders' general meetings the appointment or change of the accounting firm acting as the auditor of the Company; to hear the work report of the Company's president and special committees under the board of directors and to review the work of the Company's president and special committees under the board of directors; to assume ultimate responsibility for the effectiveness of the compliance management and overall risk management of the Company, and perform the respective duties; to determine the compliance management objectives of the Company, and perform the following compliance management duties: to consider and approve the basic compliance management rules; to consider and approve the annual compliance report; to establish the mechanism for direct communication with the person responsible for compliance; to evaluate the effectiveness of compliance management and supervise the resolution of problems existing in compliance management; to decide on the Company repurchases its shares in circumstances specified to Sub-clauses (3), (5) and (6) of Article 30 of the Articles of Association; to promote the construction of corporate culture and guide the construction of corporate culture; and any other powers as conferred by the laws, administrative regulations, departmental rules and the Articles of Association.

## Section IV Corporate Governance

### (II) Attendance at Board meetings and general meetings by Directors

Name of Directors	Independent Director or not	Attendance at Board meetings						Attendance at general meetings
		Number of Board meetings to be attended this year	No.of meetings attended in person	No.of meetings attended by way of telecommunication	Number of meetings attended by proxy	Number of absence	Two consecutive Board meetings not attended in person or not	No.of general meetings attended
ZHU Jian	No	13	13	8	0	0	No	7
LI Junjie	No	10	9	5	1	0	No	5
LIU Xinyi	No	13	12	8	1	0	No	0
GUAN Wei	No	13	13	8	0	0	No	0
ZHONG Maojun	No	13	13	8	0	0	No	0
CHEN Hua	No	13	13	8	0	0	No	0
SUN Minghui	No	13	11	8	2	0	No	0
ZHANG Manhua	No	10	9	5	1	0	No	0
WANG Tao	No	4	4	1	0	0	No	0
CHEN Yijiang	No	4	4	1	0	0	No	0
DING Wei	Yes	13	13	8	0	0	No	4
LI Renjie	Yes	13	13	8	0	0	No	8
BAI Wei	Yes	13	13	8	0	0	No	8
WANG Guogang	Yes	13	13	8	0	0	No	7
YIM, Chi Hung Henry	Yes	13	13	8	0	0	No	8
PU Yonghao	Yes	13	13	8	0	0	No	4
WANG Song (resigned)	No	1	1	1	0	0	No	-
WANG Wenjie (resigned)	No	-	-	-	-	0	No	-
YU Jian (resigned)	No	6	6	5	0	0	No	6
ZHANG Yipeng (resigned)	No	8	8	7	0	0	No	0
AN Hongjun (resigned)	No	8	8	7	0	0	No	0

#### Not attending in person at two consecutive Board meetings

☐ Applicable    ☒ Not applicable

Number of Board meetings held during the year	13
Including: Number of on-site meetings	5
Number of meetings held by way of telecommunication	8
Number of meetings held in a mixed model	0

## Section IV Corporate Governance

### (III) Directors' objection to relevant matters of the Company

☐ Applicable ☒ Not applicable

### (IV) Others

☒ Applicable ☐ Not applicable

#### 1. Main measures implemented by the Board in respect of corporate governance during the Reporting Period

- (1) Corporate governance and related recommendations. In 2024, China's economy was generally stable and made progress while maintaining stability. The capital market declined and then rose with significant fluctuations. The central financial work conference proposed an ambitious goal to accelerate the construction of a financial power. As the new "National Nine Articles" and a series of "1+N" documents concerning the capital market were successively published, the activity of the securities market was significantly improved. The Board of the Company resolutely maintained its strategic focus, actively seized development opportunities and steadily promoted the construction of the Company as a first-class investment bank. The Company received the highest AA regulatory rating in A class in the industry for 17 consecutive years, maintained the highest international credit rating in the industry in the PRC, continuously entered into the white list of securities companies published by the CSRC, received the highest rating in the evaluation of industry culture construction practice for four consecutive years and achieved good operating results.
- (2) Performance of duties by Directors and their development. The Company has established a monthly report system on its operation and management to provide Directors with the operation and management of the Company and the development of the securities industry in a timely manner to facilitate their performance of duties. At the same time, it regularly provides Directors with the latest regulatory developments, engages intermediary agencies to provide professional training for Directors to perform their duties, or organizes Directors to participate in professional training held by regulatory authorities and industry associations, so as to continuously improve Directors' ability to perform their duties. By participating in Board meetings, special committee meetings and corporate strategy seminars, the Directors have given advice and suggestions, performed their duties conscientiously, and continued to improve the level and capability of corporate governance.

## Section IV Corporate Governance

- (3) Improvement of the governance system. In accordance with the latest requirements of the CSRC, the Shanghai Stock Exchange, the Hong Kong Stock Exchange and other regulatory authorities, the Articles of Association was amended and the Company's governance system was formulated; 4 directors and 3 professional managers were selected and appointed, and the professionalism and rejuvenation level of the Board and management were further improved; working rules for special meetings of independent directors were formulated and meeting responsibilities and procedures were clarified to further improve the transparency and credibility of corporate governance; the working rules of the Audit Committee of the Board were revised, internal audit management measures were formulated, the chief auditor was adjusted, and the unified and centralized management of the internal audit works of the Audit Committee of the Board was strengthened.
- (4) Improvement and optimization of long-term incentive and restraint mechanism. The Company has adhered to the combination of incentives and restraints, improved the short-term and medium-to-long-term remuneration structure, strengthened the evaluation of the management by the Board and the Remuneration, Appraisal and Nomination Committee under the Board; assessed the fulfillment of the selling restrictions of the second lock-up period under the first grant and the first lock-up period for the Reserved Grant of the Restricted Share Incentive Scheme of A Shares. The Company has strictly implemented the administrative measures on assessment and identified the termination of employment contract or the failure to meet the performance appraisal objectives among participants, and the repurchase shall be made at different grant prices.

### 2. Training for Directors

The Company keeps providing training to its Directors. During the Reporting Period, the Company conducted trainings on anti-money laundering and professional integrity for Directors, engaged intermediary agencies to provide on-demand trainings to Directors, and arranged Directors to attend the professional trainings organized by the SSE, the SAC, the Shanghai Association for Public Companies and other institutions. In addition, the Company delivered reading and learning materials such as Monthly Report on Operation and Management, formulation and revision of relevant laws and regulations to its Directors to help them to keep up with the latest industry updates, laws, regulations and policies, and keep them informed of significant events in relation to the operation, management, risk compliance and financial positions of the Company. Specific training arrangements for Directors are as follows:

## Section IV Corporate Governance

Name	Position	Training method and content
ZHU Jian	Chairman, Executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields, in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity; in December 2024, participating in the second training of directors, supervisors and senior management of listed companies in Shanghai in 2024 provided by the Listed Companies Association of Shanghai.
LI Junjie	Vice chairman of the Board, Executive Director, President	In March 2024, participating in the induction training for Directors provided by Freshfields, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the follow-up training for practitioners in 2024 provided by the SAC, and participating in the warning education training on professional integrity; in December 2024, participating in the second training of directors, supervisors and senior management of listed companies in Shanghai in 2024 provided by the Listed Companies Association of Shanghai.
LIU Xinyi	Non-executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity.

## Section IV Corporate Governance

Name	Position	Training method and content
GUAN Wei	Non-executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity.
ZHONG Maojun	Non-executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity; in December 2024, participating in the second training of directors, supervisors and senior management of listed companies in Shanghai in 2024 provided by the Listed Companies Association of Shanghai.
CHEN Hua	Non-executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity.
SUN Minghui	Non-executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity.

## Section IV Corporate Governance

Name	Position	Training method and content
ZHANG Manhua	Non-executive Director	In March 2024, participating in the induction training for Directors provided by Freshfields, and participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity.
WANG Tao	Non-executive Director	In September 2024, participating in the induction training for Directors provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity.
CHEN Yijiang	Non-executive Director	In September 2024, participating in the induction training for Directors provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity; in December 2024, participating in the second training of directors, supervisors and senior management of listed companies in Shanghai in 2024 provided by the Listed Companies Association of Shanghai.

## Section IV Corporate Governance

Name	Position	Training method and content
DING Wei	Independent Non-executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity; in December 2024, participating in the special course of “Key Points and Suggestions for Independent Directors of Listed Companies in Anti-corruption Performance” provided by the SSE, and participating in the second training of directors, supervisors and senior management of listed companies in Shanghai in 2024 provided by the Listed Companies Association of Shanghai. Read and study the Top 10 Things to Know and Do for Independent Directors in Performing Their Duties, the Guidelines of Independent Directors for Listed Companies and other materials issued by the China Association for Public Companies.
LI Renjie	Independent Non-executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity; in December 2024, participating in the special course of “Key Points and Suggestions for Independent Directors of Listed Companies in Anti-corruption Performance” provided by the SSE. Read and study the Top 10 Things to Know and Do for Independent Directors in Performing Their Duties, the Guidelines of Independent Directors for Listed Companies and other materials issued by the China Association for Public Companies.

## Section IV Corporate Governance

Name	Position	Training method and content
BAI Wei	Independent Non-executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity; in December 2024, participating in the special course of “Key Points and Suggestions for Independent Directors of Listed Companies in Anti-corruption Performance” provided by the SSE. Read and study the Top 10 Things to Know and Do for Independent Directors in Performing Their Duties, the Guidelines of Independent Directors for Listed Companies and other materials issued by the China Association for Public Companies.
WANG Guogang	Independent Non-executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity; in December 2024, participating in the special course of “Key Points and Suggestions for Independent Directors of Listed Companies in Anti-corruption Performance” provided by the SSE. Read and study the Top 10 Things to Know and Do for Independent Directors in Performing Their Duties, the Guidelines of Independent Directors for Listed Companies and other materials issued by the China Association for Public Companies.

## Section IV Corporate Governance

Name	Position	Training method and content
YIM, Chi Hung Henry	Independent Non-executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in April 2024, participating the training on Prospectus Responsibilities and Continuing Obligations provided by Cooley LLP; in June 2024, participating in the training on Hong Kong Laws, Regulations and Listing Rules provided by Kaiyuan Law Firm; in June 2024, participating in the independent directors forum organized by KPMG; in July 2024, participating in the webcast course on interpretation of the Guidelines for Internal Audit of Securities Companies organized by the Securities Association of China; in October 2024, participating in the special training on anti-money laundering and the NEEQ Supervisory Training provided by Orient Securities; in November 2024, participating in the warning education training on professional integrity; in December 2024, participating in the special course of “Key Points and Suggestions for Independent Directors of Listed Companies in Anti-corruption Performance” provided by the SSE. Read and study the Top 10 Things to Know and Do for Independent Directors in Performing Their Duties, the Guidelines of Independent Directors for Listed Companies and other materials issued by the China Association for Public Companies.
PU Yonghao	Independent Non-executive Director	In March 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields and the Interpretation of Amendment to the Company Law provided by Haiwen & Partners; in July 2024, participating in the webcast course on interpretation of the Guidelines for Internal Audit of Securities Companies organized by the Securities Association of China; in September 2024, participating in the training on the Legal and Regulatory Updates in Hong Kong provided by Freshfields; in October 2024, participating in the special training on anti-money laundering; in November 2024, participating in the warning education training on professional integrity; in December 2024, participating in the special course of “Key Points and Suggestions for Independent Directors of Listed Companies in Anti-corruption Performance” provided by the SSE. Read and study the Top 10 Things to Know and Do for Independent Directors in Performing Their Duties, the Guidelines of Independent Directors for Listed Companies and other materials issued by the China Association for Public Companies.

## Section IV Corporate Governance

### VII. SPECIAL COMMITTEES UNDER THE BOARD

√ Applicable    □ Not applicable

#### (I) Composition of special committees under the Board

Special committees	Names of members
<b>Strategy and ESG Committee</b>	ZHU Jian (Chairman), LIU Xinyi (Member), CHEN Yijiang (Member), DING Wei (Member)
<b>Remuneration, Appraisal and Nomination Committee</b>	LI Renjie (Chairman), GUAN Wei (Member), DING Wei (Member), WANG Guogang (Member)
<b>Audit Committee</b>	YIM, Chi Hung Henry (Chairman), CHEN Hua (Member), SUN Minghui (Member), BAI Wei (Member), PU Yonghao (Member)
<b>Risk Control Committee</b>	LI Renjie (Chairman), LI Junjie (Member), ZHONG Maojun (Member), WANG Tao (Member), Bai Wei (Member)

On 30 November 2023, Mr. LEE Conway Kong Wai resigned due to the expiration of his term, and as a result, the Company failed to meet the requirement under Rule 3.21 of the Hong Kong Listing Rules that the majority of the members of the Audit Committee of the Board of Directors shall be composed of independent non-executive Directors and the Audit Committee shall be chaired by an independent non-executive Director. On 10 January 2024, Mr. PU Yonghao was appointed as a member of the Audit Committee of the Board of Directors, and Mr. YIM, Chi Hung Henry was appointed as the chairman of the Audit Committee of the Board of Directors. The Company has re-complied with the relevant requirements under Rule 3.21 of the Hong Kong Listing Rules regarding the number and composition of members of the Audit Committee of the Board of Directors.

## Section IV Corporate Governance

### (II) During the Reporting Period, the Strategy and ESG Committee held three meetings

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
27 March 2024	The sixth meeting of the Strategy and ESG Committee under the sixth session of the Board	The Sustainable Development Report of the Company for 2023 was considered and approved.	Major accomplishments of the Strategy and ESG Committee in 2024: conducted research on the Company's ESG governance and provided decision-making advice, including ESG governance vision, goals, policies, etc.; studied and considered the matters relating to the Company's major asset restructuring.

## Section IV Corporate Governance

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
8 October 2024	The seventh meeting of the Strategy and ESG Committee under the sixth session of the Board	<p>The Resolution on the Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (《關於國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易方案的議案》), the Resolution on the “Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction” and Its Summary (《關於&lt;國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易預案&gt;及其摘要的議案》), the Resolution on Signing the “Merger by Absorption and Share-for-Share Exchange Agreement between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd.” (Subject to Effectiveness Conditions) (《關於簽署附條件生效的&lt;國泰君安證券股份有限公司與海通證券股份有限公司換股吸收合併協議&gt;的議案》), the Resolution on Signing the “Share Subscription Agreement Subject to Conditions between Guotai Junan Securities Co., Ltd. and Shanghai State-owned Assets Management Co., Ltd.” (Subject to Effectiveness Conditions) (《關於簽署附條件生效的&lt;國泰君安證券股份有限公司與上海國有資產經營有限公司之附生效條件的股份認購協議&gt;的議案》), the Resolution on the Proposed Transaction Constituting Material Assets Restructuring (《關於本次交易構成重大資產重組的議案》), the Resolution on the Proposed Transaction Constituting a Related Transaction (《關於本次交易構成關聯交易的議案》) were considered and approved.</p>	

## Section IV Corporate Governance

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
21 November 2024	The eighth meeting of the Strategy and ESG Committee under the sixth session of the Board	<p>The Resolution on the Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (《關於國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易方案的議案》), the Resolution on the “Report on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (Draft)” and Its Summary (《關於〈國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易報告書(草案)〉及其摘要的議案》), the Resolution on the Proposed Transaction Constituting Material Assets Restructuring (《關於本次交易構成重大資產重組的議案》), the Resolution on the Proposed Transaction Constituting a Related/Connected Transaction (《關於本次交易構成關聯／關連交易的議案》), the Resolution on Approving the Relevant Documents in Relation to the Pro Forma Consolidated Financial Statements of the Proposed Transaction (《關於批准本次交易相關的備考合併財務報表相關文件的議案》), the Resolution on Confirming the “Valuation Report of Orient Securities Co., Ltd. on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction”</p>	

## Section IV Corporate Governance

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
		<p>(《關於確認&lt;東方證券股份有限公司關於國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易之估值報告&gt;的議案》), the Resolution on the Independence of the Valuation Agency, the Reasonableness of Valuation Assumptions, the Relevance of Valuation Methods and Valuation Purposes, and the Fairness of Valuation and Pricing (《關於估值機構的獨立性、估值假設前提的合理性、估值方法與估值目的的相關性以及估值定價的公允性的議案》), the Resolution on the Remedial Measures and Undertakings by Relevant Parties in Relation to Dilutive Impact on Immediate Returns of the Proposed Transaction (《關於本次交易攤薄即期回報、填補措施及相關主體承諾的議案》) were considered and approved.</p>	

- **The main functions and duties of the Strategy and ESG Committee:**

Conducting analysis and providing decision-making advices on the mid – and long-term strategies of the Company; conducting analysis and providing advices on major investments and financing proposals subject to the Board's approval; conducting analysis and providing decision-making advices on the Company's ESG, including ESG vision, goals, policies, etc.; conducting analysis and providing advices on other material matters affecting the development of the Company; and checking and evaluating the implementation of the above matters, and providing timely advices for necessary adjustments; and other duties delegated by the Board.

## Section IV Corporate Governance

- **During the Reporting Period, the attendance of meeting by the members of the Strategy and ESG Committee is as follows:**

<b>Name</b>	<b>Number of meetings to be attended</b>	<b>Number of meetings actually attended</b>
ZHU Jian	3	3
LIU Xinyi	3	3
CHEN Yijiang	2	2
DING Wei	3	3
AN Hongjun (resigned)	1	1
WANG Wenjie (resigned)	0	0

Note: Mr. CHEN Yijiang has been serving as a member of the Strategy and ESG Committee since September 2024.

### **(III) During the Reporting Period, the Remuneration, Appraisal and Nomination Committee held eight meetings**

<b>Convening date</b>	<b>Meeting session</b>	<b>Major opinions and recommendations</b>	<b>Other performance of duties</b>
3 January 2024	The fourteenth meeting of the Remuneration, Appraisal and Nomination Committee under the sixth session of the Board	The Achievement of Releasing Selling Restrictions in the Second Lock-up Period for the First Grant under the Restricted Share Incentive Plan of A Shares and Releasing Selling Restrictions; the Achievement of Releasing Selling Restrictions in the First Lock-up Period for the Reserved Grant and Releasing Selling Restrictions; the repurchase and cancellation of certain Restricted A Shares pursuant to the Incentive Scheme was approved; the Plan on Implementing the Reform of the Wage Determination Mechanism for 2023 and 2024 formulated by the Company was approved.	Reviewing the performance of and conducting annual performance appraisals for the senior management of the Company; reviewing the nomination of candidates for directors and senior management; studying and considering the remuneration policy of the Company.

## Section IV Corporate Governance

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
23 January 2024	The fifteenth meeting of the Remuneration, Appraisal and Nomination Committee under the sixth session of the Board	Upon consideration, Mr. LI Junjie met the requirements for serving as a president of a securities company; upon consideration, Mr. LI Junjie met the requirements for serving as a director of a securities company; Mr. LI Junjie was nominated as a director candidate of the sixth session of the Board.	
28 February 2024	The sixteenth meeting of the Remuneration, Appraisal and Nomination Committee under the sixth session of the Board	Upon consideration, Mr. ZHANG Manhua met the requirements for serving as a director of a securities company; the Board was recommended to nominate him as a director candidate.	
27 March 2024	The seventeenth meeting of the Remuneration, Appraisal and Nomination Committee under the sixth session of the Board	The Group's total salary for 2023 was considered and approved, and the final accounts and liquidation in accordance with the requirements of the implementation plan for the determination mechanism of total salary was conducted; the overall remuneration policy of the parent company for 2023 and its implementation and use was approved; the provision for the budget of the total remuneration for 2024 using the original method and approach was approved; the performance of certain senior management of the Company in 2023 was evaluated and scored at the second level; a special appraisal was conducted based on the work report of Ms. ZHANG Zhihong, the person in charge of compliance, and the 2023 special appraisal report was issued; the 2023 performance based bonus plan for certain senior management of the Company was approved.	

## Section IV Corporate Governance

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
23 May 2024	The eighteenth meeting of the Remuneration, Appraisal and Nomination Committee under the sixth session of the Board	Upon consideration, Mr. CHEN Zhongyi and Mr. HAN Zhida met the requirements for serving as vice presidents of a securities company; upon consideration, Mr. NIE Xiaogang met the requirements for serving as a secretary to the board of directors of a securities company.	
26 August 2024	The nineteenth meeting of the Remuneration, Appraisal and Nomination Committee under the sixth session of the Board	Upon consideration, Mr. WANG Tao and Mr. CHEN Yijiang met the requirements for serving as directors of a securities company; the Board was recommended to nominate them as director candidates.	
22 October 2024	The twentieth meeting of the Remuneration, Appraisal and Nomination Committee under the sixth session of the Board	Upon consideration, Mr. ZHAO Hong met the requirements for serving as a chief auditor of a securities company, and Mr. ZHAO Hong was nominated as a chief auditor candidate of the Company.	
27 December 2024	The 21st meeting of the Remuneration, Appraisal and Nomination Committee under the sixth session of the Board	HE Qing, the former chairman, and WANG Song, the former president of the Company, delivered a written work report in 2023 to the Remuneration, Appraisal and Nomination Committee, and the Committee summarized and commented on the work of the Company's professional managers in 2023.	

## Section IV Corporate Governance

- **The main functions and duties of the Remuneration, Appraisal and Nomination Committee:**

Reviewing and advising on the selection criteria and procedures of directors and senior management; looking for qualified directors and senior management candidates, reviewing and advising on the qualifications of directors and senior management candidates; reviewing and advising on the appraisal and remuneration management system of directors and senior management; conducting and advising on the appraisal of directors and senior management; and other functions and duties delegated by the Board.

To comply with and implement the requirements regarding board diversity in the Hong Kong Listing Rules and ensure a more scientific and reasonable composition of the Board, the Company has formulated the Board Diversity Policy. The Company selects candidates for Directors taking into account various factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and/or length of service. The Remuneration, Appraisal and Nomination Committee under the Board of the Company discusses and agrees expected annual objectives with aims to promote the implementation of the Board Diversity Policy and advises the Board on acting for such objectives. The composition of the Board satisfies the requirements regarding the Board Diversity Policy. The Company regards enhancing diversification at the level of the Board as a key element for meeting the Group's strategic goal and achieving sustainable and balanced development. As a part of the succession plan for the Board, the Remuneration, Appraisal and Nomination Committee shall review the structure, size and composition of the Board (including skills, knowledge and experience) at least once a year, and make recommendations on changes in the composition of the Board in light of the Company's strategy. In nominating candidates for Directors, the following factors shall be considered: candidates' characters, qualifications (including professional qualifications, skills, knowledge and experience related to the Company's business and strategy), any measurable objectives adopted for implementing the Board Diversity Policy, and conditions required by the stock exchange on which shares were listed and the regulatory authorities in the countries where shares were listed.

The Board currently comprises a total of 16 Directors, including one female Director, representing approximately 6% of the Board members. The Board hopes to maintain the proportion of female members at least at the current level. The Board will continue to increase the proportion of female members if suitable candidates become available in the future. In respect of succession to directors, the Remuneration, Appraisal and Nomination Committee engages independent professional recruitment agencies to assist in identifying potential non-executive Director candidates when necessary.

The Company adheres to the employment policy of equal employment and equal pay for equal work, provides fair and equitable employment opportunities and development platform for female staffs, and promotes the diversity of staffs in terms of gender, age and professional background, and specifically stipulate the protection of labor rights and interests of female employees under the Special Collective Contract for the Protection of Special Rights and Interests of Female Employees (《女職工特殊權益保護專項集體合同》). At the end of the Reporting Period, the ratio of male to female among all employees of the Company (including senior management) was 1.2:1.

## Section IV Corporate Governance

- **During the Reporting Period, the attendance of meeting by the members of the Remuneration, Appraisal and Nomination Committee is as follows:**

Name	Number of meetings to be attended	Number of meetings actually attended
LI Renjie	8	8
GUAN Wei	8	8
DING Wei	8	8
WANG Guogang	8	8

### (IV) During the Reporting Period, the Audit Committee held eight meetings

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
27 March 2024	The 21st meeting of the Audit Committee under the sixth session of the Board	Reports from the auditors on the Company's annual audit in 2023 were listened; the Company's Annual Report for 2023, the Company's Audit Report for 2023, the Company's Internal Control Audit Report, Profit Distribution Plan of the Company for 2023, the re-appointment of an accounting firm (including the Evaluation Report on the Performance of Duty of the Accounting Firm), the Performance Report of the Audit Committee of the Board of Directors for 2023 (including the Report of the Audit Committee of the Board of Directors on the Fulfilment of the Oversight Responsibilities of the Accounting Firms), the Estimated Daily Related Party Transactions in 2024, the list of related parties of the Company, the Company's Internal Control Assessment Report (including Compliance Management Effectiveness Assessment Report) for 2023, the Report on the Special Audit of Anti-money Laundering of the Company for 2023, the Company's internal audit-related systems were considered and approved; the Report on the Implementation of the Company's Bad Debt Write-off Plan for 2023, the Report of the Group Audit Center Work Summary for 2023 and the Work Plan for 2024 were listened.	Major accomplishments of the Audit Committee in 2024: hearing the annual audit plan of external auditors and making suggestions; supervising the works of external audit institutions; hearing internal audit work reports and making suggestions; reviewing the Company's periodic reports including the annual report, semi-annual reports and quarterly reports; reviewing the Company's Internal Audit Work Reports and the Company's Annual Internal Control Assessment Report (including Compliance Management Effectiveness Assessment Report), Annual Report on the Special Audit of Anti-money Laundering; reviewing regular related party transactions and occasional related party transactions and estimate of the related party transactions in 2024; reviewing matters relating to major asset restructuring.

## Section IV Corporate Governance

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
25 April 2024	The 22nd meeting of the Audit Committee under the sixth session of the Board	The Company's First Quarterly Report for 2024 was considered and approved.	
4 July 2024	The 23rd meeting of the Audit Committee under the sixth session of the Board	The Resolution on the Three Leading Industry FOFs of Shanghai Jointly Invested and Established by the Company and Related Parties was considered and approved.	
26 August 2024	The 24th meeting of the Audit Committee under the sixth session of the Board	Reports from the auditors on the interim review of the Company for 2024 were listened; the Company's Interim Report for 2024, the Company's Interim Profit Distribution Plan for 2024 were considered and approved; the Report of the Group Audit Center Work Summary for the First Half of 2024 and the Work Plan for the Second Half of 2024 were listened.	

## Section IV Corporate Governance

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
8 October 2024	The 25th meeting of the Audit Committee under the sixth session of the Board	The sub-resolution “2. Specific Proposal for Raising Ancillary Funds” of the Resolution on the Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (《關於國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易方案的議案》), the Resolution on Signing the “Share Subscription Agreement Subject to Conditions between Guotai Junan Securities Co., Ltd. and Shanghai State-owned Assets Management Co., Ltd.” (Subject to Effectiveness Conditions) (《關於簽署附條件生效的〈國泰君安證券股份有限公司與上海國有資產經營有限公司之附生效條件的股份認購協議〉的議案》), the Resolution on the Proposed Transaction Constituting a Related Transaction (《關於本次交易構成關聯交易的議案》), the Resolution on Proposing to the General Meeting to Grant the Board of Directors a Special Mandate to Issue Additional A Shares for the Purpose of Raising Ancillary Funds (《關於提請股東大會授予董事會就募集配套資金增發 A 股特別授權的議案》) were considered and approved.	
29 October 2024	The 26th meeting of the Audit Committee under the sixth session of the Board	The Company’s Third Quarterly Report for 2024 was considered and approved.	

## Section IV Corporate Governance

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
21 November 2024	The 27th meeting of the Audit Committee under the sixth session of the Board	<p>The sub-resolution “2. Specific Proposal for Raising Ancillary Funds” of the Resolution on the Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (《關於國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易方案的議案》), the Resolution on the Proposed Transaction Constituting a Related/Connected Transaction (《關於本次交易構成關聯／關連交易的議案》), the Resolution on Approving the Relevant Documents in Relation to the Pro Forma Consolidated Financial Statements of the Proposed Transaction (《關於批准本次交易相關的備考合併財務報表相關文件的議案》), the Resolution on Confirming the “Valuation Report of Orient Securities Co., Ltd. on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction” (《關於確認&lt;東方證券股份有限公司關於國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易之估值報告&gt;的議案》), the Resolution on the Independence of the Valuation Agency, the Reasonableness of Valuation Assumptions, the Relevance of Valuation Methods and Valuation Purposes, and the Fairness of Valuation and Pricing (《關於估值機構的獨立性、估值假設前提的合理性、估值方法與估值目的的相關性以及估值定價的公允性的議案》) were considered and approved.</p>	

## Section IV Corporate Governance

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
17 December 2024	The 28th meeting of the Audit Committee under the sixth session of the Board	Reports from the auditors on the Company's audit plan in 2024 were listened, and the Resolution on the Pre-Consent Method for the Provision of Non-assurance Services by the Auditors was considered and approved.	

- **The main functions and duties of the Audit Committee:**

Guiding and supervising the Company's internal audit system and its implementation; supervising and evaluating external audit work, proposing the engagement or replacement of external auditors and supervising the practice of external audit institutions; auditing the Company's financial information and its disclosures, including supervising annual audit work, making judgments on the authenticity, accuracy and completeness of information in the audited financial report and submitting it to the Board for consideration; taking responsibility for the communication between internal audit and external audit; supervising and evaluating the Company's internal control system; performing the responsibilities of related party transaction control and daily management; taking responsibility for other duties as required by laws and regulations, the Articles of Association and delegated by the Board.

In accordance with the requirements of the Working Rules of the Audit Committee under the Board, the Audit Committee plays full role in the working of the annual report and financial statements, actively performs responsibilities of preparing and reviewing the disclosures in annual reports and financial statements, improves the quality and transparency of the disclosure in the annual reports and financial statements.

During the Reporting Period, through reviewing the Company's periodic financial statements, audit work report and the proposal of related party/connected transactions, the Audit Committee obtained a full picture of the Company's financial status, supervised the progress of audit work and the implementation of related party/connected transactions, and reviewed the effectiveness of the Company's internal control.

## Section IV Corporate Governance

- **During the Reporting Period, the attendance of meeting by the members of the Audit Committee is as follows:**

Name	Number of meetings to be attended	Number of meetings actually attended
YIM, Chi Hung Henry	8	8
CHEN Hua	8	8
SUN Minghui	8	8
BAI Wei	8	8
PU Yonghao	8	8

Note: Mr. YIM, Chi Hung Henry has been serving as a chairman of the Audit Committee since January 2024; Mr. PU Yonghao has been serving as a member of the Audit Committee since January 2024.

### (V) During the Reporting Period, the Risk Control Committee held four meetings

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
27 March 2024	The eighth meeting of the Risk Control Committee under the sixth session of the Board	The Anti-money Laundering Report of the Company for 2023 was considered and approved; the Integrity Management Report of the Company for 2023, the Compliance Report of the Company for 2023, the Legal Construction Report of the Company for 2023, the Risk Management Report for 2023, the Group Companies' Risk Preference for 2024 and the Scale of Proprietary Trading Business of the Group Companies for 2024 were considered.	Major achievements of the Risk Control Committee in 2024: reviewing and proposing the Board to determine the risk preference of 2024; reviewing and proposing the Board to determine the scale for the Company's proprietary trading business; reviewing the Anti-money Laundering Report and the Integrity Management Report of the Company; reviewing regularly the compliance reports and risk management reports of the Company; reviewing matters relating to the Company's major asset restructuring.
26 August 2024	The ninth meeting of the Risk Control Committee under the sixth session of the Board	The Company's 2024 Interim Compliance Report and the Company's 2024 Interim Risk Management Report were considered and approved.	

## Section IV Corporate Governance

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
8 October 2024	The tenth meeting of the Risk Control Committee under the sixth session of the Board	<p>The Resolution on the Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (《關於國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易方案的議案》), the Resolution on the "Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction" and Its Summary (《關於〈國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易預案〉及其摘要的議案》), the Resolution on Signing the "Merger by Absorption and Share-for-Share Exchange Agreement between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd." (Subject to Effectiveness Conditions) (《關於簽署附條件生效的〈國泰君安證券股份有限公司與海通證券股份有限公司換股吸收合併協議〉的議案》), the Resolution on Signing the "Share Subscription Agreement Subject to Conditions between Guotai Junan Securities Co., Ltd. and Shanghai State-owned Assets Management Co., Ltd." (Subject to Effectiveness Conditions) (《關於簽署附條件生效的〈國泰君安證券股份有限公司與上海國有資產經營有限公司之附生效條件的股份認購協議〉的議案》) were considered and approved.</p>	

## Section IV Corporate Governance

Convening date	Meeting session	Major opinions and recommendations	Other performance of duties
21 November 2024	The eleventh meeting of the Risk Control Committee under the sixth session of the Board	<p>The Resolution on the Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (《關於國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易方案的議案》), the Resolution on the “Report on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (Draft)” and Its Summary (《關於〈國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易報告書(草案)〉及其摘要的議案》), the Resolution on Approving the Relevant Documents in Relation to the Pro Forma Consolidated Financial Statements of the Proposed Transaction (《關於批准本次交易相關的備考合併財務報表相關文件的議案》), the Resolution on the Independence of the Valuation Agency, the Reasonableness of Valuation Assumptions, the Relevance of Valuation Methods and Valuation Purposes, and the Fairness of Valuation and Pricing (《關於估值機構的獨立性、估值假設前提的合理性、估值方法與估值目的的相關性以及估值定價的公允性的議案》), the Resolution on the Remedial Measures and Undertakings by Relevant Parties in Relation to Dilutive Impact on Immediate Returns of the Proposed Transaction (《關於本次交易攤薄即期回報、填補措施及相關主體承諾的議案》) were considered and approved.</p>	

## Section IV Corporate Governance

- **The main functions and duties of the Risk Control Committee:**

Reviewing and advising on the overall objectives and basic policies for compliance management and risk management; reviewing and advising on the organization design and duties of compliance management and risks management; evaluating and advising on the risks of important decisions and solutions to significant risks which require the review by the Board; reviewing and advising on the compliance reports and risk assessment reports which require the review by the Board; reviewing and advising on the goals and overall requirements for integrity management; discussing the effectiveness of risk management and internal control systems of the Company and its subsidiaries at least annually as delegated by the Board, and reporting to Shareholders about the accomplishment of the relevant discussion, and the scopes of such discussion shall cover each and every key aspect of the control systems including the financial control system, operation control system and compliance control system; and performing other functions and duties as delegated by the Board.

- **During the Reporting Period, the attendance of meeting by the members of the Risk Control Committee is as follows:**

Name	Number of meetings to be attended	Number of meetings actually attended
LI Renjie	4	4
LI Junjie	4	4
ZHONG Maojun	4	4
WANG Tao	2	2
BAI Wei	4	4
WANG Song (resigned)	–	–
ZHANG Yipeng (resigned)	1	1

Note: Mr. LI Junjie has been serving as a member of the Risk Control Committee since March 2024; Mr. WANG Tao has been serving as a member of the Risk Control Committee since September 2024.

### (VI) Details of any disagreements

☐ Applicable    ☒ Not applicable

## VIII. SUPERVISORY COMMITTEE'S COMMENTS ON IDENTIFICATION OF RISKS IN THE COMPANY

☒ Applicable    ☐ Not applicable

### (I) Supervisory Committee's comments on identification of risks in the Company

The Supervisory Committee has no objection toward matters during the Reporting Period.

## Section IV Corporate Governance

### (II) Meetings of the Supervisory Committee during the Reporting Period

Session of the meeting	Convening date	Resolutions of the meeting
The fifth extraordinary meeting of the sixth session of the Supervisory Committee	10 January 2024	The Resolution on the Achievement of Releasing Selling Restrictions in the Second Lock-up Period for the First Grant under the Restricted Share Incentive Scheme of A Shares and Releasing Selling Restrictions (《關於公司 A 股限制性股票激勵計劃首次授予部分第二個限售期解除限售條件成就並解除限售的議案》), the Resolution on the Achievement of Releasing Selling Restrictions in the First Lock-up Period for the Reserved Grant under the Restricted Share Incentive Scheme of A Shares and Releasing Selling Restrictions (《關於公司 A 股限制性股票激勵計劃預留授予部分第一個限售期解除限售條件成就並解除限售的議案》) and the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares were considered and approved
The twelfth meeting of the sixth session of the Supervisory Committee	28 March 2024	The Resolution on the Work Report of the Supervisors for 2023 (《公司 2023 年度監事會工作報告》), the Resolution on the Proposed Amendments to the Articles of Association (《關於提請審議修訂公司章程的議案》), the Profit Distribution Plan of the Company for 2023 (《公司 2023 年度利潤分配預案》), the Risk Management Report of the Company for 2023 (《公司 2023 年度風險管理報告》), the Compliance Report of the Company for 2023 (《公司 2023 年度合規報告》), the Anti-money Laundering Report of the Company for 2023 (《公司 2023 年度反洗錢工作報告》), the Report on the Special Audit of Anti-money Laundering of the Company for 2023 (《公司 2023 年度反洗錢專項審計報告》), the Internal Control Assessment Report of the Company for 2023 (《公司 2023 年度內部控制評價報告》), the Annual Report of the Company in 2023 (《公司 2023 年年度報告》) and the Sustainability Report of the Company for 2023 (《公司 2023 年度可持續發展報告》) were considered and approved and the Report on the Implementation of Final Financial Accounts and Budget of the Company for 2023 (《公司 2023 年度財務決算及預算執行情況的報告》) was listened to
The thirteenth meeting of the sixth session of the Supervisory Committee	29 April 2024	The First Quarterly Report of the Company in 2024 (《公司 2024 年第一季度報告》) was considered and approved

## Section IV Corporate Governance

Session of the meeting	Convening date	Resolutions of the meeting
The fourteenth meeting of the sixth session of the Supervisory Committee	29 August 2024	the 2024 Interim Report of the Company (《公司 2024 年半年度報告》), the 2024 Interim Profit Distribution Plan of the Company (《公司 2024 年中期利潤分配方案》), the 2024 Interim Compliance Report of the Company (《公司 2024 年中期合規報告》) and the 2024 Interim Risk Management Report of the Company (《公司 2024 年中期風險管理報告》) were considered and approved
The sixth extraordinary meeting of the sixth session of the Supervisory Committee	9 October 2024	The Resolution on the Proposed Transaction in Compliance with the Laws and Regulations Related to the Material Assets Restructuring of Listed Companies (《關於本次交易符合上市公司重大資產重組相關法律法規規定的議案》), the Resolution on the Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (《關於國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易方案的議案》), the Resolution on the “Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction” and Its Summary (《關於〈國泰君安證券股份有限公司換股吸收合併海通證券股份有限公司並募集配套資金暨關聯交易預案〉及其摘要的議案》), the Resolution on Signing the “Merger by Absorption and Share-for-Share Exchange Agreement between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd.” (Subject to Effectiveness Conditions) (《關於簽署附條件生效的〈國泰君安證券股份有限公司與海通證券股份有限公司換股吸收合併協議〉的議案》), the Resolution on Signing the “Share Subscription Agreement Subject to Conditions between Guotai Junan Securities Co., Ltd. and Shanghai State-owned Assets Management Co., Ltd.” (Subject to Effectiveness Conditions) (《關於簽署附條件生效的〈國泰君安證券股份有限公司與上海國有資產經營有限公司之附生效條件的股份認購協議〉的議案》), the Resolution on the Proposed Transaction Constituting Material Assets Restructuring (《關於本次交易構成重大資產重組的議案》), the Resolution on the Proposed Transaction Constituting a Related Transaction (《關於本次交易構成關聯交易的議案》), the Resolution on the Proposed Transaction in Compliance with Article 11 and Article 43 of the Administrative Measures for the Material Assets Restructuring of Listed Companies (《關於本次交易符合〈上市公司重大資產重組管理辦法〉第十一條、第四十三條規定的議案》), the Resolution on the Proposed Transaction in Compliance with Article 4 of “the Regulatory Guidelines for Listed Companies No.9 – Regulatory Requirements for the

## Section IV Corporate Governance

Session of the meeting	Convening date	Resolutions of the meeting
		<p>Planning and Implementation of Material Assets Restructurings by Listed Companies”(《關於本次交易符合&lt;上市公司監管指引第 9 號——上市公司籌劃和實施重大資產重組的監管要求&gt;第四條規定的議案》), the Resolution on the Proposed Transaction Not Constituting a Restructuring and Listing as Specified in Article 13 of “the Administrative Measures for the Material Assets Restructuring of Listed Companies” (《關於本次交易不構成&lt;上市公司重大資產重組管理辦法&gt;第十三條規定的重組上市的議案》), the Resolution on the Completeness of and Compliance with Statutory Procedures of the Proposed Transaction and the Validity of Legal Documents Submitted (《關於本次交易履行法定程序的完備性、合規性及提交的法律文件的有效性的議案》), the Resolution on the Relevant Entities in the Proposed Transaction Not Being Prohibited from Participating in Any Material Assets Restructuring of Listed Companies in accordance with Article 12 of “the Regulatory Guidelines for Listed Companies No. 7 – Regulation of Abnormal Stock Trading Relating to Material Assets Restructuring of Listed Companies”, and Article 30 of “the Guidelines No. 6 for the Application of Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange – Material Assets Restructuring” (《關於本次交易相關主體不存在依據&lt;上市公司監管指引第 7 號——上市公司重大資產重組相關股票異常交易監管&gt;第十二條、&lt;上海證券交易所上市公司自律監管指引第 6 號——重大資產重組&gt;第三十條不得參與任何上市公司重大資產重組情形的議案》), the Resolution on the Proposed Transaction in Compliance with Article 11 of “the Administrative Measures for the Registration of the Issuance of Securities by Listed Companies” (《關於本次交易符合&lt;上市公司證券發行註冊管理辦法&gt;第十一條規定的議案》), the Resolution on Purchase and Sale of Assets within 12 Months Prior to the Proposed Transaction (《關於本次交易前 12 個月內購買、出售資產情況的議案》), the Resolution on No Abnormal Fluctuation in the Company’s Stock Price in the 20 Trading Days Prior to the Announcement of the Information on the Proposed Transaction (《關於本次交易信息公佈前 20 個交易日公司股票價格不存在異常波動情況的議案》), and the Resolution on the Confidentiality Measures and Confidentiality System Adopted in the Proposed Transaction (《關於本次交易採取的保密措施及保密制度的議案》) were considered and approved</p>

## Section IV Corporate Governance

Session of the meeting	Convening date	Resolutions of the meeting
The fifteenth meeting of the sixth session of the Supervisory Committee	30 October 2024	The Third Quarterly Report of the Company in 2024 (《公司2024 年第三季度報告》) was considered and approved
The seventh extraordinary meeting of the sixth session of the Supervisory Committee	21 November 2024	The Resolution on the Proposed Transaction in Compliance with the Laws and Regulations Related to the Material Assets Restructuring of Listed Companies, the Resolution on the Proposal on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction, the Resolution on the “Report on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction (Draft)” and Its Summary, the Resolution on the Proposed Transaction Constituting Material Assets Restructuring, the Resolution on the Proposed Transaction Constituting a Related/Connected Transaction, the Resolution on the Proposed Transaction in Compliance with the requirements of Articles 11 and 43 of the Administrative Measures for Major Assets Restructuring of Listed Companies, the Resolution on the Proposed Transaction in Compliance with Article 4 of “the Regulatory Guidelines for Listed Companies No.9 – Regulatory Requirements for the Planning and Implementation of Material Assets Restructurings by Listed Companies”, the Resolution on the Proposed Transaction Not Constituting a Restructuring and Listing as Specified in Article 13 of “the Administrative Measures for the Material Assets Restructuring of Listed Companies”, the Resolution on the Completeness of and Compliance with Statutory Procedures of the Proposed Transaction and the Validity of Legal Documents Submitted, the Resolution on the Relevant Entities in the Proposed Transaction Not Being Prohibited from Participating in Any Material Assets Restructuring of Listed Companies in accordance with Article 12 of “the Regulatory Guidelines for Listed Companies No. 7 – Regulation of Abnormal Stock Trading Relating to Material Assets Restructuring of Listed Companies”, and Article 30 of “the Guidelines No. 6 for the Application of Self-regulatory Rules of Companies Listed on the Shanghai Stock Exchange – Material Assets Restructuring”,

## Section IV Corporate Governance

Session of the meeting	Convening date	Resolutions of the meeting
		<p>the Resolution on the Proposed Transaction in Compliance with Article 11 of “the Administrative Measures for the Registration of the Issuance of Securities by Listed Companies,” the Resolution on Purchase and Sale of Assets within 12 Months Prior to the Proposed Transaction, the Resolution on the Confidentiality Measures and Confidentiality System Adopted in the Proposed Transaction, the Resolution on Approving the Relevant Documents in Relation to the Pro Forma Consolidated Financial Statements of the Proposed Transaction, the Resolution on Confirming the “Valuation Report of Orient Securities Co., Ltd. on the Merger by Absorption and Share-for-Share Exchange between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds and Related Party Transaction”, the Resolution on the Independence of the Valuation Agency, the Reasonableness of Valuation Assumptions, the Relevance of Valuation Methods and Valuation Purposes, and the Fairness of Valuation and Pricing, the Resolution on the Remedial Measures and Undertakings by Relevant Parties in Relation to Dilutive Impact on Immediate Returns of the Proposed Transaction, the Resolution on the Dividend Distribution Plan for the Shareholders of Guotai Junan Securities Co., Ltd. for the Next Three Years (2024 to 2026) and the Resolution on the Non-existent of Direct or Indirect Paid Employment of Other Third-Party Institutions or Individuals in the Proposed Transaction were considered and approved</p>

## Section IV Corporate Governance

### (III) Attendance at meetings of the Supervisory Committee and general meetings by Supervisors during the Reporting Period

Name of supervisor	Position	Attendance at meetings of the Supervisory Committee					Attendance at general meetings
		No. of meetings of the Supervisory Committee to be attended this year	No. of meetings attended in person	No. of meetings attended by way of telecommunication	No. of meetings attended by proxy	Number of absence	No. of general meetings attended
WU Hongwei	The vice chairman of the Supervisory Committee, employee supervisor	7	7	2	0	0	4
ZHOU Zhaohui	Supervisor	7	7	2	0	0	8
SHEN Yun	Supervisor	7	6	2	1	0	2
ZUO Zhipeng	Supervisor	7	5	2	2	0	5
SHAO Liangming	Employee supervisor	7	4	2	3	0	3
XIE Min	Employee supervisor	7	7	2	0	0	8
Number of the meetings of the Supervisory Committee held during the year				7			
Including: Number of on-site meetings				5			
Number of meetings held by way of telecommunication				2			

The Company convened eight general meetings during the year

## Section IV Corporate Governance

### IX. INFORMATION OF EMPLOYEES OF PARENT COMPANY AND PRINCIPAL SUBSIDIARIES AT THE END OF THE REPORTING PERIOD

#### (I) Information of employees

Number of existing employees of parent company	11,454
Number of existing employees of major subsidiaries	3,069
Total number of existing employees	14,523
Number of disengaged and retired employees for whom the parent company and major subsidiaries shall be liable to expenses	–

#### Professions

Type of professions	Number of individuals
Business personnel	9,593
Business support personnel	4,172
Management personnel	758
Total	14,523

#### Educational background

Level of education	Number of individuals
Doctors	166
Masters and postgraduates	6,439
Bachelors	6,835
Associate degree and below	1,083
Total	14,523

#### (II) Remuneration policy

☒ Applicable   ☐ Not applicable

The Company has formulated a series of remuneration management systems in line with the practical conditions of the Company pursuant to the relevant PRC laws and regulations and the Articles of Association, including the Administrative Measures on Remuneration, and the Administrative Measures on Performance, and the Administrative Measures on Professional Ranking. The Company establishes a post value and competence oriented and performance-related remuneration system to achieve “inside fairness and outside competition”, which improves the use efficiency of the remuneration resource and motivates excellent employees for the purpose of attracting and retaining excellent talents. The Company has formulated and implemented the Restricted Share Incentive Scheme of A Shares to further strengthen the incentive and retention of the Company’s core backbone employees in accordance with the PRC laws and regulations. The Company maintains and makes contribution to various social insurances (including the pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance), housing fund and enterprise annuity for its employees in accordance with the PRC laws and regulations.

## Section IV Corporate Governance

### (III) Training programs

√ Applicable    ☐ Not applicable

The Company continued to build a multi-level talent cultivation and training system and strove to build a high-caliber talent team in the industry. Focusing on the training of investment consultants, high-quality marketing talents, middle and grassroots management, international talents, digital talents, new employees, internal lecturer, etc., it intensified training efforts on professional talents, enriched and optimized the growth paths of employees, improved the accuracy and breadth of training empowerment business, improved and strengthened the assessment and evaluation system, thereby enhancing employees’ satisfaction and engagement in various training. In 2024, the Company provided 1.128 million hours of offline and online training for employees, including 802,000 hours of online training and 326,000 hours of offline training. As of the end of 2024, the Company had developed and introduced a total of 42,138 online and offline courses.

### (IV) Labour outsourcing

√ Applicable    ☐ Not applicable

Total number of working hours of labour outsourcing	Standard working hour policies
Total compensation paid for labour outsourcing (ten thousand yuan)	RMB1,342.42 (ten thousand)

### (V) Information of the brokers

As at the end of 2024, the Group had a total of 1,085 securities brokers, representing a decrease of 388 compared with the end of last year. The Group conducts unified and standardized management over brokers by establishing and improving rules and regulations, optimizing internal control mechanisms and improving the system platform. The Group has established a whole-process management system of “before, during and after the business development” of securities brokers, and organized pre-job training, business development training and compliance training for securities brokers to reinforce the management over the practices of brokers. By continuously strengthening the supervision and follow-up on the integrity practice and investment behaviors of brokers, the Company has regulated the business management of securities brokerages to effectively control business risks.

## Section IV Corporate Governance

### X. PROPOSAL FOR PROFIT DISTRIBUTION OR TRANSFER OF CAPITAL RESERVE FUND INTO CAPITAL

#### (I) Formulation and implementation of or adjustment to the cash dividend policy

☒ Applicable   ☐ Not applicable

According to the Articles of Association, the Company has explicitly formulated the profit distribution policy, including the cash dividend policy which states that “The Company adopts a positive, sustainable and stable profit appropriation policy, which emphasizes a reasonable investment return for investors. The Company may distribute dividends in cash, in shares or in a combination of both cash and shares. The Company shall give priority to distribute dividends in cash provided that the conditions for cash distribution are satisfied. When implementing the cash dividend distribution, the Company shall consider the internal and external factors, directors’ opinions and Shareholders’ expectations. Under the preconditions that Company has no material investment plan or there is no significant cash expenditure, as well as the net profits realized by the Company in current year, the accumulated undistributed profits at end of current year and the capital reserve are positive, the Board of the Company shall distribute annual or interim profits by cash as long as it does not affect the normal operation of the Company, in which case the Company shall distribute cash dividends (including interim and final dividends) in an amount equal to at least 15% of the annual distributable profits (net of gains from fair value changes and so on according to relevant requirements) in any year. In distributing profits by means of shares, the Company shall take into account the operation position and share capital scale and adequately consider factors such as growth, dilution to net assets per share and so on.

The Board of the Company shall take various factors into account, including its industry features, the stage of development, its own business model, profitability as well as whether it has any substantial capital expenditure arrangement, to propose a differentiated policy for distributing cash dividend. Unless otherwise stipulated in the Articles of Association, the profit distributed in cash each time shall not be less than 20% of the actual profit distributed.

If the Company decides not to make cash dividend or decides to make cash dividend at a ratio lower than the prescribed one in special circumstances, the Company shall implement the relevant decision-making procedures and make disclosure according to laws, administrative regulations, departmental rules and the provisions of the exchanges where the securities of the Company are listed.

As at the end of 2024, the parent company’s distributable profit was RMB43,013,257,151. Pursuant to the requirements of the CSRC, the portion of the gains on fair value changes in the distributable profits shall not be used for cash distribution to shareholders. After deducting the impact of the net gains and losses on changes in fair value at the end of 2024 on the distributable profits of RMB2,142,818,659, the portion of profits available for distribution as cash dividends to investors at the end of 2024 is RMB40,870,438,492.

## Section IV Corporate Governance

The Company's profit distribution plan for the year of 2024 is: based on the total share capital of the Company deducted the Company's repurchased securities account, the Company shall distribute cash dividends of RMB2.8 (tax inclusive) for every 10 shares to holders of A Shares and holders of H Shares. The Company completed the matters in relation to the merger with Haitong Securities by way of absorption and a share-for-share exchange and the raising of ancillary funds on 14 March 2025. If calculated based on the total number of 17,629,708,696 Shares issued by the Company on the date on which the Board meeting was convened to approve the 2024 profit distribution plan and deducting 47,786,169 Shares in the Company's dedicated securities account for repurchase, i.e. 17,581,922,527 Shares, the total amount of cash dividends to be distributed would be RMB4,922,938,308 (tax inclusive). The total amount of cash dividends to be distributed by the Company for the year, including the interim cash dividends distributed of RMB1,335,559,593, is RMB6,258,497,901 (tax inclusive), accounting for 48.05% of the net profit attributable to equity holders of the Company in the consolidated financial statements for 2024. The Company's profit distribution plan for the year of 2024 has been passed in the 16th meeting of the sixth session of the Board of the Company, subject to the consideration in the general meeting of the Company. After the Company's profit distribution plan for 2024 is considered and approved at the general meeting, cash dividends will be distributed within two months from the date of the annual general meeting.

The aforesaid profit distribution proposal of the Company is compliant and transparent and complies with the Articles of Associations and approval procedures, which sets out definite criteria and proportions of dividends. Independent Directors have expressed their independent opinions that the decision-making procedures and mechanism are complete and the proposal fully protects minority investors' interests.

### (II) Special explanation on cash dividend policy

☒ Applicable   ☐ Not applicable

Whether it complies with the provisions of the Company's Articles of Association or the requirements of the resolution of the general meeting	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not
Whether the dividend standard and ratio are specific and clear	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not
Whether the relevant decision-making procedure and mechanism are complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not
Whether the independent directors have performed their duties and played their due role	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not
Whether minority shareholders have opportunities to fully express their opinions and demands, and whether their legitimate rights and interests have been fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> Not

### (III) If the Company records profits and the parent company records positive profits for distribution to shareholders during the Reporting Period but there is no proposal for cash profit distribution, the Company shall disclose the reasons and the usage of the retained profits and the usage plan in detail

☐ Applicable   ☒ Not applicable

## Section IV Corporate Governance

### (IV) Proposal on profit distribution and transfer of capital reserve fund into capital during the Reporting Period

√ Applicable    □ Not applicable

Unit: yuan    Currency: RMB

Number of bonus shares for every 10 shares (share)	–
Amount of dividend for every 10 shares (RMB) (inclusive of tax)	4.30
Number of increased shares for every 10 shares (share)	–
Cash dividend amount (inclusive of tax) (Note)	6,258,497,901
Net profit attributable to equity holders of the Company in the consolidated financial statements	13,024,084,673
Percentage of cash dividend amount to net profit attributable to equity holders of the Company in the consolidated financial statements (%)	48.05
Amount included in cash dividends for repurchased shares in cash	–
Total dividend amount (inclusive of tax)	6,258,497,901
Percentage of total dividend amount to net profit attributable to equity holders of the Company in the consolidated financial statements (%)	48.05

Note: The amount includes interim dividends of RMB1,335,559,593 distributed.

### (V) Cash dividend distribution in the last three accounting years

√ Applicable    □ Not applicable

Unit: yuan    Currency: RMB

Accumulated cash dividend amount (inclusive of tax) in the last three accounting years (1)	14,539,392,750
Accumulated repurchase and write-off amount in the last three accounting years (2)	–
Accumulated amount of cash dividend and repurchase and write-off in the last three accounting years (3)=(1)+(2)	14,539,392,750
Average annual amount of net profit attributable to equity holders of the Company in the last three accounting years (4)	11,302,337,654
Proportion of cash dividends in the last three accounting years (%) (5)=(3)/(4)	128.64
Net profit attributable to equity holders of the Company in the consolidated statements of the latest accounting year	13,024,084,673
Retained profits at the end of the Company's statement of the latest accounting year	43,013,257,151

## Section IV Corporate Governance

### XI. THE EQUITY INCENTIVE SCHEME, EMPLOYEE SHARE SCHEME OR OTHER EMPLOYEE INCENTIVES OF THE COMPANY AND THE IMPACT THEREOF

#### (I) The Restricted Share Incentive Scheme of A Shares

##### 1. Purpose of the Scheme

In order to further enhance the corporate governance structure of the Company, realize the long-term incentives and constraints for the executive Directors, senior management and other core staff, fully activate their motivation and creativity, align their interests more closely with the long-term development of the Company, prevent loss of talents and realize sustainable corporate development, the Company has formulated the Restricted Share Incentive Scheme of A Shares (“the Incentive Scheme”) in accordance with the requirements of relevant laws, administrative regulations, regulatory documents and the Articles of Association.

##### 2. Participants of the Scheme

The Incentive Participants in the First Grant of the Incentive Scheme are executive directors, senior management and other core staff of the Company, and the reserved Incentive Participants are senior management and other core staff of the Company.

##### 3. The total number of shares that may be issued under the Scheme and their percentage of the issued shares as at the date of the annual report

The Incentive Scheme uses Restricted Shares as incentive tools, the source of underlying shares is the ordinary A Shares of the Company repurchased from the secondary market by the Company. On 17 July 2020, the Company completed the repurchase and actually repurchased 88,999,990 A Shares of the Company.

On 17 September 2020, the Company granted 79,300,000 Restricted A Shares to the Incentive Participants (the “First Grant”). In the process of subscription upon the determination of the Grant Date of the First Grant, 79,000,000 Restricted Shares were actually subscribed by the Incentive Participants, as the Incentive Participants voluntarily gave up the subscription of part of the Restricted Shares granted for personal reason. The Restricted Shares not taken up have been reallocated to the Reserved Shares.

On 2 November 2020, the Company completed the registration for 79,000,000 Restricted A Shares of the First Grant under the Incentive Scheme with China Securities Depository and Clearing Corporation Limited, Shanghai Branch.

## Section IV Corporate Governance

On 19 July 2021, the Company granted 9,999,990 Restricted A Shares reserved under the Incentive Scheme to the Incentive Participants (the “Reserved Grant”).

Since the First Grant of the Restricted A Shares of the Company to 8 September 2021, as the Incentive Participants under the First Grant are no longer qualified as the Incentive Participants, a total of 1,778,000 Restricted A Shares granted to such Incentive Participants but not yet unlocked have been repurchased and cancelled by the Company on 27 January 2022 with the repurchase price at RMB7.08 per share and the repurchase amount of RMB12,588,240. Upon completion of the repurchase and cancellation of the Company, there are 87,221,990 Restricted A Shares remaining.

On 29 November 2022, the Company convened the twelfth extraordinary meeting of the sixth session of the Board and the fourth extraordinary meeting of the sixth session of the Supervisory Committee, at which the Resolution on Proposing to Consider the Achievement of Releasing Selling Restrictions in the First Lock-up Period for the First Grant under the Restricted Share Incentive Scheme of A Shares and Releasing Selling Restrictions (《關於提請審議公司 A 股限制性股票激勵計劃首次授予部分第一個限售期解除限售條件成就並解除限售的議案》) was reviewed and approved, pursuant to which releasing selling restrictions in the first lock-up period for the First Grant under the Restricted Share Incentive Scheme of A shares of the Company have been achieved, the Company completed the relevant procedures for the releasing selling restrictions for the 24,900,183 Restricted Shares held by 420 Incentive Participants in total in accordance with relevant regulations, and the above shares have been released selling restrictions and traded on 21 December 2022. A total of 62,321,807 shares remain unlocked, of which there are 52,321,817 shares under the First Grant and 9,999,990 shares under the Reserved Grant.

On 20 March 2023, the Company convened the 2023 first extraordinary general meeting, the 2023 first A Shareholders’ class meeting and the 2023 first H Shareholders’ class meeting, at which the Resolution on Proposing to Consider Repurchase and Cancellation of Certain Restricted A Shares (《關於提請審議回購註銷部分 A 股限制性股票的議案》) was reviewed and approved. Since 19 of the 487 Incentive Participants under the Restricted Share Incentive Scheme of A shares of the Company have terminated their labor contracts or not fully met the performance appraisals, the Company repurchased and cancelled all or part of the Restricted Shares granted to such Incentive Participants, totalling 2,156,747 shares, on 9 June 2023, of which 1,714,037 shares of the First Grant are repurchased at RMB6.40 per share and 442,710 shares of the Reserved Grant are repurchased at RMB7.27 per share with the repurchase amount of RMB14,188,338.50. There are 60,165,060 restricted A shares remaining, of which there are 50,607,780 shares under the First Grant and 9,557,280 shares under the Reserved Grant.

## Section IV Corporate Governance

On 10 January 2024, the Company convened the twenty-second extraordinary meeting of the sixth session of the Board and the fifth extraordinary meeting of the sixth session of the Supervisory Committee, at which the Resolution on Proposing to Consider the Achievement of Releasing Selling Restrictions in the Second Lock-up Period for the First Grant under the Restricted Share Incentive Scheme of A Shares and Releasing Selling Restrictions (《關於提請審議公司 A 股限制性股票激勵計劃首次授予部分第二個限售期解除限售條件成就並解除限售的議案》) and the Resolution on Proposing to Consider the Achievement of Releasing Selling Restrictions in the First Lock-up Period for the Reserved Grant Under the Restricted Share Incentive Scheme of A Shares and Releasing Selling Restrictions (《關於提請審議公司 A 股限制性股票激勵計劃預留授予部分第一個限售期解除限售條件成就並解除限售的議案》) were reviewed and approved, pursuant to which releasing selling restrictions in the second lock-up period for the First Grant and the first lock-up period for the Reserved Grant under the Restricted Share Incentive Scheme of A shares of the Company have been achieved, the Company completed the relevant procedures for the releasing selling restrictions for the 27,704,280 Restricted Shares held by 468 Incentive Participants in total in accordance with relevant regulations, and the above shares have been released selling restrictions and traded on 5 February 2024.

On 20 March 2024, the Company convened the 2024 first extraordinary general meeting, the 2024 first A Shareholders' class meeting and the 2024 first H Shareholders' class meeting, at which the Resolution on Proposing to Consider Repurchase and Cancellation of Certain Restricted A Shares (《關於提請審議回購註銷部分 A 股限制性股票的議案》) was reviewed and approved. Since 12 of the 475 Incentive Participants under the Restricted Share Incentive Scheme of A shares of the Company have terminated their labor contracts or not fully met the performance appraisals, the Company repurchased and cancelled all or part of the Restricted Shares granted to such Incentive Participants on 27 May 2024, totaling 880,196 shares, of which 437,486 shares of the First Grant are repurchased at RMB5.87 per share and 442,710 shares of the Reserved Grant are repurchased at RMB6.74 per share with the repurchase amount of RMB5,551,908.22, there are 31,580,584 Restricted A Shares remaining of the Company with 25,473,820 shares under the First Grant and 6,106,764 shares under the Reserved Grant.

## Section IV Corporate Governance

On 14 February 2025, the Company convened the thirty-first extraordinary meeting of the sixth session of the Board and the eighth extraordinary meeting of the sixth session of the Supervisory Committee, at which the Resolution on Proposing to Consider the Achievement of Releasing Selling Restrictions in the Third Lock-up Period for the First Grant Under the Restricted Share Incentive Scheme of A Shares and Releasing Selling Restrictions (《關於提請審議公司 A 股限制性股票激勵計劃首次授予部分第三個限售期解除限售條件成就並解除限售的議案》), the Resolution on Proposing to Consider the Achievement of Releasing Selling Restrictions in the Second Lock-up Period for the Reserved Grant Under the Restricted Share Incentive Scheme of A Shares and Releasing Selling Restrictions (《關於提請審議公司 A 股限制性股票激勵計劃預留授予部分第二個限售期解除限售條件成就並解除限售的議案》), and the Resolution on Proposing to Consider Repurchase and Cancellation of Certain Restricted A Shares (《關於提請審議回購註銷部分 A 股限制性股票的議案》) were reviewed and approved, pursuant to which releasing selling restrictions in the third lock-up period for the First Grant and the second lock-up period for the Reserved Grant under the Restricted Share Incentive Scheme of A shares of the Company have been achieved, the Company will complete the relevant procedures for the releasing selling restrictions for the 27,799,107 Restricted Shares held by 456 Incentive Participants in total in accordance with relevant regulations. Since 24 of the 468 Incentive Participants under the Restricted Share Incentive Scheme of A shares of the Company have terminated their labor contracts or not fully met the performance appraisals, the Company intended to repurchase and cancel all or part of the Restricted Shares granted to such Incentive Participants, totaling 782,867 shares, of which 585,123 shares of the First Grant are repurchased at RMB5.32 per share and 197,744 shares of the Reserved Grant are repurchased at RMB6.19 per share with the repurchase amount of RMB4,336,889.72. The above resolution of repurchase and cancellation is subject to consideration at the general meeting of the Company. After the repurchase and cancellation, there are 2,998,610 Restricted A Shares remaining of the Company, all of which are shares under the Reserved Grant.

As at the date of this report, the total number of shares granted under the Incentive Scheme is 88,999,990 shares, representing approximately 1.00% of the issued shares of the Company. At the beginning and end of the Reporting Period, no shares could be granted under the Incentive Scheme.

#### **4. The maximum entitlement of each participant under the Scheme**

The total number of shares to be granted to any single Incentive Participant of the Incentive Scheme under all the fully effective share incentive schemes of the Company within the effective period shall not exceed 1% of the total share capital of the Company.

#### **5. The period during which the grantee may exercise the option under the Scheme**

Not applicable.

## Section IV Corporate Governance

### 6. Vesting period of awards granted under the Scheme

- A. *The lock-up periods of the Restricted Shares granted under the Incentive Scheme are 24 months, 36 months and 48 months, respectively, from the date of completion of equity registration of the corresponding portions granted.*

#### Time schedule for unlocking of the First Grant:

Unlocking Batches	Time Schedule for Unlocking	Unlocking Ratio
First batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 24 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 36 months from the date of completion of registration for the grant of the Restricted Shares	33%
Second batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 36 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 48 months from the date of completion of registration for the grant of the Restricted Shares	33%
Third batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 48 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 60 months from the date of completion of registration for the grant of the Restricted Shares	34%

## Section IV Corporate Governance

### Time schedule for unlocking of the Reserved Grant:

Unlocking Batches	Time Schedule for Unlocking	Unlocking Ratio
First batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 24 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 36 months from the date of completion of registration for the grant of the Restricted Shares	33%
Second batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 36 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 48 months from the date of completion of registration for the grant of the Restricted Shares	33%
Third batch of the Restricted Shares to be unlocked	Commencing from the first trading day upon the expiry of 48 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day upon the expiry of 60 months from the date of completion of registration for the grant of the Restricted Shares	34%

The Restricted Shares held by the Incentive Participants who have not fulfilled the conditions for unlocking, unless otherwise provided under the Incentive Scheme, shall be repurchased by the Company at the Grant Price.

## Section IV Corporate Governance

### ***B. The Conditions of Operation Results for Unlocking the Restricted Shares***

The Scheme will conduct annual appraisal on the performance indicators of the Company, the performance indicators of the unit (department) and the performance indicators of the individuals during the three accounting years of 2021-2023, achievement of the appraisal target will be used as the unlocking condition of current year for Incentive Participants.

Number of the Restricted Shares to be unlocked in current year by individual = total amount granted to individual × percentage to be unlocked in current year × company performance coefficient × individual performance coefficient.

#### ① The conditions of operation results at the company level

The Company has chosen net profit attributable to parent company, weighted average return on net assets, investment in financial technology innovation, and comprehensive risk control indicator as the company results appraisal indicators, of which, the comprehensive risk control indicator will be used as the threshold indicator. If such indicator of the Company has not reached the threshold value, the corresponding batch of the Restricted Shares shall not be unlocked.

Subject to fulfillment of the comprehensive risk control indicator, the company performance coefficient corresponding to the appraisal result at the company level is as follows:

Company performance coefficient = score of net profit attributable to parent company × appraisal weight of net profit attributable to parent company + score of weighted average return on net assets × appraisal weight of weighted average return on net assets + score of investment in financial technology innovation × appraisal weight of investment in financial technology innovation.

In this formula, the appraisal weight of net profit attributable to parent company is 50%, the appraisal weight of weighted average return on net assets is 40%, and the appraisal weight of investment in financial technology innovation is 10%.

If the appraisal indicator has achieved its target, the score of that indicator is 1, otherwise the score is 0.

## Section IV Corporate Governance

The targets of appraisal indicators at company level are as follows:

Appraisal Indicators	First Batch	Conditions for Unlocking	
		Second Batch	Third Batch
Net profit attributable to parent company	Not lower than No. 4 in the ranking of comparable companies in 2021	Not lower than No. 3 in the ranking of comparable companies in 2022	Not lower than No. 3 in the ranking of comparable companies in 2023
Weighted average return on net assets	Rise by one place among comparable companies in 2021 as compared to the ranking in 2019	Rise by two places among comparable companies in 2022 as compared to the ranking in 2019	Rise by two places among comparable companies in 2023 as compared to the ranking in 2019
Investment in financial technology innovation	Not less than 6.05% for 2021	Not less than 6.10% for 2022	Not less than 6.15% for 2023
Comprehensive risk control indicator	Threshold value: the rating result of securities companies is Class A Grade A or above and there is no occurrence of material non-compliance with laws and regulations		

The Company has selected CITIC Securities, Haitong Securities, HTSC, GF Securities, Shenwan Hongyuan and China Merchants Securities as comparable companies in the capital market service industry under the financial sector in the categorization of industries by CSRC for A Shares Companies.

### ② Performance conditions at the individual level of Incentive Participants

When the Incentive Participants are appraised on individual performance of the previous year according to the Measures for Performance Appraisal (《考核辦法》) of the Company, the number of Restricted Shares which may be unlocked by the Incentive Participants is linked to the appraisal results of their performance in the previous year.

The relationship between the performance score and the individual performance coefficient of executive directors and senior management is as follows:

Individual Performance Appraisal Score (N)	Individual Performance Coefficient
$N \geq 95$	100%
$90 \leq N < 95$	95%
$80 \leq N < 90$	90%
$60 \leq N < 80$	75%
$N < 60$	0%

## Section IV Corporate Governance

Individual performance coefficient of other Incentive Participants is linked to the performance of the units (departments) in which they work and their individual performance, the calculation method is as follows:

Individual performance coefficient=Performance score of unit (department) × Individual performance score

Unit (Department)/Individual Performance Grade	Unit (Department)/Individual Performance Score
Excellence/Good/Above Average	100%
Pass	90%
Failed	0%

**7. The payables for applying for or accepting the option or award, if any, and the period of payment or notice of payment or the period of repayment of the option loan applied for**

No

**8. Basis of determination of the purchase price of the shares granted**

- (1) The grant price of restricted A shares of the First Grant shall not be lower than the higher of the following prices:
  - ① 50% of the average trading price of the Company's A shares on the trading day prior to the announcement of the Incentive Scheme;
  - ② 50% of one of the average trading prices of the Company's A Shares for 20 trading days, 60 trading days or 120 trading days prior to the announcement of the Incentive Scheme.
- (2) The grant price of the restricted A Shares under the Reserved Grant shall not be lower than the higher of the following prices:
  - ① 50% of the average trading price of the Company's A Shares on the last trading day preceding the date of the announcement of the Board meeting on the grant of reserved Restricted Shares;

## Section IV Corporate Governance

- ② 50% of one of the average trading prices of the Company's A Shares for the last 20 trading days, 60 trading days or 120 trading days preceding the date of the announcement of the Board meeting on the grant of reserved Restricted Shares.

During the period from the date of the announcement of the Incentive Scheme (i.e. 7 June 2020) to the completion of registration of the Restricted Shares by the Incentive Participants, the Company was engaged in conversion of capital reserves, distribution of scrip dividends and share subdivision, share reduction, share allotment, dividend distribution. The Company adjusted the price of the Restricted Shares accordingly.

### 9. Remaining validity period of the Scheme

The validity period of the Incentive Scheme shall commence from the date of completion of registration for the First Grant of the Restricted Shares and ends on the date when all the Restricted Shares granted to the Incentive Participants are fully unlocked or repurchased and cancelled, for a maximum of six years, valid until 1 November 2026.

As of 31 December 2024, the changes in the shares under the Incentive Scheme were as follows:

Name of participants	At	Granted	Cancelled	Lapsed	Number of	At	Date of grant <sup>Note 1</sup>	Subscription price
	1 January	during	during	during	unlocking	31 December		
	2024	the year	the year	the year	Shares for <sup>Note 2</sup> the year	2024		
<b>Directors</b>								
LI Junjie	599,686				197,896	401,790	19 July 2021	RMB7.95 per share
WANG Song (resigned)	483,740	-	-	-	238,260	245,480	17 September 2020	RMB7.64 per share
YU Jian (resigned)	398,650	-	-	-	196,350	202,300	17 September 2020	RMB7.64 per share
Subtotal	1,482,076	-	-		632,506	849,570		
First grant to the five highest paid individuals (in aggregate)	211,050	-	-	-	103,950	107,100	17 September 2020	RMB7.64 per share
Reserved grant to the five highest paid individuals (in aggregate)	-	-	-	-	-	-	-	-
Subtotal	211,050	-	-	-	103,950	107,100		
First grant to employees	49,514,340	-	437,486	-	24,157,914	24,918,940	17 September 2020	RMB7.64 per share
Reserved grant to employees	8,957,594	-	442,710	-	2,809,910	5,704,974	19 July 2021	RMB7.95 per share
Subtotal	58,471,934	-	880,196	-	26,967,824	30,623,914		
<b>Total</b>	<b>60,165,060</b>	<b>-</b>	<b>880,196</b>	<b>-</b>	<b>27,704,280</b>	<b>31,580,584</b>		

## Section IV Corporate Governance

Note 1: There were neither directors nor supervisors of the Group among the five highest paid employees.

Note 2: For the purpose of the First Grant on 17 September 2020 and the completion of registration on 2 November 2020 for the Restricted Shares, the time schedule for the first batch of the Restricted Shares to be unlocked (33%), the second batch of the Restricted Shares to be unlocked (33%) and the third batch of the Restricted Shares to be unlocked (34%) will be from 2 November 2022 to 1 November 2023, from 2 November 2023 to 1 November 2024 and from 2 November 2024 to 1 November 2025, respectively. For the purpose of the Reserved Grant on 19 July 2021 and the completion of registration on 29 September 2021 for the Restricted Shares, the time schedule for the first batch of the Restricted Shares to be unlocked (33%), the second batch of the Restricted Shares to be unlocked (33%) and the third batch of the Restricted Shares to be unlocked (34%) will be from 29 September 2023 to 28 September 2024, from 29 September 2024 to 28 September 2025 and from 29 September 2025 to 28 September 2026, respectively.

Note 3: The shares have been unlocked on 5 February 2024, and the weighted average closing price of the shares of the Company on the previous trading day was RMB14.31 per share.

### (II) Share awards granted to the Directors, senior management of the Company during the Reporting Period

☐ Applicable    ☒ Not applicable

### (III) The Establishment and Implementation of Appraisal and Incentives System to the Senior Management Members During the Reporting Period

☒ Applicable    ☐ Not applicable

The Company formulated Measures for the Assessment of Professional Managers (《職業經理人考核辦法》), Measures for Remuneration of Professional Managers (《職業經理人薪酬辦法》) and Performance Evaluation and Remuneration Distribution Plan for Other Leaders (《其他領導人員業績考核和薪酬分配方案》). After the end of each accounting year, the Board shall conduct annual evaluation of the performance of the senior management and determine the remuneration and incentive.

During the Reporting Period, the Company continued to promote the remuneration system reform for professional managers, thereby it closely links professional managers' performance-related annual salary with the Company's performance and individual performance appraisal results so as to guarantee the marketization of professional managers compensation incentive system and effectively improve the overall competitiveness of the Company.

During the Reporting Period, the Company's releasing selling restrictions in the third lock-up period for the First Grant and the second lock-up period for the Reserved Grant under the Restricted Share Incentive Scheme of A Shares have been achieved. According to the Restricted Share Incentive Scheme of A Shares, the Company will release the shares of the senior management based on the achievement of the performance conditions for releasing the selling restrictions at the corporate level and the individual level, and closely linked the medium and long term incentive of the senior management with the Company's strategy and shareholder returns, to promote the high-quality development of the Company.

## Section IV Corporate Governance

### XII. CONSTRUCTION AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

☒ Applicable   ☐ Not applicable

Since its incorporation, the Company attached importance to the internal control mechanisms, the establishment of internal control system and established and improved the standardized governance structure for legal entity, forming a scientific decision-making, execution and supervision mechanism. According to the requirements of laws, regulations and documents of administrative norms such as the Company Law of the PRC, the Securities Law of the PRC, the Rules for Governance for Securities Companies, the Basic Rules for Internal Control of Corporates and its guidelines, and also the actual condition of the Company, the Company formulated a comprehensive internal control system considering factors such as internal environment, risk assessment, control activities, information and communication and internal monitoring, to provide a reasonable protection for the compliance of operation management, asset security and the truth and completeness of financial report and related information.

During the Reporting Period, the Company continued to improve the construction of internal control system and optimize the organizational structure and supporting operation and management mechanism; formulated or revised the Measures for Compliance Inspection (《合規檢查辦法》), the Measures for the Administration of Investment Behaviors of Practitioners (《從業人員投資行為管理辦法》), the Measures for the Administration of the Information Separation Wall (《信息隔離牆管理辦法》), the Measures for the Administration of Abnormal Transactions by Customers of Stock Exchanges (《證券交易所客戶異常交易行為管理辦法》), the Administrative Measures for the Protection of Investors' Rights and Interests (《投資者權益保護工作管理辦法》), the Rules of Procedure for the Anti-Money Laundering Leading Group (《反洗錢工作領導小組議事規則》) and other important compliance management systems; the internal control system of the Company operated well in general.

#### Matters relating to material defects on internal control during the Reporting Period

☐ Applicable   ☒ Not applicable

## Section IV Corporate Governance

### XIII.MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

☒ Applicable ☐ Not applicable

The Company regards “professional management, coordinated development, intensive operation, categorized management, efficient service and effective management and control (專業經營、協同發展、集約運營、分類管理、高效服務、有效管控)” as the basic objectives and principles of management of the subsidiaries, and has established and improved the management system of subsidiaries. The Company formulated a series of management and control systems for subsidiaries, such as the Subsidiary Management Measures (《子公司管理辦法》), the Subsidiary Compliance and Risk Management Measures (《子公司合規與風險管理辦法》), the Subsidiary Financial Management Measures (《子公司財務管理辦法》) and the Management Rules for Group Settlement Behavior (《集團化結算行為管理細則》), which systematically improve the management and control of subsidiaries from comprehensive management, vertical management, intensive management and control, and unified management on a multi-dimension basis. At the same time, the Company further promoted the comprehensive digital transformation of the Group, effectively strengthened the management and control of subsidiaries through digital means to empower the high-quality business development of subsidiaries.

### XIV.MATTERS RELATING TO THE AUDIT REPORT ON INTERNAL CONTROL

☒ Applicable ☐ Not applicable

The Company has appointed KPMG Huazhen LLP as the internal control auditor. KPMG Huazhen LLP has issued the 2024 Internal Control Audit Report of Guotai Junan Securities Co., Ltd. (《國泰君安證券股份有限公司 2024 年度內部控制審計報告》), and considered that the Company has maintained an effective financial reporting internal control in all material aspects according to the Basic Norms for Enterprise Internal Control (《企業內部控制基本規範》) and relevant regulations on 31 December 2024, which is consistent with the self-assessment conclusion of internal control of the Company.

Whether to disclose internal control audit report: Yes

Type of opinion in the internal control audit report: Standard unqualified opinion

### XV. RECTIFICATION OF NON-COMPLIANCE MATTERS IDENTIFIED THROUGH SELF EXAMINATION AND IN SPECIAL ACTIONS ON GOVERNANCE OF LISTED COMPANIES

During the Reporting Period, there were no self-examination and rectification matters involving the special action on corporate governance of listed companies. The Company will further improve corporate governance in accordance with the provisions of laws and regulations and continuously improve the development quality of the Company.

## Section IV Corporate Governance

### **XVI.DEVELOPMENT OF COMPLIANCE MANAGEMENT SYSTEM, AND THE INSPECTION AND AUDIT COMPLETED BY THE COMPLIANCE DEPARTMENT AND THE AUDIT DEPARTMENT DURING THE REPORTING PERIOD**

#### **(I) Development of compliance management system**

The Company has established and perfected a four-level compliance management organization system consisting of the Board (including the Risk Control Committee) and the Supervisory Committee, the Chief Compliance Officer, the legal compliance department and first-line compliance risk control personnel by appointing chief compliance officer, establishing the legal compliance department, and building first-line compliance risk control team. The Company's Chief Compliance Officer, as the person in charge of all the Company's compliance, is a senior manager of the Company, responsible for the legal compliance department and the internal audit risk management department. The Chief Compliance Officer organizes and coordinates each internal control department and relevant management departments, jointly perform various internal control responsibilities including compliance management. The Company's headquarters are equipped with full-time compliance management staff, and has set first-line compliance risk control personnel at each department and branch of the Company's headquarters, who are responsible for the compliance check, training, advisory, audit, supervision, and communication of each unit, etc.

In 2024, the Company continued to strengthen the concepts and optimize the operation of rules and regulations, actively promoting the implementation of new regulatory regulations and modifying important compliance management systems, as well as empower the high quality development of its business and give full support to various business lines with continuous follow-up and review. It also consolidated its group compliance management system, improved the management mechanism, led and supervised its subsidiaries to improve their compliance management systems. The digital transformation was promoted at top speed and the "digital intellectualization" management level was improved on a continuous basis while our legal compliance platform was continuous upgrading. The Company bolstered the effectiveness of its money laundering risk management and completed the self-assessment of money laundering and terrorist financing risks. The Company established and improved the investor protection mechanism and actively and properly handled customer complaints. The Company furthered the formation of compliance practices, carried out relevant publicity and training in multiple ways, fostered a probity and anti-corruption culture, continuously improved its corporate governance and created a favorable environment to do good deeds and abide by the rules and regulations. Daily routines of compliance management were carried out in a stable and orderly manner.

#### **(II) Compliance inspections**

In 2024, insisting to be problem-oriented and risk-oriented and focusing on key links or developments of various business, the Company has conducted a total of 33 compliance inspections, organized several key special self-inspections and self-rectifications, proposed rectification suggestions and strictly procured rectification of the problems and potential defects identified during such inspections.

## Section IV Corporate Governance

### (III) Audit work conducted

In 2024, in terms of internal audit, the Company further improved the top-level design, established or revised a number of the relevant systems, and strengthened the centralized management mechanism. In addition, on the basis of the previous pilot, the Company officially implemented the chief auditor system, strengthened the resource integration and collaboration with other supervision departments and promoted the building of a “big supervision” pattern to better serve the overall system operation of the Group.

During the Reporting Period, the Company’s internal audit adhered to strengthening the concept of system, and closely followed the requirements of the Company on integrating into the overall situation of reform and development with strategic thinking. It paid close attention to key areas and key processes, focused on the areas of power concentration, capital intensive and resource enrichment, and continuously expanded the breadth and depth of audit work, so as to strengthen the closed loop management of audit rectification and implement audit work within the Group in a unified and efficient manner. During the Reporting Period, the group audit center completed a total of 261 audit projects, including 55 headquarters and subsidiary projects and 206 branch projects. The audit covered various business departments and risk management departments in investment banking, institution, credit, wealth and other business lines, and management departments such as the financial college, as well as subsidiaries such as Guotai Junan Futures, Guotai Junan Asset Management and Guotai Junan International, covering anti-money laundering, financial management, compliance management, internal control management, information technology management, integrity management, practice management, compensation management and other fields.

Through the above-mentioned work, the Company’s internal audit actively integrated into the overall development of the Company, inspected and evaluated the soundness and effectiveness of the internal control of the audited units, revealed the main risks and urged rectification and effectively played a role in supervision and guarantee to promote the steady and healthy development of the Company.

## XVII. OTHERS

☒ Applicable   ☐ Not applicable

### (I) Rights of Shareholders

The general meeting is the supreme authority of the Company. The Shareholders exercise their rights through the general meeting. The Company convenes and holds the general meetings in strict compliance with the Articles of Association and the Rules of Procedure of General Meetings and other relevant requirements to ensure that all Shareholders, especially minority Shareholders, can enjoy equal positions and fully exercise their rights. The Company maintains a healthy and steady development in an orderly way under the restraints of the Articles of Association, the interests of the Company and its Shareholders are effectively protected.

## Section IV Corporate Governance

Pursuant to Article 70 of the Articles of Association, a majority of independent directors, the Supervisory Committee, or shareholders individually or jointly holding more than 10% of the Shares of the Company are entitled to propose to the Board to convene an extraordinary general meeting. The Board shall decide whether to agree or disagree to convene the extraordinary general meeting in accordance with the provisions of the Rules of Procedure of General Meetings; if the Board disagrees, the Supervisory Committee or shareholders individually or jointly holding more than 10% of the Shares of the Company for more than 90 consecutive days may convene the general meeting on their own in accordance with the provisions of the Rules of Procedure of General Meetings.

In addition, pursuant to Article 73 of the Articles of Association, when a general meeting is convened by the Company, the Board, the Supervisory Committee or Shareholders individually or jointly holding 3% or more of the shares of the Company shall be entitled to raise proposals to the Company. Shareholders individually or jointly holding 3% or more of the shares of the Company may submit ad hoc proposed resolutions in writing to the convener of the general meeting 10 days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within 2 days upon receipt of the proposals and announce the contents thereof. Save as specified in the preceding paragraph, the convener, after issuing the notice and announcement of the general meeting, shall neither revise the proposals stated in the notice of general meetings nor add new proposals. The shareholders' general meeting shall neither vote nor make a resolution on any proposals that are not included in the notice or are inconsistent with Article 72 hereof.

### (II) Amendments to the Articles of Association

On 21 May 2024, the Company convened the 2023 annual general meeting, the 2024 second A Shareholders' class meeting and the 2024 second H Shareholders' class meeting, at which the Resolution on Proposing to Consider the Amendments to the Articles of Association (《關於提請審議修訂公司章程的議案》) was reviewed and approved. The amendments to the Articles of Association have taken effect from 21 May 2024. Please refer to the information of the general meeting of the Company disclosed on 30 April 2024 for details of the amendments.

Pursuant to the resolutions passed at the First Extraordinary General Meeting, the First A Shareholders Class Meeting and the First H Shareholders Class Meeting in 2024, the Company completed the alteration registration formalities with industry and commerce in July 2024, and obtained its business license renewed by the Shanghai Administration for Market Regulation. The relevant provisions of the Articles of Association of the Company relating to registered capital and share capital shall be amended accordingly. For details of the amendments, please refer to the announcement disclosed by the Company on 24 July 2024.

## Section IV Corporate Governance

### (III) Investor relations

The Company has always attached great importance to the return of investors and has always been committed to enhancing the long-term investment value of the Company by developing the ability of creating the Company's inherent value, and rewarding the investors by means of a continuously high percentage of cash dividends. At the same time, the Company attaches great importance to the management of investor relations, and has formulated a series of thorough rules and regulations such as the Investor Relations Management System (《投資者關係管理制度》). The Company has set up an investor relations management platform with various communication channels such as on-site, telephone and Internet and various communication methods such as performance explanation sessions, road shows, an investor open day, reception of investors for survey and research, company website, investor hotline and e-mails, and through actively participating in e-interactive platform of the Shanghai Stock Exchange, participating in collective reception days for investors or results briefings, and attending investment strategies meetings or investment forums of seller institutions, and actively enhancing the interactive communication with investors, and thus increases the Company's transparency and ensures that investors could have timely, accurate and comprehensive understanding of the Company. Shareholders may make enquiries through emails, hotlines and directly sending their letters to the Company's office address. The Company will properly and timely handle all enquiries. During the Reporting Period, the Company reviewed the investor relations activities carried out and was satisfied with the implementation and results.

During the Reporting Period, the Company held two analyst conferences, involving a total of 164 analysts and investors from domestic and foreign institutions; received institutional research and participated in seller institutional strategy meetings for a total of 22 times, communicated with 212 analysts and institutional investors; conducted two domestic and overseas roadshows, visited shareholders and 31 key institutions; conducted 3 online briefing on the results; participated in collective performance briefing once; answered 1,123 investor hotlines.

The Company will continue to further implement the requirements of the CSRC on promoting the investment value of listed companies and relevant requirements of the Guidelines for the Supervision and Administration of Listed Companies No. 10 – Market Value Management (《上市公司監管指引第 10 號——市值管理》). On the basis of continuously improving the ability of creating inherent value and consolidating the core competitiveness, the Company will study and consider further measures on enriching value operation and value realization, as well as to take initiative to increase investors return through various measures, such as regular dividend distribution and strengthening of investor relationship management.

## Section IV Corporate Governance

### The communication between the Company and investors in 2024

Date of reception	Place of reception	Way of reception	Guests	Major topics discussed and information provided
5 January 2024	The Company	On-site communication	ICBC Credit Suisse	Operation and development of the regulatory policy, corporation strategies and wealth management
27 February 2024	Shanghai	On-site communication	Investors invited to the 2024 Spring Strategy Conference of Kaiyuan Securities	Operation and development of the regulatory policy, corporation strategies, institutional and trading, investment management and international business
29 February 2024	Shanghai	On-site communication	Investors invited to the Strategy Conference of Guolian Securities	Operation and development of the regulatory policy, corporation strategies, wealth management, investment banking, institutional and trading, investment management and international business
29 February 2024	Shanghai	On-site communication	Investors invited to the Strategy Conference of Shenwan Hongyuan Securities	Operation and development of the regulatory policy, corporation strategies, wealth management, investment banking, institutional and trading, investment management and international business
8 March 2024	Guangzhou	On-site communication	Investors invited to the Spring Capital Forum 2024 of GF Securities	Operation and development of the corporation strategies, wealth management, investment banking, institutional and trading and investment management
29 March 2024		Telephone communication	Analysts and investors invited to the Company's 2023 Analyst Communication Conference	Operation and development of the corporation strategies, wealth management, investment banking, institutional and trading and international business
8-12 April 2024	Hong Kong	On-site communication	Institutional Investors invited to the 2023 Annual Results Roadshow of the Company	Operation and development of the regulatory policy, corporation strategies, wealth management, institutional and trading, investment management and international business

## Section IV Corporate Governance

Date of reception	Place of reception	Way of reception	Guests	Major topics discussed and information provided
15 April 2024		Online communication	Investors attending the Company's 2023 Annual Results Presentation	Operation and development of the regulatory policy, corporation strategies, investment banking and international business
30 April 2024	The Company	On-site communication	Fullgoal Fund	Operation and development of the regulatory policy, corporation strategies and institutional and trading
7 May 2024	Beijing	On-site communication	Investors invited to Listed Companies Exchange Conference of Shenwan Hongyuan	Operation and development of the regulatory policy, wealth management, institutional and trading and investment management
8 May 2024	Shanghai	On-site communication	Investors invited to the 2024 Spring and Summer Strategy Conference of Founder Securities	Operation and development of the corporation strategies, investment banking, institutional and trading
10 May 2024	Shanghai	On-site communication	Investors participated in the 2023 Collective Results Briefing of Shanghai state-owned listed companies	Corporation strategies and business development
16 May 2024		Telephone communication	Analysts of GF Securities and its invited investors	Operation and development of the corporation strategies, wealth management, investment banking, institutional and trading and investment management and international business
4 June 2024	Shanghai	On-site communication	Investors invited to the 2024 Mid-term Investment Summit of Huatai Securities	Operation and development of the regulatory policy, corporation strategies, wealth management, investment banking, institutional and trading, investment management and international business
5 June 2024	Shanghai	On-site communication	Investors invited to the 2024 Capital Markets Forum of CITIC Securities	Operation and development of the regulatory policy, corporation strategies, wealth management, investment banking and international business

## Section IV Corporate Governance

Date of reception	Place of reception	Way of reception	Guests	Major topics discussed and information provided
14 June 2024		Online communication	Investors invited to Sinolink Securities Mid-term Strategy Conference	Operation and development of the regulatory policy, corporation strategies, wealth management, investment banking, institutional and trading and investment management
19 June 2024	Beijing	On-site communication	Investors invited to the 2024 Mid-term Strategy Conference of Guotai Junan	Operation and development of the regulatory policy, corporation strategies, wealth management, institutional and trading, investment management and international business
25 June 2024		Online communication	Investors invited to the Strategy Conference of CSC	Operation and development of wealth management, investment banking, institutional and trading
27 June 2024	Shanghai	On-site communication	Investors invited to the 2024 Mid-term Strategy Conference of China Galaxy	Operation and development of the corporation strategies, wealth management, investment banking, institutional and trading and investment management
17 June – 28 June 2024	Beijing, Shanghai	On-site communication	Institutional Investors invited to the Roadshow of the Company	Operation and development of the regulatory policy, corporation strategies, wealth management, investment banking, institutional and trading, investment management and international business
16 July 2024	The Company	On-site communication	Bank of America	Operation and development of the regulatory policy, corporation strategies, wealth management, investment banking, institutional and trading, investment management and international business
19 July 2024	Shanghai	On-site communication	Investors invited to the 2024 Mid-term Investment Strategy Conference of Guolian Securities	Operation and development of the regulatory policy, corporation strategies, wealth management, institutional and trading

## Section IV Corporate Governance

<b>Date of reception</b>	<b>Place of reception</b>	<b>Way of reception</b>	<b>Guests</b>	<b>Major topics discussed and information provided</b>
3 September 2024		Online communication	Investors invited to Listed Companies Boutique Strategy Conference of Minsheng Securities	Operation and development of the regulatory policy, wealth management, and investment banking
3 September 2024	Shanghai	On-site communication	Investors invited to Listed Company Exchange Conference of Sealand Securities	Operation and development of the regulatory policy, corporation strategies, wealth management, institutional and trading
3 September 2024	Shanghai	On-site communication	Investors invited to Golden Autumn Strategy Conference of Soochow Securities	Operation and development of the regulatory policy, corporation strategies, wealth management, investment banking, institutional and trading, and international business
4 September 2024		Telephone communication	Investors invited to Investor Exchange Conference of GF Securities	Operation and development of the regulatory policy, corporation strategies, wealth management, investment banking, institutional and trading, investment management and international business
4 September 2024		Telephone communication	Investors invited to Investor Exchange Conference of Sinolink Securities	Operation and development of the wealth management, investment banking, institutional and trading, investment management and international business
10 September 2024		Online communication	Investors attending the Company's 2024 Interim Results Presentation	Operation and development of corporation strategies, investment banking and international business
9 October 2024		Online communication	Analysts and investors invited to the Company's Analyst Conference on Merging with Haitong Securities	Particulars about the Company's merging with Haitong Securities
18 November 2024		Online communication	Investors attending the Company's 2024 Third Quarter Results Presentation	Corporation strategies as well as operation and development

## Section IV Corporate Governance

### (IV) Compliance of securities transactions code by Directors, Supervisors and relevant employees

The Company has established the Measures for the Administration of the Holding and Changes in the Holding of the Shares by the Directors, Supervisors and Senior Management (《董事、監事和高級管理人員持有本公司股份及其變動管理辦法》) (the “Administration Measures”), and has been constantly amending it in accordance with the latest regulatory requirements to regulate the holding and dealing of the Shares by the Directors, Supervisors and senior management of the Company. Compared with the compulsory management requirements in the Model Code, the Administration Measures have adopted the standards in the Model Code as the standards of conduct for securities transactions by Directors, supervisors and relevant employees of the Company, and the requirements are stricter. After making enquiries, all Directors, Supervisors and senior management of the Company have confirmed that they had been in strict compliance with the Administration Measures and the Model Code throughout the Reporting Period.

### (V) Directors’ and auditors’ responsibility for the accounts

The Board has acknowledged its responsibility for preparing the annual report of the Group for the year ended 31 December 2024.

The Board is responsible for presenting a clear and specific assessment of the annual and interim reports, price sensitive information and other disclosures required under the Hong Kong Listing Rules and other regulatory requirements. The management has provided relevant explanation and information to the Board as necessary to enable the Board to make an informed assessment and approval, as appropriate, of the financial information and status of the Group.

There are no material contingent events or conditions that may have a material impact on the Company’s ability to keep its operation continuously. In addition, the Company has arranged appropriate insurance cover in respect of potential legal actions and liabilities against the Directors, Supervisors and senior management.

### (VI) Duty of the management

The management of the Company is engaged by the Board and is accountable to the Board. The management is mainly responsible for decision-making of the Board, daily operation management of the Company, the selection, hiring and management of internal staff and determination of staff remuneration. According to the Articles of Association, the duties of the Chief Executive Officer include directing the production and operation management of the Company, organizing to implement the resolution of the Board, and reporting to the Board; organizing and implementing the annual plan and investment plan; drafting the establishment plan of the internal management division; drafting the basic management system of the Company; formulating the specific rules of the Company; proposing the engagement or the dismissal of Vice President, Chief Financial Officer and other senior management personnel (other than secretary to the Board, Chief Risk Officer, Chief Compliance Officer, General Legal Counsel and Chief Auditor); determining the engagement or dismissal of responsible management personnel other than those who should be engaged or dismissed by the Board; implementing the requirements of the Board’s cultural construction work and carrying out the Company’s cultural construction work; other duties authorized by the Articles of Association or the Board.

## Section IV Corporate Governance

### (VII) Company secretary

On 24 May 2024, Mr. YU Jian and Ms. KWONG Yin Ping Yvonne resigned as the joint company secretaries of the Company, and the Company appointed Mr. NIE Xiaogang and Ms. TSANG Wing Man as the joint company secretaries of the Company. Mr. NIE Xiaogang also acts as the vice president, the chief financial officer, the chief risk officer, the secretary to the Board of the Company and primary internal contact person of the Company. Ms. TSANG Wing Man is the manager of SWCS Corporate Services Group (Hong Kong) Limited. During the Reporting Period, Mr. Nie Xiaogang has accepted more than 15 hours of professional training, including follow-up training for practitioners organized by Securities Association of China, training for board secretaries organized by the SSE, and trainings for directors, supervisors and senior management of listed companies organized by the Listed Companies Association of Shanghai as well as training on anti-money laundering and professional integrity organized by the Company. Ms. TSANG Wing Man has accepted more than 15 hours of professional training, including latest compliance supervision status of listed companies in Hong Kong, functions and matters of concern of company secretaries, employee incentive schemes and trust development, overview of the Listing Rules for share schemes, matters pertaining to notifiable transactions, operation and case sharing of connected transactions.

### (VIII) Compliance with relevant laws and regulations

As a public company listed both in Mainland China and Hong Kong, the Company abode, in strict accordance, by domestic and foreign laws, regulations and normative documents including the Company Law, the Securities Law, the Regulations on Supervision and Administration of Securities Companies, the Rules for Governance of Securities Companies, the Code of Corporate Governance for Listed Companies in China, the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules and the Articles of Association. The Company established and perfected its rules and regulations to standardize the operation and devoted itself to maintaining and improving its market image. Please see “X. Suspected Non-compliance with Laws and Regulations by and Penalties Imposed on the Company, its Directors, Supervisors, Senior Management, Controlling Shareholder and De facto Controller as well as Relevant Rectifications” in “Section VI Significant Events” of this report for punishment and public condemnation the Company has suffered during the Reporting Period.

## Section IV Corporate Governance

### (IX) Administration of insider registration

In strict compliance with the Securities Law, the Guidelines for the Supervision and Administration of Listed Companies No. 5 – Registration Management System for Insiders of Listed Companies’ Inside Information (《上市公司監管指引第 5 號 – 上市公司內幕信息知情人登記管理制度》) issued by the CSRC, the Guidelines of Shanghai Stock Exchange No. 2 for the Application of Self-Regulation Rules for Listed Companies – Information Disclosure Management (《上海證券交易所上市公司自律監管指引第 2 號 – 信息披露事務管理》) issued by the Shanghai Stock Exchange and the Articles of Association, the Registration Management System for Insiders of Inside Information (《內幕信息知情人登記管理制度》) and other relevant laws and regulations, the Company did a good job in the registration and filing of insiders during the period of major asset restructuring. There was no abnormal fluctuation of the Company’s stock price due to the leakage of inside information. The Registration Management System for Insiders of Inside Information regulates the confidentiality and registration of inside information and strengthens the confidentiality of inside information and the management of insiders; the Management System for Information Disclosure (《信息披露事務管理制度》) and the Management System for Investor Relations (《投資者關係管理制度》) maintains the principle of fairness for information disclosure; this mechanism covers all key control processes such as the generation, collection, transmission, review, confidentiality and fair disclosure of inside information and ensures the implementation of various systems by strengthening system training, standardizing work requirements, improving accountability and strengthening awareness of information disclosure.

## Section V Environment and Social Responsibility

### I. ENVIRONMENTAL INFORMATION

Whether to establish an environmental protection related mechanism	Yes
Investment in environmental protection during the Reporting Period (unit: ten thousand yuan)	99.05

**(I) Environmental protection information of the company and its major subsidiaries on the lists of critical pollutant dischargers published by environmental protection authorities**

☐ Applicable    ☒ Not applicable

**(II) Environmental protection information of companies not on the list of critical pollutant dischargers**

☒ Applicable    ☐ Not applicable

**1. Administrative penalties due to environmental protection issues**

☐ Applicable    ☒ Not applicable

**2. Disclosure of other environmental protection information with reference to the list of critical pollutant dischargers**

☒ Applicable    ☐ Not applicable

The Company is not on the lists of critical pollutant dischargers and their major subsidiaries published by environmental protection authorities. As a financial services company, the energy resources consumed and waste generated by the Company mainly come from daily office activities, which has limited impact on the environment. The Company entrusts qualified third-party organizations to conduct inspections for the wastewater, exhaust gases and noises of the headquarters office, and the results are in line with the relevant national standards.

**3. Reasons for not disclosing other environmental protection information**

☐ Applicable    ☒ Not applicable

## Section V Environment and Social Responsibility

### (III) Relevant information that is conducive to ecological protection, pollution prevention, and fulfilment of environmental responsibilities

√ Applicable    □ Not applicable

The Company deeply recognizes the significance of protecting ecology, preventing and controlling pollution and fulfilling environmental responsibility, and attaches great importance to the significant opportunities brought by economic green and low-carbon development. In 2021 and 2023, the Company formulated and issued the Action Plan for Implementing Peak Carbon Dioxide Emissions and Carbon Neutrality of Guotai Junan (《國泰君安踐行碳達峰與碳中和的行動方案》) and the Action Plan for Comprehensively Improving the Level of Green Financial Services of Guotai Junan (2023-2025) (《國泰君安全面提升綠色金融服務能級的行動方案(2023-2025年)》), respectively. The Company has made a comprehensive layout to enhance the scale of green finance business, service ability and brand image, and actively assists in achieving the goal of “Peak Carbon Dioxide Emissions and Carbon Neutrality” and promotes high-quality economic development.

#### 1. Provide leading integrated carbon financial services

The Company has actively practiced the concept of green and low-carbon development. It established an over-the-counter carbon finance business team in 2014, and obtained the carbon trading license by the CSRC in 2015 and was the first domestic securities companies in China for the admission to the International Emission Trading Association (IETA) in 2016. The Company was awarded as an outstanding member and outstanding investment institution piloted by the carbon emissions exchanges in Beijing, Shanghai and Guangdong for many consecutive years. As an important participant in the domestic carbon trading market, it has provided leading carbon financial services for many leading enterprises, and also made outstanding contributions to the liquidity of the domestic carbon market. The Company successively completed the first CCER (Chinese Certified Emission Reduction) transaction, the first carbon inclusive transaction, in the securities industry, which has provided high-quality carbon financial services to the market, so as to promote enterprises to effectively revitalize their carbon assets and support carbon price discovery. The Company's carbon finance transaction business serves customers from dozens of regions such as Beijing, Shanghai and Shandong, covering power generation, heat supply, paper making, chemical, iron and steel, transportation, finance, public utilities and other industries. The service targets include emission control enterprises, voluntary carbon neutral enterprises, carbon service platforms, institutional investors, etc. As of the end of 2024, the Company's historical cumulative trading volume in the carbon trading market was approximately 88 million tons, of which the trading volume in the carbon trading market in 2024 was approximately 13 million tons.

## Section V Environment and Social Responsibility

### 2. Provide full-chain green investment and financing services

The Company has deeply cultivated the upstream and downstream enterprises in the green industry chain, intensified the innovation of green financing products, provided a fast review channel for green financing projects, and actively served the green financing needs of enterprises. In 2024, the lead underwriting amount of green bonds of the Company was RMB29.636 billion; the Company, as a program manager, issued green ABS of RMB4.791 billion; and a scale of RMB3.352 billion was completed for green pledge financing.

The Company fully implemented the ESG investment philosophy, continued to improve the ESG investment and research system, and continuously strengthened its green investment services. The Company initiated and set up green industrial funds, and focused on investing in projects in the fields of photovoltaic power generation, sewage treatment, waste gas treatment, clean energy, smart travel, etc. The Company actively provided the creation, agency sale, custody and outsourcing services of ESG-related products. As of the end of 2024, the Company has created 12 ESG mutual funds with a total scale of RMB10.552 billion; recorded an agency sale of 787 ESG mutual funds, holding ESG mutual funds of RMB8.6 billion; the custody and outsourcing of green assets amounted to RMB9.973 billion.

### 3. Carry out green and low-carbon operations

The Company actively promoted the policy of “intensification, cost reduction, quality improvement and efficiency enhancement”, deeply implemented measures such as green office, green procurement and green travel, and implemented high-standard energy-saving requirements consistently and reduced resource and energy consumption and greenhouse gas emissions to reduce operating costs and improve intensification capabilities and management efficiency.

## Section V Environment and Social Responsibility

### (IV) Measures taken to reduce carbon emissions during the Reporting Period and the relevant effectiveness

Whether carbon reduction measures have been taken	Yes
Reduction of CO <sub>2</sub> e emission (unit: ton)	3,890.35
Types of carbon reduction measures (Such as using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that help reduce carbon emissions, etc.)	Promoting the construction of green data centers

#### Description

☒ Applicable   ☐ Not applicable

The Company actively implements the philosophy of “intensification, cost reduction, quality improvement and efficiency enhancement”, and actively saves energy and reduces emissions through measures such as the implementation of digital office, construction of green data centers, refined management of office spaces and promotion of green office and concept of environmental protection, so as to reduce the impact of its own operations on the environment. In 2024, the Company’s total energy consumption in Shanghai was 14,694.48 tons of standard coal.

#### 1. Reduce use of paper

The Company promotes implementing digital office practices such as electronic seals, online approvals, online attendance and online meetings to minimize paper use. For necessary paper use, default doublesided printing is set and prints in a reduced format and reuse of waste paper are encouraged to reduce paper consumption.

#### 2. Save electricity

The Company encourages employees to turn off unnecessary electrical equipment during non-working hours and turn off all non-essential electrical switches, replaces energy-saving lamps in the office, reduces the duration of lighting in public areas and optimizes the use of air-conditioning, in order to improve the efficiency of electricity utilization.

#### 3. Carry out the management of water resources

The Company conducts extensive water conservation education, regularly inspects water use equipment and facilities, prevents the phenomenon of “running, emitting, dripping and leaking”, continuously improves water use efficiency through technological transformation and awareness raising, and reduces per capita water consumption as much as possible.

## Section V Environment and Social Responsibility

4. Carry out waste management

The Company advocates garbage classification, and unifies the recycling of and classifies the disposal of hazardous waste; establishes and improves the management system of kitchen waste and waste oil to reduce the amount of kitchen waste; sets up food saving slogans in the dining area of employees, and vigorously advocates the “Clean Plate Campaign (光盤行動)”; and encourages employees to bring their own bowls and chopsticks for meals and reduce the use of disposable lunch boxes.

5. Promote the construction of green data centers

Focusing on high efficiency and energy saving, the data center of the Company has carried out a number of designs and constructions, and adopted energy-saving technologies such as high-density cold aisle closures, dual-channel centralized water-cooling refrigeration technology, cross-board natural refrigeration and waste heat recovery. In 2024, the data center saved 7.25 million kWh of electricity. The primary energy-saving initiatives included: taking measures such as increasing the operating temperature of the computer room, reducing the operating air volume of the computer room, adjusting the air conditioning control logic and group control strategy to improve the overall cooling efficiency of the computer room; completing renovation of the cold aisle containment of 8 cabinets, promoting the optimization of local hot spots in the computer room of data center, and improving the cooling efficiency of cabinet aisles; continuously promoting the offline of old equipment and migration to the cloud, improving the overall utilization efficiency of the computer room, adding 4,679 cloud-based servers and saving the space of approximately 110 cabinets and equivalent amounts of electricity and cooling costs in 2024.

## II. FULFILLMENT OF SOCIAL RESPONSIBILITIES

(I) Fulfillment of social responsibilities

☒ Applicable    ☐ Not applicable

External donations, public welfare projects	Amounts/content	Description
Total investment (ten thousand yuan)	3,661.09	
Including: funds (ten thousand yuan)	3,661.09	
Cash converted from materials (ten thousand yuan)	0	
Beneficiaries (persons)	200,000	

Description

☐ Applicable    ☒ Not applicable

## Section V Environment and Social Responsibility

### III. CONSOLIDATING AND EXPANDING POVERTY ALLEVIATION ACHIEVEMENTS, RURAL REVITALIZATION AND OTHER SPECIFIC WORK

√ Applicable    □ Not applicable

Poverty alleviation and rural revitalization project	Amounts/content	Description
Total investment (ten thousand yuan)	2,454.11	including rural revitalization, the “Dream and Hope (築夢希望)” educational support sector, comprehensive rural assistance in Fengxian District of Shanghai, and sub-projects related to rural revitalization within the Neighborhood Guardian (鄰里守護) project
Including: funds (ten thousand yuan)	2,454.11	
Cash converted from materials (ten thousand yuan)	0	
Beneficiaries (persons)	128,000	
Form of support (Such as industrial poverty alleviation, employment poverty alleviation, education poverty alleviation, etc.)	industrial poverty alleviation, education poverty alleviation	

#### Description

√ Applicable    □ Not applicable

In 2024, the Company has carried out public welfare work focusing on serving rural revitalization, deepening education support, helping construction of people’s city, participating in emergency relief and other aspects, continued to explore the model of “inclusive + public (普惠+公益)” welfare, actively implemented the concept of “Finance for the Good”, and carried out a total of 105 public welfare projects and invested RMB36.6109 million in public welfare funds with 1,355 employees participating in volunteer services, contributing a total of 5,422 hours of voluntary servicing, demonstrating the responsibility of a large state-owned financial enterprise and contribution to social harmony and stability.

## Section V Environment and Social Responsibility

### (I) Participate in the national strategies of paired assistance and rural revitalization

#### 1. Facilitate the development of rural industries

In order to respond to the call on strengthening the cooperation between the east and the west and “100 Enterprises for 100 Villages (百企結百村)” from the Shanghai Municipal Committee and the Shanghai Municipal Government, the Company supported the renovation of house facades project of Liulangcheng Village Group, Guangan County, Yunnan Province, assisted in creating a rural characteristic industry integrating health care, leisure and entertainment, cultural industry, and tourism economy, and helped villagers increase their incomes, so as to truly achieve “lucid waters and lush mountains are invaluable assets”. The Company supported the architectural style enhancement project for the villagers of Daga Village Group, Longlong Village Committee, Babu Township, the “Light Up the Country (點亮鄉村)” project of Longlu Village Committee of Tiechang Township and the public facilities construction project of Shangliangshuijing Village Group, Daping Town, Malipo County, Yunnan Province. The Company supported the renovation and upgrading project of the community cultural center in Bachu County, Xinjiang, helping to improve the local industrial and people’s livelihood environment and enhance people’s well-being.

#### 2. Conduct research on county economy

Leveraging the professional expertise of the research institute department, the Company conducted research on county economy in Ji’an County, Jiangxi Province, and prepared a research report titled “Gan River Inheritance • Luling Revival – Recommendations for Promoting High-Quality Development of the County Economy in Ji’an County Based on Local Conditions (贛水相承•廬陵再興 — 吉安縣因地制宜推動縣域經濟高質量發展的建議)”, which received positive feedback from relevant government authorities in Ji’an County.

#### 3. Carry out the “Shangshan” Series Guotai Junan “Low-carbon Planting” Rural Revitalization Charitable Trust (“上善”系列國泰君安“低碳添植”鄉村振興慈善信託)

In cooperation with the Shanghai Trust, the Company continue to carry out the “Shangshan” Series Guotai Junan “Low-carbon Planting” Rural Revitalization Charitable Trust in Malipo County, Yunnan Province.

#### 4. Facilitate rural talent revitalization

In cooperation with Zhejiang University, for the second year in a row, the Company carried out a special seminar on “Leaders for Becoming Rich (致富帶頭人)” of rural revitalization for 50 village secretaries, village directors and entrepreneurs who can lead people to become rich from five assisted areas, to help trainees learn from the advanced experience of Hangzhou and other places, so as to be the “Leading Goose” in the industrial development of their respective regions.

## Section V Environment and Social Responsibility

### 5. Facilitate rural cultural revitalization

Guided by the strategy of nourishing the cultures of Xinjiang, the Company joined hands with the “Forever-Bond Program (石榴籽計劃)” to carry out public welfare training on the theme of “Prospering Xinjiang and Enriching the People • Guotai Junan Putonghua + Omni-media Operation (興疆富民•國泰君安推普+全媒體運營)” in Xinjiang to help improve the local people’s Putonghua proficiency and new media live streaming operation skills, and enhance the ability to promote high-quality products from their hometown to the national and even global markets.

### 6. Do a good job in caring for cadre talents aiding Tibet and Qinghai

The Company expressed New Year greetings to cadres from Shanghai who were aiding Tibet and Qinghai, helping them ease their worries and enable them to better devote themselves to the pairing assistance business.

## (II) Continue to deepen the “Dream and Hope (築夢希望)” educational support

### 1. Continue to support 4 Hope Primary Schools

To help build the playground of Guotai Junan’s Dandan Hope Primary School, the Company launched the initiative of “One Day’s Salary to Warm Hearts (一日薪暖人心)”, and received donations of RMB566,700 from 2,697 people within 7 days. The playground of Dandan Hope Primary School was completed and put into use after the school started in September. The Company visited three Hope Primary Schools once a year and distributed Guotai Junan teaching grants and scholarships. Focusing on the needs of teachers and students, the Company donated the second batch of wish prizes of the “Wish House (心願小屋)” to three schools, continued to implement the Nutritious Lunch Project in two schools, and assisted in the construction of a computer classroom of Tianzhushan Central Primary School.

### 2. Create a public welfare project of “Seeing the World with Big Eyes (大眼看世界)”

The Company collaborated with the Oriental Broadcasting Center of Shanghai Radio and Television Station (上海廣播電視台東方廣播中心) to jointly launch a public welfare project called “Seeing the World with Big Eyes (大眼看世界)” for rural students, carry out public welfare activities such as “Little Scientists”, “Little Readers”, “Little Musicians” and “Little Intangible Heritage Inheritors”, and established a “Guotai Junan Audiobook Library” jointly with Ajmide (阿基米德), which has been implemented in 3 Hope Primary Schools, opening windows to the world for rural students.

## Section V Environment and Social Responsibility

### 3. Carry out the teacher empowerment project of “Lamp Program (燃燈計劃)”

The Company cooperated with Zhejiang University to carry out the “Lamp Program (燃燈計劃)” Summer Advanced Training Course for Rural Teachers (Second Phase), and 200 principals, head teachers and key teachers from the counterpart counties and Guotai Junan Hope Primary School participated in the 9-day training and learning. After the training, based on the needs of trainees from all over the country, 7 activities of famous teachers going to the countryside were carried out in Guangnan, Qianshan, Wenshan, Yanshan, Zhaotong and other places, which were welcomed by local teachers and students, and over 3,000 people participated online and offline. The Company launched the “Lamp Lighting Initiative (燃燈行動)” to support trained teachers in applying their learning to improve educational practices. A total of 9 unique projects led by 7 participating teachers have received funding, ensuring that the benefits of the training genuinely reach rural students.

### 4. Carry out the training for psychological teachers of “Spiritual Gardener (心靈園丁)”

The Company launched the public welfare training project “Lighting the Heart Lamp, Building Dreams and Hopes – Spiritual Gardeners of Hundreds of Schools and Thousands of Teachers in Yunnan Province” in Yunnan Province. As for which, 3 offline training sessions were held, with nearly a thousand participants; and 6 online seminars were held, with nearly 500,000 people listening and watching. Since then, the project has continued to provide consultation and guidance for full-time and part-time psychological teachers online to give trainees a leg up to get them going.

### 5. Set up the “Dream for a Strong Country (築夢強國)” Scholarship

For the second consecutive year, the “Dream for a Strong Country (築夢強國)” Guotai Junan Scholarship was set up in 16 universities including Tsinghua University, Zhejiang University and Beihang University, to encourage outstanding university students to devote themselves to scientific research and innovation and shoulder the responsibility of “strengthening our country”. The Company supported the cultural calendar project of Fudan University, which guided the construction of university campus culture based on Xi Jinping Thought on Culture. For the second consecutive year, the Company set up the Guotai Junan “Dream for a Strong Country (築夢強國)” National Defense Student Scholarship for 53 high school graduates from Qianshan, Anhui Province, to support the cultivation of military talents in the country and encourage young people to work hard, join the national defense and serve the motherland.

## Section V Environment and Social Responsibility

### (III) Facilitate the construction of Shanghai People's City

#### 1. Participate in comprehensive rural assistance

The Company supported the comprehensive rural assistance in Fengxian District, Shanghai, to help with the economic development of Fengxian District. The Company, together with Xidu Community in Fengxian District, launched the “Edible and Appreciative ‘Vegetable Baskets’, ‘New Paths’ to Rural Revitalization (可食可賞‘菜籃子’, 鄉村振興‘新路子’)” project to develop the courtyard economy and stimulate new vitality in the rural economy. The Company supported the “Beauty in Dachun” indoor stage construction project in Dachun Village, Shuxin Town, Chongming District, to enrich the cultural life of villagers and promote the construction of rural spiritual civilization.

#### 2. Facilitate the construction of science and technology innovation centers

The Company supported the Shanghai Institute of Finance for Technology Entrepreneurship’ scientists in the new quality productivity science and technology innovation camp training (上海科創金融研究院科學家新質生產力科創營培訓), and the editing and production of the publication “International Science and Technology Headline (《國際科創頭條》)”, and assisted in the construction of Shanghai Science and Technology Innovation Center (上海科創中心). The Company, in cooperation with Science and Technology Commission of Shanghai Municipality, supported the first “Shanghai Stock Exchange Cup (上證杯)” Shanghai College Students Innovation and Entrepreneurship Competition. 18 outstanding winning projects were selected to enter the semi-finals of the “Shanghai Talent” Global College Students Innovation and Entrepreneurship Competition (“海聚英才”全球大學生創新創業大賽).

#### 3. Care for the “elderly, children and people with special needs (一老一小一特)”

The Company carried out the New Year and Double Ninth Festival greetings in Fenshuidun Village and Nansong Village, Fengcheng Town, Fengxian District which are paired with the Company’s party building, to send holiday blessings to the needy people and the elderly in the two villages. By making good use of “Special Fund for Child – Friendly City Construction of Guotai Junan in Shanghai”, the Company joined hands with Shanghai Women’s Federation to provide care and condolences for children with serious illnesses. The Company, together with the Shanghai Foundation for Supporting the Military and Families, supported the skills training programs for veterans in Shanghai and the summer camps for the children of active servicemen. The Company served “two new” groups of people in the community by continuously donating materials to community stations of warming “the new”(暖“新”驛站) on Wuliqiao Street in Huangpu District and Shimen Er Road in Jing’an District, so that the new employees can feel the care and concern from the society.

## Section V Environment and Social Responsibility

### (IV) Actively participate in emergency disaster relief operations

After the super typhoon “Yagi” made landfall in Wenchang, Hainan, the Company assessed the disaster situation and needs as soon as possible. Utilizing the “Neighborhood Protection (鄰里守護)” mechanism, the Company donated RMB110,000 to the Wenchang Charity Federation in Hainan, specifically for post-disaster reconstruction in Shanya Village, Jinshan Town, Wenchang City, which were among the hardest-hit areas.

When the severe typhoon “Bebinca” struck the Lin’gang area of Pudong, Shanghai, the Company closely monitored the typhoon’s trajectory and proactively reached out to the village cadres stationed in Fengxian, and quickly activated an emergency relief green channel, delivering charity materials to the relocated villagers, other affected families in distress, and elderly individuals living alone as soon as possible.

### (V) Advocate the public welfare culture of “Finance for the Good”

#### 1. Continue to advocate the culture of “Finance for the Good” to enhance employee engagement

On the occasion of the 4th anniversary of poverty alleviation in Malipo County, Yunnan Province, the Company held the “One Company for One County’ pairing assistance • Malipo Day” event. More than 400 employees participated in the “Support for Rural Areas by Purchasing and Consumption Instead of Donation” initiative, achieving a total consumption amount supporting rural areas of more than RMB200,000. On the Company’s Anniversary Day, the Company held the second “818-Helping Hands (818•幫一幫)” Public Welfare Cultural Festival, and organized the public welfare storytelling session on the topic of “Finance for the Good”, in which beneficiaries of public welfare projects were invited to share their stories about Guotai Junan’s public welfare efforts, with over 400 employees participating on-site and more joining via live stream. In addition, the Company also held a public welfare market for Yunnan specialty agricultural products in collaboration with the Vegetable Group (Shanghai Consumption Assistance Work Platform (上海市消費幫扶工作平台)) under Bright Food Group, a strategic client of the Company. The recommended agricultural products from Malipo County were launched on Shanghai Consumption Assistance Work Platform, achieving a total consumption amount supporting rural areas of more than RMB500,000.

## Section V Environment and Social Responsibility

### 2. Continue to tell good stories of “Finance for the Good”, to increase social dissemination

As a representative of financial institutions, the Company was invited to participate in the launch ceremony of the third “Shanghai Charity Week”, initiating the “Finance for the Good” proposal to society, further increasing the social recognition and responsiveness of “Finance for the Good”. The Company was invited to activities of the 2024 “Shangshan (上善)” Charity Forum and the “Love Under the Blue Sky (藍天下的至愛)” event, and was interviewed and reported by official media such as “YICAI”. At the same time, a complete revamp of the foundation’s official website was done, the video “Determined to Move Forward (《矢志向前》)” was produced, and the foundation’s annual report was prepared, so as to tell good stories of “Finance for the Good” and further increase the dissemination of “Finance for the Good”. For the second consecutive year, the Company carried out the “Neighborhood Protection (鄰里守護)” project, and during the year, supported 15 branches and subsidiaries in carrying out 18 public welfare projects in the local areas, including poverty alleviation and assistance to the weak, educational support and emergency disaster relief, further enhancing the reputation of “Finance for the Good”.

### 3. Carry out “Finance for the Good” volunteer services to improve industry recognition

Leveraging the role of the “Finance for the Good” Volunteer Alliance and making good use of public welfare leave of employees, the Company capitalized on its strengths in cultural guidance, public welfare assistance, and investor education and protection, and launched three major categories of volunteer services: “Finance for Good • Dream and Hope (金融向善•築夢希望),” “Finance for Good • Professional Classes (金融向善•專業課堂),” and “Finance for Good • Volunteering Together (金融向善•志願同行)” on occasions such as Lei Feng Memorial Day, Arbor Day, and International Volunteer Day, which continued to improve the long-term working mechanism for volunteer services. The volunteer service team was awarded the title of “Demonstration Site of the Activity of Learning from Lei Feng in Financial System (金融系統學雷鋒活動示範點)”. The Company organized the civilization practice volunteer activity of “Finance for the Good, Walking with Green (金融向善, 與綠色同行),” and carried out 7 activities including the donation of winter clothes for the “Recycling of Clothes and Warming Hearts (循環愛衣暖心)” and ecological protection volunteer services for “Millennium Beautiful Forest (千年秀林)”.

The financial quotient education team set up regular financial quotient classes for teenagers at Shanghai Qibao Mingqiang Primary School and Tongji University Affiliated Jiading Experimental Primary School, disseminated knowledge on “Safe Use of Smartphones for Convenience of the People” in community parks, and carried out investor education activities at the China Securities Museum. The environmental protection team jointly carried out tree planting activities with local villagers in Fenshuidun Village, Fengxian for pairing assistance. The Company organized its employees to launch a charity book donation campaign for Yunnan Guangnan Xinzhi Xian School, with a total of over 1,500 books donated to enrich the extracurricular lives of the rural students.

## Section VI Significant Events

### I. PERFORMANCE OF UNDERTAKINGS

#### (I) The undertakings of the Company's de facto controller, Shareholders, related parties, acquirers and the Company and other related parties during the Reporting Period or that continued to be valid during the Reporting Period

√ Applicable    □ Not applicable

Backgrounds of undertakings	Types of undertakings	Parties giving undertakings	Contents of undertakings	Time of undertaking	Whether there is a performance period	Term of undertakings	Whether undertakings were performed timely and strictly	Detailed reasons for not performing timely, if applicable	Next steps if undertakings were not performed
Undertakings related to initial public offering	Other	The Company	The undertaking of repurchasing shares and indemnifying investors' losses in the case of false disclosure	June 2015	Yes	Permanent	Yes	-	-
	Other	Directors, supervisors and senior management of the Company	The undertaking of indemnifying investors' losses in the case of false disclosure	June 2015	Yes	Permanent	Yes	-	-
	Other	Shanghai SA	The undertaking of avoiding the competition with Guotai Junan in the same industry	June 2015	Yes	From the date of the initial public offering of the A Shares of Guotai Junan to the date on which it ceases to be the Company's controlling shareholder <sup>Note 1</sup>	Yes	-	-
	Other		The undertaking of indemnifying investors' losses in the case of false disclosure	June 2015	Yes	Permanent	Yes	-	-
	Other	International Group	The undertaking of avoiding the competition with Guotai Junan in the same industry	June 2015	Yes	From the date of the initial public offering of the A Shares of Guotai Junan to the date on which it ceases to be the Company's de facto controller <sup>Note 1</sup>	Yes	-	-
	Other		The undertaking of avoiding the competition with Guotai Junan in the same industry (Non - Competition Arrangement)	April 2017	Yes	From the listing date of the H Shares of Guotai Junan to the date on which it ceases to be the Guotai Junan's controlling shareholder <sup>Note 2</sup>	Yes	-	-
	Other		The undertaking of indemnifying investors' losses in the case of false disclosure	June 2015	Yes	Permanent	Yes	-	-

## Section VI Significant Events

Backgrounds of undertakings	Types of undertakings	Parties giving undertakings	Contents of undertakings	Time of undertaking	Whether there is a performance period	Term of undertakings	Whether undertakings were performed timely and strictly	Detailed reasons for not performing timely, if applicable	Next steps if undertakings were not performed timely
Undertakings related to major asset restructuring	Other	The Company	The undertaking of providing true, accurate and complete information	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		The undertaking that there will be no circumstances under which it is prohibited to issue shares to specific parties	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		Explanation on compliance with laws and major litigations and arbitrations	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		Explanation on the absence of any prohibition from participating in any major asset restructuring of listed companies	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		The Company issued a non-competition undertaking letter to Guotai Junan International, undertaking to resolve any competition issues between the Company's relevant subsidiaries and Guotai Junan International and its subsidiaries ("Guotai Junan International Group") within five years from the completion of the delivery by means that are in compliance with applicable laws and regulations and permitted by relevant listing rules and relevant regulatory authorities (including but not limited to asset restructuring and business mergers). The Company further undertook that, upon completion of the delivery, it shall not operate overlapping businesses in a manner that is less favourable to Guotai Junan International Group as compared with its current conditions	October 2024	Yes	From the date of signing until either of the following occurs: (1) As of the date on which the shares of Guotai Junan International's cease to be listed on the Hong Kong Stock Exchange; or (2) as of the date on which the Company (and its associates <sup>Note 3</sup> ) cease to be controlling shareholders of Guotai Junan International <sup>Note 2</sup>	Yes	-	-

## Section VI Significant Events

Backgrounds of undertakings	Types of undertakings	Parties giving undertakings	Contents of undertakings	Time of undertaking	Whether there is a performance	Term of undertakings	Whether undertakings were performed timely and strictly	Detailed reasons for not performing timely, if applicable	Next steps if undertakings were not performed timely
					period				
	Other	Directors, supervisors and senior management of the Company	The undertaking of providing true, accurate and complete information	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		The undertaking of the shareholding reduction plan during the transaction	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		Explanation on compliance with laws and major litigations and arbitrations	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		Explanation on the absence of any prohibition from participating in any major asset restructuring of listed companies	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		The undertaking of measures to make up for diluted return for the current period	November 2024	No	Permanent	Yes	-	-
	Other	Shanghai SA	The undertaking of providing true, accurate and complete information	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		The undertaking of share lock-up	October 2024	Yes	Within 60 months from the date of the end of the issuance of the subscribed shares issued to raise ancillary funds	Yes	-	-
	Other		The undertaking of subscribing for shares issued to raise ancillary funds	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		The undertaking of maintaining the independence of the listed company	October 2024	Yes	To the date on which it ceases to be the Company's controlling shareholder <sup>Note 1</sup>	Yes	-	-
	Other		Letter of undertaking on regulating matters with respect to related party transactions	October 2024	Yes	To the date on which it ceases to be the Company's controlling shareholder <sup>Note 1</sup>	Yes	-	-
	Other		The undertaking of avoiding the competition in the same industry	November 2024	Yes	To the date on which it ceases to be the Company's controlling shareholder <sup>Note 1</sup>	Yes	-	-

## Section VI Significant Events

Backgrounds of undertakings	Types of undertakings	Parties giving undertakings	Contents of undertakings	Time of undertaking	Whether there is a performance period	Term of undertakings	Whether undertakings were performed timely and strictly	Detailed reasons for not performing timely, if applicable	Next steps if undertakings were not performed timely
	Other		The undertaking of Guotai Junan's response to measures to make up for diluted return for the current period	November 2024	No	Permanent	Yes	-	-
	Other	Directors, supervisors and senior management of Shanghai SA	The undertaking of providing true, accurate and complete information	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other	Shanghai SA and its directors, supervisors and senior management	Explanation on compliance with laws and integrity	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		Explanation on the absence of any prohibition from participating in any major asset restructuring of listed companies	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other	International Group	The undertaking of providing true, accurate and complete information	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		The undertaking of maintaining the independence of the listed company	October 2024	Yes	To the date on which it ceases to be the Company's de facto controller <sup>Note 1</sup>	Yes	-	-
	Other		The undertaking of regulating related party transactions	October 2024	Yes	To the date on which it ceases to be the Company's de facto controller <sup>Note 1</sup>	Yes	-	-
	Other		The undertaking of avoiding the competition in the same industry	November 2024	Yes	To the date on which it ceases to be the Company's de facto controller <sup>Note 1</sup>	Yes	-	-
	Other		The undertaking of Guotai Junan's response to measures to make up for diluted return for the current period	November 2024	No	Permanent	Yes	-	-
	Other		The undertaking of providing Guotai Junan Dissenting Shareholders with the right to have the shares acquired	November 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other		Explanation on compliance with laws and integrity	November 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-

## Section VI Significant Events

Backgrounds of undertakings	Types of undertakings	Parties giving undertakings	Contents of undertakings	Time of undertaking	Whether there is a performance period	Term of undertakings	Whether undertakings were performed timely and strictly	Detailed reasons for not performing timely, if applicable	Next steps if undertakings were not performed timely
	Other	Directors, supervisors and senior management of International Group	The undertaking of providing true, accurate and complete information	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other	International Group and its directors, supervisors and senior management	Explanation on the absence of any prohibition from participating in any major asset restructuring of listed companies	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other	International Group, Shanghai SA, Shanghai SITICO Assets Management Co., Ltd., Shanghai International Group Asset Management Co., Ltd., Shanghai International Group Asset Operation Co., Ltd.	The undertaking of the principle opinions on the transaction and the share reduction plan	October 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-
	Other	Shanghai International Group (Hong Kong) Co., Ltd.	The undertaking of providing Guotai Junan Dissenting Shareholders with the right to have the shares acquired	November 2024	Yes	As of the date of completion of the major asset restructuring transaction	Yes	-	-

Note 1: The controlling shareholder and the de facto controller as referred to herein are as defined under the SSE Listing Rules.

Note 2: The controlling shareholder as referred to herein is as defined under the Hong Kong Listing Rules.

Note 3: The associate as referred to herein is as defined under the Hong Kong Listing Rules.

### (II) The Company's explanation on whether the earnings estimate on assets or projects was met and its reasons in the situation that earnings in the Company's assets or projects is estimated when the Reporting Period is still within the earnings estimate period

☐ Met ☐ Unmet ☒ Not applicable

### (III) Completion of performance commitments and the effect on impairment testing of goodwill

☐ Applicable ☒ Not applicable

## Section VI Significant Events

### II. APPROPRIATION OF FUNDS FOR NON-OPERATING PURPOSES BY CONTROLLING SHAREHOLDERS OR OTHER RELATED PARTIES DURING THE REPORTING PERIOD

☐ Applicable    ☒ Not applicable

### III. NON-COMPLIANT GUARANTEES

☐ Applicable    ☒ Not applicable

### IV. EXPLANATIONS OF THE BOARD OF THE COMPANY ON “NON-STANDARD OPINION AUDIT REPORT” OF ACCOUNTING FIRM

☐ Applicable    ☒ Not applicable

### V. ANALYSIS AND EXPLANATION OF THE COMPANY ON CAUSES AND EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR CORRECTIONS OF SIGNIFICANT ACCOUNTING ERRORS

#### (I) Analysis and explanation of the Company on causes and effects of changes in accounting policies and accounting estimates

☒ Applicable    ☐ Not applicable

For details, please refer to “4. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES” in “Section X Independent Auditor’s Report and Notes to Financial Statements”.

#### (II) Analysis and explanation of the Company on causes and effects of corrections of significant accounting errors

☐ Applicable    ☒ Not applicable

#### (III) Communications with former accounting firm

☐ Applicable    ☒ Not applicable

#### (IV) Approval procedures and other explanations

☐ Applicable    ☒ Not applicable

## Section VI Significant Events

### VI. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

Unit: ten thousand yuan    Currency: RMB

	Current accounting firm
Name of the domestic accounting firm	KPMG Huazhen LLP
Remuneration of the domestic accounting firm	270
Term of audit services provided by the domestic accounting firm	5
Name of certified public accountant of the domestic accounting firm	WANG Guobei, WANG Xia
Accumulated term of audit services provided by certified public accountants of the domestic accounting firms	WANG Guobei (5 years), WANG Xia (2 years)
Name of the foreign accounting firm	KPMG
Remuneration of the foreign accounting firm	253
Term of audit services provided by the foreign accounting firm	5

	Name	Remuneration
Accounting firm engaged for internal control audit	KPMG Huazhen LLP	40

#### Explanations on appointment and dismissal of accounting firms

☒ Applicable    ☐ Not applicable

On 21 May 2024, as reviewed and approved at the 2023 annual general meeting of the Company, the Company reappointed KPMG Huazhen LLP as the Company's external auditor for 2024 to be responsible for the statutory audit and internal control audit for 2024 in accordance with Chinese Accounting Standards for Business Enterprises and re-appointed KPMG as the external auditor of the Company for 2024 to be responsible for the relevant audit and review in accordance with IFRSs. The total amount of fees paid to the above accounting firms in respect of the provision of audit, review and other assurance services to the Group (including subsidiaries) in 2024 is RMB19.20 million.

#### Explanation on change of accounting firm during the audit period

☐ Applicable    ☒ Not applicable

#### Explanation on a decrease of more than 20% (inclusive) in audit fees as compared with the previous year

☐ Applicable    ☒ Not applicable

## Section VI Significant Events

### Service and fee of exterior auditor

	2024 RMB million
Audit service	19.2
Non-audit service	2.1
Taxation consultation and compliance	0.8
Others	1.3
<b>Total</b>	<b>21.3</b>

## VII. RISK OF DELISTING

### (I) Reasons for delisting warning

☐ Applicable    ☒ Not applicable

### (II) Corresponding measures to be taken by the Company

☐ Applicable    ☒ Not applicable

### (III) Circumstances for delisting and reasons thereof

☐ Applicable    ☒ Not applicable

## VIII. BANKRUPTCY AND RESTRUCTURING RELATED MATTERS

☐ Applicable    ☒ Not applicable

## IX. MATERIAL LITIGATION AND ARBITRATION

☐ The Company had material litigations and arbitrations during the year    ☒ The Company had no material litigation and arbitration during the year

## Section VI Significant Events

### X. SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS BY AND PENALTIES IMPOSED ON THE COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER<sup>NOTE</sup> AS WELL AS RELEVANT RECTIFICATIONS

√ Applicable    ☐ Not applicable

#### 1. Administrative regulatory measures were imposed on the Company by the CSRC issuing a warning letter to it

In January 2024, Administrative regulatory measures were imposed on the Company by the CSRC issuing a warning letter to it as the Company failed to perform its duties in the entrusted management process as the trustee of the corporate bonds of Tahoe Group Co., Ltd. (the “issuer”), and failed to supervise the issuer to disclose the relevant information in a truthful, accurate, complete and timely manner.

In response to the above issue, the Company has taken the following rectification measures: Firstly, the Company has pursued accountability of relevant entities. Secondly, the Company has further strengthened internal learning and training. Thirdly, the Company has paid more attention to the issuer’s litigation and arbitration, regularly inspected the issuer’s litigation through external channels, urged the issuer to make timely disclosure and timely issue temporary entrusted management affairs report.

#### 2. Administrative regulatory measures were imposed on the Jinan Shengli Avenue Securities Business Department of the Company by Shandong Securities Regulatory Bureau of the CSRC issuing a warning letter to it

In January 2024, Administrative regulatory measures were imposed on the Jinan Shengli Avenue Securities Business Department of the Company by Shandong Securities Regulatory Bureau of the CSRC issuing a warning letter to it as certain employees of the Department provided customers with the answers to key questions in risk assessment and the answers to the knowledge test of margin financing and securities lending business.

In response to the above issue, the Company has taken the following rectification measures: Firstly, the Company has pursued accountability of relevant entities. Secondly, the Company has conducted self-inspection of special cases, comprehensively investigated potential risks in the area under the jurisdiction of Shandong branch, and strictly implemented the closed-loop rectification. Thirdly, the Company has consolidated personnel training and hold project examinations. Fourthly, the Company has strengthened risk management and improved customer communication and service.

## Section VI Significant Events

### **3. Administrative regulatory measures were imposed on the Company's subsidiary, Guotai Junan Innovation Investment, by Shanghai Securities Regulatory Bureau of the CSRC issuing a warning letter to it**

In July 2024, Administrative regulatory measures were imposed on the Company's subsidiary, Guotai Junan Innovation Investment, by Shanghai Securities Regulatory Bureau of the CSRC issuing a warning letter to it due to the risk disclosure of the individual private equity funds under the management of Guotai Junan Innovation Investment to its investors, insufficient assessment of risk tolerance and its failure to fully disclose fund information to its investors during the duration of the Fund.

Guotai Junan Innovation Investment has completed the rectification of relevant issues and continued to enhance the timeliness, accuracy and completeness of fund information disclosure. At present, internal control mechanisms with effective operation, scientific management and effective implementation have been established in the process of fund raising and information disclosure, which are in line with regulatory requirements.

### **4. Administrative regulatory measures were imposed on Anqing Fangzhi South Road Securities Branch of the Company by Anhui Securities Regulatory Bureau of the CSRC issuing a warning letter to it**

In August 2024, Administrative regulatory measures were imposed on Anqing Fangzhi South Road Securities Branch of the Company by Anhui Securities Regulatory Bureau of the CSRC issuing a warning letter to it due to its undue management of account opening and customer return visits during account opening and activation of the authority of the National Equities Exchange and Quotations for institutional clients.

In response to the above issue, the Company has taken the following rectification measures: Firstly, the Company has pursued accountability of relevant entities. Secondly, the Company continues to carry out the verification and return visit of investors, and further fulfils its responsibility for investor suitability management on the NEEQ. Thirdly, The Company strengthened the implementation of the requirements on account opening verification and risk warning in terms of multiple dimensions such as business workflow, standardized content, operational business review, improvement of return visits and risk warnings.

### **5. Administrative regulatory measures were imposed on Zhou Zhaohui, the Supervisor of the Company and the secretary of the board of directors of Shenzhen Energy Group Co., Ltd., by the Shenzhen Securities Regulatory Bureau of the CSRC issuing a warning letter to it**

For details, please refer to "IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT" of "Corporate Governance" in the Report.

## Section VI Significant Events

- 6. Administrative regulatory measures were imposed on Ding Wei, an independent non-executive director of the Company and former senior management member of China International Capital Corporation Limited, by Beijing Securities Regulatory Bureau of the CSRC issuing a warning letter to it**

For details, please refer to “IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT” of “Corporate Governance” in the Report.

Note: The controlling shareholder and the de facto controller used herein have the meanings ascribed to them under the SSE Listing Rules.

### **XI. THE CREDIT STATUS OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER<sup>NOTE</sup> DURING THE REPORTING PERIOD**

☒ Applicable   ☐ Not applicable

During the Reporting Period, there was no failure to implement the effective judgment of a court or failure to meet the repayment schedules of a debt with a relatively large amount by the Company, Shanghai SA (controlling shareholder of the Company) or International Group (de facto controller of the Company).

Note: The controlling shareholder and the de facto controller used herein have the meanings ascribed to them under the SSE Listing Rules.

### **XII. MATERIAL RELATED PARTY TRANSACTIONS**

#### **(I) Related party transactions relating to day-to-day operations**

- 1. Matters disclosed in ad hoc announcements without subsequent progress or change**

☐ Applicable   ☒ Not applicable

- 2. Matters disclosed in ad hoc announcements with subsequent progress or change**

☒ Applicable   ☐ Not applicable

## Section VI Significant Events

### (1) Continuing connected transactions under the Hong Kong Listing Rules

The Group conducts connected transactions based on the principles of equity, openness and fairness in strict accordance with the Hong Kong Listing Rules, the Policy on Information Disclosure Management and the Policy on Management of Related Party Transactions. The connected transaction agreements are entered into at market prices based on the principles of equality, voluntariness, equivalence and compensation.

The Group conducts continuing connected transactions primarily with International Group and its associates, HuaAn Funds and its subsidiaries:

- a) International Group is a substantial shareholder of the Company. Therefore, International Group and its associates are connected persons of the Company under the Hong Kong Listing Rules.

According to the relevant requirements, the Company, in accordance with the nature of its transactions, categorizes them into two categories, namely securities and financial product transactions and financial services based on its analysis of the types and basic contents of its current and future possible continuing connected transactions with International Group and its associates. On 29 December 2022, as approved at the 14th extraordinary meeting of the Company's sixth session of the Board, the Company entered into the "Securities and Financial Products Transactions and Services Framework Agreement for 2023 to 2025" with International Group, agreeing on the contents of the continuing connected transactions for 2023 to 2025 and setting the cap for the annual transaction amount.

During the Reporting Period, the Company's continuing connected transactions were implemented according to relevant framework agreement signed by the Company and International Group and the pricing principles for relevant transactions were strictly followed. The transaction amounts and substance did not exceed the scope of such agreements. The annual caps and the actual transaction amounts for 2024 are set out below:

*Unit: million yuan    Currency: RMB*

Subject matter	Annual cap for 2024	Actual transaction amount for 2024
<b>Securities and financial products transactions</b>		
Inflow	1,536.40	686.96
Outflow	1,447.42	1,082.48
<b>Financial services</b>		
Income	252.76	7.55
Expenses	40.20	–

## Section VI Significant Events

- b) HuaAn Funds completed the industrial and commercial registration and filing procedures in November 2022. The Company holds 51% equity interest in HuaAn Funds, which is a subsidiary of the Company. Since Guotai Junan Investment Management Co., Ltd. and Shanghai SITICO Assets Management Co., Ltd., associates of International Group (a de facto controller of the Company), jointly hold more than 10% equity interest in HuaAn Funds, HuaAn Funds and its subsidiaries are connected subsidiaries of the Company under the Hong Kong Listing Rules.

According to the relevant requirements, the Company, in accordance with the nature of its transactions, categorizes them into two categories, namely securities and financial product transactions and financial services based on its analysis of the types and basic contents of its current and future possible continuing connected transactions with HuaAn Funds and its subsidiaries. On 29 December 2022, as approved at the 14th extraordinary meeting of the Company's sixth session of the Board, the Company entered into the "Securities and Financial Products Transactions and Services Framework Agreement for 2023" with HuaAn Funds, agreeing on the contents of the continuing connected transactions for 2023 and setting the cap for the annual transaction amount. On 30 November 2023, as approved at the 2023 Second Extraordinary General Meeting of the Company, the Company entered into the "Securities and Financial Products Transactions and Services Framework Agreement for 2023-2025" with HuaAn Funds, making adjustments to the cap for the transaction amount of continuing connected transactions for 2023, and synchronously agreeing on the contents of the continuing connected transactions for 2024-2025 and setting the annual cap for the transaction amount.

During the Reporting Period, the Company's continuing connected transactions were implemented according to relevant framework agreement signed by the Company and HuaAn Funds and the pricing principles for relevant transactions were strictly followed. The transaction amounts and substance did not exceed the scope of such agreements. The annual caps and the actual transaction amounts for 2024 are set out below:

*Unit: million yuan    Currency: RMB*

<b>Subject matter</b>	<b>Annual cap for 2024</b>	<b>Actual transaction amount for 2024</b>
<b>Securities and financial products transactions</b>		
Inflow	13,983.86	4,477.77
Outflow	20,684.59	4,219.25
<b>Financial services</b>		
Income	241.67	79.87
Expenses	49.70	4.83

## Section VI Significant Events

The auditor of the Company has performed audit procedures on the above-mentioned continuing connected transactions and issued a letter to the Board stating that:

- 1) nothing has come to their attention that may cause them to believe that the continuing connected transactions disclosed have not been approved by the Board of the Company;
- 2) in respect of the continuing connected transactions which involve the products and services by the Company, nothing has come to their attention that may cause them to believe that these transactions are not, in all material respects, in accordance with the pricing policy of the Group;
- 3) nothing has come to their attention that may cause them to believe that these transactions are not entered into, in all material respects, in accordance with the relevant agreements governing these transactions;
- 4) with respect to the total amounts for such continuing connected transactions, nothing has come to their attention that may cause them to believe the continuing connected transactions disclosed have exceeded the annual transaction caps set by the Company.

Pursuant to Chapter 14A of the Hong Kong Listing Rules, certain related/connected transactions in the notes to the financial statements also constitute continuing connected transactions and the Company's disclosures in respect of such related transactions have complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

The independent non-executive Directors of the Company have reviewed the abovementioned continuing connected transactions and confirmed that:

- 1) the above-mentioned continuing connected transactions are conducted in the ordinary course of business of the Company;
- 2) the above-mentioned continuing connected transactions are entered into on normal commercial terms or better terms; and
- 3) the above-mentioned continuing connected transactions are conducted according to the agreements on terms which were fair and reasonable and in the interests of the Shareholders of the Company as a whole.

## Section VI Significant Events

### (2) Day-to-day related party transactions under the SSE Listing Rules

The Company conducts related party transactions in strict compliance with the SSE Listing Rules, the Policy on Information Disclosure Management and the Policy on Management of Related Party Transactions. The Group's related party transactions are conducted based on the principles of equity, openness and fairness, and the related party transactions agreements are entered into at market prices based on the principles of equality, voluntariness, equivalence and compensation.

During the Reporting Period, the Company's day-to-day related party transactions were implemented according to the Resolution Relating to the Estimation of Day-to-day Related Party Transactions of the Company in 2024, which was considered and approved at the 2023 Annual General Meeting of the Company.

The disclosure of related-party transactions set forth in this section is based on the SSE Listing Rules, and may differ from the amount of related party transactions in the notes to the financial statements (prepared according to the Accounting Standards for Business Enterprise).

#### 1) Major related party transactions relating to day-to-day operations

##### ① Interest received from related parties

Unit: yuan Currency: RMB

Names of related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
SPD Bank	Interest income from deposits in financial institutions, reverse repo and bonds	224,469,520	219,435,705

##### ② Interest paid to related parties

Unit: yuan Currency: RMB

Names of related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
Shanghai Rural Commercial Bank	Interest expense on client margin, gold leasing, financial assets sold under repurchase agreements and placements from other financial institutions	8,316,580	13,477,233
SPD Bank	Interest expense on client margin, placements from other financial institutions, borrowings and financial assets sold under repurchase agreements	51,606,160	77,272,909

## Section VI Significant Events

### ③ Operation and management fees paid to related parties

Unit: yuan Currency: RMB

Names of related parties	Contents of related party transactions	Amount for the current period	Amount for the last period
SPD Bank	Service fees for third-party fund depository, sales of products and custody	18,296,313	31,672,885
Shanghai Rural Commercial Bank	Service fees for third-party fund depository and sales of products	5,087,919	16,266,339

### 2) Balances with related parties

#### ① Balances of deposits with related parties

Unit: yuan Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
SPD Bank	9,798,411,057	7,875,833,721

#### ② Balances of financial assets held under resale agreements

Unit: yuan Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
SPD Bank	49,002,819	47,653,063

## Section VI Significant Events

### ③ Balances of the bonds issued by related parties held by the Company

Unit: yuan Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
SPD Bank	3,393,060,930	1,688,120,667
Shanghai Securities	30,865,977	105,923,178
Great Wall Securities Co., Ltd.	112,502,895	313,235,325

### ④ Balances of financial assets sold under repurchase agreements

Unit: yuan Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
SPD Bank	616,728,698	–
Shanghai Rural Commercial Bank	100,006,301	472,074,621

### ⑤ Balances of placements from other financial institutions and borrowings

Unit: yuan Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
SPD Bank	1,708,898,609	2,854,908,864

## Section VI Significant Events

### ⑥ Balance of derivative transactions with related parties

Unit: yuan    Currency: RMB

Names of related parties	Balances at the end of the period	Balances at the beginning of the period
Derivative financial assets		
SPD Bank	6,950,579	217,157,091
Derivative financial liabilities		
SPD Bank	3,975,131	20,590,143

### 3. Matters not disclosed in ad hoc announcements

☐ Applicable    ☒ Not applicable

## (II) Related party transactions relating to asset or share acquisition or disposal

### 1. Matters disclosed in ad hoc announcements without subsequent progress or change

☐ Applicable    ☒ Not applicable

### 2. Matters disclosed in ad hoc announcements with subsequent progress or changes

☐ Applicable    ☒ Not applicable

### 3. Matters not disclosed in ad hoc announcements

☐ Applicable    ☒ Not applicable

### 4. If performance covenant is involved, the fulfilment of the business performance undertaking during the Reporting Period shall be disclosed

☐ Applicable    ☒ Not applicable

## Section VI Significant Events

### (III) Significant related party transactions relating to joint external investments

#### 1. Matters disclosed in ad hoc announcements without subsequent progress or change

☒ Applicable   ☐ Not applicable

##### **(1) Investment in the Integrated Circuit FOF and AI FOF**

On 5 July 2024, at the 26th extraordinary meeting of the sixth session of the Board of Directors, the Company approved Guotai Junan Zhengyu to contribute RMB500 million, together with International Group to contribute RMB2.5 billion and other third parties in the establishment of Shanghai Guotou Leading Integrated Circuit Private Equity Investment Fund Partnership (Limited Partnership) (上海國投先導集成電路私募投資基金合夥企業(有限合夥)) (“Integrated Circuit FOF”), with a fund raising scale of RMB45 billion, focusing on investing in integrated circuit-related fields including but not limited to, the design, manufacturing, sealing, equipment materials and components of integrated circuit. On the same day, at the 26th extraordinary meeting of the sixth session of the Board of Directors, the Company approved Guotai Junan Zhengyu to contribute RMB250 million, together with International Group to contribute RMB1 billion and other third parties in the establishment of Shanghai Guotou Leading Artificial Intelligence Private Equity Investment Fund Partnership (Limited Partnership) (上海國投先導人工智能私募投資基金合夥企業(有限合夥)) (“AI FOF”), with a fund raising scale of RMB22.5 billion, focusing on artificial intelligence-related fields including but not limited to smart chips, smart software, autonomous driving and smart robots.

As International Group is a substantial shareholder of the Company, it is a connected person of the Company. Therefore, the investment of Guotai Junan Zhengyu in the Integrated Circuit FOF and AI FOF constitutes connected transactions of the Company (as defined in Chapter 14A of the Hong Kong Listing Rules). The Company’s disclosures in respect of such connected transactions have complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

#### 2. Matters disclosed in ad hoc announcements with subsequent progress or changes

☐ Applicable   ☒ Not applicable

#### 3. Matters not disclosed in ad hoc announcements

☐ Applicable   ☒ Not applicable

## Section VI Significant Events

### (IV) Debts due to/from related parties

**1. Matters disclosed in ad hoc announcements without subsequent progress or change**

☐ Applicable    ☒ Not applicable

**2. Matters disclosed in ad hoc announcements with subsequent progress or change**

☐ Applicable    ☒ Not applicable

**3. Matters not disclosed in ad hoc announcements**

☐ Applicable    ☒ Not applicable

### (V) Financial transactions between the Company and its related financial company and between its holding financial company and its related parties

☐ Applicable    ☒ Not applicable

### (VI) Other matters

☒ Applicable    ☐ Not applicable

1. On 13 December 2024, at the third extraordinary general meeting of the Company, the Shareholders approved the proposal to merger of Haitong Securities by way of share exchange and absorption, and the independent Shareholders approved the issuance of A shares to Shanghai SA to raise ancillary funds.

On 13 March 2025, the Company merged with Haitong Securities by way of share exchange and absorption through completing the issuance of 5,985,871,332 A shares to all A share-exchange shareholders of Haitong Securities (treasury shares were also involved in the exchange) and completing the issuance of 2,113,932,668 H shares to all H share-exchange shareholder of Haitong Securities on 14 March 2025. The share exchange ratio was determined as 0.62 A shares of the Company for each A share of Haitong Securities and 0.62 H shares of the Company for each H share of Haitong Securities. On 13 March 2025, the Company completed the issuance of 626,174,076 A shares at an issue price of RMB15.97 per Placement A Share to Shanghai SA to raise ancillary funds of RMB10 billion.. International Group is a substantial shareholder of the Company, and Shanghai SA is a wholly-owned subsidiary of International Group. Therefore, International Group and its associates are connected persons of the Company under the Hong Kong Listing Rules. The issuance of 626,174,076 A shares by the Company to Shanghai SA for the purpose of raising ancillary funds of RMB10 billion constitutes a connected transaction of the Company and is subject to the requirements under Chapter 14A of the Hong Kong Listing Rules regarding reporting, announcement, circular and independent shareholders' approval.

## Section VI Significant Events

2. On 13 March 2025, during the share exchange and absorption merger with Haitong Securities, the Company issued 7,797,923 A shares to HuaAn Funds in exchange for its total holding of 12,577,295 A shares of Haitong Securities, based on the exchange ratio of 0.62 A shares of the Company for each A share of Haitong Securities. The Company holds 51% of the equity interest in HuaAn Funds, making it a subsidiary of the Company. As International Group, the Company's substantial shareholder, owns in aggregate more than 10% of the equity interest in HuaAn Funds through its associates, HuaAn Funds is considered a connected subsidiary of the Company under the Hong Kong Listing Rules. The issuance of shares by the Company to HuaAn Funds (as a shareholder of Haitong Securities) constitutes a connected transaction. The Company has been granted by the Hong Kong Stock Exchange a waiver from strict compliance with the requirements under Rules 14A.36 and 14A.39 of the Hong Kong Listing Rules regarding shareholders' approval, the establishment of an independent board committee, and the appointment of an independent financial adviser.

### XIII. MATERIAL CONTRACTS AND THE PERFORMANCE THEREOF

#### (I) Custody, contracting and leasing

##### 1. Custody

☐ Applicable    ☒ Not applicable

##### 2. Contracting

☐ Applicable    ☒ Not applicable

##### 3. Leasing

☐ Applicable    ☒ Not applicable

## Section VI Significant Events

### (II) Guarantees

√ Applicable    □ Not applicable

Unit: yuan    Currency: RMB

#### External guarantees by the Company (excluding guarantees for subsidiaries)

Total amount of the guarantees during the Reporting Period (excluding guarantees for subsidiaries)	—
Total balance of guarantees at the end of the Reporting Period (A) (excluding guarantees for subsidiaries)	—

#### Guarantees of the Company and its subsidiaries for subsidiaries

Total amount of the guarantees for subsidiaries during the Reporting Period	4,017,954,000
Total balance of guarantees for subsidiaries at the end of the Reporting Period (B)	11,671,617,000

#### Total amount of guarantees of the Company (including guarantees for subsidiaries)

Total amount of guarantees (A+B)	11,671,617,000
Total amount of guarantees as a percentage of the net assets attributable to equity holders of the Company (%)	6.83

Including:

The amount of guarantees offered to the Shareholders, de facto controller and their related parties (C)	—
The amount of debt guarantees directly or indirectly offered to the guaranteed with a gearing ratio of over 70% (D)	11,671,617,000
The total amount of guarantees in excess of 50% of net assets (E)	—
The sum of the three items above (C+D+E)	11,671,617,000
Remark on the joint settlement responsibilities in relation to premature guarantees	—

## Section VI Significant Events

Remark on the guarantees

On 21 April 2021, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the USD500 million medium-term bonds with a term of 5 years and an interest rate of 2%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligations under the aforesaid bonds of Guotai Junan Holdings Limited.

On 10 March 2023, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the RMB500 million medium-term bonds with a term of 3 years and an interest rate of 3.35%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

On 23 March 2023, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the RMB935 million medium-term bonds with a term of 3 years and an interest rate of 3.35%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

On 24 March 2023, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the RMB500 million medium-term bonds with a term of 3 years and an interest rate of 3.35%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

## Section VI Significant Events

On 22 November 2023, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the RMB520 million medium-term bonds with a term of 3 years and an interest rate of 3.35%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

On 27 December 2023, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the RMB500 million medium-term bonds with a term of 3 years and an interest rate of 3.35%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

On 28 December 2023, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the RMB700 million medium-term bonds with a term of 3 years and an interest rate of 3.35%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

On 29 January 2024, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the US\$35 million medium-term bonds with a term of 3 years and a floating interest rate. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

## Section VI Significant Events

On 30 January 2024, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the RMB300 million medium-term bonds with a term of 3 years and an interest rate of 3.25%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

On 8 February 2024, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the RMB500 million medium-term bonds with a term of 3 years and an interest rate of 3.25%. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

On 26 June 2024, Guotai Junan Holdings Limited, a subsidiary of the Company, issued the US\$400 million medium-term bonds with a term of 3 years and a floating interest rate. The Company (as the guarantor) entered into a guarantee agreement with Bank of New York Mellon (as trustee), to provide unconditional and irrevocable guarantee for the payment obligation under the aforesaid bonds of Guotai Junan Holdings Limited.

Note: During the Reporting Period, Guotai Junan Financial Holdings and Guotai Junan International, both being an overseas subsidiary of the Company, provided guarantees for their respective wholly-owned subsidiaries in accordance with the transaction practices in international markets, mainly including:

## Section VI Significant Events

- I. By virtue of normal business needs, Guotai Junan Financial Holdings and Guotai Junan International provided the structured notes and guarantees in respect of a number of agreements entered into between its wholly-owned subsidiaries and their respective counterparties, including the Framework Agreements for International Swaps and Derivatives Association (ISDA), the Global Master Repurchase Agreement (GMRA), the Gold Loan Agreement and the Global Master Securities Lending Agreement (GMSLA), some of which are unlimited guarantees. The abovementioned unlimited guarantees have been issued in accordance with normal practices in the international banking industry and capital market for business development. The risk is different from debt financing guarantee, and the company strictly controlled the exposure limit. Since both Guotai Junan Financial Holdings and Guotai Junan International are companies with limited liabilities, the absolute maximum exposure of these guarantees in aggregate would alternatively be limited to the respective net asset value of Guotai Junan Financial Holdings and Guotai Junan International.
- II. Guotai Junan International provided the debt financing guarantees in respect of the bank loans of its wholly-owned subsidiaries in accordance with the Listing Rules of the Hong Kong Stock Exchange. The guarantee limits are HK\$4.95 billion and RMB55 million, respectively. As at the end of the Reporting Period, there were no actual drawdowns on the balance of the guarantees.

### (III) Other material contracts

☒ Applicable   ☐ Not applicable

On 9 October 2024, Guotai Junan entered into the Merger by Absorption and Share-for-Share Exchange Agreement Between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. with Haitong Securities and entered into the Share Subscription Agreement Subject to Effectiveness Conditions between Guotai Junan Securities Co., Ltd. and Shanghai State-owned Assets Management Co., Ltd. with Shanghai SA. As at the date of disclosure of this report, both of the aforesaid agreements have become effective and formally implemented.

## XIV. EXPLANATION ON PROGRESS OF USE OF THE PROCEEDS

☐ Applicable   ☒ Not applicable

## Section VI Significant Events

### XV. EXPLANATION OF OTHER SIGNIFICANT EVENTS THAT HAVE A SIGNIFICANT IMPACT ON INVESTORS' VALUE JUDGMENTS AND INVESTMENT DECISIONS

√ Applicable    ☐ Not applicable

#### 1. Change of term of the Board of Directors

The terms of the sixth session of the Board has expired. According to the Articles of Association to be amended by the Company, the seventh session of the Board of the Company comprises 18 Directors, including 6 independent Directors and 1 employee Director. On 14 March 2025, the 32nd extraordinary meeting of the sixth session of the Board of the Company considered and approved the Proposal to the Board of Directors on the Nomination of Candidates for the Directors of the Seventh Session of the Board of the Company, and nominated Mr. ZHU Jian, Mr. LI Junjie, Mr. NIE Xiaogang, Mr. ZHOU Jie, Ms. GUAN Wei, Mr. ZHONG Maojun, Mr. CHEN Hangbiao, Ms. LV Chunfang, Ms. HA Erman, Mr. SUN Minghui and Mr. CHEN Yijiang as non-independent Directors of the seventh session of the Board, and Mr. LI Renjie, Mr. WANG Guogang, Mr. PU Yonghao, Mr. MAO Fugen, Mr. CHEN Fangruo and Mr. JIANG Xian as independent Directors of the seventh session of the Board, and submitted the nominations to the first extraordinary general meeting of the Company in 2025 for election. The employee Directors shall be elected by the employee representative meeting, and together with the Directors elected at the general meeting, shall constitute the seventh session of the Board of the Company.

#### 2. Proposed change of company name, stock short name and registered capital

In order to better reflect the actual situation of the merged company, the 32nd extraordinary meeting of the sixth session of the Board of Directors of the Company considered and approved the Proposal for Consideration of Change of Company Name and Stock Short Name and the Proposal for Consideration of Change in the Registered Capital of the Company, and proposed to change the Company's Chinese and English names from “國泰君安証券股份有限公司” and “GUOTAI JUNAN SECURITIES CO., LTD.” to “國泰海通証券股份有限公司” and “GUOTAI HAITONG SECURITIES CO., LTD.” respectively, and the securities abbreviation from “Guotai Junan” to “Guotai Haitong”. Among them, the proposed change of the company name still needs to be submitted to the Company's first extraordinary general meeting for 2025 for consideration. Due to the issuance of a total of 8,725,978,076 shares in this transaction, the Company's total share capital increased from 8,903,730,620 shares to 17,629,708,696 shares, and the Company's registered capital was correspondingly changed from RMB8,903,730,620 to RMB17,629,708,696. The change in registered capital still needs to go through the change registration procedures with the market supervision and management department.

#### 3. Changes in qualifications for each individual business during the Reporting Period

During the Reporting Period, the Company obtained qualification of swap facilities and cross-border wealth management connect pilot business, Guotai Junan Futures obtained qualification of market maker of options on polysilicon. Please refer to “Business Qualifications for Each Individual Business of the Company” in “Company Profile” of this report for details.

## Section VI Significant Events

### 4. Issuance and payment of bonds

#### (1) Payment of bonds by the Company

In January 2022, the Company issued the corporate bonds “2022 Subordinated Bonds (First Tranche) (Type II)” of RMB3.5 billion, with a term of 3 years. In January 2025, the bonds matured and the Company repaid all the bonds.

In January 2023, the Company issued the corporate bonds “2023 Corporate Bonds (First Tranche) (Type I)” of RMB3 billion, with a term of 770 days. In February 2025, the bonds matured and the Company repaid all the bonds.

In February 2023, the Company issued the corporate bonds “2023 Corporate Bonds (Second Tranche) (Type I)” of RMB1.5 billion, with a term of 2 years. In February 2025, the bonds matured and the Company repaid all the bonds.

In March 2020, the Company issued the corporate bonds “Non-public Issuance of 2020 Perpetual Subordinated Bonds (First Tranche)” of RMB5 billion, with a term of 5+N years and right of redemption exercisable by the issuer. In March 2025, the bonds matured and the Company repaid all the bonds.

In March 2022, the Company issued the corporate bonds “2022 Corporate Bonds (First Tranche) (Type I)” of RMB2 billion, with a term of 3 years. In March 2025, the bonds matured and the Company repaid all the bonds.

#### (2) Issuance of MTN by Guotai Junan International

In 2024, Guotai Junan International issued MTN denominated in various currencies with a total amount of HK\$171 million, USD1.183 billion and RMB3.37 billion, with terms from four months to one year.

#### (3) Issuance and payment of MTN by Guotai Junan Holdings Limited

In 2024, Guotai Junan Holdings Limited, a wholly-owned subsidiary of the Company, completed the issuance of 4 three-year MTN under the medium-term note program, with a total amount of USD435 million and RMB800 million denominated in various currencies. The medium-term note program was backed by an unconditional and irrevocable joint and several liability guarantee from the Company.

In November 2021, Guotai Junan Holdings Limited issued the MTN of USD300 million, with a term of 3 years and an interest rate of 1.60%. In November 2024, the note matured and Guotai Junan Holdings Limited repaid all the note.

## Section VI Significant Events

### 5. Material contracts

During the Reporting Period, except for the related party transactions disclosed, the Company or its subsidiaries did not have any material contract with its controlling shareholder or its subsidiaries nor was there any material contract for the provision of services to the Company or any of its subsidiaries by its controlling shareholder or any of its subsidiaries (which would be required to be disclosed under Appendix D2 to the Hong Kong Listing Rules).

### 6. Management contracts

During the Reporting Period, no contracts were entered into and subsisted pursuant to which, the management and administration of the whole or substantial parts of the business of the Company were undertaken by individuals or entities (other than the service contracts with Directors, Supervisors or the full-time employees of the Company).

### 7. Permitted indemnity provision

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force during the Reporting Period. The Company has arranged appropriate insurance coverage for potential legal actions and liabilities against the Directors, the Supervisors and the Senior Management.

### 8. Tax reduction and exemption

#### (1) Holders of A Shares

In accordance with the Notice on Issues Regarding the Implementation of Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (《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》) (Cai Shui [2012] No. 85) and the Notice on Issues Regarding the Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (《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》) (Cai Shui [2015] No. 101) issued jointly by the Ministry of Finance, the State Administration of Taxation and CSRC, for dividends obtained from a listed company by an individual investor, if the duration of the shareholding starting from the date when the individual investor obtained the company's share and ending on the record date is more than one year, the personal income tax on the dividends thus obtained shall be exempted for the time being. If the duration of the shareholding starts from the date when the individual investor obtained the company's share and ending on the record date is less than one year (inclusive), the listed company shall, in respect of the individual income tax thereof, refrain from withholding and paying such tax for the time being, subject to adjustments to be made in accordance with the Notice at the time when the individual investor transfers his/her respective shares.

## Section VI Significant Events

Individual that are shareholders of resident companies shall pay income tax on their cash dividends by themselves.

For QFII, listed companies are required to withhold and pay enterprise income tax at the rate of 10% pursuant to the requirements of the Notice Concerning the Relevant Issues on the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonuses and Interests by PRC Resident Enterprises to QFII (《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》) (Guo Shui Han [2009] No. 47) issued by the State Administration of Taxation. QFII shareholders expecting tax concessions should apply to the competent tax authority for tax rebates according to the relevant rules and regulations after receiving the dividends.

In accordance with the Notice on Tax Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets (《財政部國家稅務總局證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Cai Shui [2014] No. 81), for dividend and bonus incomes obtained by investors (including enterprises and individuals) in the Hong Kong market from investment in A shares listed on the SSE, the implementation of differentiated taxation based on the term of shareholding is suspended before Hong Kong Securities Clearing Company Limited meets the conditions of providing identification, term of shareholding and other specific data of investors to the CSDC. The income taxes thereof are withheld and paid by the listed company at the rate of 10%, which should be duly declared to the governing tax authority. For Hong Kong investors who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises or individuals may apply to the competent tax authorities for the entitlement of the rate under such tax treaty or entrust a withholding to do so. Upon approval by the tax authorities, the amount paid in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

## Section VI Significant Events

### (2) Holders of H Shares

In accordance with the Notice of the PRC State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (《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》) (Guo Shui Han [2011] No. 348), dividends received by overseas residents for their personal holding of shares issued by domestic non-foreign invested enterprises in Hong Kong shall be subject to the payment of individual income tax under the “interest, dividend and bonus income” item, which shall be withheld by the withholding agents according to relevant laws. Such overseas residents that are individual owners of shares issued by domestic non-foreign invested enterprises in Hong Kong shall be entitled to the relevant preferential tax treatment pursuant to the provisions in the tax treaties signed between the countries where they reside and China, or the tax arrangements between Mainland and Hong Kong (Macau) SAR. The tax rate for dividends under the relevant tax agreements and tax agreements is 10% in general. For the purpose of simplifying tax administration, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, upon payment of dividends, generally withhold individual income tax at the rate of 10%, without the need to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for residents of countries that have signed lower than 10% tax rate treaties, the withholding agents may file applications on their behalf for the relevant agreed preferential tax treatments, under which circumstances the over-withheld tax amounts will be refunded upon approval by the tax authorities; (2) for residents of countries that have signed higher than 10% but lower than 20% tax rate treaties, the withholding agents shall withhold individual income tax at the agreed tax rate effective at the time of dividends payment, without the need to file an application; and (3) for residents of countries without tax agreements or under other situations, the withholding agents shall withhold individual income tax at 20% upon payment of dividends.

In accordance with the Notice of the State Administration of Taxation on the Issues Concerning Withholding Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Shareholders that are Nonresident Overseas Enterprises (《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》) (Guo Shui Han [2008] No. 897), a PRC resident enterprise, when paying dividends to H shareholders that are non-resident overseas enterprises for 2008 and subsequent years, shall withhold enterprise income tax at a uniform rate of 10%.

## Section VI Significant Events

In accordance with the Notice on Tax Policies concerning the Pilot Program of an Interconnection Mechanism for Transactions in the Shanghai and Hong Kong Stock Markets《財政部國家稅務總局證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(Cai Shui [2014] No. 81) issued by the Ministry of Finance, the State Administration of Taxation and the SFC, for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the individual income tax shall be paid in accordance with the aforementioned regulations. For dividends received by domestic enterprise investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall not withhold and pay the income tax for such dividends and those domestic enterprise investors shall report and pay the relevant tax on their own. Meanwhile, for the dividends obtained by domestic resident enterprises from holding relevant H shares for a consecutive 12-month period, the corporate income tax shall be exempted according to laws.

Under the current practice of the Hong Kong Inland Revenue Department, no tax is payable in Hong Kong in respect of dividends paid by the Company.

Shareholders of the Company are taxed and/or enjoy tax exemption in accordance with the aforementioned regulations.

## Section VII Changes in Shares and Particulars of Shareholders

### I. CHANGES IN SHARE CAPITAL

#### (I) Table of changes in Shares

##### 1. Table of changes in Shares

Unit: share

	Before change		Issue of new shares	Bonus issue	Change (+/-) Capitalization			After change	
	Number	Percentage (%)			of surplus reserve	Others	Sub-total	Number	Percentage (%)
I. Shares subject to selling restrictions	60,165,060	0.68	-	-	-	-28,584,476	-28,584,476	31,580,584	0.35
1. Other domestic shareholdings	60,165,060	0.68	-	-	-	-28,584,476	-28,584,476	31,580,584	0.35
Domestic natural person	60,165,060	0.68	-	-	-	-28,584,476	-28,584,476	31,580,584	0.35
II. Tradable shares not subject to selling restrictions	8,844,445,756	99.32	-	-	-	+27,704,280	+27,704,280	8,872,150,036	99.65
1. RMB-denominated ordinary shares	7,452,618,576	83.69	-	-	-	+27,704,280	+27,704,280	7,480,322,856	84.01
2. Overseas listed foreign invested shares	1,391,827,180	15.63	-	-	-	-	-	1,391,827,180	15.63
III. Total number of ordinary shares	8,904,610,816	100.00	-	-	-	-880,196	-880,196	8,903,730,620	100.00

Note: Any discrepancies in the above table between the figures shown as totals and the sum of the breakdown figures are due to rounding.

##### 2. Changes in Shares

√ Applicable    □ Not applicable

During the Reporting Period, in May 2024, 880,196 Restricted A Shares were repurchased and cancelled. The total share capital of the Company changed to 8,903,730,620 Shares, including 7,511,903,440 A Shares and 1,391,827,180 H Shares.

## Section VII Changes in Shares and Particulars of Shareholders

### 3. Impact of changes in Shares on earnings per share, net asset value per share or other financial indicators for the latest year and latest period (if any)

☒ Applicable ☐ Not applicable

In 2024, the basic earnings per share of the Group was RMB1.39, and the diluted earnings per share was RMB1.39 after taking into account the impact of the Restricted Share Incentive Scheme of A Shares; and the net asset per share attributable to equity holders of the Company at the end of 2024 (including the perpetual bonds issued by the Company) was RMB19.18 (31 December 2023: RMB18.75). The above net assets per share attributable to equity holders of the Company include perpetual bonds issued by the Company. After deducting the effect, the net asset per share attributable to ordinary shareholders of the parent company at the end of 2024 was RMB17.50 (31 December 2023: RMB16.51).

### 4. Other information considered necessary by the Company or required by securities regulators to be disclosed

☐ Applicable ☒ Not applicable

## (II) Changes in Shares subject to selling restrictions

☒ Applicable ☐ Not applicable

Unit: share

Name of shareholders	Number of Shares subject to selling restrictions as at the beginning of the year	Number of unlocking Shares for the year	Increase in number of Shares subject to selling restrictions for the year	Number of Shares subject to selling restrictions at the end of the year <sup>Note 1</sup>	Reasons	Unlocking date
Incentive participants of restricted A Shares	60,165,060	27,704,280	–	31,580,584	Restricted Share Incentive Scheme of A Shares	See note 2 for details
Total	60,165,060	27,704,280	–	31,580,584	/	/

Note 1: In February 2024, due to the expiration of part of the second lock-up period for the First Grant and part of the first lock-up period for the Reserved Grant under the Company's Share Incentive Scheme, a total of 27,704,280 restricted A Shares were unlocked. In May 2024, the Company repurchased and cancelled a total of 880,196 restricted A Shares that had been granted but not yet unlocked as some incentive participants have terminated their labor contracts or not fully met the performance appraisals.

Note 2: The lock-up periods of the restricted A Shares held by the incentive participants are 24 months, 36 months and 48 months, respectively, from the date of completing registration for the grant of the corresponding portions of shares.

## Section VII Changes in Shares and Particulars of Shareholders

### II. ISSUE AND LISTING OF SECURITIES

#### (I) Issue of securities during the Reporting Period

☒ Applicable ☐ Not applicable

Unit: yuan Currency: RMB

Types of Shares and other derivative instruments	Date of issue	Issue Price (or interest rate)	Issue amount	Listing date	Transaction	Transaction termination date
					amount	
					approved to be listed	
Bonds (including enterprise bonds, corporate bonds and debt financing instruments for non-financial businesses)						
2024 First Tranche Short-term Financing Bills	January 2024	2.43%	2,000,000,000	January 2024	2,000,000,000	June 2024
2024 Second Tranche Short-term Financing Bills	May 2024	1.99%	3,000,000,000	May 2024	3,000,000,000	August 2024
2024 Corporate Bonds (First Tranche)	May 2024	2.30%	5,000,000,000	May 2024	5,000,000,000	May 2027
2024 Subordinated Bonds (First Tranche)	June 2024	2.28%	3,000,000,000	June 2024	3,000,000,000	August 2027
2024 Third Tranche Short-term Financing Bills	June 2024	1.93%	3,000,000,000	June 2024	3,000,000,000	December 2024
2024 Corporate Bonds (Second Tranche)	July 2024	2.07%	2,000,000,000	July 2024	2,000,000,000	August 2026
2024 Fourth Tranche Short-term Financing Bills	October 2024	2.14%	3,000,000,000	October 2024	3,000,000,000	January 2025
2024 Fifth Tranche Short-term Financing Bills	October 2024	2.00%	4,000,000,000	October 2024	4,000,000,000	June 2025
2024 Subordinated Bonds (Second Tranche) (Type I)	October 2024	2.17%	1,000,000,000	October 2024	1,000,000,000	March 2026
2024 Subordinated Bonds (Second Tranche) (Type II)	October 2024	2.24%	2,000,000,000	October 2024	2,000,000,000	October 2026
2024 Short-term Corporate Bonds (First Tranche)	November 2024	1.96%	5,000,000,000	November 2024	5,000,000,000	August 2025
2024 Sixth Tranche Short-term Financing Bills	November 2024	1.90%	4,000,000,000	November 2024	4,000,000,000	May 2025
2024 Seventh Tranche Short-term Financing Bills	November 2024	1.93%	4,000,000,000	November 2024	4,000,000,000	November 2025
2024 Eighth Tranche Short-term Financing Bills	November 2024	1.90%	4,000,000,000	November 2024	4,000,000,000	June 2025
2024 Ninth Tranche Short-term Financing Bills	November 2024	1.90%	3,000,000,000	November 2024	3,000,000,000	September 2025
2024 Subordinated Bonds (Third Tranche) (Type I)	December 2024	2.05%	3,000,000,000	December 2024	3,000,000,000	December 2026
2024 Subordinated Bonds (Third Tranche) (Type II)	December 2024	2.10%	3,000,000,000	December 2024	3,000,000,000	December 2027
2024 Tenth Tranche Short-term Financing Bills	December 2024	1.79%	4,000,000,000	December 2024	4,000,000,000	December 2025
2024 Short-term Corporate Bonds (Second Tranche)	December 2024	1.76%	5,000,000,000	December 2024	5,000,000,000	December 2025
2024 Eleventh Tranche Short-term Financing Bills	December 2024	1.70%	4,000,000,000	December 2024	4,000,000,000	July 2025

**Issue of securities during the Reporting Period (Please specify separately, if the bonds have different interest rates during the duration):**

☐ Applicable ☒ Not applicable

## Section VII Changes in Shares and Particulars of Shareholders

### (II) Changes in the Company's total number of Shares and structure of Shareholder and changes in structure of asset and liability of the Company

☒ Applicable   ☐ Not applicable

For changes in the Company's total number of Shares and structure of Shareholder, please refer to "1. Table of changes in Shares" and "2. Changes in Shares" in "I. CHANGES IN SHARE CAPITAL" in this section.

For changes in structure of asset and liability of the Company, please refer to "3 Analysis of consolidated statements of financial position" in "VI. PRINCIPAL OPERATION CONDITION DURING THE REPORTING PERIOD" in "Section III Discussion and Analysis of the Board of Directors" in this report.

### (III) Existing internal employee shares

☐ Applicable   ☒ Not applicable

## III. PARTICULARS OF SHAREHOLDERS AND DE FACTO CONTROLLERS

### (I) Total number of Shareholders

Total number of holders of ordinary shares at the end of the Reporting Period	177,502
Total number of holders of ordinary shares at the end of the month immediately before the date of disclosure of the annual report	180,899
Total number of holders of preferred shares with voting rights restored at the end of the Reporting Period	N/A
Total number of holders of preferred shares with voting rights restored at the end of the month immediately before the date of disclosure of the annual report	N/A

Note: The total number of Shareholders includes holders of ordinary A Shares and registered holders of H Shares. As at the end of the Reporting Period, there were 177,341 holders of A Shares and 161 registered holders of H Shares. The total number of Shareholders as at the end of the month immediately before the date of this annual report included 180,741 holders of A Shares and 158 registered holders of H Shares.

## Section VII Changes in Shares and Particulars of Shareholders

### (II) Shareholdings of the top ten Shareholders and the top ten holders of tradable Shares (or Shareholders without selling restrictions) as at the end of the Reporting Period

Unit: share

Shareholdings of the top ten Shareholders (excluding shares lent under margin financing business)						
Names of Shareholders (full name)	Increase or decrease during the Reporting Period	Number of shares held as at the end of the period	Percentage (%)	Number of shares subject to selling restrictions held	Pledged, marked or frozen	Nature of Shareholders
					Status Number	
Shanghai State-owned Assets Management Co., Ltd. <sup>Note 1</sup>	-	1,900,963,748	21.35	-	Not	- State-owned legal person
HKSCC Nominees Limited <sup>Note 2</sup>	+14,450	1,391,610,570	15.63	-	Unknown	- Overseas legal person
Shanghai International Group Co., Ltd. <sup>Note 3</sup>		682,215,791	7.66	-	Not	- State-owned legal person
Shenzhen Investment Holdings Co., Ltd.	-	609,428,357	6.84	-	Not	- State-owned legal person
China Securities Finance Corporation Limited	-	260,547,316	2.93	-	Not	- Domestic non-state-owned legal person
Hong Kong Securities Clearing Company Limited <sup>Note 4</sup>	+32,111,215	249,205,825	2.80	-	Not	- Overseas legal person
Shanghai Municipal Investment (Group) Corporation	-	246,566,512	2.77	-	Not	- State-owned legal person
Shenzhen Energy Group Co., Ltd.	-46,336,700	108,119,209	1.21	-	Not	- Domestic non-state-owned legal person
Industrial and Commercial Bank of China – Huatai-PineBridge CSI 300 Trading Index Securities Investment Open-ended Fund	+44,085,501	77,640,481	0.87	-	Not	- Others
Shanghai SITICO Assets Management Co., Ltd.	-	75,482,261	0.85	-	Not	- State-owned legal person

## Section VII Changes in Shares and Particulars of Shareholders

### Shareholdings of the top ten Shareholders without selling restriction (excluding shares lent under margin financing business) <sup>Note 5</sup>

Name of shareholders	Number of tradable shares without selling restriction	Class and number of shares	
		Class	Number
Shanghai State-owned Assets Management Co., Ltd.	1,900,963,748	RMB – denominated ordinary shares	1,900,963,748
HKSCC Nominees Limited	1,391,610,570	Overseas Listed foreign-invested shares	1,391,610,570
Shanghai International Group Co., Ltd.	682,215,791	RMB – denominated ordinary shares	682,215,791
Shenzhen Investment Holding Co., Ltd.	609,428,357	RMB – denominated ordinary shares	609,428,357
China Securities Finance Corporation Limited	260,547,316	RMB – denominated ordinary shares	260,547,316
Hong Kong Securities Clearing Company Limited	249,205,825	RMB – denominated ordinary shares	249,205,825
Shanghai Municipal Investment (Group) Corporation	246,566,512	RMB – denominated ordinary shares	246,566,512
Shenzhen Energy Group Co., Ltd.	108,119,209	RMB – denominated ordinary shares	108,119,209
Industrial and Commercial Bank of China – Huatai-PineBridge CSI 300 Trading Index Securities Investment Open-ended Fund	77,640,481	RMB – denominated ordinary shares	77,640,481
Shanghai SITICO Assets Management Co., Ltd.	75,482,261	RMB – denominated ordinary shares	75,482,261
Description on the special repurchase accounts under the top ten Shareholders	Not applicable		
Description on the voting rights entrusted by or to, or waived by the above shareholders	The Company is not aware of any such arrangements about shareholders		
Description on the relations or acting-in-concert arrangements among the shareholders above	Shanghai State-owned Assets Management Co., Ltd. is a wholly owned subsidiary of Shanghai International Group Co., Ltd. Shanghai SITICO Assets Management Co., Ltd. is a holding subsidiary of Shanghai International Group Co., Ltd. HKSCC Nominees Limited and Hong Kong Securities Clearing Company Limited are both wholly owned subsidiaries of The Stock Exchange of Hong Kong Limited, holding H Shares and A Shares of the Company for H shares investors and Shanghai Connect investors. Save as disclosed herein, the Company is not aware of any other relations or acting-in-concert arrangements		
Description on the holders of preferred shares with voting rights restored and their shareholdings	Not applicable		

## Section VII Changes in Shares and Particulars of Shareholders

Note 1: In the above table of the top ten Shareholders, the number of Shares held by Shanghai SA as at the end of the period merely represents the number of A Shares held by it. Another 152,000,000 H Shares were held by Shanghai SA through HKSCC Nominees Limited as the nominee.

Note 2: HKSCC Nominees Limited is a nominee holder of the Shares owned by the non-registered holders of the H Shares.

Note 3: In the above table of the top ten Shareholders, the number of Shares held by International Group as at the end of the period merely represents the number of A Shares held by it. Another 124,000,000 H Shares were held by International Group through HKSCC Nominees Limited as the nominee.

Note 4: Hong Kong Securities Clearing Company Limited is the nominee holder of Shanghai Connect investors holding A Shares of the Company.

Note 5: The Shares subject to selling restrictions and the Shareholders subject to selling restrictions as referred to herein are those as defined under the SSE Listing Rules.

### Shares lent by shareholders holding more than 5% of the shares, the top ten Shareholders and the top ten holders of tradable Shares without selling restriction under margin financing business

☒ Applicable   ☐ Not applicable

*Unit: share*

Shares lent by shareholders holding more than 5% of the shares, the top ten Shareholders and the top ten holders of tradable Shares without selling restriction under margin financing business								
Names of Shareholders (full name)	Shareholders' shareholding through ordinary account or credit account at the beginning of the period		Shares lent and outstanding under margin financing business as at the beginning of the period		Shareholders' shareholding through ordinary account or credit account at the end of the period		Shares lent and outstanding under margin financing business as at the end of the period	
	Total	Percentage	Total	Percentage	Total	Percentage	Total	Percentage
	amount	(%)	amount	(%)	amount	(%)	amount	(%)
Industrial and Commercial Bank of China - Huatai-PineBridge CSI 300 Trading Index Securities Investment Open-ended Fund	33,554,980	0.38	38,700	0.0004	77,640,481	0.87	0	0

### Changes in the top ten Shareholders and the top ten holders of tradable Shares without selling restriction as compared with the previous period due to lending/returning under margin financing business

☐ Applicable   ☒ Not applicable

## Section VII Changes in Shares and Particulars of Shareholders

### Number of shares held by the top ten Shareholders with selling restrictions and their selling restrictions

√ Applicable    □ Not applicable

Unit: share

No.	Names of shareholders holding shares subject to selling restrictions	Number of shares subject to selling restrictions held	Listing and trading of shares subject to selling restrictions		Selling restrictions
			The date on which shares becoming tradable	Increase in the number of tradable shares	
1	LI Junjie	401,790	See note for details	–	See note for details
2	WANG Song	245,480	See note for details	–	See note for details
3	JIANG Yiming	220,500	See note for details	–	See note for details
4	CHEN Yutao	220,500	See note for details	–	See note for details
5	XIE Lebin	202,300	See note for details	–	See note for details
6	LUO Dongyuan	202,300	See note for details	–	See note for details
7	JIANG Wei	202,300	See note for details	–	See note for details
8	YU Jian	202,300	See note for details	–	See note for details
9	ZHANG Zhihong	202,300	See note for details	–	See note for details
10	ZHANG Zhiming	202,300	See note for details	–	See note for details
11	ZHAO Hong	202,300	See note for details	–	See note for details
12	YU Feng	202,300	See note for details	–	See note for details
Description on the relations or acting-in-concert arrangements among the Shareholders above			The Company is not aware of any other relations or acting-in-concert arrangements		

Note 1: The above Shares subject to selling restrictions represent the Shares granted by the Company to the Incentive Participants due to the implementation of the Restricted Share Incentive Scheme of A Shares. Details on the listing and trading of the shares subject to selling restrictions and such selling restrictions are available in the relevant announcements issued by the Company on 13 August 2020, 30 September 2021, 30 November 2022 and 30 January 2024.

## Section VII Changes in Shares and Particulars of Shareholders

### (III) Strategic investors or general legal persons becoming the top ten Shareholders by placing of new Shares

☐ Applicable ☒ Not applicable

## IV. INFORMATION ON CONTROLLING SHAREHOLDERS

### (I) Information on Controlling Shareholders

#### 1 Legal persons

☒ Applicable ☐ Not applicable

<b>Name</b>	<b>Shanghai International Group Co., Ltd.</b>
Person in charge or legal representative	Zhou Jie
Date of establishment	20 April 2000
Principal operations	Principally engaged in the activities of investment, capital operation and asset management in the financial sector and supplemented with non-financial sectors
Equity interests in other domestic and overseas listed controlling and invested companies during the Reporting Period	Holding 29.82% in aggregate as at the end of the Reporting Period of Shanghai Pudong Development Bank Co., Ltd. (600000.SH). Holding 10.63% in aggregate as at the end of the Reporting Period of China Pacific Insurance (Group) Co., Ltd. (601601. SH, 2601.HK). Holding 9.99% in aggregate as at the end of the Reporting Period of Shanghai Rural Commercial Bank Co., Ltd. (601825.SH).
Other matters	Nil

#### 2 Natural persons

☐ Applicable ☒ Not applicable

## Section VII Changes in Shares and Particulars of Shareholders

### 3 Special explanation on the Company not having controlling shareholders

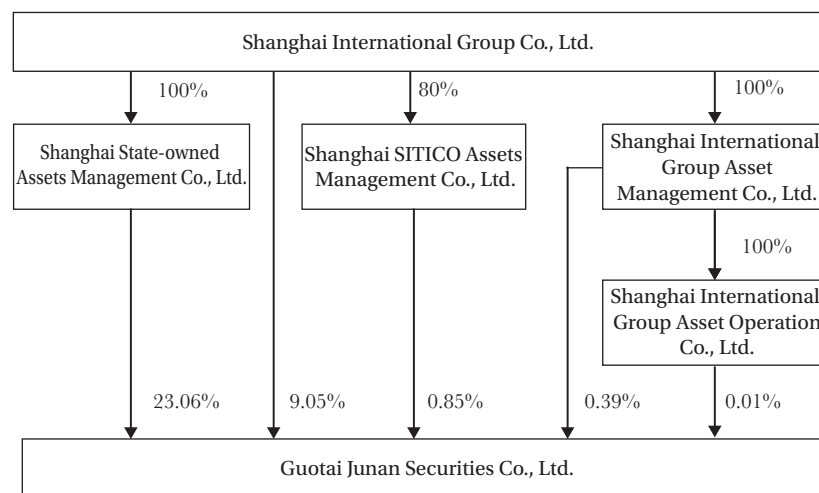
☐ Applicable ☒ Not applicable

### 4 Explanation on changes in controlling shareholders during the Reporting Period

☐ Applicable ☒ Not applicable

### 5 The chart of the relationship between the Company and the controlling shareholders on the ownership and controlling relationship

☒ Applicable ☐ Not applicable



### 6 Control over the Company via trust or other assets management methods by the controlling shareholders

☐ Applicable ☒ Not applicable

## (II) Other Information on the Controlling Shareholders

☐ Applicable ☒ Not applicable

## V. THE NUMBER OF SHARES PLEDGED BY THE COMPANY' S CONTROLLING SHAREHOLDERS OR THE LARGEST SHAREHOLDER AND PERSONS ACTING IN CONCERT IN AGGREGATE ACCOUNTS FOR MORE THAN 80% OF THE SHARES HELD BY THEM IN THE COMPANY

☐ Applicable ☒ Not applicable

## Section VII Changes in Shares and Particulars of Shareholders

### VI. OTHER CORPORATE SHAREHOLDERS HOLDING MORE THAN 10% OF SHARES

☐ Applicable ☒ Not applicable

### VII. MATTERS REGARDING THE RESTRICTION OF REDUCING SHARES

☐ Applicable ☒ Not applicable

### VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE DURING THE REPORTING PERIOD

☐ Applicable ☒ Not applicable

### IX. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As of 31 December 2024, to the best knowledge of the Company, the following persons have interests or short positions in the shares or underlying shares of the Company which are required to be disclosed to the Company and the Hong Kong Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or are required to be recorded, in the register that is required to be kept by the Company under Section 336 of the SFO or own directly or indirectly 5% or more of the nominal value of any class of the Shares:

Substantial Shareholders	Nature of Interest	Class	Number <sup>Note 1</sup> / Nature of Shares Directly or Indirectly Held	As an Approximate Percentage of the Relevant Class of Shares (%)	As an Approximate Percentage of the Total Issued Share Capital (%)
Shanghai International Group Co., Ltd.	Beneficial owner	A Shares	682,215,791/ Long positions	9.08	7.66
	Beneficial owner	H Shares	124,000,000/ Long positions	8.91	1.39
	Interest held by controlled corporations	A Shares	2,012,109,666/ Long positions <sup>Note 2</sup>	26.79	22.60
	Interest held by controlled corporations	H Shares	152,000,000/ Long positions <sup>Note 3</sup>	10.92	1.71
Shanghai State-owned Assets Management Co., Ltd.	Beneficial owner	A Shares	1,900,963,748/ Long positions	25.31	21.35
	Beneficial owner	H Shares	152,000,000/ Long positions	10.92	1.71

## Section VII Changes in Shares and Particulars of Shareholders

Substantial Shareholders	Nature of Interest	Class	Number <sup>Note 1</sup> / Nature of Shares Directly or Indirectly Held	As an	As an
				Approximate Percentage of the Relevant Class of Shares (%)	Approximate Percentage of the Total Issued Share Capital (%)
Shenzhen Investment Holdings Co., Ltd.	Beneficial owner	A Shares	609,428,357/ Long positions	8.11	6.84
	Interest held by controlled corporations	H Shares	103,373,800/ Long positions <sup>Note 4</sup>	7.43	1.16
SIHC Hong Kong Investment Holdings Limited (深圳投控香港投資控股有限公司)	Beneficial owner	H Shares	103,373,800/ Long positions	7.43	1.16
New China Asset Management (Hong Kong) Limited	Beneficial owner	H Shares	428,401,200/ Long positions	30.78	4.81
New China Asset Management Company Limited	Interest held by controlled corporations	H Shares	428,401,200/ Long positions <sup>Note 5</sup>	30.78	4.81
New China Life Insurance Company Ltd.	Interest held by controlled corporations	H Shares	428,401,200/ Long positions <sup>Note 5</sup>	30.78	4.81
Newton Industrial Limited	Beneficial owner	H Shares	100,000,000/ Long positions	7.18	1.12
Shenzhen Energy Group Co., Ltd.	Interest held by controlled corporations	H Shares	100,000,000/ Long positions <sup>Note 6</sup>	7.18	1.12

Note 1: Pursuant to Section 336 of the SFO, Shareholders shall submit forms to disclose their interests when certain conditions are met. As Shareholders are not required to inform the Company and the Hong Kong Stock Exchange of any changes in their shareholdings in the Company unless certain conditions are met, the latest shareholdings of substantial Shareholders may be inconsistent with the shareholdings reported to the Hong Kong Stock Exchange.

Note 2: As at 31 December 2024, Shanghai SA, Shanghai International Group Asset Management Co., Ltd., Shanghai International Group Asset Operation Co., Ltd. and Shanghai SITICO Assets Management Co., Ltd. were interested in 1,900,963,748, 34,732,152, 931,505 and 75,482,261 A Shares respectively. Shanghai SA, Shanghai International Group Asset Management Co., Ltd. and Shanghai International Group Asset Operation Co., Ltd. are wholly-owned subsidiaries of International Group, and Shanghai SITICO Assets Management Co., Ltd. is a subsidiary in which International Group holds 80% interest. Therefore, International Group is deemed to be interested in the 2,012,109,666 A Shares held by Shanghai SA, Shanghai International Group Asset Management Co., Ltd., Shanghai International Group Asset Operation Co., Ltd. and Shanghai SITICO Assets Management Co., Ltd. for the purpose of the SFO.

Note 3: Shanghai SA is a wholly-owned subsidiary of International Group. Therefore, International Group is deemed to be interested in the 152,000,000 H Shares held by Shanghai SA for the purpose of the SFO.

Note 4: SIHC Hong Kong Investment Holdings Limited (深圳投控香港投資控股有限公司) is a wholly-owned subsidiary of Shenzhen Investment Holdings Co., Ltd. Therefore, Shenzhen Investment Holdings Co., Ltd. is deemed to be interested in the 103,373,800 H Shares held by SIHC Hong Kong Investment Holdings Limited for the purpose of the SFO.

## Section VII Changes in Shares and Particulars of Shareholders

Note 5: New China Asset Management Company Limited holds 60% equity interest in New China Asset Management (Hong Kong) Limited, and New China Life Insurance Company Ltd. owns 99.4% equity interest in New China Asset Management Company Limited. Therefore, New China Life Insurance Company Ltd. and New China Asset Management Company Limited are deemed to be interested in the 428,401,200 H Shares held by New China Asset Management (Hong Kong) Limited for the purpose of the SFO.

Note 6: Newton Industrial Limited is wholly owned by Shenzhen Energy Group Co., Ltd. Therefore, Shenzhen Energy Group Co., Ltd. is deemed to be interested in 100,000,000 H Shares held by Newton Industrial Limited for the purpose of the SFO.

Save as disclosed above, as of 31 December 2024, the Company was not aware of any other person (other than the Directors, Supervisors and chief executives of the Company) who has an interest or short position in the shares or underlying shares of the Company as required to be recorded in the register under Section 336 of the SFO.

### X. INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As of the end of 2024, details on restricted shares granted to some Directors of the Company due to the Company's implementation of the Restricted Share Incentive Scheme of A Shares are as follows:

Name	Positions	Nature of Interest	Class	Number/ Nature of Shares Directly or Indirectly Held	As an Approximate Percentage of the Relevant Class of Shares	As an Approximate Percentage of the Total Issued Share Capital
					(%)	(%)
LI Junjie	Vice chairman of the Board, Executive Director, President	Beneficial owner	A Shares	599,686/ Long positions	0.0080	0.0067

Save as disclosed above, the Company was not aware of any Directors, Supervisors and the chief executive of the Company who had any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange.

## Section VII Changes in Shares and Particulars of Shareholders

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

#### 1. Repurchase and Cancellation of Certain Restricted A Shares

For details, please refer to “XI. The Equity Incentive Scheme, Employee Share Scheme or Other Employee Incentives of the Company and the Impact Thereof” in “Section IV Corporate Governance”.

#### 2. Share repurchase by Guotai Junan International

Pursuant to the general mandate granted by the general meeting of Guotai Junan International to repurchase shares, in 2024, Guotai Junan International repurchased 17,445,000 shares on the Hong Kong Stock Exchange with a total amount of HK\$14,725,267 (inclusive of transaction costs). Of which, 14,491,000 shares were cancelled in 2024 and the remaining 2,954,000 shares were cancelled in January 2025.

Month	Shares repurchased	Highest trading price (HK\$/share)	Lowest trading price (HK\$/share)	Total amount (HK\$, inclusive of transaction costs)
July 2024	6,019,000	0.63	0.60	3,718,780
August 2024	1,860,000	0.64	0.62	1,171,008
September 2024	1,996,000	0.63	0.61	1,245,036
October 2024	4,616,000	1.19	1.05	5,276,926
November 2024	1,000,000	1.08	1.03	1,060,871
December 2024	1,954,000	1.22	1.11	2,252,647

#### 3. Redemption Option of Perpetual Subordinated Bonds

For details, please refer to “2. The triggering and implementation of the Company or investor option terms and the investor protection terms” in “(I) Corporate bonds” in “I. Corporate Bonds (Including Enterprise Bonds), and Debt Financing Instruments for Non-Financial Businesses” in “Section IX Corporate Bonds”.

Save as disclosed in this report, neither the Company nor any of its subsidiaries repurchase, sale or redeem any listed securities of the Company and its subsidiaries (including sale of treasury shares).

## **Section VII    Changes in Shares and Particulars of Shareholders**

### **XII. PUBLIC FLOAT**

Upon the listing of the H Shares, the Hong Kong Stock Exchange granted a waiver to the Company, accepting the minimum public float for the H Shares:

1. Before the conversion of the Convertible Corporate Bonds: to be the higher of 11.45% of the total issued share capital of the Company or such percentage of H Shares of the enlarged issued share capital of the Company to be held by the public upon the exercise of the over-allotment option;
2. After the conversion of the Convertible Corporate Bonds: to be the higher of 10.78% of the total issued share capital of the Company or such percentage of H Shares to be held by the public immediately upon the full conversion of the Convertible Corporate Bonds.

As at the date of this report, based on the information available to the public and the knowledge of the Directors, the public float of the Company is in compliance with Rule 8.08 of the Hong Kong Listing Rules and the requirements for minimum public float as set out in the waiver granted by the Hong Kong Stock Exchange upon the H Share listing.

### **XIII. EQUITY-LINKED AGREEMENTS**

Not applicable.

### **XIV. PRE-EMPTIVE RIGHT ARRANGEMENT**

Pursuant to PRC laws, the Shareholders do not have any pre-emptive rights.

## Section VIII Preferred Shares

☐ Applicable ☒ Not applicable

## Section IX Corporate Bonds

### I. CORPORATE BONDS (INCLUDING ENTERPRISE BONDS), AND DEBT FINANCING INSTRUMENTS FOR NON-FINANCIAL BUSINESSES

✓ Applicable ☐ Not applicable

#### (I) Corporate bonds

✓ Applicable ☐ Not applicable

#### 1. Basic information of corporate bonds

Unit: 100 million yuan Currency: RMB

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Interest date	Latest resale date after 30 April 2025	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Issuance of 2021 Corporate Bonds (First Tranche) (Type II)	21 GUOTUN G2	175888	2021/4/13	2021/4/15	-	-	2026/4/15	20	3.75	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDC Securities, Shenwan Honguan Securities, CSC Financial, China Merchants Securities	SDC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of 2021 Corporate Bonds (Second Tranche) (Type II)	21 GUOTUN G4	188128	2021/5/19	2021/5/21	-	-	2026/5/21	50	3.67	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDC Securities, Shenwan Honguan Securities, CSC Financial, China Merchants Securities	SDC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Latest resale date after	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests		Place of trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Issuance of 2021 Corporate Bonds (Fourth Tranche) (Type II)	21 GJ0JUN G8	188432	2021/7/19	2021/7/21	-	2026/7/21	61	3.48	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, China Merchants Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of 2021 Corporate Bonds (Fifth Tranche) (Type II)	21 GJ0JUN I0	188497	2021/8/2	2021/8/4	-	2026/8/4	42	3.35	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, China Merchants Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of 2021 Corporate Bonds (Sixth Tranche)	21 GJ0JUN I1	188557	2021/8/10	2021/8/12	-	2031/8/12	30	3.77	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, China Merchants Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of 2021 Corporate Bonds (Seventh Tranche) (Type II)	21 GJ0JUN I3	188737	2021/9/9	2021/9/13	-	2031/9/13	34	3.80	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, China Merchants Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2021 (Eighth Tranche) (Type II)	21 GJ0JUN I5	188860	2021/10/12	2021/10/14	-	2031/10/14	34	3.99	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, China Merchants Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Latest resale date after interest	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests		Place of trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Issuance of Corporate Bonds for professional investor in 2022 (First Tranche) (Type II)	22 GUOJUN G2	18554	2022/3/14	2022/3/16	-	2022/3/16	14	3.74	Interest payable on	Fixed-income	SDIC Securities	SDIC Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
									annual basis and principal repayable and accrued interest payable upon maturity	products platform of the Shanghai Stock Exchange	Shenwan Honguan Securities, CSC Financial, Gousen Securities					
Public Issuance of Corporate Bonds for professional investor in 2022 (Second Tranche) (Type I)	22 GUOJUN G3	18571	2022/4/20	2022/4/22	-	2022/4/22	28	2.96	Interest payable on	Fixed-income	SDIC Securities	SDIC Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
									annual basis and principal repayable and accrued interest payable upon maturity	products platform of the Shanghai Stock Exchange	Shenwan Honguan Securities, CSC Financial, Gousen Securities					
Public Issuance of Corporate Bonds for professional investor in 2022 (Second Tranche) (Type II)	22 GUOJUN G4	18572	2022/4/20	2022/4/22	-	2022/4/22	25	3.70	Interest payable on	Fixed-income	SDIC Securities	SDIC Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
									annual basis and principal repayable and accrued interest payable upon maturity	products platform of the Shanghai Stock Exchange	Shenwan Honguan Securities, CSC Financial, Gousen Securities					
Public Issuance of Corporate Bonds for professional investor in 2022 (Third Tranche) (Type I)	22 GUOJUN G5	18584	2022/5/23	2022/5/25	-	2022/5/25	31	2.78	Interest payable on	Fixed-income	SDIC Securities	SDIC Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
									annual basis and principal repayable and accrued interest payable upon maturity	products platform of the Shanghai Stock Exchange	Shenwan Honguan Securities, CSC Financial, Gousen Securities					
Public Issuance of Corporate Bonds for professional investor in 2022 (Third Tranche) (Type II)	22 GUOJUN G6	18585	2022/5/23	2022/5/25	-	2022/5/25	24	3.38	Interest payable on	Fixed-income	SDIC Securities	SDIC Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
									annual basis and principal repayable and accrued interest payable upon maturity	products platform of the Shanghai Stock Exchange	Shenwan Honguan Securities, CSC Financial, Gousen Securities					

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Latest resale date after	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Issuance of Corporate Bonds for professional investor in 2022 (Fourth Tranche) (Type I)	22 GJ0JUN G7	185973	2022/7/4	2022/7/6	-	2025/7/6	25	2.92	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2022 (Fourth Tranche) (Type II)	22 GJ0JUN G8	185974	2022/7/4	2022/7/6	-	2027/7/6	25	3.27	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Perpetual Subordinated Bonds for professional investor in 2022 (First Tranche)	22 GJ0JUN Y1	137521	2022/7/11	2022/7/13	-	-	50	3.59	Interest payable on annual basis provided that the issuer does not exercise the right to defer interest payment	Fixed-income products platform of the Shanghai Stock Exchange	Shenwan Honguan Securities, CSC Financial	Shenwan Honguan Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2022 (Fifth Tranche) (Type I)	22 GJ0JUN G9	137655	2022/9/20	2022/9/22	-	2025/9/22	20	2.52	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2022 (Fifth Tranche) (Type II)	22 GJ0JUN 10	137656	2022/9/20	2022/9/22	-	2027/9/22	30	2.90	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest		Latest resale date		Method of repayment of principal and payment of interests				Place of trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
				commencement date	30 April	after 2025	Maturity date	Outstanding amount	Interest Rate (%)								
Public Issuance of Corporate Bonds for professional Investor in 2023 (First Tranche) (Type II)	23 GUOTJUN G2	138807	2023/1/5	2023/1/9	-	2026/1/9	30	3.07	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Hongguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N		
Public Issuance of Corporate Bonds for professional Investor in 2023 (Second Tranche) (Type II)	23 GUOTJUN G4	138890	2023/2/13	2023/2/15	-	2026/2/15	45	3.16	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Hongguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N		
Public Issuance of Corporate Bonds for professional Investor in 2023 (Third Tranche) (Type II)	23 GUOTJUN G5	115344	2023/5/9	2023/5/11	-	2025/5/11	16	2.79	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Hongguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N		
Public Issuance of Corporate Bonds for professional Investor in 2023 (Fourth Tranche) (Type II)	23 GUOTJUN G6	115345	2023/5/9	2023/5/11	-	2026/4/29	34	2.92	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Hongguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N		
Public Issuance of Perpetual Subordinated Bonds for professional investor in 2023 (First Tranche)	23 GUOTJUN Y1	115483	2023/6/8	2023/6/12	-	-	50	3.53	Interest payable on annual basis provided that the issuer does not exercise the right to defer interest payment	Fixed-income products platform of the Shanghai Stock Exchange	Shenwan Hongguan Securities, CSC Financial	Shenwan Hongguan Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N		

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Latest resale date after	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests		Place of trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
								Interest	principal and						
Public Issuance of Corporate Bonds for professional investor in 2023 (Fourth Tranche) (Type I)	23 GJ0JUN G7	115803	2023/8/14	2023/8/16	-	2025/8/16	30	2.53	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shengwan Hongwan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2023 (Fourth Tranche) (Type II)	23 GJ0JUN G8	115804	2023/8/14	2023/8/16	-	2026/8/16	20	2.70	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shengwan Hongwan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2023 (Fifth Tranche) (Type I)	23 GJ0JUN G9	240066	2023/9/19	2023/9/21	-	2025/10/24	15	2.80	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shengwan Hongwan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2023 (Fifth Tranche) (Type II)	23 GJ0JUN 10	240067	2023/9/19	2023/9/21	-	2026/9/21	35	2.89	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shengwan Hongwan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2023 (Sixth Tranche) (Type I)	23 GJ0JUN 11	240065	2023/10/17	2023/10/19	-	2025/10/19	9	2.82	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shengwan Hongwan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Latest resale date after 30 April 2025	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Issuance of Corporate Bonds for professional investor in 2023 (Sixth Tranche) (Type II)	23 GJ0JUN 12	240096	2023/10/17	2023/10/19	-	25	3.12	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2023 (Seventh Tranche) (Type I)	23 GJ0JUN 13	240259	2023/11/14	2023/11/16	-	35	2.82	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2023 (Seventh Tranche) (Type II)	23 GJ0JUN 15	240261	2023/11/14	2023/11/16	-	17	3.08	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2024 (First Tranche)	24 GJ0JUN G1	240898	2024/5/16	2024/5/20	-	50	2.30	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Subordinated Bonds for professional investor in 2024 (First Tranche)	24 GJ0JUN C1	241094	2024/6/6	2024/6/11	-	30	2.28	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Latest resale date after 30 April 2025	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests		Place of trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Issuance of Corporate Bonds for professional investor in 2024 (Second Tranche)	24GJ0JUN C2	241260	2024/7/9	2024/7/11	-	2026/8/11	20	2.07	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Hongguan Securities, CSC Financial, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N	
Public Issuance of Subordinated Bonds for professional investor in 2024 (Second Tranche) (Type I)	24GJ0JUN C2	241803	2024/10/21	2024/10/23	-	2026/3/23	10	2.17	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Hongguan Securities, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N	
Public Issuance of Subordinated Bonds for professional investor in 2024 (Second Tranche) (Type II)	24GJ0JUN C3	241804	2024/10/21	2024/10/23	-	2026/10/23	20	2.24	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Hongguan Securities, Gousen Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N	
Public Issuance of Short-term Corporate Bonds for professional investor in 2024 (First Tranche)	24GJ0JUN S1	241897	2024/11/5	2024/11/7	-	2025/8/7	50	1.96	Principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	Shenwan Hongguan Securities, Gousen Securities	Shenwan Hongguan Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N	

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Latest resale date after 30 April 2025	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests		Place of trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
								Interest	principal						
Public Issuance of Subordinated Bonds for professional investor in 2024 (Third Tranche) (Type I)	24 GUOJUN C4	242017	2024/12/3	2024/12/5	-	2026/12/5	30	2.05	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Subordinated Bonds for professional investor in 2024 (Third Tranche) (Type II)	24 GUOJUN C5	242018	2024/12/3	2024/12/5	-	2027/12/5	30	2.10	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Short-term Corporate Bonds for professional investor in 2024 (Second Tranche)	24 GUOJUN S2	242132	2024/12/11	2024/12/13	-	2025/12/13	50	1.76	Principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	Shenwan Honguan Securities	Shenwan Honguan Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2025 (First Tranche) (Type I)	25 GUOJUN G1	242411	2025/1/6	2025/1/8	-	2026/1/8	35	1.73	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Corporate Bonds for professional investor in 2025 (First Tranche) (Type II)	25 GUOJUN G2	242238	2025/1/6	2025/1/8	-	2026/1/8	35	1.81	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities, CSC Financial	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Latest resale date after	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Issuance of Subordinated Bonds for professional investor in 2025 (First Tranche) (Type I)	25 G10JUN C1	242313	2025/1/14	2025/1/16	-	2027/1/16	5	1.88	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Subordinated Bonds for professional investor in 2025 (First Tranche) (Type II)	25 G10JUN C2	242314	2025/1/14	2025/1/16	-	2028/1/16	1.5	1.93	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Subordinated Bonds for professional investor in 2025 (First Tranche) (Type I)	25 G10JUN C3	242384	2025/2/13	2025/2/17	-	2026/3/17	7	1.85	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Subordinated Bonds for professional investor in 2025 (Second Tranche) (Type I)	25 G10JUN C4	242385	2025/2/13	2025/2/17	-	2028/2/17	16	1.96	Interest payable on annual basis and principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	SDIC Securities, Shenwan Honguan Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Latest resale date after	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests		Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
									Interest	principal					
Public Issuance of Corporate Bonds for professional investor in 2025 (Second Tranche) (Type I)	25 GT01JUN G3	242514	2025/3/3	2025/3/5	30 April 2025	2028/3/5	20	2.04	Interest payable on	Fixed-income	SDIC Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
									annual basis and principal repayable and accrued interest payable upon maturity	products platform of the Shanghai Stock Exchange	Shenwan Honguan Securities, CSC Financial				
Public Issuance of Corporate Bonds for professional investor in 2025 (Second Tranche) (Type II)	25 GT01JUN G4	242515	2025/3/3	2025/3/5	-	2028/3/5	10	2.10	Interest payable on	Fixed-income	SDIC Securities	SDIC Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
									annual basis and principal repayable and accrued interest payable upon maturity	products platform of the Shanghai Stock Exchange	Shenwan Honguan Securities, CSC Financial				

## Section IX Corporate Bonds

Name of bond	Abbreviation	Bond code	Issue date	Interest commencement date	Latest resale date after	Maturity date	Outstanding amount	Interest Rate (%)	Method of repayment of principal and payment of interests	Place of trading	Lead underwriter	Trust manager	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of the listing and trading of bonds being terminated? (Y/N)
Public Issuance of Short-term Corporate Bonds for professional investor in 2025 (First Tranche) (Type I)	25GD000NS1	242381	2025/3/11	2025/3/13	-	2025/12/13	25	2.07	Principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	Shenwan Hongyuan Securities	Shenwan	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N
Public Issuance of Short-term Corporate Bonds for professional investor in 2025 (First Tranche) (Type II)	25GD000NS2	242382	2025/3/11	2025/3/13	-	2026/3/13	35	2.08	Principal repayable and accrued interest payable upon maturity	Fixed-income products platform of the Shanghai Stock Exchange	Shenwan Hongyuan Securities	Shenwan Hongyuan Securities	For professional investors	Matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction	N

## Section IX Corporate Bonds

### *Measures adopted by the Company for the risk of the listing and trading of bonds being terminated*

☐ Applicable    ☒ Not applicable

### *Interest payment of corporate bonds during the Reporting Period*

☒ Applicable    ☐ Not applicable

<b>Name of bond</b>	<b>Interest payment</b>
2023 Corporate Bonds (First Tranche) (Type I)	the interest was paid on time in January 2024
2023 Corporate Bonds (First Tranche) (Type II)	the interest was paid on time in January 2024
2022 Subordinated Bonds (First Tranche) (Type I)	the principal and interest were paid on time in January 2024
2022 Subordinated Bonds (First Tranche) (Type II)	the interest was paid on time in January 2024
2021 Subordinated Bonds (First Tranche)	the principal and interest were paid on time in January 2024
2023 Corporate Bonds (Second Tranche) (Type I)	the interest was paid on time in February 2024
2023 Corporate Bonds (Second Tranche) (Type II)	the interest was paid on time in February 2024
Non-public Issuance of 2020 Perpetual Subordinated Bonds (First Tranche)	the interest was paid on time in March 2024
2022 Corporate Bonds (First Tranche) (Type I)	the interest was paid on time in March 2024
2022 Corporate Bonds (First Tranche) (Type II)	the interest was paid on time in March 2024
2021 Corporate Bonds (First Tranche) (Type I)	the principal and interest were paid on time in April 2024
2021 Corporate Bonds (First Tranche) (Type II)	the interest was paid on time in April 2024
2022 Corporate Bonds (Second Tranche) (Type I)	the interest was paid on time in April 2024
2022 Corporate Bonds (Second Tranche) (Type II)	the interest was paid on time in April 2024
2023 Corporate Bonds (Third Tranche) (Type I)	the interest was paid on time in May 2024
2023 Corporate Bonds (Third Tranche) (Type II)	the interest was paid on time in May 2024
2021 Corporate Bonds (Second Tranche) (Type I)	the principal and interest were paid on time in May 2024
2021 Corporate Bonds (Second Tranche) (Type II)	the interest was paid on time in May 2024
2022 Corporate Bonds (Third Tranche) (Type I)	the interest was paid on time in May 2024
2022 Corporate Bonds (Third Tranche) (Type II)	the interest was paid on time in May 2024
2021 Corporate Bonds (Third Tranche) (Type I)	the principal and interest were paid on time in June 2024
2023 Perpetual Subordinated Bonds (First Tranche)	the interest was paid on time in June 2024

## Section IX Corporate Bonds

Name of bond	Interest payment
2022 Corporate Bonds (Fourth Tranche) (Type I)	the interest was paid on time in July 2024
2022 Corporate Bonds (Fourth Tranche) (Type II)	the interest was paid on time in July 2024
2022 Perpetual Subordinated Bonds (First Tranche)	the interest was paid on time in July 2024
2021 Corporate Bonds (Fourth Tranche) (Type I)	the principal and interest were paid on time in July 2024
2021 Corporate Bonds (Fourth Tranche) (Type II)	the interest was paid on time in July 2024
2021 Corporate Bonds (Fifth Tranche) (Type I)	the principal and interest were paid on time in August 2024
2021 Corporate Bonds (Fifth Tranche) (Type II)	the interest was paid on time in August 2024
2021 Corporate Bonds (Sixth Tranche)	the interest was paid on time in August 2024
2023 Corporate Bonds (Fourth Tranche) (Type I)	the interest was paid on time in August 2024
2023 Corporate Bonds (Fourth Tranche) (Type II)	the interest was paid on time in August 2024
2021 Corporate Bonds (Seventh Tranche) (Type I)	the interest was paid on time in September 2024
2021 Corporate Bonds (Seventh Tranche) (Type II)	the interest was paid on time in September 2024
Non-public Issuance of 2019 Perpetual Subordinated Bonds (First Tranche)	the principal and interest were paid on time in September 2024
2022 Corporate Bonds (Fifth Tranche) (Type I)	the interest was paid on time in September 2024
2022 Corporate Bonds (Fifth Tranche) (Type II)	the interest was paid on time in September 2024
2023 Corporate Bonds (Fifth Tranche) (Type I)	the interest was paid on time in September 2024
2023 Corporate Bonds (Fifth Tranche) (Type II)	the interest was paid on time in September 2024
2021 Corporate Bonds (Eighth Tranche) (Type I)	the interest was paid on time in October 2024
2021 Corporate Bonds (Eighth Tranche) (Type II)	the interest was paid on time in October 2024
2021 Corporate Bonds (Seventh Tranche) (Type I)	the principal and interest were paid on time in October 2024
2023 Corporate Bonds (Sixth Tranche) (Type I)	the interest was paid on time in October 2024
2023 Corporate Bonds (Sixth Tranche) (Type II)	the interest was paid on time in October 2024
2021 Corporate Bonds (Eighth Tranche) (Type I)	the principal and interest were paid on time in November 2024
2023 Corporate Bonds (Seventh Tranche) (Type I)	the interest was paid on time in November 2024
2023 Corporate Bonds (Seventh Tranche) (Type III)	the interest was paid on time in November 2024
2021 Subordinated Bonds (Second Tranche) (Type II)	the principal and interest were paid on time in December 2024

## Section IX Corporate Bonds

### 2. The triggering and implementation of the Company or investor option terms and the investor protection terms

☒ Applicable    ☐ Not applicable

Issuer's right of redemption (i.e. on the fifth and every subsequent interest payment date of the bonds, the issuer shall have the right to redeem the bonds at the face value plus the interest payable) and (when specific conditions are met) issuer's option of redemption and right of deferring payment of interest are available for "19 GUOJUN Y1" and "20 GUOJUN Y1". On 23 September 2024 and 11 March 2025, the fifth annual interest payment dates of the above bonds, i.e. the end of the first repricing cycle, the Company exercised the redemption right of the above bonds and paid them in full.

Issuer's option of renewal (i.e. at the end of each repricing cycle of the bonds, the issuer has the right to choose to extend the maturity of the bonds for one repricing cycle, or to pay the principal in full) and (when specific conditions are met) issuer's option of redemption and right of deferring payment of interest are available for "22 GUOJUN Y1" and "23 GUOJUN Y1".

As of the date of this report, "22 GUOJUN Y1" and "23 GUOJUN Y1" have neither become due to exercise nor have triggered the issuer options such as renewal options and jumps in interest rates. The Company did not exercise the right of deferring interest payment due to the occurrence of compulsory interest payment event as a result of the reduction of registered capital and dividend distribution to ordinary shareholders. The Company has paid all the current interest on the issued perpetual subordinated bonds timely and fully.

On 20 March 2024, the Company held the 2024 first extraordinary general meeting, the 2024 first A share class meeting and the 2024 first H share class meeting, at which the "Resolution on Proposing to Consider Repurchase and Cancellation of Part of Restricted A Shares" 《(關於提請審議回購註銷部分A股限制性股票的議案)》 was considered and approved, pursuant to which the Company repurchased and cancelled a total of 880,196 restricted A Shares that have been granted but have not been unlocked held by certain participants, and disclosed on the same date the "Announcement by Guotai Junan Securities Co., Ltd. on Notice to Creditors Regarding the Repurchase and Cancellation of Part of the Restricted A Shares to Reduce Registered Capital" 《(國泰君安證券股份有限公司關於回購註銷部分股限制性股票減少註冊資本通知債權人的公告)》, which notified creditors of the above matters.

## Section IX Corporate Bonds

### 3. Intermediaries providing services for bond issuance and duration business

Name of intermediary	Office address	Name of signing accountants	Contact persons	Telephone
SDIC Securities Co., Ltd.	No. 119, Fuhua Yi Road, Futian Street, Futian District, Shenzhen	–	ZHUANG Guochun, LI Zeyan, XIE Fengjie, ZHAN Shiyu	0755-81682808
CSC Financial Co., Ltd.	Suite 2203, North Tower, Shanghai Stock Exchange Building, 528 Pudong South Road, Shanghai	–	ZHOU Wei, LI Huayun, DONG Yan, CHEN Zihan	021-68801581
Shenwan Hongyuan Securities Co., Ltd.	45/F, The Center, 989 Changle Road, Xuhui District, Shanghai	–	LIU Qiuyan, LI Minyu, DING Tianshuo	021-33389888
Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	14/F, Huasheng Building, No. 398 Hankou Road, Shanghai	–	LIU Tingting, GAO Fei, GONG Chen	021-63501349
Haiwen & Partners	Unit 2605, Kerry Center Tower 1, 1515 Nanjing West Road, Jingan District, Shanghai	–	MOU Jian, ZHENG Yan	010-85606888
Jia Yuan Law Offices, Beijing	F408, Ocean Plaza, 158 Fuxing Men Nei Avenue, Xicheng District, Beijing	–	LIU Jing	010-66413377
KPMG Huazhen LLP	8/F, Tower E2, Oriental Plaza, 1 East Chang'an Avenue, Dongcheng District, Beijing	ZOU Jun, WANG Guobei, YU Jingjing, Wang Xia	WANG Guobei, YU Jingjing	021-22122428 021-22122276

#### *Changes in the above intermediaries*

☐ Applicable    ☒ Not applicable

### 4. Adjustment of credit ratings

☐ Applicable    ☒ Not applicable

Other Information

☐ Applicable    ☒ Not applicable

## Section IX Corporate Bonds

### 5. The changes of Guarantees, debt repayment plan and other debt repayment guarantee measures, as well as such implementation and effect thereof during the Reporting Period

☒ Applicable ☐ Not applicable

Current status	Execution	Whether there is any change
<p>The Company's existing corporate bonds are unsecured bonds.</p> <p>The Company's debt repayment guarantee measures are implemented pursuant to the requirements stated in the prospectus, including formulation of "Rules of Meeting for Bond Holders", establishment of special working group for repayment, giving full play to the role of the trustee of the bonds and strict performance of information disclosure obligation, forming a set of guarantee measures that secured safe payment of interest and redemption of bonds.</p>	<p>The Company strictly implemented the provisions of the debt repayment plan and repayment guarantee measures, paid interest and/or principal of the bonds in full and on time, disclosed information related to the bonds in a timely manner, and protected the legitimate interests of investors. Relevant plans and measures are consistent with the corresponding commitments in the prospectus.</p>	N

## Section IX Corporate Bonds

### (II) Proceeds from corporate bonds

☒ The corporate bonds involved in the use of proceeds or rectification during the Reporting Period

☐ All corporate bonds of the Company did not involve the use of proceeds or rectification during the Reporting Period

#### 1. Basic information

Unit: 100 million yuan Currency: RMB

Bond code	Abbreviation	Whether it is a special bond	Specific types of special bonds	Total amount of proceeds	The balance of proceeds at the end of the Reporting Period	The balance of special accounts for the proceeds at the end of the Reporting Period
240096	23 GUOJUN 12	N	Not applicable	25	0	0
240259	23 GUOJUN 13	N	Not applicable	35	0	0
240261	23 GUOJUN 15	N	Not applicable	17	0	0
240998	24 GUOJUN G1	N	Not applicable	50	0	0
241094	24 GUOJUN C1	N	Not applicable	30	0	0
241260	24 GUOJUN G2	N	Not applicable	20	0	0
241803	24 GUOJUN C2	N	Not applicable	10	0	0
241804	24 GUOJUN C3	N	Not applicable	20	0	0
241897	24 GUOJUN S1	Y	Short-term corporate bond	50	0	0
242017	24 GUOJUN C4	N	Not applicable	30	0	0
242018	24 GUOJUN C5	N	Not applicable	30	0	0
242132	24 GUOJUN S2	Y	Short-term corporate bond	50	0	0

#### 2. Change and adjustment of use of proceeds

☐ Applicable ☒ Not applicable

## Section IX Corporate Bonds

### 3. Use of proceeds

#### (1) Actual use of proceeds (excluding temporary replenishment)

Unit: 100 million yuan Currency: RMB

Bond code	Abbreviation	Actual use of proceeds during the Reporting Period	Repayment status of interest- bearing debts (excluding corporate bonds) and amount involved	Repayment status of corporate bonds and amount involved	Replenishment position and amount involved	Investment in fixed asset projects and amount involved	Other uses and amount involved
240096	23 GUOJUN 12	13	-	13	-	-	-
240259	23 GUOJUN 13	35	-	35	-	-	-
240261	23 GUOJUN 15	17	-	17	-	-	-
240998	24 GUOJUN G1	50	40	-	10	-	-
241094	24 GUOJUN C1	30	-	-	30	-	-
241260	24 GUOJUN G2	20	-	20	-	-	-
241803	24 GUOJUN C2	10	-	-	10	-	-
241804	24 GUOJUN C3	20	-	-	20	-	-
241897	24 GUOJUN S1	50	-	-	50	-	-
242017	24 GUOJUN C4	30	30	-	-	-	-
242018	24 GUOJUN C5	30	30	-	-	-	-
242132	24 GUOJUN S2	50	-	-	50	-	-

## Section IX Corporate Bonds

### (2) Proceeds for specific projects

☐ Applicable ☒ Not applicable

### (3) Temporary replenishment

☒ Applicable ☐ Not applicable

Unit: 100 million yuan Currency: RMB

Bond code	Abbreviation	Amount of temporary replenishment during the Reporting Period	Specifics of temporary replenishment, including but not limited to the purpose of temporary replenishment, time of commencement and return, procedures performed
240096	23 GUOJUN 12	13	According to the prospectus, the Company has temporarily replenished the liquidity with the idle bond proceeds of RMB1.3 billion for the settlement of the Company's business operations. The Company has recovered the temporary replenishment fund of RMB1.3 billion to the proceeds account, which was used to repay the corporate bonds 22 GUOJUN C1 due on 12 January 2024.
240998	24 GUOJUN G1	40	According to the prospectus, the Company has temporarily replenished the liquidity with the idle bond proceeds of RMB4.0 billion for the settlement of the Company's business operations. The Company has recovered RMB2.0 billion of temporary replenishment funds to the proceeds account, which was used to repay the interest-bearing debt 24 GUOTAI JUNAN CP001 due on 26 June 2024; and has recovered RMB2.0 billion of temporary replenishment funds to the proceeds account, which was used to repay the interest-bearing debt 24 GUOTAI JUNAN CP002 due on 1 August 2024.

## Section IX Corporate Bonds

### 4. Compliance of the use of proceeds

Bond code	Abbreviation	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after the compliance change)	Whether the use of proceeds and management of the special account for proceeds are in compliance with the regulations during the Reporting Period	Whether the use of proceeds is in compliance with local government debt management regulations
240096	23 GUOJUN 12	The Company raised RMB2.5 billion, of which RMB1.2 billion was used to repay the 21 GUOJUN C2 due on 9 December 2023, and RMB1.3 billion was used to repay the 22 GUOJUN C1 due on 12 January 2024.	Y	Y	Not applicable
240259	23 GUOJUN 13	The Company raised RMB3.5 billion, of which RMB1.2 billion was used to repay the 22 GUOJUN C1 due on 12 January 2024, and RMB2.3 billion was used to repay the 21 GUOJUN C1 due on 25 January 2024.	Y	Y	Not applicable
240261	23 GUOJUN 15	The Company raised RMB1.7 billion, of which RMB0.7 billion was used to repay the 21 GUOJUN C1 due on 25 January 2024, and RMB1.0 billion was used to repay the 21 GUOJUN G1 due on 15 April 2024.	Y	Y	Not applicable
240998	24 GUOJUN G1	The Company raised RMB5.0 billion, of which RMB2.0 billion was used to repay the 24 GUOTAI JUNAN CP001 due on 26 June 2024, RMB2.0 billion was used to repay 24 GUOTAI JUNAN CP002 due on 1 August 2024, and RMB1.0 billion was used to replenish liquidity.	Y	Y	Not applicable
241094	24 GUOJUN C1	The proceeds of RMB3.0 billion were used to replenish liquidity.	Y	Y	Not applicable

## Section IX Corporate Bonds

Bond code	Abbreviation	Actual use of proceeds as at the end of the Reporting Period (including actual use and temporary replenishment)	Whether the actual use is consistent with the agreed use (including the agreed use in the prospectus and the use after the compliance change)	Whether the use of proceeds and management of the special account for proceeds are in compliance with the regulations during the Reporting Period	Whether the use of proceeds is in compliance with local government debt management regulations
241260	24 GUOJUN G2	The Company raised RMB2.0 billion, which was used to repay the 21 GUOJUN G1 due on 15 April 2024.	Y	Y	Not applicable
241803	24 GUOJUN C2	The proceeds of RMB1.0 billion were used to replenish liquidity.	Y	Y	Not applicable
241804	24 GUOJUN C3	The proceeds of RMB2.0 billion were used to replenish liquidity.	Y	Y	Not applicable
241897	24 GUOJUN S1	The proceeds of RMB5.0 billion were used to replenish liquidity.	Y	Y	Not applicable
242017	24 GUOJUN C4	The Company raised RMB3.0 billion, which was used to repay the 19 GUOJUN Y1 due on 23 September 2024.	Y	Y	Not applicable
242018	24 GUOJUN C5	The Company raised RMB3.0 billion, of which RMB2.0 billion was used to repay the 19 GUOJUN Y1 due on 23 September 2024, and RMB1.0 billion was used to repay the 21 GUOJUN 12 due on 17 October 2024.	Y	Y	Not applicable
242132	24 GUOJUN S2	The proceeds of RMB5.0 billion were used to replenish liquidity.	Y	Y	Not applicable

### Violations of laws and regulations in the use of proceeds and management of proceeds accounts

☐ Applicable    ☒ Not applicable

### Penalties for violations in the use of proceeds

☐ Applicable    ☒ Not applicable

## Section IX Corporate Bonds

### **(III) DEBT FINANCING INSTRUMENTS FOR NON-FINANCIAL BUSINESSES IN THE INTERBANK BONDS MARKET**

☐ Applicable    ☒ Not applicable

### **(IV) LOSSES RECORDED IN THE CONSOLIDATED STATEMENTS OF THE COMPANY FOR THE REPORTING PERIOD HAVE EXCEEDED MORE THAN 10% OF THE NET ASSETS AT THE END OF THE PREVIOUS YEAR**

☐ Applicable    ☒ Not applicable

### **(V) INTEREST-BEARING DEBTS OTHER THAN BONDS OVERDUE AS AT THE END OF THE REPORTING PERIOD**

☐ Applicable    ☒ Not applicable

### **(VI) IMPACT ON THE RIGHTS AND INTERESTS OF BOND INVESTORS DUE TO VIOLATIONS OF LAWS AND REGULATIONS, THE ARTICLES OF ASSOCIATION, THE POLICY ON INFORMATION DISCLOSURE MANAGEMENT AND THE AGREEMENTS OR COMMITMENTS SET OUT IN THE BOND PROSPECTUS DURING THE REPORTING PERIOD**

☐ Applicable    ☒ Not applicable

## Section IX Corporate Bonds

### (VII) ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY FOR THE PAST TWO YEARS AS AT THE END OF THE REPORTING PERIOD

√ Applicable    □ Not applicable

Unit: yuan    Currency: RMB

Major indicators	2024	2023	Increase/decrease for the Reporting Period as compared with the corresponding period of last year (%)	Reasons for change
Net profit after deducting non-recurring gains and losses attributable to equity holders of the Company	12,439,955,582	8,717,649,895	42.70	Mainly due to the increase in revenue from trading and investment business
Current ratio (%)	122	129	Decrease by 7 percentage points	/
Quick ratio (%)	122	129	Decrease by 7 percentage points	/
Gearing ratio (%)	77.69	76.77	Increase by 0.92 percentage point	/
Debt-to-EBITDA ratio	0.04	0.04	–	/
Interest coverage ratio	2.31	1.95	18.46	/
Cash interest coverage ratio	5.69	1.84	209.24	Mainly due to the increase in net cash flow generated from operating activities
EBITDA interest coverage ratio	2.44	2.06	18.45	/
Loan repayment ratio (%)	100	100	–	/
Interest repayment ratio (%)	100	100	–	/

### II. CONVERTIBLE CORPORATE BONDS

□ Applicable    √ Not applicable

## Section X Independent Auditor's Report and Notes to Financial Statements

### INDEPENDENT AUDITOR'S REPORT

**to the shareholders of Guotai Junan Securities Co., Ltd.**

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

### OPINION

We have audited the consolidated financial statements of Guotai Junan Securities Co., Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 284 to 431, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Section X Independent Auditor's Report and Notes to Financial Statements

### Consolidation of structured entities

*Refer to Note 27 to the consolidated financial statements and the accounting policies in Note 2.2.*

#### The Key Audit Matter

Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. The Group may acquire or retain an ownership interest in, or act as a sponsor of, a structured entity through issuing or acquiring a wealth management product, an investment fund, an asset management scheme, a trust scheme or an asset-backed security.

In determining whether a structured entity is required to be consolidated by the Group, management is required to consider the power the Group is able to exercise over the activities of the entity and its exposure to and ability to influence its own returns from the entity.

In certain circumstances, the Group may be required to consolidate a structured entity even though it has no equity interest therein.

The factors which management needs to consider when determining whether a structured entity should be consolidated or not are not purely quantitative and need to be considered collectively.

#### How the matter was addressed in our audit

Our audit procedures to assess the consolidation of structured entities includes the following:

- making enquiries of management and inspecting relevant documents used by management relating to the judgement process over whether a structured entity is consolidated or not to assess whether the Group has an appropriate process in this regard;
- selecting a sample of structured entities for each key product type and performing the following procedures for each item selected:
  - inspecting the related contracts and internal documents to understand the purpose of the establishment of the structured entity and the involvement the Group has with the structured entity and to assess management's judgement over whether the Group has the ability to exercise power over the structured entity;

## Section X Independent Auditor's Report and Notes to Financial Statements

### Consolidation of structured entities

*Refer to Note 27 to the consolidated financial statements and the accounting policies in Note 2.2.*

#### The Key Audit Matter

We identified the consolidation of structured entities as a key audit matter because it involves significant management judgement in determining whether a structured entity is required to be consolidated by the Group or not and because the impact of consolidating a structured entity on the consolidated statement of financial position could be significant.

#### How the matter was addressed in our audit

- evaluating the risk and reward structure of the structured entity including any capital or return guarantee, commission paid and distribution of the returns to assess management's judgement as to exposure, or rights, to variable returns from the Group's involvement in such an entity;
- evaluating management's analysis of the structured entity including qualitative analysis and calculations of the magnitude and variability associated with its economic interests in the structured entity to assess management's judgement over the Group's ability to influence its own returns from the structured entity;
- evaluating management's judgement over whether the structured entity should be consolidated or not;
- assessing the disclosures in the consolidated financial statements in relation to structured entities with reference to the requirements of the prevailing accounting standards.

## Section X Independent Auditor's Report and Notes to Financial Statements

### Measurement of loss allowances for margin accounts receivable and stock-pledged financing

*Refer to Note 32, 39 to the consolidated financial statements and the accounting policies in Note 3.12.*

#### The Key Audit Matter

The determination of loss allowances using the expected credit loss model is subject to a number of key parameters and assumptions, including the identification of loss stages, estimates of probability of default, loss given default, exposures at default, economic indicators for forward-looking adjustment and other adjustment factors. Management judgment is involved in the selection of those parameters and the application of the assumptions.

In particular, the determination of the loss allowances is heavily dependent on the external macro environment and the Group's internal credit risk management strategy. The expected credit losses for margin accounts receivable and stock-pledged financing are derived from estimates whereby management takes into consideration historical overdue data, the historical loss experience and other adjustment factors.

#### How the matter was addressed in our audit

Our audit procedures to assess loss allowances of margin accounts receivable and stock-pledged financing includes the following:

- understanding and assessing the design, implementation and operating effectiveness of key internal controls of financial reporting over the approval, recording and monitoring of margin accounts receivable and stock-pledged financing, the credit grading process and the measurement of loss allowance;
- assessing the reliability of the expected credit loss model used by management in determining loss allowances, including assessing the appropriateness of the key parameters and assumptions in the expected credit loss model, including the identification of loss stages, probability of default, loss given default, exposure at default, adjustments for forward-looking information and other management adjustments;

## Section X Independent Auditor's Report and Notes to Financial Statements

### Measurement of loss allowances for margin accounts receivable and stock-pledged financing

*Refer to Note 32, 39 to the consolidated financial statements and the accounting policies in Note 3.12.*

#### The Key Audit Matter

Management also exercises judgement in determining the quantum of loss given default based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, the recoverable amount of collateral, the seniority of the claim and the existence and cooperativeness of other creditors. When listed stocks are involved as collateral, price volatility of the stock, the liquidity, the stock holding concentration of the borrower, the loan balances to collateral ratio and the operation of the issuer will also be taken into account in the judgement.

We identified loss allowances of margin accounts receivable and stock-pledged financing as a key audit matter because of the inherent uncertainty and management judgment involved and because of its significance to the financial results and capital of the Group.

#### How the matter was addressed in our audit

- assessing the completeness and accuracy of data used for the key parameters in the expected credit loss model. For key parameters derived from internal data relating to original agreements, we compared the total balance of the financial asset list used by management to assess the allowances for impairment with the general ledger; selecting financial assets and comparing investment information with the underlying agreements and other related documentation to assess the accuracy of compilation of the asset list. For key parameters derived from external data, we selected samples to inspect the accuracy of such data by comparing them with external sources;
- for key parameters involving judgement, critically assessing input parameters by seeking evidence from external sources and comparing to the Group's internal records. We compared the economic factors used in the models with market information to assess whether they were aligned with market and economic development;

## Section X Independent Auditor's Report and Notes to Financial Statements

### Measurement of loss allowances for margin accounts receivable and stock-pledged financing

*Refer to Note 32, 39 to the consolidated financial statements and the accounting policies in Note 3.12.*

#### The Key Audit Matter

#### How the matter was addressed in our audit

- evaluating the validity of management's assessment on whether the credit risk of the financial assets has, or has not, increased significantly since initial recognition and whether the financial assets is credit-impaired by selecting risk-based samples. On a sample basis, we checked the financial assets overdue information, understanding the credit situation and the collateral to loan ratio of the borrowers;
- for selected samples of the financial assets that are credit-impaired, evaluating the reasonableness of loss given default. We also evaluated the forecast cash flows, challenged the viability of the Group's recovery plans and evaluated other credit enhancements that are integral to the contract terms;
- recalculating the amount of credit loss allowance for 12 months and life time credit losses using the expected credit loss model based on the above parameters and assumptions for a sample of financial assets where the credit risk has not, or has, increased significantly since initial recognition, respectively; and
- evaluating whether the disclosures on impairment of margin accounts receivable and stock-pledged financing meet the disclosure requirements of prevailing accounting standards.

## Section X Independent Auditor's Report and Notes to Financial Statements

### Assessing the fair value of financial instruments

*Refer to Note 65 to the consolidated financial statements and the accounting policies in Note 3.3.*

#### The Key Audit Matter

The valuation of the Group's financial instruments is based on a combination of market data and valuation models which often require a considerable number of inputs.

Many of these inputs are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of certain level 3 financial instruments, estimates need to be developed which can involve significant management judgement.

We identified assessing the fair value of financial instruments as a key audit matter because of the degree of complexity involved in valuing certain financial instruments and because of the significant degree of judgement exercised by management in determining the inputs used in the valuation models.

#### How the matter was addressed in our audit

Our audit procedures to assess the fair value of financial instruments includes the following:

- assessing the design, implementation and operating effectiveness of key internal controls over the valuation, independent price verification and valuation model approval for financial instruments;
- assessing the fair values of, for a sample of financial instruments traded in active markets by comparing the fair values applied by the Group with publicly available market data;
- reading investment agreements entered into during the current year, for a sample of level 2 and level 3 financial instruments to understand the relevant investment terms and identify any conditions that were relevant to the valuation of financial instruments;
- engaging KPMG valuation specialists to assist us in evaluating the valuation models used by the Group to value certain level 2 and level 3 financial instruments and to perform, on a sample basis, independent valuations of level 2 and level 3 financial instruments and compare these valuations with the Group's valuations. This included comparing the Group's valuation models with our knowledge of current market practice, testing inputs to the fair value calculations and establishing our own valuation models to perform revaluations; and
- evaluating the reasonableness of the disclosures on fair values of financial instruments with reference to the requirements of the prevailing accounting standards.

## Section X Independent Auditor's Report and Notes to Financial Statements

### Goodwill impairment assessment relating to HuaAn Funds

*Refer to Note 24 to the consolidated financial statements and the accounting policies in Note 3.2.*

The Key Audit Matter	How the matter was addressed in our audit
<p>As at 31 December 2024, the carrying amount of goodwill was RMB4,071 million, primarily resulting from the acquisition of Huaan Fund Management Co., Ltd. ("HuaAn Funds") (RMB4,050 million).</p> <p>Management performs goodwill impairment assessment annually. In performing an impairment assessment, management calculates the recoverable amount for each of the Group's cash generating units ("CGUs").</p> <p>Management considers HuaAn Funds as a separate CGU and assessed the recoverable amount of HuaAn Funds by applying a discounted cash flow ("DCF") model to determine the value in use, and involves the use of key assumptions and inputs, including revenue growth rate, terminal growth rate and discount rate, which requires significant management judgement.</p> <p>We identified goodwill impairment assessment relating to HuaAn Funds as a key audit matter because of its significance to the financial statements, the significant management judgements and estimates involved, and the fact that these judgements are inherently uncertain and might be affected by management's bias.</p>	<p>Our audit procedures to assess goodwill impairment relating to HuaAn Funds included the following:</p> <ul style="list-style-type: none"> <li>• assessing the design, implementation and operating effectiveness of key internal controls over the goodwill impairment assessment relating to HuaAn Funds;</li> <li>• based on our understanding on the Group's business and prevailing accounting standards, assessing management's identification of CGU and how management allocates goodwill to each CGU;</li> <li>• involving KPMG valuation specialist to evaluate the appropriateness of the method with reference to the requirements of the prevailing accounting standards and the reasonableness of the assumptions, including discount rate the management used when estimating the cash flows of HuaAn Funds;</li> <li>• assessing the appropriateness of the key assumptions and judgments applied, including estimated revenue, growth rate and terminal growth rate adopted in the discounted cash flow forecast of HuaAn Funds by comparing with approved budgets and industry's statistics;</li> <li>• performing sensitivity analyses on the discount rate and other key assumptions adopted by management to assess the impact of the impairment test result arising from the change in key assumption and whether there is any indication of management bias; and</li> <li>• assessing the reasonableness of the disclosures in the consolidated financial statements in relation to goodwill impairment with reference to the requirements of the prevailing accounting standards.</li> </ul>

## **Section X Independent Auditor's Report and Notes to Financial Statements**

### **INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Section X Independent Auditor's Report and Notes to Financial Statements

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

## Section X Independent Auditor's Report and Notes to Financial Statements

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Siu Tung.

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

28 March 2025

## Section X Independent Auditor's Report and Notes to Financial Statements

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

(Amounts expressed in thousands of RMB unless otherwise stated)

		Year ended 31 December	
	Note	2024	2023
<b>Revenue</b>			
Fee and commission income	6	21,080,124	18,748,922
Interest income	7	15,064,409	15,635,577
Net investment gains	8	14,795,459	9,120,378
<b>Total revenue</b>		<b>50,939,992</b>	<b>43,504,877</b>
Other income and gains	9	10,817,086	8,798,954
<b>Total revenue and other income</b>		<b>61,757,078</b>	<b>52,303,831</b>
Fee and commission expenses	10	(5,953,030)	(3,681,163)
Interest expenses	11	(12,707,342)	(12,832,969)
Staff costs	12	(10,475,942)	(9,910,878)
Depreciation and amortization expenses	13	(1,591,874)	(1,514,452)
Tax and surcharges		(197,149)	(185,331)
Other operating expenses and costs	14	(14,183,742)	(12,115,669)
Provision for impairment losses		(41,602)	(32,399)
Accrual of credit loss expenses	15	(249,973)	(262,518)
<b>Total expenses</b>		<b>(45,400,654)</b>	<b>(40,535,379)</b>
<b>Operating profit</b>		<b>16,356,424</b>	<b>11,768,452</b>
Share of profits of associates and joint ventures		305,818	379,446
<b>Profit before income tax</b>		<b>16,662,242</b>	<b>12,147,898</b>
Income tax expense	16	(3,113,481)	(2,262,481)
<b>Profit for the year</b>		<b>13,548,761</b>	<b>9,885,417</b>
<b>Attributable to:</b>			
Equity holders of the Company		13,024,085	9,374,143
Non-controlling interests		524,676	511,274
<b>Total</b>		<b>13,548,761</b>	<b>9,885,417</b>
Earnings per share attributable to ordinary equity holders of the Company (expressed in Renminbi yuan per share)	20		
– Basic		1.39	0.98
– Diluted		1.39	0.97

The accompanying notes form part of the consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

(Amounts expressed in thousands of RMB unless otherwise stated)

	Year ended 31 December	
	2024	2023
<b>Profit for the year</b>	<b>13,548,761</b>	9,885,417
<b>Other comprehensive income for the year</b>		
Other comprehensive income that may be reclassified to profit or loss:		
Debt instruments at fair value through other comprehensive income		
– Net changes in fair value	1,287,926	880,640
– Changes in allowance for expected credit losses	153,929	127,659
– Reclassified to profit or loss	(952,179)	(560,728)
– Income tax impact	(172,268)	(90,068)
Share of other comprehensive income of associates and joint ventures		
– Share of other comprehensive income	78,261	4,040
Exchange differences on translation of financial statements in foreign currencies	312,235	194,568
<b>Total items that may be reclassified to profit or loss</b>	<b>707,904</b>	556,111
Other comprehensive income that will not be reclassified to profit or loss:		
Equity instruments at fair value through other comprehensive income		
– Net changes in fair value	910,559	(86,294)
– Income tax impact	(222,390)	(171,202)
Share of other comprehensive income of associates and joint ventures		
– Share of other comprehensive income	71,640	16,353
– Income tax impact	–	(58,290)
<b>Total items that will not be reclassified to profit or loss</b>	<b>759,809</b>	(299,433)
<b>Other comprehensive income for the year, net of tax</b>	<b>1,467,713</b>	256,678
<b>Total comprehensive income for the year</b>	<b>15,016,474</b>	10,142,095
Attributable to:		
Equity holders of the Company	14,406,679	9,580,863
Non-controlling interests	609,795	561,232
<b>Total</b>	<b>15,016,474</b>	10,142,095

The accompanying notes form part of the consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(Amounts expressed in thousands of RMB unless otherwise stated)

		As at 31 December	
	Note	2024	2023
<b>Non-current assets</b>			
Property and equipment	21	4,329,909	4,345,379
Investment property	22	1,033,781	1,067,254
Right-of-use assets	23	2,158,939	2,311,388
Goodwill	24	4,070,761	4,070,761
Other intangible assets	25	908,140	840,235
Investments in associates	28	8,154,064	7,556,250
Investments in joint ventures	28	5,067,765	5,234,512
Debt investments at amortised cost	29	3,584,371	3,010,433
Debt instruments at fair value through other comprehensive income	30	66,907,683	76,450,493
Equity instruments at fair value through other comprehensive income	31	21,395,129	1,806,371
Financial assets held under resale agreements	32	1,810,988	1,783,561
Financial assets at fair value through profit or loss	33	12,083,399	22,550,093
Refundable deposits	34	69,011,661	56,787,627
Deferred tax assets	35	1,424,446	2,457,519
Other non-current assets	36	275,077	199,939
<b>Total non-current assets</b>		<b>202,216,113</b>	<b>190,471,815</b>
<b>Current assets</b>			
Accounts receivable	37	13,082,258	16,823,117
Other current assets	38	2,685,088	2,409,925
Margin accounts receivable	39	106,268,255	89,753,965
Debt investments at amortised cost	29	410,934	604,110
Debt instruments at fair value through other comprehensive income	30	19,120,035	17,696,292
Equity instruments at fair value through other comprehensive income	31	626,186	69,309
Financial assets held under resale agreements	32	58,834,713	67,882,530
Financial assets at fair value through profit or loss	33	396,390,006	350,024,147
Derivative financial assets	40	9,016,783	9,672,698
Clearing settlement funds	41	9,813,170	7,315,428
Cash held on behalf of brokerage customers	42	202,568,220	141,939,238
Cash and bank balances	43	26,713,651	30,739,910
<b>Total current assets</b>		<b>845,529,299</b>	<b>734,930,669</b>
<b>Total assets</b>		<b>1,047,745,412</b>	<b>925,402,484</b>

The accompanying notes form part of the consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

		As at 31 December	
	Note	2024	2023
<b>Current liabilities</b>			
Loans and borrowings	44	9,196,390	11,661,690
Short-term debt instruments	45	47,491,065	19,372,094
Placements from other financial institutions	46	5,416,271	11,744,902
Accounts payable to brokerage customers	47	252,069,517	178,055,072
Employee benefits payable	48	8,072,898	7,728,844
Income tax payable		632,231	1,078,951
Financial assets sold under repurchase agreements	49	244,937,517	216,829,590
Financial liabilities at fair value through profit or loss	50	66,269,045	57,623,628
Derivative financial liabilities	40	9,391,575	11,488,606
Bonds payable	51	31,392,278	32,443,108
Contract liabilities	52	22,076	80,141
Lease liabilities	23	666,432	615,271
Other current liabilities	53	80,698,295	82,087,047
<b>Total current liabilities</b>		<b>756,255,590</b>	<b>630,808,944</b>
<b>Net current assets</b>		<b>89,273,709</b>	<b>104,121,725</b>
<b>Total assets less current liabilities</b>		<b>291,489,822</b>	<b>294,593,540</b>
<b>Non-current liabilities</b>			
Loans and borrowings	44	539,495	549,552
Bonds payable	51	102,606,187	101,582,435
Lease liabilities	23	975,153	1,214,080
Deferred tax liabilities	35	397,060	155,141
Financial liabilities at fair value through profit or loss	50	9,014,927	17,200,633
Other non-current liabilities	54	483,303	513,689
<b>Total non-current liabilities</b>		<b>114,016,125</b>	<b>121,215,530</b>
<b>Net assets</b>		<b>177,473,697</b>	<b>173,378,010</b>

The accompanying notes form part of the consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

		As at 31 December	
	Note	2024	2023
<b>Equity</b>			
Share capital	55	<b>8,903,731</b>	8,904,611
Other equity instruments	56	<b>14,946,981</b>	19,918,679
Treasury shares		<b>(173,322)</b>	(361,484)
Reserves	57	<b>83,818,380</b>	80,001,204
Retained profits	57	<b>63,279,619</b>	58,506,243
Equity attributable to equity holders of the Company		<b>170,775,389</b>	166,969,253
Non-controlling interests		<b>6,698,308</b>	6,408,757
<b>Total equity</b>		<b>177,473,697</b>	173,378,010

Approved and authorized for issue by the Board of Directors on 28 March 2025.

**Zhu Jian**  
\_\_\_\_\_  
*Chairman*

**Li Junjie**  
\_\_\_\_\_  
*Executive Director*

The accompanying notes form part of the consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

(Amounts expressed in thousands of RMB unless otherwise stated)

	Attributable to equity shareholders of the Company										Non-controlling interests	Total equity
	Share capital	Other equity instruments	Capital reserve	Investment revaluation reserve	Translation reserve	Surplus reserve	General reserve	Treasury shares	Retained profits	Total		
At 31 December 2023	8,904,611	19,918,679	47,315,448	(338,505)	494,968	7,172,530	25,356,763	(361,484)	58,506,243	166,969,253	6,408,757	173,378,010
Profit for the year	-	-	-	-	-	-	-	-	13,024,085	13,024,085	524,676	13,548,761
Other comprehensive income for the year	-	-	-	1,144,210	238,384	-	-	-	-	1,382,594	85,119	1,467,713
Total comprehensive income for the year	-	-	-	1,144,210	238,384	-	-	-	13,024,085	14,406,679	609,795	15,016,474
Redemption of perpetual bonds	-	(4,971,698)	(28,302)	-	-	-	-	-	-	(5,000,000)	-	(5,000,000)
Appropriation to general reserve	-	-	-	-	-	-	2,388,974	-	(2,388,974)	-	-	-
Dividends (Note 19)	-	-	-	-	-	-	-	-	(4,897,052)	(4,897,052)	-	(4,897,052)
Distribution to other equity instrument holders (Note 19)	-	-	-	-	-	-	-	-	(938,000)	(938,000)	-	(938,000)
Distribution to non-controlling shareholders and other equity instrument holders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(296,626)	(296,626)
Other comprehensive income that has been reclassified to retained profits	-	-	-	26,683	-	-	-	-	(26,683)	-	-	-
Shares repurchased	-	-	-	-	-	-	-	-	-	-	(13,506)	(13,506)
Deregistration of treasury shares	(880)	-	(4,672)	-	-	-	-	5,552	-	-	-	-
Equity-settled share-based payments	-	-	46,111	-	-	-	-	182,610	-	228,721	-	228,721
Others	-	-	5,788	-	-	-	-	-	-	5,788	(10,112)	(4,324)
At 31 December 2024	8,903,731	14,946,981	47,334,373	832,388	733,352	7,172,530	27,745,737	(173,322)	63,279,619	170,775,389	6,698,308	177,473,697

The accompanying notes form part of the consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

	Attributable to equity shareholders of the Company										Non-controlling interests	Total equity
	Share capital	Other equity instruments	Capital reserve	Investment revaluation reserve	Translation reserve	Surplus reserve	General reserve	Treasury shares	Retained profits	Total		
<b>At 31 December 2022</b>	<u>8,906,673</u>	<u>16,046,936</u>	<u>46,069,062</u>	<u>(711,715)</u>	<u>347,433</u>	<u>7,172,530</u>	<u>23,597,664</u>	<u>(393,371)</u>	<u>56,683,126</u>	<u>157,718,338</u>	<u>6,127,121</u>	<u>163,845,459</u>
Profit for the year	-	-	-	-	-	-	-	-	9,374,143	9,374,143	511,274	9,885,417
Other comprehensive income for the year	-	-	-	59,185	147,535	-	-	-	-	206,720	49,958	256,678
Total comprehensive income for the year	-	-	-	59,185	147,535	-	-	-	9,374,143	9,580,863	561,232	10,142,095
Issue of perpetual bonds	-	5,000,000	(19,623)	-	-	-	-	-	-	4,980,377	-	4,980,377
Appropriation to general reserve	-	-	-	-	-	-	1,739,099	-	(1,739,099)	-	-	-
Dividends (Note 19)	-	-	-	-	-	-	-	-	(4,719,402)	(4,719,402)	-	(4,719,402)
Distribution to other equity instrument holders (Note 19)	-	-	-	-	-	-	-	-	(758,500)	(758,500)	-	(758,500)
Distribution to non-controlling shareholders and other equity instrument holders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(273,727)	(273,727)
Other comprehensive income that has been reclassified to retained profits	-	-	-	314,025	-	-	-	-	(314,025)	-	-	-
Conversion of convertible bonds	95	(1,128,257)	1,130,011	-	-	-	-	-	-	1,849	-	1,849
Shares repurchased	-	-	-	-	-	-	-	(14,188)	-	(14,188)	-	(14,188)
Deregistration of treasury shares	(2,157)	-	(12,031)	-	-	-	-	14,188	-	-	-	-
Equity-settled share-based payments	-	-	141,996	-	-	-	-	31,887	-	173,883	-	173,883
Others	-	-	6,033	-	-	-	-	-	-	6,033	(5,869)	164
<b>At 31 December 2023</b>	<u>8,904,611</u>	<u>19,918,679</u>	<u>47,315,448</u>	<u>(338,505)</u>	<u>494,968</u>	<u>7,172,530</u>	<u>25,356,763</u>	<u>(361,484)</u>	<u>58,506,243</u>	<u>166,969,253</u>	<u>6,408,757</u>	<u>173,378,010</u>

The accompanying notes form part of the consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

### CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

(Amounts expressed in thousands of RMB unless otherwise stated)

	Year ended 31 December	
Note	2024	2023
<b>Cash flows from operating activities:</b>		
Profit before income tax	<b>16,662,242</b>	12,147,898
Adjustments for:		
Interest expenses	<b>12,707,342</b>	12,832,969
Unrealized fair value changes in financial instruments at fair value through profit or loss	<b>(1,149,715)</b>	1,623,572
Depreciation and amortization expenses	<b>1,591,874</b>	1,514,452
Accrual of credit loss expenses	<b>249,973</b>	262,518
Equity-settled share-based payment expenses	<b>46,345</b>	142,160
Foreign exchange (gains)/losses	<b>(132,938)</b>	51,240
Provision for impairment losses	<b>41,602</b>	32,399
Net losses on disposal of property and equipment	<b>7,612</b>	2,920
Interest income and other income from financial assets at fair value through other comprehensive income	<b>(2,625,894)</b>	(2,009,404)
Interest income from time deposits	<b>(1,549,085)</b>	(1,521,631)
Share of profits of associates and joint ventures	<b>(305,818)</b>	(379,446)
Net realized gains from financial instruments at fair value through other comprehensive income	<b>(891,954)</b>	(317,097)
Unrealized fair value changes in derivatives	<b>(882,925)</b>	(273,509)
Interest income from debt investments at amortised cost	<b>(112,563)</b>	(102,458)
Interest income from general risk reserve deposits	<b>(3,440)</b>	(10,183)
	<b><u>23,652,658</u></b>	<b><u>23,996,400</u></b>

The accompanying notes form part of the consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

	Year ended 31 December	
<i>Note</i>	<b>2024</b>	2023
<b>Cash flows from operating activities:</b>		
Increase in financial assets sold under repurchase agreements	<b>28,126,778</b>	43,308,020
(Decrease)/increase in other liabilities	<b>(1,337,772)</b>	17,273,547
(Increase)/decrease in cash held on behalf of brokerage customers	<b>(60,425,164)</b>	17,259,295
(Increase)/decrease in refundable deposits	<b>(12,217,237)</b>	2,114,191
Decrease in financial assets held under resale agreements	<b>5,747,195</b>	588,687
Increase in financial instruments at fair value through profit or loss and derivative financial instruments	<b>(33,054,206)</b>	(41,033,067)
Increase/(decrease) in accounts payable to brokerage customers	<b>73,945,686</b>	(17,850,359)
Decrease/(increase) in accounts receivable, other current assets and other non-current assets	<b>3,156,868</b>	(5,765,022)
Increase in margin accounts receivable	<b>(16,599,660)</b>	(2,716,085)
Increase/(decrease) in employee benefits payable	<b>344,054</b>	(1,328,860)
Decrease in placements from other financial institutions	<b>(6,306,934)</b>	(1,222,327)
Increase in general risk reserve	<b>(298,777)</b>	(333,327)
Cash generated from operations	<b>4,733,489</b>	34,291,093
Income taxes paid	<b>(2,631,000)</b>	(3,175,783)
Interest paid	<b>(6,439,910)</b>	(6,676,248)
<b>Net cash (used in)/generated from operating activities</b>	<b>(4,337,421)</b>	24,439,062

The accompanying notes form part of the consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

	Year ended 31 December	
Note	2024	2023
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income and other investments	<b>95,561,274</b>	56,213,314
Dividends and interest received from financial assets at fair value through other comprehensive income and other investments	<b>4,553,191</b>	3,401,400
Proceeds from disposal of property and equipment, other intangible assets and other non-current assets	<b>22,014</b>	10,154
Proceeds from disposal of subsidiaries, associates and joint ventures	<b>93,362</b>	5,041
Purchases of financial assets at fair value through other comprehensive income and other investments	<b>(107,794,689)</b>	(92,564,272)
Purchases of property and equipment, other intangible assets and other non-current assets	<b>(1,159,995)</b>	(1,165,432)
<b>Net cash used in investing activities</b>	<b>(8,724,843)</b>	(34,099,795)

The accompanying notes form part of the consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

	Year ended 31 December	
<i>Note</i>	<b>2024</b>	2023
<b>Cash flows from financing activities:</b>		
Proceeds from loans and borrowings	<b>91,430,179</b>	109,900,558
Proceeds from issuance of bonds payable	<b>31,880,542</b>	39,255,000
Proceeds from issuance of short-term debt instruments	<b>59,349,914</b>	31,238,209
Proceeds from issuance of perpetual bonds	–	5,000,000
Repayment of loans and borrowings	<b>(94,141,474)</b>	(108,249,276)
Repayment of debt securities issued	<b>(63,155,507)</b>	(58,968,357)
Redemption of perpetual bonds	<b>(5,000,000)</b>	–
Dividends paid	<b>(5,930,238)</b>	(5,579,622)
Interest paid	<b>(6,150,857)</b>	(5,908,323)
Capital element of lease rentals paid	<b>(700,900)</b>	(666,252)
Interest element of lease rentals paid	<b>(59,359)</b>	(64,843)
Purchase of treasury shares	<b>(13,506)</b>	(14,188)
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	<b>7,508,794</b>	5,942,906
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,553,470)</b>	(3,717,827)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>76,919,576</b>	80,540,349
<b>Effect of foreign exchange rate changes</b>	<b>25,414</b>	97,054
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	<b>58(a) 71,391,520</b>	<b>76,919,576</b>
	<hr/>	<hr/>

The accompanying notes form part of the consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 1. GENERAL INFORMATION

On 25 September 1992, with the approval of the People's Bank of China (the "PBOC"), Guotai Securities Co., Ltd. (國泰證券有限公司) was established in Shanghai, the People's Republic of China (the "PRC"). On 12 October 1992, with the approval of the PBOC, Junan Securities Co., Ltd. (君安證券有限責任公司) was established in Shenzhen, the PRC. On 20 May 1999, as approved by the China Securities Regulatory Commission (the "CSRC"), Guotai Securities Co., Ltd. merged with Junan Securities Co., Ltd. to set up a new company, Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司) (the "Company") in Shanghai, the PRC. On 13 August 2001, the Company spun off its non-security business and related assets and liabilities to a newly established company, and continued to use the name of Guotai Junan Securities Co., Ltd. (國泰君安證券股份有限公司).

The Company publicly issued A shares and was listed on the Shanghai Stock Exchange on 26 June 2015, with the stock code 601211. On 11 April 2017, the Company issued H shares which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), with the stock code 02611.

The registered office of the Company is located at No. 618 Shangcheng Road, China (Shanghai) Pilot Free-Trade Zone, Shanghai, PRC.

The Company and its subsidiaries (collectively referred to as the "Group") is principally engaged in securities brokerage, securities proprietary trading, securities underwriting and sponsorship, securities investment consultation, the financial advisory business relating to securities trading and securities investment, margin financing and securities lending, the agency sale of securities investment funds, the agency sale of financial products, introducing brokerage for futures companies, asset management, fund management, commodity futures brokerage, financial futures brokerage, futures investment consulting, equity investment, venture capital, investment management, investment consultation and other business activities approved by the CSRC.

### 2. MATERIAL ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and the disclosure requirements of the Hong Kong Companies Ordinance.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 2. MATERIAL ACCOUNTING POLICIES *(continued)*

#### 2.1 Basis of preparation *(continued)*

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair value, as explained in the accounting policies set out below. The consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

#### 2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 2. MATERIAL ACCOUNTING POLICIES *(continued)*

#### 2.2 Basis of consolidation *(continued)*

If the Group loses control over a subsidiary, it derecognizes (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognizes (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

#### 2.3 Other amendments to the standards effective in 2024 relevant to and adopted by the Group

The Group has adopted *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)* and *Non-current Liabilities with Covenants (Amendments to IAS 1)* from 1 January 2024. The amendments apply retrospectively. They clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. The adoption of the amendments does not have a significant impact on the Group's consolidated financial statements.

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

#### 3.1 Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.1 Investments in associates and joint ventures *(continued)*

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealized losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

#### 3.2 Business combinations and goodwill

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.2 Business combinations and goodwill *(continued)*

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts that are financial liabilities of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.2 Business combinations and goodwill *(continued)*

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

#### 3.3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.3 Fair value measurement *(continued)*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly; and
- Level 3 based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### 3.4 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.5 Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.6 Property and equipment and depreciation

Property and equipment, other than construction in progress ("CIP"), are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.26% – 3.20%
Leasehold improvements	Over the shorter of the remaining lease terms and 5 years
Machinery	8.64% – 19.20%
Electronic equipment	19.00% – 50.00%
Communication equipment	10.56% – 32.00%
Motor vehicles	9.50% – 32.00%
Others	9.50% – 32.00%

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the statement of profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalized borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for use.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.7 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is accounted for using the cost model and stated in the financial statements at cost less accumulated depreciation, and impairment losses (see Note 3.4). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale.

	<b>Estimated useful lives</b>	<b>Estimated residual values</b>	<b>Depreciation rates</b>
Buildings	30 – 42 years	4.0% – 5.0%	2.26% – 3.20%

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

#### 3.8 Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level, whether there is any indicator of impairment or not. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.8 Intangible assets (other than goodwill) *(continued)*

Useful lives of each category of intangible assets are as follows:

	Useful lives
Trading seats rights	Indefinite
Software	5 years
Data resources	5 years

#### 3.9 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) as a single lease component.

##### *(a) Right-of-use assets*

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.9 Leases *(continued)*

Group as a lessee *(continued)*

##### *(b) Lease liabilities*

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

##### *(c) Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of assets that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.10 Investments and other financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.10 Investments and other financial assets *(continued)*

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at amortized cost (debt instruments)*

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

##### *Financial assets at fair value through other comprehensive income (debt instruments)*

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss.

##### *Financial assets designated at fair value through other comprehensive income (equity instruments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognized as net investment gains in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.10 Investments and other financial assets *(continued)*

Subsequent measurement *(continued)*

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are also recognized as net investment gains in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.11 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### 3.12 Impairment of financial assets

The Group recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

##### General approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.12 Impairment of financial assets *(continued)*

##### General approach *(continued)*

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group assesses the internal and external credit ratings of the debt investments.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full after taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs;
- Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs;
- Stage 3 Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.12 Impairment of financial assets *(continued)*

##### General approach *(continued)*

Purchased or originated credit-impaired ("POCI") assets are financial assets that are credit-impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted effective interest rate. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

##### Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies a simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

For trade receivables and contract assets that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

#### 3.13 Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other financial liabilities measured at amortized cost.

All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, net of directly attributable transaction costs.

The Group's financial liabilities include loans and borrowings, short-term debt instruments, placements from other financial institutions, accounts payable to brokerage customers, financial liabilities at fair value through profit or loss, financial assets sold under repurchase agreements, derivative financial liabilities, bonds payable, other current liabilities and other non-current liabilities.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.13 Financial liabilities *(continued)*

##### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. The net fair value gain or loss recognized in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognized in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognized in the statement of profit or loss does not include any interest charged on these financial liabilities.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.13 Financial liabilities *(continued)*

Subsequent measurement *(continued)*

##### *Financial liabilities at amortized cost*

After initial recognition, interest-bearing financial liabilities are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

##### *Convertible bonds*

The component of convertible bonds that exhibits characteristics of a liability is recognized as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long-term liability on the amortized cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognized and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognized.

#### 3.14 Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in the statement of profit or loss.

#### 3.15 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.16 Derivative financial instruments

##### Initial recognition and subsequent measurement

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

#### 3.17 Financial assets held under resale agreements and financial assets sold under repurchase agreements

Financial assets held under resale agreements and financial assets sold under repurchase agreements are recorded at the amount actually paid or received when the transactions occur, and are recognized in the statement of financial position. The assets held under the agreements to resell are registered as off-balance-sheet items, while the assets sold under the agreements to repurchase are recorded in the statement of financial position.

The bid-ask spread of the financial assets under agreements to resell and financial assets sold under agreements to repurchase are recognized as interest income or interest expense using the effective interest rate method in the reselling or repurchasing period.

#### 3.18 Accounts payable to brokerage customers

Accounts payable to brokerage customers are all deposited in the bank accounts designated by the Group. The Group recognizes the funds as liabilities for settlement to the customers.

The Group executes trade orders through stock exchanges on behalf of the customers. If the total amount of purchased securities exceeds that of sold securities, accounts payable to brokerage customers decrease by the difference in addition to the withholding stamp duty and commission. If the total amount of sold securities exceeds that of purchased securities, accounts payable to brokerage customers increase by the difference after deducting the withholding stamp duty and commission.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.19 Margin financing and securities lending services

Margin financing and securities lending services refer to the lending of funds by the Group to customers for purchase of securities, or lending of securities by the Group to customers for short-selling of securities, for which the customers provide the Group with collateral.

##### *Margin financing services*

The Group recognizes margin financing services to customers as margin accounts receivable, and recognizes the commission as interest income accordingly.

The policy of provision for impairment of margin accounts receivables is determined with reference to the policy of provision for impairment of financial assets measured at amortized cost.

##### *Securities lending services*

The Group lends securities to their customers with agreed expiry dates and interest rates, and the same amount of similar securities received on the expiry date. Commission is recognized as interest revenue according to the securities lending agreement. The securities transferred under the securities lending services are not derecognized.

#### 3.20 Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects are assigned by using specific identification of their individual costs. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### 3.21 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.22 Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in interest expense in the statement of profit or loss.

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognized in accordance with the general policy for provisions above; and (ii) the amount initially recognized less, when appropriate, the amount of income recognized in accordance with the policy for revenue recognition.

#### 3.23 Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognized for the Pillar Two income taxes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.23 Income tax *(continued)*

Deferred tax assets are recognized for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 3.24 Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is offset by the carrying amount of the underlying asset.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.25 Revenue recognition

##### Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liabilities under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

##### *(a) Securities brokerage and investment consulting business*

Income from the securities brokerage is recognized on a trade date basis when the relevant transactions are executed. Handling and settlement fee income arising from the brokerage business is recognized when the related services are rendered.

Income from the investment consulting business is recognized when the relevant transactions have been arranged or the relevant services have been rendered.

##### *(b) Underwriting and sponsorship business*

Income from the underwriting and sponsorship business is recognized when the obligation of underwriting or sponsoring is completed.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.25 Revenue recognition *(continued)*

Revenue from contracts with customers *(continued)*

*(c) Asset management business*

Income from asset management business is recognized when contingent criteria associated are met.

*(d) Other business*

Income from other business is recognized when control of goods or services is transferred to the customers.

#### 3.26 Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

#### 3.27 Contract liabilities

A contract liability is recognized when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

#### 3.28 Contract costs

Other than the costs which are capitalized as property and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalized as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalized contract costs are amortized and charged to the statement of profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognized. Other contract costs are expensed as incurred.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.29 Expenses recognition

##### Commission expenses

Commission expenses relate mainly to transactions, which are recognized as expenses when the services are received.

##### Interest expenses

Interest expenses are recognized based on the amortized cost and at the effective interest rate applicable.

##### Other expenses

Other expenses are recognized on an accrual basis.

#### 3.30 Fiduciary wealth management

The Group's fiduciary wealth management business includes fund management, single asset management, collective asset management and specified asset management. The Group keeps separate accounting records for each of these investment schemes, and periodically reconciles the accounting and valuation results of each scheme with the custodians.

#### 3.31 Employee benefits

Employee benefits refer to all forms of consideration and other related expenses except share-based payments given by the Group in exchange for services rendered by employees. The employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to an employee's spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

##### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

##### Post-employment benefits (Defined contribution plan)

The Group participates in a defined contribution plan in which the employees benefit from pensions and unemployment insurance managed by the government, and annuity plans managed by the Group. Such expenditure is charged to the statement of profit or loss in the period when it is incurred.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.31 Employee benefits *(continued)*

##### Termination benefits

Termination benefits are recognized at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes restructuring costs involving the payment of termination benefits.

##### Other long-term employee benefits

Other long-term employee benefits are applicable to the rules on post-employment benefits, to recognize their net liabilities or net assets, while the changes are recorded in current profit or loss or related asset cost.

##### Share-based payments

##### *(i) Accounting treatment of cash-settled share-based payments*

Where the Group receives services from employees by incurring a liability to deliver cash or other assets for amounts that are determined based on the price of shares or other equity instruments, the service received from employees is measured at the fair value of the liability incurred. If a cash-settled share-based payment do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognizes costs or expenses as services are received, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting. Until the liability is settled, the Group will remeasure the fair value of the liability at each balance sheet date and at the date of settlement, with changes recognized in profit or loss for the current period.

When the Group receives services and has the obligation to settle the transaction, but the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group classifies the transaction as cash-settled.

##### *(ii) Accounting treatment of equity-settled share-based payments*

Where the Group uses shares or other equity instruments as consideration for services received from the employees, the payment is measured at the fair value of the equity instruments granted to the employees at the grant date. If the equity instruments granted do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognizes an amount at each balance sheet date during the vesting period based on the best estimate of the number of equity instruments expected to vest according to the newly obtained subsequent information of the changes of the number of the employees expected to vest the equity instruments. The Group measures the services received at the grant-date fair value of the equity instruments and recognizes the costs or expenses as the services are received, with a corresponding increase in capital reserve.

When the Group receives services, but has no obligation to settle the transaction because the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group also classifies the transaction as equity-settled.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.32 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalized. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 3.33 Dividends

Final dividends are recognized as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

#### 3.34 Foreign currencies

The consolidated financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

#### 3.34 Foreign currencies *(continued)*

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the average exchange rates for the year.

The resulting exchange differences are recognized in other comprehensive income and accumulated in the translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is transferred to the statement of profit or loss.

Cash flows denominated in foreign currencies and cash flows of overseas subsidiaries are translated using the average exchange rates for the year. The impact on cash caused by the fluctuation of exchange rates is presented as a separate line item in the statement of cash flows.

### 4. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

#### A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in these consolidated financial statements is included in the following note:

Note 2.2 – consolidation: whether the Group has control over a structured entity.

#### B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 3.2 – the impairment of goodwill

Note 3.3 – measurement of fair value;

## Section X Independent Auditor's Report and Notes to Financial Statements

### 4. MATERIAL ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

#### B. Assumptions and estimation uncertainties *(continued)*

Note 3.4 – the impairment of non-financial assets;

Notes 3.6 to 3.8 – depreciation rates and amortisation rates for property and equipment, investment property and other intangible assets;

Note 3.12 – measurement of 'expected credit loss' (ECL) allowance for financial assets;

Note 3.23 – recognition of deferred tax assets; and

Note 3.31 – share-based payments.

### 5. TAXATION

The Group's main applicable taxes and tax rates are as follows:

<b>Tax type</b>	<b>Tax basis</b>	<b>Tax rate</b>
Corporate income tax	Taxable profits	16.5% – 25%
Value added tax ("VAT")	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period.	3% – 13%
City maintenance and construction tax	Value added tax paid	1% – 7%
Education surcharge	Value added tax paid	3%
Local Education surcharge	Value added tax paid	2%

#### Corporate Income tax

The income tax rate applicable to the Company and its subsidiaries in Mainland China is 25%. The income tax rate applicable to subsidiaries in Hong Kong is 16.5%.

#### Value added tax

According to the Circular on the Relevant Issues concerning Value-added Tax Levied on Asset Management Products (《關於資管產品增值稅有關問題的通知》) promulgated by the Ministry of Finance (the "MOF") and the State Administration of Taxation (the "SAT") of the PRC on 30 June 2017, starting from 1 January 2018, with respect to any VAT-able activities in the course of managing asset management products, managers of the asset management products could be temporarily subject to the simplified VAT calculation method and thus liable to VAT at 3%. With respect to VAT-able income arising from asset management products prior to 1 January 2018, if VAT had not been paid previously, no VAT will be payable; if VAT had been paid previously, the previously paid VAT can be used to offset against the VAT payable of the managers.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 6. FEE AND COMMISSION INCOME

#### (a) Revenue streams

	Year ended 31 December	
	2024	2023
Securities brokerage and investment consulting business	<b>8,783,523</b>	7,479,418
Asset management and fund management business	<b>3,903,964</b>	4,101,603
Underwriting and sponsorship business	<b>2,862,377</b>	3,617,512
Futures brokerage business	<b>4,854,278</b>	2,801,038
Financial advisory business	<b>220,350</b>	222,560
Custodian and outsourcing service	<b>387,019</b>	458,665
Others	<b>68,613</b>	68,126
Total	<b><u>21,080,124</u></b>	<u>18,748,922</u>

Fee and commission income represented the Group's revenue from contracts with customers.

#### (b) Disaggregation of revenue

In the following table, fee and commission income are disaggregated by timing of revenue recognition:

	Year ended 31 December			
	2024		2023	
	At a point in time	Over time	At a point in time	Over time
Securities brokerage and investment consulting business	<b>8,783,523</b>	–	7,479,418	–
Asset management and fund management business	–	<b>3,903,964</b>	–	4,101,603
Underwriting and sponsorship business	<b>2,812,901</b>	<b>49,476</b>	3,617,512	–
Futures brokerage business	<b>4,854,278</b>	–	2,801,038	–
Financial advisory business	<b>220,350</b>	–	222,560	–
Custodian and outsourcing service	–	<b>387,019</b>	–	458,665
Others	<b>68,613</b>	–	68,126	–
Total	<b><u>16,739,665</u></b>	<b><u>4,340,459</u></b>	<u>14,188,654</u>	<u>4,560,268</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 7. INTEREST INCOME

	Year ended 31 December	
	2024	2023
Deposits in financial institutions	5,566,591	5,198,461
Margin financing and securities lending	5,279,903	6,083,010
Debt instruments at fair value through other comprehensive income	2,231,857	1,961,564
Stock-pledged financing and securities repurchase	1,091,541	1,388,858
Other financial assets held under resale agreements	654,845	843,325
Debt investments at amortised cost	112,563	102,458
Others	127,109	57,901
Total	<u>15,064,409</u>	<u>15,635,577</u>

### 8. NET INVESTMENT GAINS

	Year ended 31 December	
	2024	2023
Dividend and other income		
Financial instruments at fair value through profit or loss	8,323,699	9,890,971
Equity instruments at fair value through other comprehensive income	394,037	47,840
Net realized gains/(losses)		
Financial instruments at fair value through profit or loss	884,686	(3,442,746)
Debt instruments at fair value through other comprehensive income	891,954	317,097
Derivative financial instruments	2,268,443	3,657,279
Unrealized gains/(losses)		
Financial assets at fair value through profit or loss	1,856,841	(1,477,776)
Financial liabilities at fair value through profit or loss	(707,126)	(145,796)
Derivative financial instruments	882,925	273,509
Total	<u>14,795,459</u>	<u>9,120,378</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 9. OTHER INCOME AND GAINS

	Year ended 31 December	
	2024	2023
Income from bulk commodity trading	9,720,742	7,642,208
Government grants <sup>(1)</sup>	786,658	963,357
Commission from tax withholding and remitting	47,515	51,628
Foreign exchange gains or losses	172,143	(51,240)
Losses on disposal of property and equipment	(6,757)	(1,163)
Others	96,785	194,164
Total	<u>10,817,086</u>	<u>8,798,954</u>

(1) The government grants were received unconditionally by the Company and its subsidiaries from the local government where they reside.

### 10. FEE AND COMMISSION EXPENSES

	Year ended 31 December	
	2024	2023
Securities brokerage and investment consulting business	1,901,138	1,612,067
Futures brokerage business	3,788,763	1,810,409
Underwriting and sponsorship business	160,710	152,272
Others	102,419	106,415
Total	<u>5,953,030</u>	<u>3,681,163</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 11. INTEREST EXPENSES

	Year ended 31 December	
	2024	2023
Financial assets sold under repurchase agreements	<b>5,010,652</b>	4,426,305
Bonds payable	<b>4,172,824</b>	4,466,022
Loans and borrowings	<b>1,179,815</b>	857,144
Accounts payable to brokerage customers	<b>1,067,130</b>	1,100,604
Short-term debt instruments	<b>668,694</b>	694,533
Placements from other financial institutions	<b>335,336</b>	968,664
Securities lending	<b>116,107</b>	168,045
Lease liabilities	<b>59,359</b>	64,843
Gold leasing	<b>43,303</b>	63,849
Others	<b>54,122</b>	22,960
Total	<b><u>12,707,342</u></b>	<u>12,832,969</u>

### 12. STAFF COSTS

	Year ended 31 December	
	2024	2023
Salaries, bonuses and allowances	<b>8,351,929</b>	7,775,372
Contributions to defined contribution schemes	<b>1,130,414</b>	1,113,910
Other social welfare	<b>947,254</b>	879,436
Equity-settled share-based payment expenses	<b>46,345</b>	142,160
Total	<b><u>10,475,942</u></b>	<u>9,910,878</u>

The employees of the Group in Mainland China participate in state-managed retirement benefit schemes operated by the respective local governments in Mainland China.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance for all of its qualified employees in Hong Kong.

Apart from participating in various defined contribution retirement benefit schemes organized by municipal and provincial governments in Mainland China, the Group is also required to make monthly contributions to annuity plans for the period.

The Group currently has no additional significant cost for the payment of retirement and other post-retirement benefits of employees other than the monthly contributions described above. The Group's contributions to these pension plans are charged to profit or loss in the period to which they relate.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 13. DEPRECIATION AND AMORTIZATION EXPENSES

	Year ended 31 December	
	2024	2023
Depreciation of right-of-use assets	685,735	682,941
Depreciation of property and equipment	571,195	539,890
Amortization of other intangible assets	285,757	247,738
Depreciation of investment property	26,859	26,909
Amortization of long-term deferred expenses	22,328	16,974
Total	<u>1,591,874</u>	<u>1,514,452</u>

### 14. OTHER OPERATING EXPENSES AND COSTS

	Year ended 31 December	
	2024	2023
Cost of bulk commodity trading	9,723,408	7,716,609
Products distribution expenses	943,875	956,697
Marketing and advertising expenses	484,611	327,771
Electronic device operating expenditure	388,522	308,492
Software-related expenses	365,057	380,158
Stock exchange management fees	337,081	293,742
Consulting fees	323,998	380,188
Business travel expenses	235,970	299,844
Administrative operating expenses	212,027	250,994
Auditors' remuneration	20,520	14,322
Others	1,148,673	1,186,852
Total	<u>14,183,742</u>	<u>12,115,669</u>

### 15. ACCRUAL OF CREDIT LOSS EXPENSES

	Year ended 31 December	
	2024	2023
Debt instruments at fair value through other comprehensive income	153,929	127,660
Margin accounts receivable	48,145	53,582
Financial assets held under resale agreements	32,631	20,590
Accounts receivable	14,688	70,706
Other non-current assets	2,603	(7,069)
Other current assets	177	559
Others	(2,200)	(3,510)
Total	<u>249,973</u>	<u>262,518</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 16. INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
Current tax		
Mainland China	2,231,342	2,559,647
Hong Kong	83,438	61,633
Adjustments in respect of prior years		
Mainland China	(50,494)	(55,164)
Hong Kong	(24,541)	(6,571)
Deferred tax	873,736	(297,064)
Total tax charges for the year	<u>3,113,481</u>	<u>2,262,481</u>

According to the PRC Corporate Income Tax ("CIT") Law that took effect on 1 January 2008, the Company and the Company's subsidiaries in Mainland China are subject to CIT at the statutory tax rate of 25%.

For the Company's subsidiaries in Hong Kong, Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the year.

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") for a new global minimum tax reform applicable to large multinational enterprises. Certain jurisdiction in which the Group operates has implemented Pillar Two income tax legislation based on this framework, and those Pillar Two income tax laws became effective on 1 January 2024. As at 31 December 2024, the annual profits from jurisdiction where the Pillar Two legislation is enacted or substantially enacted but not yet in effect is immaterial. The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

A reconciliation of the tax expense applicable to profit before income tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries is domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December	
	2024	2023
Profit before income tax	16,662,242	12,147,898
Tax at the PRC statutory tax rate of 25%	4,165,560	3,036,975
Effect of different tax rates of subsidiaries	(121,677)	(56,052)
Adjustments in respect of prior years	(75,035)	(61,735)
Non-taxable income	(908,700)	(789,418)
Profits and losses attributable to joint ventures and associates	(59,614)	(23,402)
Non-deductible expenses	384,785	265,517
Utilization of tax losses and deductible temporary differences previously not recognized	(157,360)	(5,271)
Tax losses and deductible temporary differences not recognized	87,653	41,367
Others (Note)	(202,131)	(145,500)
Total tax charges for the year	<u>3,113,481</u>	<u>2,262,481</u>

Note: The balance of others mainly represents tax impact of dividends to perpetual subordinated bonds.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 17. DIRECTORS' AND SUPERVISORS' REMUNERATION

The remuneration of directors and supervisors paid by the Group who held office for the years ended 31 December 2024 and 2023 is as follows:

Name	Year ended 31 December 2024			
	Fees	Salaries, allowances and benefits	Pension scheme contributions and other social welfare	Total remuneration
<b>Executive Directors</b>				
Zhu Jian	-	868	310	1,178
Li Junjie <sup>(1)</sup>	-	755	312	1,067
Wang Song <sup>(2)</sup>	-	63	27	90
Yu Jian <sup>(3)</sup>	-	728	173	901
<b>Non-Executive Directors</b>				
Liu Xinyi <sup>(9)</sup>	-	-	-	-
Guan Wei <sup>(9)</sup>	-	-	-	-
Zhong Maojun <sup>(9)</sup>	-	-	-	-
Chen Hua <sup>(9)</sup>	-	-	-	-
Sun Minghui <sup>(9)</sup>	-	-	-	-
Zhang Manhua <sup>(4)(9)</sup>	-	-	-	-
Wang Tao <sup>(5)(9)</sup>	-	-	-	-
Chen Yijiang <sup>(5)(9)</sup>	-	-	-	-
Wang Wenjie <sup>(6)(9)</sup>	-	-	-	-
An Hongjun <sup>(7)(9)</sup>	-	-	-	-
Zhang Yipeng <sup>(8)(9)</sup>	-	-	-	-
<b>Independent Non-executive Directors</b>				
Ding Wei	250	-	-	250
Li Renjie	250	-	-	250
Bai Wei	250	-	-	250
Wang Guogang	250	-	-	250
Yim, Chi Hung Henry	250	-	-	250
Pu Yonghao	250	-	-	250
<b>Supervisors</b>				
Wu Hongwei	-	782	311	1,093
Zhou Zhaohui	150	-	-	150
Shen Yun	150	-	-	150
Zuo Zhipeng	150	-	-	150
Shao Liangming	-	911	359	1,270
Xie Min	-	323	240	563
	<b>1,950</b>	<b>4,430</b>	<b>1,732</b>	<b>8,112</b>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 17. DIRECTORS' AND SUPERVISORS' REMUNERATION *(continued)*

- (1) Appointed on 23 January 2024 as the President; appointed on 20 March 2024 as the Director.
- (2) Resigned on 23 January 2024.
- (3) Resigned on 24 May 2024.
- (4) Appointed on 20 March 2024.
- (5) Appointed on 27 September 2024.
- (6) Resigned on 4 January 2024.
- (7) Resigned on 6 August 2024.
- (8) Resigned on 20 August 2024.
- (9) Except for these directors or supervisors, none of the directors or supervisors waived any remuneration during the year.
- (10) For the year ended 31 December 2024, in addition to remuneration of directors and supervisors as disclosed above, the Company recognized share-based payment expense amounted to RMB656 thousand for Li Junjie, RMB455 thousand for Wang Song, RMB375 thousand for Yu Jian under Restricted Share Incentive Scheme of A Shares.
- (11) The final compensation, including discretionary bonuses for the above directors and supervisors for the year ended 31 December 2024 have not yet been finalized at the date of this consolidated financial statements. The remaining information will be disclosed in a separate announcement when determined.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 17. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

Year ended 31 December 2023 (restated)				
Name	Fees	Salaries, allowances and benefits	Pension scheme contributions and other social welfare	Total remuneration
<b>Executive Directors</b>				
Zhu Jian <sup>(1)</sup>	–	–	–	–
Li Junjie	–	846	366	1,212
Yu Jian	–	1,640	501	2,141
He Qing <sup>(2)</sup>	–	785	335	1,120
Wang Song	–	958	368	1,326
<b>Non-Executive Directors</b>				
Liu Xinyi <sup>(8)</sup>	–	–	–	–
Guan Wei <sup>(8)</sup>	–	–	–	–
Zhong Maojun <sup>(8)</sup>	–	–	–	–
Chen Hua <sup>(8)</sup>	–	–	–	–
Sun Minghui <sup>(1)(8)</sup>	–	–	–	–
Zhang Manhua <sup>(8)</sup>	–	–	–	–
Zhang Yipeng <sup>(8)</sup>	–	–	–	–
An Hongjun <sup>(8)</sup>	–	–	–	–
Wang Wenjie <sup>(8)</sup>	–	–	–	–
Zhang Zhan <sup>(3)</sup>	138	–	–	138
<b>Independent Non-executive Directors</b>				
Ding Wei	250	–	–	250
Li Renjie	250	–	–	250
Bai Wei	250	–	–	250
Wang Guogang <sup>(6)</sup>	146	–	–	146
Yim, Chi Hung Henry <sup>(6)</sup>	146	–	–	146
Pu Yonghao <sup>(7)</sup>	21	–	–	21
Xia Dawei <sup>(4)</sup>	104	–	–	104
Lee Conway Kong Wai <sup>(5)</sup>	229	–	–	229
Chai Hongfeng <sup>(4)(8)</sup>	–	–	–	–
<b>Supervisors</b>				
Wu Hongwei	–	771	365	1,136
Zhou Zhaohui	150	–	–	150
Shen Yun	150	–	–	150
Zuo Zhipeng	150	–	–	150
Shao Liangming	–	909	432	1,341
Xie Min	–	322	266	588
	<u>1,984</u>	<u>6,231</u>	<u>2,633</u>	<u>10,848</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 17. DIRECTORS' AND SUPERVISORS' REMUNERATION *(continued)*

- (1) Appointed on 29 December 2023.
- (2) Resigned on 28 November 2023.
- (3) Resigned on 6 December 2023.
- (4) Resigned on 29 May 2023.
- (5) Resigned on 30 November 2023.
- (6) Appointed on 29 May 2023.
- (7) Appointed on 30 November 2023.
- (8) Except for these directors or supervisors, none of the directors or supervisors waived any remuneration during the year.
- (9) For the year ended 31 December 2023, in addition to remuneration of directors and supervisors as disclosed above, the Company recognized share-based payment expense amounted to RMB1,470 thousand for Li Junjie, RMB1,207 thousand for Wang Song, RMB994 thousand for Yu Jian under Restricted Share Incentive Scheme of A Shares.
- (10) The 2023 discretionary bonuses of the directors and supervisors have been finalised in 2024 are as follows: RMB1,206 thousand for Li Junjie, RMB1,310 thousand for Wang Song, RMB2,487 thousand for Yu Jian, RMB418 thousand for He Qing, RMB400 thousand for Wu Hongwei, RMB1,939 thousand for Shao Liangming, RMB255 thousand for Xie Min.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 18. FIVE HIGHEST PAID EMPLOYEES

Among the five highest paid employees, there were neither directors nor supervisors for the years ended 31 December 2024 and 2023. Details of the remuneration of the five highest paid employees are as follows:

	Year ended 31 December	
	2024	2023
Salaries, allowances and benefits	<b>14,078</b>	12,803
Pension scheme contributions and other social welfare	<b>1,858</b>	4,606
Discretionary bonuses	<b>40,286</b>	64,814
Total	<b>56,222</b>	82,223

The number of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December	
	2024	2023
HKD10,000,001 to HKD13,000,000	<b>4</b>	–
HKD13,000,001 to HKD16,000,000	<b>1</b>	–
HKD16,000,001 to HKD19,000,000	–	3
HKD19,000,001 to HKD22,000,000	–	2
Total	<b>5</b>	5

## Section X Independent Auditor's Report and Notes to Financial Statements

### 19. DIVIDENDS

	Year ended 31 December	
	2024	2023
Proposed and paid dividends	<b>4,897,052</b>	4,719,402
Distribution to other equity instrument holders	<b>938,000</b>	758,500

Pursuant to the resolution of the meeting of shareholders held on 28 March 2024, the Company distributed cash dividends of RMB4.00 for every 10 shares (tax included) amounting to RMB3,561 million in total for the year ended 31 December 2023.

Pursuant to the resolution of the meeting of the Board held on 29 August 2024, the Company distributed cash dividends of RMB1.50 for every 10 shares (tax included) amounting to RMB1,336 million in total for the period ended 30 June 2024.

Pursuant to the resolution of the meeting of shareholders held on 29 May 2023, the Company distributed cash dividends of RMB5.30 for every 10 shares (tax included) amounting to RMB4,719 million in total for the year ended 31 December 2022.

The dividend distributions by the Company triggered the mandatory interest payment event for perpetual subordinated bonds. The Company recognized dividend payable to other equity instrument holders of RMB938 million and RMB759 million during the year ended 31 December 2024 and 2023 respectively.

Pursuant to the resolution of the 16th meeting of the 6th session of the Board held on 28 March 2025, the Board has proposed the annual profit distribution plan for the year ended 31 December 2024 as follows: after appropriating 10% of profit after tax each for general risk reserve and transaction risk reserve, respectively, based on the total share capital of the Company deducted the Company's repurchased securities account, the Company shall distribute cash dividends of RMB2.8 (tax inclusive) for every 10 shares to holders of A Shares and holders of H Shares. The Company completed the matters in relation to the merger with Haitong Securities Co., Ltd. ("Haitong Securities") by way of absorption and a share-for-share exchange and the raising of ancillary funds on 14 March 2025. If calculated based on the total number of 17,629,708,696 shares issued by the Company on the date on which the Board meeting was convened to approve the 2024 profit distribution plan and deducting 47,786,169 shares in the Company's dedicated securities account for repurchase, i.e. 17,581,922,527 shares, the total amount of cash dividends to be distributed would be RMB 4,923 million. The profit distribution plan for 2024 is subject to the approval of the general meeting of shareholders of the Company.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 20. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The newly issued shares are calculated in accordance with the conditions stated in the issuance agreement, starting from the consideration receivable date (usually the issuance date).

The numerator of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, adjusted to reflect (a) the interest of dilutive potential ordinary shares recognized in profit or loss, where applicable, (b) the income or expenses from the conversion of dilutive potential ordinary shares into ordinary shares, (c) dividend paid to shareholders under the restricted share incentive scheme of A shares, and (d) the tax impact of the above adjustments.

The denominator of the diluted earnings per share amount is the total number of (a) the weighted average number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, (b) the weighted average number of ordinary shares assumed to have been issued at consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares, and (c) dilutive effect arising from the implementation of the restricted share incentive scheme.

When calculating the weighted average number of ordinary shares assumed to have been issued at consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares, dilutive potential ordinary shares issued in prior years are assumed to be converted at the beginning of the year and those shares under the restricted share incentive scheme issued in the year are assumed to be converted at the issuance date.

When calculating the dilutive effect of the restricted share incentive scheme, the Company assumes that the balance sheet date is the unlocking date and determines whether the actual performance on the balance sheet date meets the performance conditions of unlocking requirements, and calculates the dilutive effect based on the judgment results.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 20. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY *(continued)*

The calculations of basic and diluted earnings per share attributable to ordinary equity holders of the Company are as follows:

	Year ended 31 December	
	2024	2023
<b>Earnings</b>		
Profit attributable to equity holders of the Company	<b>13,024,085</b>	9,374,143
Less: Profit attributable to other equity holders of the Company <sup>(1)</sup>	<b>701,697</b>	680,163
Less: Cash dividend paid to shareholders under the restricted share incentive scheme of A shares	<b>17,369</b>	31,887
Profit attributable to ordinary equity holders of the Company	<b>12,305,019</b>	8,662,093
Add: Interest expense on convertible bonds, net of tax	–	130,006
Add: Cash dividend paid to shareholders under the restricted share incentive scheme of A shares	<b>17,369</b>	–
Adjusted profit attributable to ordinary equity holders of the Company	<b>12,322,388</b>	8,792,099
<b>Shares (in thousand)</b>		
Weighted average number of ordinary shares in issue during the year	<b>8,867,533</b>	8,844,395
Add: Weighted average number of ordinary shares assuming conversion of all dilutive shares	–	202,913
Add: Dilutive effect of the restricted share incentive scheme	<b>14,029</b>	–
Adjusted weighted average number of ordinary shares in issue during the year	<b>8,881,562</b>	9,047,308
Earnings per share attributable to ordinary equity holders of the Company (RMB per share)		
– Basic	<b>1.39</b>	0.98
– Diluted	<b>1.39</b>	0.97

- (1) For the purpose of calculating basic earnings per ordinary share in respect of the year ended 31 December 2024, RMB702 million (2023: RMB680 million) attributable to perpetual subordinated bonds were deducted from profits attributable to equity holders of the Company.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 21. PROPERTY AND EQUIPMENT

	Buildings	Leasehold improvements	Machinery	Electronic equipment	Communication equipment	Motor vehicles	CIP	Others	Total
<b>Cost</b>									
As at 1 January 2024	4,304,334	787,582	46,796	2,319,556	19,294	144,752	191,536	170,098	7,983,948
Additions	246	78,480	1,340	307,891	143	9,394	395,519	9,285	802,298
Transfers during the year	28,480	6,943	-	97,858	-	402	(326,833)	1,944	(191,206)
Disposals	(1,672)	(68,275)	(6,250)	(113,210)	(2,071)	(10,547)	-	(16,860)	(218,885)
Other movement <sup>(1)</sup>	(33,597)	-	-	-	-	-	-	-	(33,597)
Exchange adjustments	11,938	-	-	4,465	-	208	-	247	16,858
As at 31 December 2024	<u>4,309,729</u>	<u>804,730</u>	<u>41,886</u>	<u>2,616,560</u>	<u>17,366</u>	<u>144,209</u>	<u>260,222</u>	<u>164,714</u>	<u>8,359,416</u>
<b>Accumulated depreciation</b>									
As at 1 January 2024	(1,197,208)	(551,460)	(13,124)	(1,539,018)	(14,967)	(113,439)	-	(117,100)	(3,546,316)
Depreciation charge	(130,025)	(93,171)	(7,672)	(319,990)	(1,375)	(9,157)	-	(9,805)	(571,195)
Transfer during the year	(4,542)	-	-	-	-	-	-	-	(4,542)
Disposals	1,400	55,649	5,606	102,963	1,987	10,388	-	16,215	194,208
Exchange adjustments	(4,813)	-	-	(4,240)	-	(177)	-	(179)	(9,409)
As at 31 December 2024	<u>(1,335,188)</u>	<u>(588,982)</u>	<u>(15,190)</u>	<u>(1,760,285)</u>	<u>(14,355)</u>	<u>(112,385)</u>	<u>-</u>	<u>(110,869)</u>	<u>(3,937,254)</u>
<b>Impairment</b>									
As at 1 January 2024 and 31 December 2024	<u>(92,253)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,253)</u>
<b>Net carrying amount</b>									
As at 31 December 2024	<u>2,882,288</u>	<u>215,748</u>	<u>26,696</u>	<u>856,275</u>	<u>3,011</u>	<u>31,824</u>	<u>260,222</u>	<u>53,845</u>	<u>4,329,909</u>

(1) Other movement represents the offsetting of the government grant against the book value of the relevant asset.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 21. PROPERTY AND EQUIPMENT (continued)

	Buildings	Leasehold improvements	Machinery	Electronic equipment	Communication equipment	Motor vehicles	CIP	Others	Total
<b>Cost</b>									
As at 1 January 2023	3,175,071	679,181	49,405	2,061,116	20,505	142,924	189,909	165,967	6,484,078
Additions	-	122,463	430	319,110	716	11,012	318,886	9,937	782,554
Transfers during the year	1,122,432	58,972	-	70,019	-	-	(317,259)	409	934,573
Disposals	(106)	(73,034)	(3,039)	(133,299)	(1,927)	(9,747)	-	(6,802)	(227,954)
Exchange adjustments	6,937	-	-	2,610	-	563	-	587	10,697
As at 31 December 2023	4,304,334	787,582	46,796	2,319,556	19,294	144,752	191,536	170,098	7,983,948
<b>Accumulated depreciation</b>									
As at 1 January 2023	(1,076,033)	(523,783)	(8,124)	(1,367,468)	(15,066)	(113,441)	-	(111,052)	(3,214,967)
Depreciation charge	(118,400)	(95,063)	(7,622)	(296,570)	(1,746)	(9,037)	-	(11,452)	(539,890)
Disposals	89	67,386	2,622	127,308	1,845	9,152	-	5,519	213,921
Exchange adjustments	(2,864)	-	-	(2,288)	-	(113)	-	(115)	(5,380)
As at 31 December 2023	(1,197,208)	(551,460)	(13,124)	(1,539,018)	(14,967)	(113,439)	-	(117,100)	(3,546,316)
<b>Impairment</b>									
As at 1 January 2023 and 31 December 2023	(92,253)	-	-	-	-	-	-	-	(92,253)
<b>Net carrying amount</b>									
As at 31 December 2023	3,014,873	236,122	33,672	780,538	4,327	31,313	191,536	52,998	4,345,379

As at 31 December 2024, the Group has not yet obtained the relevant building certificates for buildings with costs of RMB69,956 thousand.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 22. INVESTMENT PROPERTY

	<b>Properties and buildings</b>
<b>Cost</b>	
As at 31 December 2023	1,152,129
Transfer during the year	(11,156)
As at 31 December 2024	<u><b>1,140,973</b></u>
<b>Accumulated depreciation</b>	
As at 31 December 2023	(84,875)
Charge for the year	(26,859)
Decrease for the year	<u>4,542</u>
As at 31 December 2024	<u><b>(107,192)</b></u>
<b>Impairment</b>	
As at 31 December 2023 and 31 December 2024	<u>—</u>
<b>Net carrying amount</b>	
As at 31 December 2024	<u><b>1,033,781</b></u>
As at 31 December 2023	<u><u>1,067,254</u></u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 23. LEASES

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

	<b>Buildings</b>	<b>Prepaid land lease payments</b>	<b>Total</b>
<b>Cost</b>			
As at 1 January 2023	2,861,855	875,925	3,737,780
Increases	630,322	–	630,322
Decreases	(387,778)	–	(387,778)
Exchange adjustments	(237)	–	(237)
As at 31 December 2023	3,104,162	875,925	3,980,087
Increases	510,337	30,150	540,487
Decreases	(631,582)	–	(631,582)
Exchange adjustments	1,913	–	1,913
As at 31 December 2024	<b>2,984,830</b>	<b>906,075</b>	<b>3,890,905</b>
<b>Accumulated depreciation</b>			
As at 1 January 2023	(1,182,783)	(166,918)	(1,349,701)
Depreciation charge	(663,865)	(19,076)	(682,941)
Decreases	357,298	–	357,298
Exchange adjustments	6,645	–	6,645
As at 31 December 2023	(1,482,705)	(185,994)	(1,668,699)
Depreciation charge	(666,660)	(19,075)	(685,735)
Decreases	623,354	–	623,354
Exchange adjustments	(886)	–	(886)
As at 31 December 2024	<b>(1,526,897)</b>	<b>(205,069)</b>	<b>(1,731,966)</b>
<b>Impairment</b>			
As at 1 January 2023, 31 December 2023 and 31 December 2024	–	–	–
<b>Net carrying amount</b>			
As at 31 December 2024	<b>1,457,933</b>	<b>701,006</b>	<b>2,158,939</b>
As at 31 December 2023	<b>1,621,457</b>	<b>689,931</b>	<b>2,311,388</b>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 23. LEASES *(continued)*

#### (b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Year ended 31 December	
	2024	2023
Carrying amount at 1 January	<b>1,829,351</b>	1,885,175
New leases	<b>525,641</b>	619,266
Accretion of interest recognized during the year	<b>59,359</b>	64,843
Modification of leases	<b>(12,507)</b>	(8,838)
Payments	<b>(760,259)</b>	(731,095)
Carrying amount at 31 December	<b><u>1,641,585</u></b>	<u>1,829,351</u>
Analyzed into:		
Current portion	<b><u>666,432</u></b>	<u>615,271</u>
Non-current portion	<b><u>975,153</u></b>	<u>1,214,080</u>

As at 31 December 2024, the maturity analysis of lease liabilities is as follows:

	As at 31 December	
	2024	2023
Within 1 year (inclusive)	<b>666,432</b>	615,271
1 to 5 years (inclusive)	<b>944,535</b>	1,164,489
After 5 years	<b><u>30,618</u></b>	<u>49,591</u>
Total	<b><u>1,641,585</u></b>	<u>1,829,351</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 23. LEASES (continued)

(c) The amounts recognized in profit or loss in relation to leases are as follows:

	Year ended 31 December	
	2024	2023
Interest expense on lease liabilities	59,359	64,843
Depreciation charge of right-of-use assets	685,735	682,941
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2024 (included in other operating expenses and costs)	25,569	32,126
Expense relating to leases of low-value assets (included in other operating expenses and costs)	10,039	10,526
Total amount recognized in profit or loss	780,702	790,436

### (d) Extension and termination options

The Group has some lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and they are aligned with the Group's business needs. These options will not have a significant impact on the Group's financial statements.

### 24. GOODWILL

#### (1) Change in goodwill

<b>Cost</b>	
As at 1 January 2024 and 31 December 2024	4,070,761
<b>Impairment losses</b>	
As at 1 January 2024 and 31 December 2024	—
<b>Carrying amounts</b>	
As at 1 January 2024 and 31 December 2024	4,070,761

## Section X Independent Auditor's Report and Notes to Financial Statements

### 24. GOODWILL *(continued)*

#### (2) Impairment testing on goodwill

The goodwill acquired from business combination is assessed for impairment at each annual financial reporting date. The recoverable amount is the higher of an asset's fair value less costs of disposal and the present value of the estimated future cash flow expected to be derived from the asset (value in use, "VIU").

	As at 31 December	
	2024	2023
HuaAn Funds <sup>(a)</sup>	<b>4,049,865</b>	4,049,865
Guotai Junan Securities (Vietnam) Corporation <sup>(b)</sup>	<b>18,405</b>	18,405
Guotai Junan Futures Co., Ltd. <sup>(b)</sup>	<b>2,491</b>	2,491
Total	<b>4,070,761</b>	4,070,761

- (a) On 4 November 2022, the Company acquired 8% of the shares in HuaAn Funds. As a result, the Company's equity interests in HuaAn Funds increased from 43% to 51%, granting it control of HuaAn Funds. The goodwill was resulted from HuaAn Funds' business value as a whole, therefore, the Group regarded HuaAn Funds as one CGU.

On 31 December 2024 and 2023, when performing the goodwill impairment test for HuaAn Funds, the recoverable amount of the CGU was determined as its VIU. The Group calculated the CGU's VIU through a discounted cash flow model based on approved business plans and discount rates that reflect specific risks of the relevant CGU. The cash flow after the forecast period is extrapolated according to a stable growth rate and a terminal value. The forecast growth period is 5 years. No impairment losses for the CGU were identified nor recognized.

The main parameters the Group applied when performing goodwill impairment tests of the above CGU were as follows:

	31 December 2024	31 December 2023
Income growth rate in forecast growth period	4.77% ~ 17.77%	2.76% ~ 18.22%
Profit margin in forecast growth period	34.88% ~ 39.71%	33.49% ~ 37.69%
Terminal value growth rate	0%	0%
Pre-tax discount rate	12.65%	12.50%

- (b) GJIHL acquired 50.97% equity interests in Guotai Junan Securities (Vietnam) Corporation (former "Vietnam Investment Securities Company") from a third party in December 2019. The Group recognized the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the cash-generating unit of Guotai Junan Securities (Vietnam) Corporation.

The Company acquired 100% of the equity interests in Guotai Junan Futures Co., Ltd. from a third party in July 2007. The Group recognized the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as the goodwill of the CGU of Guotai Junan Futures Co., Ltd.

On 31 December 2024, the estimated recoverable amount of the CGUs of Guotai Junan Futures Co., Ltd. and Guotai Junan Securities (Vietnam) Corporation exceeded their carrying amount therefore no impairment loss was recognized. The key assumptions include comparable quoted prices, budgeted revenue growth rates and discount rates, which represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts of the CGUs to exceed their recoverable amounts.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 25. OTHER INTANGIBLE ASSETS

	Software	Trading seats rights	Data resources	Others	Total
<b>Cost</b>					
As at 1 January 2024	1,997,282	206,289	-	14,285	2,217,856
Additions	347,694	-	6,436	-	354,130
Disposal	(2,092)	-	-	-	(2,092)
Exchange adjustments	-	100	-	-	100
As at 31 December 2024	2,342,884	206,389	6,436	14,285	2,569,994
<b>Accumulated amortization</b>					
As at 1 January 2024	(1,231,885)	(126,524)	-	(3,810)	(1,362,219)
Amortization	(285,649)	-	(108)	-	(285,757)
Disposal	1,569	-	-	-	1,569
Exchange adjustments	-	(45)	-	-	(45)
As at 31 December 2024	(1,515,965)	(126,569)	(108)	(3,810)	(1,646,452)
<b>Impairment</b>					
As at 1 January 2024 and 31 December 2024	-	(4,927)	-	(10,475)	(15,402)
<b>Net carrying amount</b>					
As at 31 December 2024	826,919	74,893	6,328	-	908,140

	Software	Trading seats rights	Others	Total
<b>Cost</b>				
As at 1 January 2023	1,643,298	206,131	14,277	1,863,706
Additions	354,139	-	-	354,139
Disposal	(155)	-	-	(155)
Exchange adjustments	-	158	8	166
As at 31 December 2023	1,997,282	206,289	14,285	2,217,856
<b>Accumulated amortization</b>				
As at 1 January 2023	(985,426)	(126,405)	(2,674)	(1,114,505)
Amortization	(246,610)	-	(1,128)	(247,738)
Disposal	151	-	-	151
Exchange adjustments	-	(119)	(8)	(127)
As at 31 December 2023	(1,231,885)	(126,524)	(3,810)	(1,362,219)
<b>Impairment</b>				
As at 1 January 2023 and 31 December 2023	-	(4,927)	(10,475)	(15,402)
<b>Net carrying amount</b>				
As at 31 December 2023	765,397	74,838	-	840,235

## Section X Independent Auditor's Report and Notes to Financial Statements

### 26. INVESTMENTS IN SUBSIDIARIES

	As at 31 December	
	2024	2023
Unlisted shares, carried at cost	27,919,187	27,448,144
Less: Impairment losses	—	—
Total	<u>27,919,187</u>	<u>27,448,144</u>

#### (a) Details of the subsidiaries held by the Company

The following list contains particulars of the subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of registration or primary business	Registered capital	Principal activities	Equity interests held as at 31 December	
				2024	2023
Guotai Junan Innovation Investment Co., Ltd. <sup>(1)(2)</sup>	Shanghai PRC	RMB7,500,000,000	Equity investment and investment consulting	100%	100%
Shanghai Guotai Junan Securities Asset Management Co., Ltd. ("GTJA Asset Management") <sup>(1)(2)</sup>	Shanghai PRC	RMB2,000,000,000	Securities asset management and fund management	100%	100%
Guotai Junan Zhengyu Investment Co., Ltd. <sup>(1)(2)</sup>	Shanghai PRC	RMB4,500,000,000	Equity investment and financial products investment	100%	100%
Shanghai Guoxiang Real Estate Co., Ltd. <sup>(1)(2)</sup>	Shanghai PRC	RMB1,050,000,000	Real estate and property management	100%	100%
Guotai Junan Financial Holdings Limited <sup>(1)</sup>	HK PRC	HKD2,611,980,000	Investment service	100%	100%
Guotai Junan Risk Management Co., Ltd. <sup>(2)</sup>	Shanghai PRC	RMB1,200,000,000	Warehouse service, cooperation hedge, investment management and corporate management consulting	100%	100%
Shanghai Gelong Entrepreneurship Investment Co., Ltd. <sup>(2)</sup>	Shanghai PRC	RMB100,000,000	Venture capital investment and management	100%	100%

## Section X Independent Auditor's Report and Notes to Financial Statements

### 26. INVESTMENTS IN SUBSIDIARIES (continued)

#### (a) Details of the subsidiaries held by the Company (continued)

Name of company	Place of registration or primary business	Registered capital	Principal activities	Equity interests held as at 31 December	
				2024	2023
Shanghai GTJA Juntong Investment Management Co., Ltd. <sup>(2)</sup>	Shanghai PRC	RMB20,000,000	Investment management, industrial investment and Investment consulting	100%	100%
Guotai Junan Futures Co., Ltd. <sup>(1)(2)</sup>	Shanghai PRC	RMB5,500,000,000	Futures brokerage and futures investment consulting	100%	100%
Guotai Junan Capital Management Co., Ltd. <sup>(2)</sup>	Shanghai PRC	RMB1,233,563,200	Asset management, equity investment and fund management	99%	99%
GTJA Yuancheng (Shanghai) Private Fund Management Co., Ltd. <sup>(2)</sup>	Shanghai PRC	RMB730,025,345	Investment management, industrial investment and investment consulting	99%	99%
Shanghai GTJA Haojing Investment Management Co., Ltd. <sup>(2)</sup>	Shanghai PRC	RMB10,000,000	Investment management, industrial investment and investment consulting	100%	100%
Guotai Junan Futures (Singapore) Pte. Ltd.	Singapore	SGD20,000,000	Commodity futures and foreign exchange brokers and dealers	100%	100%
HuaAn Funds <sup>(1)(2)</sup>	Shanghai PRC	RMB150,000,000	Fund establishment and fund management	51%	51%
HuaAn Asset Management (Hong Kong) Limited	HK PRC	HKD100,000,000	Financial services	51%	51%
HuaAn Future Asset Management (Shanghai) Limited <sup>(2)</sup>	Shanghai PRC	RMB278,700,000	Asset management for specific clients	51%	51%
Guotai Junan Investments (Hong Kong) Limited	HK PRC	HKD1,533,500,000	Investment	100%	100%
Guotai Junan Consultancy Services (Shenzhen) Limited <sup>(2)</sup>	Shenzhen PRC	HKD12,000,000	Investment consulting, marketing planning and corporate management consulting	100%	100%

## Section X Independent Auditor's Report and Notes to Financial Statements

### 26. INVESTMENTS IN SUBSIDIARIES *(continued)*

#### (a) Details of the subsidiaries held by the Company *(continued)*

Name of company	Place of registration or primary business	Registered capital	Principal activities	Equity interests held as at 31 December	
				2024	2023
Guotai Junan Holdings Limited	British Virgin Is.	USD1	Debt financing	100%	100%
GJIHL	HK PRC	HKD10,911,163,094	Investment and financing	73.85%	73.74%
Guotai Junan (Hong Kong) Limited	Samoa	USD816,300,000	Investment and administrative management	73.85%	73.74%
Guotai Junan Securities (Hong Kong) Limited	HK PRC	HKD7,500,000,000	Securities brokerage	73.85%	73.74%
Guotai Junan Finance (Hong Kong) Limited	HK PRC	HKD1,760,000,000	Investment and financing	73.85%	73.74%
Guotai Junan Futures (Hong Kong) Limited	HK PRC	HKD50,000,000	Futures brokerage	73.85%	73.74%
Guotai Junan Capital Limited	HK PRC	HKD50,000,000	Investment consulting	73.85%	73.74%
Guotai Junan Asset Management (Asia) Limited	HK PRC	HKD50,000,000	Fund management	73.85%	73.74%
Guotai Junan FX Limited	HK PRC	HKD30,000,000	Foreign exchange dealing	73.85%	73.74%
Guotai Junan International (Singapore) Pte. Limited	Singapore	SGD9,300,000	Investment management	73.85%	73.74%
Guotai Junan International Asset Management (Singapore) Pte. Limited	Singapore	SGD21,703,325	Asset management	73.85%	73.74%
Guotai Junan Financial Products Limited	HK PRC	HKD1,000,000	Investment and securities trading	73.85%	73.74%
Guotai Junan International Securities (Singapore) Pte. Limited	Singapore	SGD34,130,819	Securities brokerage	73.85%	73.74%
Guotai Junan Global Limited	British Virgin Is.	USD5,000,000	Investment management	100%	100%

## Section X Independent Auditor's Report and Notes to Financial Statements

### 26. INVESTMENTS IN SUBSIDIARIES *(continued)*

#### (a) Details of the subsidiaries held by the Company *(continued)*

Name of company	Place of registration or primary business	Registered capital	Principal activities	Equity interests held as at 31 December	
				2024	2023
Guotai Junan Securities USA Holding, Inc.	USA	USD5,000,000	Investment management	100%	100%
Guotai Junan Securities USA, Inc.	USA	USD5,000,000	Investment management	100%	100%
Guotai Junan Securities (Vietnam) Corporation <sup>(3)</sup>	Vietnam	VND693.5 billion	Securities brokerage	37.64%	37.59%
Guotai Junan Securities (Macau) Company Limited	Macau PRC	MOP100,000,000	Securities trading, wealth management and financing services generated by investment financial instruments	73.85%	73.74%
Guotai Junan Securities (UK) Limited	UK	GBP7,846,000	Investment	100%	100%

(1) These subsidiaries are directly held by the Company.

(2) All of the subsidiaries established in the PRC are registered as companies with limited liability under PRC law.

(3) GJIHL, a subsidiary controlled by the Company through its voting rights of 73.85%, controls Guotai Junan Securities (Vietnam) Corporation by holding 50.97% of its equity interests. As a result, Guotai Junan Securities (Vietnam) Corporation is accounted for as a subsidiary of the Company.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 26. INVESTMENTS IN SUBSIDIARIES *(continued)*

#### (b) Partially-owned subsidiaries with material non-controlling interests

The following table lists the information related to the major subsidiaries of the Group which have material non-controlling interests ("NCI"), modified for fair value adjustments on acquisition and differences in the Group's accounting policies. The information is before inter-company eliminations with other companies in the Group.

HuaAn Funds	As at 31 December	
	2024	2023
NCI percentage	49%	49%
Current assets	3,532,571	3,670,842
Non-current assets	4,498,680	4,053,069
Current liabilities	1,897,075	1,945,473
Non-current liabilities	248,859	290,148
Net assets	5,885,317	5,488,290
Carrying amount of NCI	2,883,805	2,689,262
	Year ended 31 December 2024	Year ended 31 December 2023
Total revenue and other income	3,114,606	3,442,464
Total expenses and income tax expense	2,220,187	2,507,559
Profit for the year/period	894,419	934,905
Total comprehensive income	896,547	936,522
Profit attributable to NCI	438,265	458,103
Other comprehensive income attributable to NCI	1,044	792
Distribution to NCI	245,000	220,500
Cash flows generated from operating activities	313,959	5,439
Cash flows used in investing activities	281,422	(7,579)
Cash flows used in financing activities	(499,165)	(80,303)

## Section X Independent Auditor's Report and Notes to Financial Statements

### 26. INVESTMENTS IN SUBSIDIARIES *(continued)*

#### (b) Partially-owned subsidiaries with material non-controlling interests *(continued)*

GJIHL	As at 31 December	
	2024	2023
NCI percentage	26.15%	26.26%
Current assets	114,414,057	81,389,795
Non-current assets	6,131,486	16,060,711
Current liabilities	99,727,614	70,618,569
Non-current liabilities	6,902,601	13,273,075
Net assets	13,915,328	13,558,862
Carrying amount of NCI	3,776,377	3,681,876
	Year ended 31 December	
	2024	2023
Total revenue and other income	4,036,358	2,908,667
Total expenses and income tax expense	3,716,609	2,723,072
Profit for the year	319,749	185,595
Total comprehensive income	270,486	203,403
Profit attributable to NCI	85,904	51,959
Other comprehensive income attributable to NCI	84,077	49,166
Distribution to NCI	51,626	53,227
Cash flows generated from/(used in) operating activities	1,623,930	(4,418,138)
Cash flows used in investing activities	(46,271)	(29,419)
Cash flows (used in)/generated from financing activities	(2,031,461)	4,128,125

## Section X Independent Auditor's Report and Notes to Financial Statements

### 27. INTERESTS IN STRUCTURED ENTITIES

#### (a) Interests in consolidated structured entities

The Group has consolidated certain structured entities, including investment funds, asset management plans and limited partnerships etc. For those structured entities where the Group is involved as a manager, investment adviser, investor or general partner, the Group assesses whether the combination of investments it held together with its remuneration creates an exposure to variability of returns from the activities of those structured entities that is of such significance that indicates that the Group is a principal.

Interests held by other investors in these consolidated structured entities were classified as financial liabilities at fair value through profit or loss in the consolidated statement of financial position.

#### (b) Interests in unconsolidated structured entities

The Group exercised the power over the structured entities including investment funds, asset management plans and limited partnerships by acting as a manager or general partner during the year. Except for the structured entities the Group has consolidated as stated in Note 27(a), in management's opinion, the Group's exposure to variable returns of these structured entities that the Group has interests in are not significant. The Group therefore did not consolidate these structured entities.

The Group classified the investments in unconsolidated investment funds, asset management plans, wealth management products and limited partnerships managed by the Group as financial assets at fair value through profit or loss, equity instruments at fair value through other comprehensive income and investments in associates and joint ventures. As at 31 December 2024 and 2023, the carrying amounts of the Group's interests in unconsolidated structured entities were RMB13,112 million and RMB14,386 million, respectively. The management fee arising from these unconsolidated structured entities in which the Group did not hold interest amounted to RMB2,343 million and RMB2,135 million for the years ended 31 December 2024 and 2023, respectively.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 27. INTERESTS IN STRUCTURED ENTITIES *(continued)*

#### (c) Interests in structured entities sponsored by third party institutions

The types of structured entities that the Group does not consolidate but in which it holds interests include investment funds, limited partnerships, asset management plans, and wealth management products issued by banks or other financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of units to investors.

The carrying amount of the related accounts in the consolidated statements of financial position is equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by third party institutions as at 31 December 2024 and 31 December 2023, which are listed as below:

	As at 31 December 2024		As at 31 December 2023	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Financial assets at fair value through profit or loss	103,713,762	103,713,762	131,435,913	131,435,913
Equity instruments at fair value through other comprehensive income	<u>2,539,341</u>	<u>2,539,341</u>	<u>–</u>	<u>–</u>

### 28. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	As at 31 December	
	2024	2023
Share of net assets		
– Associates	8,154,064	7,556,250
– Joint ventures	<u>5,067,765</u>	<u>5,234,512</u>
Total	<u>13,221,829</u>	<u>12,790,762</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 28. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES *(continued)*

At the end of each reporting period, the Group had the following associates:

Name of associates	Place of incorporation or primary business	Principal activities	Percentage of equity interests as at 31 December	
			2024	2023
Shenzhen GTJA Shenyi Phase I Investment Fund LLP	Shenzhen PRC	Investment management and advisory	–	25%
Shenzhen United Property and Share Rights Exchange <sup>(1)</sup>	Shenzhen PRC	Provision of intermediary services and equity registration services for equity trading	–	10%
Shanghai Kechuang Center Equity Investment Fund Management Co., Ltd. <sup>(1)</sup>	Shanghai PRC	Investment and equity investment management	13%	13%
Shanghai Jizhi Consulting & Management Co., Ltd. <sup>(1)</sup>	Shanghai PRC	Enterprise management consulting, lease of non-residential and residential real estate	15%	15%
Shanghai Urban Renewal Guidance Private Fund LLP <sup>(1)</sup>	Shanghai PRC	Investment management and equity investment	0.01%	0.01%
Shanghai Securities	Shanghai PRC	Securities brokerage, proprietary trading, underwriting and investment consulting	24.99%	24.99%
Shanghai Lingang GTJA Technology Frontier Industry Private Fund LLP	Shanghai PRC	Investment management, equity investment and asset management	25%	25%

## Section X Independent Auditor's Report and Notes to Financial Statements

### 28. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

Name of associates	Place of incorporation or primary business	Principal activities	Percentage of equity interests as at 31 December	
			2024	2023
Shanghai State-owned Capital Investment Master Fund Co., Ltd. <sup>(1)</sup>	Shanghai PRC	Equity investment, Investment management and Asset management	<b>4.88%</b>	4.88%
Jinan Huijian Junan Zhizao Industrial Investment Fund LLP <sup>(1)</sup>	Jinan PRC	Investment management and equity investment	<b>10%</b>	10%
Jinan Huijian Junan Green Industry Investment Fund LLP <sup>(1)</sup>	Jinan PRC	Investment management and equity investment	<b>10%</b>	10%
Shanghai Pudong Leading Guotai Junan Kechuang No.1 Private Equity Fund LLP	Shanghai PRC	Investment management and equity investment	<b>29.27%</b>	29.27%
Shanghai Equity Exchange Co., Ltd. <sup>(1)</sup>	Shanghai PRC	Provision of intermediary services and equity registration services for equity trading	<b>10.49%</b>	–
Huzhou Industrial Investment Innovation Leading Equity Investment LLP	Huzhou PRC	Investment management and equity investment	<b>20%</b>	–

- (1) Although the Group's percentages of shareholdings in these investees are lower than 20%, they are accounted for as associates as the Group has significant influence over these investees due to the relevant arrangements stipulated in the articles of association or other agreements.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 28. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES *(continued)*

At the end of each reporting period, the Group had the following joint ventures:

Name of joint ventures	Place of incorporation or primary business	Principal activities	Percentage of equity interests as at 31 December	
			2024	2023
Xiamen Junxin Equity Investment Company LLP <sup>(2)</sup>	Xiamen PRC	Equity investment and advisory	10%	10%
Shanghai Guojun Chuangtou Longxu Investment Management Centre LLP	Shanghai PRC	Industrial investment and investment management	25%	25%
Shanghai Guojun Chuangtou Longsheng Investment Centre LLP	Shanghai PRC	Industrial investment and investment management	20%	20%
Shanghai Guojun Chuangtou Longzhao Investment Management Centre LLP <sup>(1)</sup>	Shanghai PRC	Industrial investment and investment management	55%	55%
Shanghai Junzheng Investment Management Co., Ltd. <sup>(1)</sup>	Shanghai PRC	Investment management and advisory	61%	61%
Shanghai Guojun Chuangtou Zhengjun No.2 Equity Investment LLP	Shanghai PRC	Investment management and advisory	25%	25%
Shanghai Zhongbing GTJA Investment Centre LLP <sup>(2)</sup>	Shanghai PRC	Investment management and advisory	16%	16%
Shanghai GTJA Chuangxin Equity Investment Master Fund Center LLP	Shanghai PRC	Equity investment and advisory	50%	50%
Qingdao GTJA Xinxing No.1 Equity Investment Fund LLP	Qingdao PRC	Equity investment and advisory	48%	48%
Yancheng GTJA Zhiyuan No.1 Investment Centre LLP	Yancheng PRC	Equity investment and investment advisory	20%	20%

## Section X Independent Auditor's Report and Notes to Financial Statements

### 28. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES *(continued)*

- (1) Although the Group's percentages of shareholdings in these investees are higher than 50%, they are accounted for as joint ventures as the Group only has joint control over these investees due to the relevant arrangements stipulated in the articles of association or other agreements.
- (2) Although the Group's percentages of shareholdings in these investees are lower than 20%, they are accounted for as joint ventures as the Group has joint control over these investees due to the relevant arrangements stipulated in the articles of association or other agreements.

The following table summarises unaudited financial information of Shanghai Securities as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies, if any. The table also reconciles the summarized financial information to the carrying amount of the Group's interests in Shanghai Securities.

#### Shanghai Securities

	As at 31 December	
	2024 (Unaudited)	2023 (Audited)
Gross amounts of the associate		
Assets	85,526,813	73,072,366
Liabilities	66,719,612	55,706,700
Net assets	18,807,201	17,365,666
Net assets pro rata to shareholding ratio	4,699,920	4,339,680
Other adjustments	1,115,068	1,122,066
Carrying amount of interest in associate	5,814,988	5,461,746
	Year ended 31 December	
	2024 (Unaudited)	2023 (Audited)
Revenue	5,260,170	3,417,687
Profit for the year	955,382	353,233
Other comprehensive income	603,154	63,769
Other adjustments	(28,001)	(27,912)
Total comprehensive income	1,530,535	389,090
Dividend received from the associate	29,238	26,989

## Section X Independent Auditor's Report and Notes to Financial Statements

### 28. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES *(continued)*

The following table illustrates the aggregate financial information of the Group's associates and joint ventures that are not individually material:

	Year ended 31 December	
	2024	2023
Share of associates' profit for the year	<u>15,559</u>	<u>26,147</u>
Share of joint ventures' profit for the year	<u>58,506</u>	<u>272,002</u>
Share of associates' total comprehensive income for the year	<u>15,559</u>	<u>26,147</u>
Share of joint ventures' total comprehensive income for the year	<u>57,679</u>	<u>276,459</u>
	As at 31 December	
	2024	2023
Aggregate carrying amount of the Group's investments in associates	<u>2,339,076</u>	<u>2,094,504</u>
Aggregate carrying amount of the Group's investments in joint ventures	<u>5,067,765</u>	<u>5,234,512</u>

### 29. DEBT INVESTMENTS AT AMORTISED COST

#### Non-current

	As at 31 December	
	2024	2023
Government bonds	3,584,371	3,010,433
Less: impairment losses	<u>—</u>	<u>—</u>
Total	<u>3,584,371</u>	<u>3,010,433</u>
Analyzed as:		
Unlisted	<u>3,584,371</u>	<u>3,010,433</u>
Total	<u>3,584,371</u>	<u>3,010,433</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 29. DEBT INVESTMENTS AT AMORTISED COST *(continued)*

#### Current

	As at 31 December	
	2024	2023
Government bonds	410,934	604,110
Less: impairment losses	—	—
Total	<u>410,934</u>	<u>604,110</u>
Analyzed as:		
Unlisted	<u>410,934</u>	<u>604,110</u>
Total	<u>410,934</u>	<u>604,110</u>

As at 31 December 2024, the carrying amount of debt investments at amortised cost comprises RMB3,865,973 thousand of investment from general risk reserve (31 December 2023: RMB3,485,236 thousand).

As at 31 December 2024 and 2023, ECL allowance provided for debt investments at amortised cost was nil.

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

#### Non-current

	As at 31 December	
	2024	2023
Government bonds	33,122,137	31,094,104
Corporate bonds	16,267,308	25,234,158
Financial bonds	1,978,039	9,906,014
Other bonds	<u>15,540,199</u>	<u>10,216,217</u>
Total	<u>66,907,683</u>	<u>76,450,493</u>
Analyzed as:		
Listed in Hong Kong	322,708	—
Listed outside Hong Kong	17,002,178	26,037,716
Unlisted	<u>49,582,797</u>	<u>50,412,777</u>
Total	<u>66,907,683</u>	<u>76,450,493</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 30. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

#### Current

	As at 31 December	
	2024	2023
Government bonds	547,705	1,212,453
Corporate bonds	11,178,492	6,274,310
Financial bonds	703,562	342,405
Other bonds	6,690,276	9,867,124
Total	<u>19,120,035</u>	<u>17,696,292</u>
Analyzed as:		
Listed in Hong Kong	3,804,101	1,518,169
Listed outside Hong Kong	7,910,767	12,699,847
Unlisted	7,405,167	3,478,276
Total	<u>19,120,035</u>	<u>17,696,292</u>

As at 31 December 2024, debt instruments at fair value through other comprehensive income of the Group included approximately RMB77,371,726 thousand of pledged, restricted or transferred assets (31 December 2023: RMB87,327,304 thousand).

#### (a) Analysis of the movements of allowance for ECLs:

	Year ended 31 December	
	2024	2023
At the beginning of the year	160,969	99,000
Charge for the year	154,251	190,125
Reversal	(322)	(62,465)
Amounts written off and others	(47,246)	(65,691)
At the end of the year	<u>267,652</u>	<u>160,969</u>

#### (b) Analysis of the stages of allowance for ECLs:

	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2024	<u>180,478</u>	<u>87,174</u>	<u>–</u>	<u>267,652</u>
As at 31 December 2023	<u>154,588</u>	<u>6,381</u>	<u>–</u>	<u>160,969</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

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

#### Non-current

	As at 31 December	
	2024	2023
Non-tradable equity instruments <sup>(1) (2) (3)</sup>	<b>21,395,129</b>	1,806,371
Analyzed as:		
Listed in Hong Kong	<b>1,900,089</b>	–
Listed outside Hong Kong	<b>9,886,591</b>	1,691,473
Unlisted	<b>9,608,449</b>	114,898
Total	<b>21,395,129</b>	1,806,371

#### Current

	As at 31 December	
	2024	2023
Non-tradable equity instruments <sup>(1) (2) (3)</sup>	<b>626,186</b>	69,309
Analyzed as:		
Listed in Hong Kong	<b>620,710</b>	69,309
Listed outside Hong Kong	<b>5,476</b>	–
Total	<b>626,186</b>	69,309

- (1) During the year ended 31 December 2024, the Group has designated some investments held as non-trading purpose, as equity instruments at fair value through other comprehensive income. The dividend income relating to equity instruments at fair value through other comprehensive income is disclosed in Note 8.

During the year ended 31 December 2024, the Group disposed of some of the equity instruments at fair value through other comprehensive income in response to the change in investment strategies. The accumulated net realized losses of the equity instruments disposed of amounted to RMB33 million (2023: losses of RMB267 million), respectively.

- (2) As at 31 December 2024, equity instruments at fair value through other comprehensive income of the Group included approximately RMB14,164,832 thousand (2023: RMB73,029 thousand) of pledged, restricted or transferred shares.
- (3) Securities lending of equity instruments at fair value through other comprehensive income of the Group refer to Note 59(2).

## Section X Independent Auditor's Report and Notes to Financial Statements

### 32. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

#### (a) Analyzed by collateral type:

##### Non-current

	As at 31 December	
	2024	2023
Equity securities	1,820,044	1,800,031
Less: Allowance for ECLs	(9,056)	(16,470)
Total	<u>1,810,988</u>	<u>1,783,561</u>

##### Current

	As at 31 December	
	2024	2023
Debt securities	39,276,135	42,904,051
Equity securities	21,190,834	26,372,683
Others	559,832	757,842
Less: Allowance for ECLs	(2,192,088)	(2,152,046)
Total	<u>58,834,713</u>	<u>67,882,530</u>

#### (b) Analyzed by market:

##### Non-current

	As at 31 December	
	2024	2023
Stock exchanges	1,820,044	1,800,031
Less: Allowance for ECLs	(9,056)	(16,470)
Total	<u>1,810,988</u>	<u>1,783,561</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 32. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS (continued)

#### (b) Analyzed by market: (continued)

##### Current

	As at 31 December	
	2024	2023
Stock exchanges	33,581,997	38,269,723
Interbank market	21,052,641	30,042,893
Over the counter	6,392,163	1,721,960
Less: Allowance for ECLs	(2,192,088)	(2,152,046)
Total	58,834,713	67,882,530

#### (c) Analysis of the movements of allowance for ECLs:

	Year ended 31 December	
	2024	2023
At the beginning of the year	2,168,516	2,147,920
Charge for the year	135,745	150,891
Reversal	(103,114)	(130,301)
Amounts written off and others	(3)	6
At the end of the year	2,201,144	2,168,516

#### (d) Analyzed by the stages of allowance for ECLs:

	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2024	58,732	155	2,142,257	2,201,144
As at 31 December 2023	108,991	–	2,059,525	2,168,516

As at 31 December 2024, the carrying amount of financial assets held under resale agreements, for which the loss allowance is measured at an amount equal to 12-month and lifetime expected credit losses, is RMB60,515,338 thousand and RMB130,363 thousand respectively (As at 31 December 2023: RMB69,666,091 thousand and RMB0 thousand respectively).

## Section X Independent Auditor's Report and Notes to Financial Statements

### 32. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS *(continued)*

#### (e) Analyzed by the stages of allowance for ECLs of stock-pledged financing:

As at 31 December 2024				
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	19,005,767	130,518	2,142,257	21,278,542
Allowance for ECLs	(51,929)	(155)	(2,142,257)	(2,194,341)
Fair value of collateral	54,459,014	490,308	240,636	55,189,958

As at 31 December 2023				
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	24,258,796	–	2,059,525	26,318,321
Allowance for ECLs	(95,508)	–	(2,059,525)	(2,155,033)
Fair value of collateral	60,200,440	–	42,704	60,243,144

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

#### Non-current

As at 31 December		
	2024	2023
At fair value through profit or loss:		
Funds	7,614,639	7,653,662
Equity securities	2,929,575	4,092,866
Perpetual bonds/preferred stock	1,539,185	8,718,829
Debt securities	–	2,084,736
Total	<u>12,083,399</u>	<u>22,550,093</u>
Analyzed as:		
Listed in Hong Kong	1,929,668	2,502,730
Listed outside Hong Kong	7,000	4,347,317
Unlisted	<u>10,146,731</u>	<u>15,700,046</u>
Total	<u>12,083,399</u>	<u>22,550,093</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 33. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

#### Current

	As at 31 December	
	2024	2023
At fair value through profit or loss:		
Debt securities	229,631,713	155,464,708
Funds	69,173,434	101,811,323
Equity securities	57,841,138	65,079,459
Perpetual bonds/preferred stock	23,568,091	14,209,173
Asset management schemes	8,991,387	9,560,154
Wealth management products	5,386,246	2,634,572
Other investments <sup>(1)</sup>	1,797,997	1,264,758
Total	<b>396,390,006</b>	<b>350,024,147</b>
Analyzed as:		
Listed in Hong Kong	49,504,086	9,954,792
Listed outside Hong Kong	135,328,023	140,303,607
Unlisted	211,557,897	199,765,748
Total	<b>396,390,006</b>	<b>350,024,147</b>

(1) Other investments mainly represent investments in precious metals, etc.

(2) As at 31 December 2024, financial assets at fair value through profit or loss of the Group included approximately RMB140,105,172 thousand (As at 31 December 2023: RMB143,626,507 thousand) of pledged, restricted or transferred assets.

(3) Securities lending of financial assets at fair value through profit or loss of the Group refer to Note 59 (2).

### 34. REFUNDABLE DEPOSITS

	As at 31 December	
	2024	2023
Deposits with exchanges and other financial institutions:		
Futures deposits	62,392,501	49,374,836
Trading deposits	3,799,690	6,048,280
Performance deposits	2,683,329	1,111,355
Credit deposits	106,199	226,423
Other deposits	29,942	26,733
Total	<b>69,011,661</b>	<b>56,787,627</b>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 35. DEFERRED TAX

For the purpose of presentation in the Group's statement of financial position, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December	
	2024	2023
Deferred tax assets	<b>1,424,446</b>	2,457,519
Deferred tax liabilities	<b>(397,060)</b>	(155,141)
Total	<b><u>1,027,386</u></b>	<u>2,302,378</u>

The following are the major deferred tax assets and liabilities recognized and the movements thereon for the years ended 31 December 2024 and 2023:

Deferred tax arising from:	Allowance for ECLs/ impairment losses	Employee benefits payable	Changes in fair value of financial instruments	Fair value revaluation on acquisition of subsidiaries	Deductible tax losses	Right-of- use assets	Lease liabilities	Others	Total
As at 1 January 2023	907,953	1,813,658	(747,980)	(76,514)	321,427	(406,887)	434,333	82,671	2,328,661
Recognized in profit or loss	44,161	(322,032)	529,863	5,191	64,045	5,941	(5,817)	(24,288)	297,064
Recognized in other comprehensive income	-	-	(261,270)	-	-	-	-	(58,290)	(319,560)
Transferred during the period	-	-	(3,787)	-	-	-	-	-	(3,787)
As at 31 December 2023	<u>952,114</u>	<u>1,491,626</u>	<u>(483,174)</u>	<u>(71,323)</u>	<u>385,472</u>	<u>(400,946)</u>	<u>428,516</u>	<u>93</u>	<u>2,302,378</u>
As at 1 January 2024	952,114	1,491,626	(483,174)	(71,323)	385,472	(400,946)	428,516	93	2,302,378
Recognized in profit or loss	44,107	77,000	(856,422)	5,191	(105,812)	51,129	(62,357)	(26,572)	(873,736)
Recognized in other comprehensive income	-	-	(394,658)	-	-	-	-	-	(394,658)
Transferred during the period	-	-	(6,598)	-	-	-	-	-	(6,598)
As at 31 December 2024	<u>996,221</u>	<u>1,568,626</u>	<u>(1,740,852)</u>	<u>(66,132)</u>	<u>279,660</u>	<u>(349,817)</u>	<u>366,159</u>	<u>(26,479)</u>	<u>1,027,386</u>

The Group did not have material unrecognized deductible temporary differences and deductible losses.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 36. OTHER NON-CURRENT ASSETS

	As at 31 December	
	2024	2023
Advances relating to lawsuits	338,775	336,533
Term loan	217,957	213,292
Rental Deposit	183,512	158,757
Long-term deferred expenses	70,471	52,310
Others	738,692	707,480
Less: Allowance for ECLs	(1,274,330)	(1,268,433)
Total	<u>275,077</u>	<u>199,939</u>

#### (a) Analysis of the movements of allowance for ECLs:

	Year ended 31 December	
	2024	2023
At the beginning of the year	1,268,433	1,279,727
Charge for the year	2,603	5,263
Reversal	-	(12,332)
Amounts written off and others	3,294	(4,225)
At the end of the year	<u>1,274,330</u>	<u>1,268,433</u>

#### (b) Analyzed by the stages of allowance for ECLs:

	Stage 1	Stage 2	Stage 3	Simplified approach	Total
As at 31 December 2024	<u>-</u>	<u>-</u>	<u>1,260,715</u>	<u>13,615</u>	<u>1,274,330</u>
As at 31 December 2023	<u>-</u>	<u>-</u>	<u>1,260,925</u>	<u>7,508</u>	<u>1,268,433</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 37. ACCOUNTS RECEIVABLE

	As at 31 December	
	2024	2023
Accounts receivable from:		
– Brokers and dealers	8,177,695	9,454,719
– Settlement	2,786,207	5,617,695
– Fee and commission	1,423,176	1,583,833
– Fund management fee	296,595	257,655
– Cash and custodian clients	516,891	13,865
Less: Allowance for ECLs	(118,306)	(104,650)
Total	<u>13,082,258</u>	<u>16,823,117</u>

#### (a) Analyzed by aging:

	As at 31 December	
	2024	2023
Within 1 year	13,004,489	16,729,988
1 to 2 years	35,549	66,680
2 to 3 years	20,311	19,693
Over 3 years	21,909	6,756
Total	<u>13,082,258</u>	<u>16,823,117</u>

#### (b) Analysis of the movements of allowance for ECLs:

	Year ended 31 December	
	2024	2023
At the beginning of the year	104,650	27,008
Charge for the year	14,937	71,003
Reversal	(249)	(297)
Amounts written off and others	(1,032)	6,936
At the end of the year	<u>118,306</u>	<u>104,650</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 37. ACCOUNTS RECEIVABLE (continued)

#### (c) Analyzed by the stages of allowance for ECLs:

	Stage 1	Stage 2	Stage 3	Simplified approach	Total
As at 31 December 2024	<u>25,828</u>	<u>–</u>	<u>29,518</u>	<u>62,960</u>	<u>118,306</u>
As at 31 December 2023	<u>18,732</u>	<u>–</u>	<u>26,124</u>	<u>59,794</u>	<u>104,650</u>

### 38. OTHER CURRENT ASSETS

	As at 31 December	
	2024	2023
Bulk commodity trading inventories	1,268,268	972,589
Prepayments	82,085	98,263
Deferred expenses	55,485	60,537
Rental deposit	31,575	57,264
Dividends receivable	36,037	2,703
Others	1,307,844	1,272,705
Less: Allowance for ECLs/impairment losses	<u>(96,206)</u>	<u>(54,136)</u>
Total	<u>2,685,088</u>	<u>2,409,925</u>

#### (a) Analysis of the movements of allowance for ECLs/impairment losses:

	Year ended 31 December	
	2024	2023
At the beginning of the year	54,136	129,050
Charge for the year	41,806	32,958
Reversal	(27)	–
Amounts written off and others	<u>291</u>	<u>(107,872)</u>
At the end of the year	<u>96,206</u>	<u>54,136</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 38. OTHER CURRENT ASSETS *(continued)*

#### (b) Analyzed by the stages of allowance for ECLs:

	Stage 1	Stage 2	Stage 3	Total
<b>As at 31 December 2024</b>	<u>–</u>	<u>–</u>	<u>1,028</u>	<u>1,028</u>
As at 31 December 2023	<u>–</u>	<u>–</u>	<u>559</u>	<u>559</u>

### 39. MARGIN ACCOUNTS RECEIVABLE

	As at 31 December	
	2024	2023
Individuals	87,893,164	71,640,875
Institutions	20,542,583	20,195,212
Less: Allowance for ECLs	<u>(2,167,492)</u>	<u>(2,082,122)</u>
Total	<u>106,268,255</u>	<u>89,753,965</u>

#### (a) Analysis of the movements of allowance for ECLs:

	Year ended 31 December	
	2024	2023
At the beginning of the year	2,082,122	2,004,494
Charge for the year	184,662	159,850
Reversal	(136,517)	(106,268)
Amounts written off and others	<u>37,225</u>	<u>24,046</u>
At the end of the year	<u>2,167,492</u>	<u>2,082,122</u>

#### (b) Analyzed by the stages of allowance for ECLs:

	Stage 1	Stage 2	Stage 3	Total
<b>As at 31 December 2024</b>	<u>255,744</u>	<u>23,636</u>	<u>1,888,112</u>	<u>2,167,492</u>
As at 31 December 2023	<u>233,590</u>	<u>17,674</u>	<u>1,830,858</u>	<u>2,082,122</u>

The carrying amount of margin accounts receivable, for which the loss allowance is measured at an amount equal to 12-month and lifetime expected credit losses, are RMB105,906,974 thousand and RMB361,281 thousand respectively (2023: RMB89,470,673 thousand and RMB283,292 thousand respectively).

## Section X Independent Auditor's Report and Notes to Financial Statements

### 39. MARGIN ACCOUNTS RECEIVABLE (continued)

(c) The fair value of collateral for the margin financing and securities lending business is analyzed as follows:

	As at 31 December	
	2024	2023
Fair value of collateral:		
– Stocks	320,977,532	273,408,489
– Cash	16,818,001	10,226,872
– Funds	11,101,529	12,002,751
– Bonds	252,865	364,244
Total	349,149,927	296,002,356

### 40. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 December 2024		
	Nominal amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	1,509,437,896	1,300,260	(1,677,534)
Equity derivatives	236,569,766	6,611,702	(6,228,521)
Currency derivatives	186,058,048	907,514	(1,403,009)
Other derivatives	82,718,598	704,257	(671,498)
Less: Cash (received)/paid as settlement		(506,950)	588,987
Total		9,016,783	(9,391,575)

	As at 31 December 2023		
	Nominal amount	Fair value	
		Assets	Liabilities
Interest rate derivatives	1,804,879,957	1,219,637	(1,147,151)
Equity derivatives	287,675,411	7,619,555	(9,081,582)
Currency derivatives	155,030,218	337,369	(746,053)
Other derivatives	143,395,440	891,707	(668,956)
Less: Cash (received)/paid as settlement		(395,570)	155,136
Total		9,672,698	(11,488,606)

Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in part of derivative financial instruments were settled daily and the corresponding receipts and payments were included in clearing settlement funds.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 41. CLEARING SETTLEMENT FUNDS

	As at 31 December	
	2024	2023
Deposits with stock exchanges		
– China Securities Depository and Clearing Corporation Limited	<b>8,347,314</b>	5,987,600
– Others	<b>1,465,856</b>	1,327,828
Total	<b>9,813,170</b>	7,315,428

### 42. CASH HELD ON BEHALF OF BROKERAGE CUSTOMERS

The Group maintains segregated deposit accounts with banks and authorized institutions to hold cash on behalf of customers arising from its normal course of business. The Group has recorded the related amounts as cash held on behalf of customers and the corresponding liabilities as accounts payable to brokerage customers on the grounds that it is liable for any loss or misappropriation of its brokerage clients' monies. In Mainland China, the use of cash held on behalf of customers for security and the settlement of their transactions are restricted and governed by relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the "Securities and Futures (Client Money) Rules" implementing the related provisions of the Securities and Futures Ordinance impose similar restrictions.

### 43. CASH AND BANK BALANCES

	As at 31 December	
	2024	2023
Cash on hand	<b>432</b>	445
Bank balances	<b>26,713,219</b>	30,739,465
Total	<b>26,713,651</b>	30,739,910

As at 31 December 2024, the Group's bank balances of RMB691,743 thousand were restricted (31 December 2023: RMB486,487 thousand).

As at 31 December 2024, the ECL allowance for cash and bank balances amounted to RMB1,670 thousand (31 December 2023: RMB3,182 thousand).

## Section X Independent Auditor's Report and Notes to Financial Statements

### 44. LOANS AND BORROWINGS

#### Non-current

	As at 31 December	
	2024	2023
Unsecured loans and borrowings <sup>(1)</sup>	<u>539,495</u>	<u>549,552</u>
Total	<u><b>539,495</b></u>	<u><b>549,552</b></u>

#### Current

	As at 31 December	
	2024	2023
Unsecured loans and borrowings <sup>(2)</sup>	<u>9,196,390</u>	<u>11,661,690</u>
Total	<u><b>9,196,390</b></u>	<u><b>11,661,690</b></u>

- (1) As at 31 December 2024 and 2023, the non-current unsecured bank loans of the Group bore interest at rate 2.55% per annum and 3.15% per annum, respectively.
- (2) As at 31 December 2024 and 2023, the current unsecured loans and borrowings of the Group bore interest at rates ranging from 2.80% to 5.23% per annum and from 3.60% to 6.38% per annum, respectively.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 45. SHORT-TERM DEBT INSTRUMENTS

		As at 1 January 2024	Increase	Decrease	As at 31 December 2024
	Nominal interest rate				
Short-term financing bills payable	1.70%-2.80%	16,170,874	38,333,005	24,433,185	30,070,694
Short-term corporate bonds	1.76%-1.96%	–	10,019,348	–	10,019,348
Medium-term notes	0.00%-6.31%	2,296,421	10,213,772	6,181,083	6,329,110
Structured notes	1.70%-5.54%	904,799	1,425,177	1,258,063	1,071,913
Total		<u>19,372,094</u>	<u>59,991,302</u>	<u>31,872,331</u>	<u>47,491,065</u>

		As at 1 January 2023	Increase	Decrease	As at 31 December 2023
	Nominal interest rate				
Short-term financing bills payable	2.44% – 2.80%	7,210,792	23,381,352	14,421,270	16,170,874
Short-term corporate bonds	2.51%	3,007,840	29,294	3,037,134	–
Medium-term notes	0.00% – 6.14%	468,824	6,464,102	4,636,505	2,296,421
Structured notes	0.50% – 5.54%	2,962,023	2,074,069	4,131,293	904,799
Total		<u>13,649,479</u>	<u>31,948,817</u>	<u>26,226,202</u>	<u>19,372,094</u>

### 46. PLACEMENTS FROM OTHER FINANCIAL INSTITUTIONS

	As at 31 December	
	2024	2023
Placements from banks	5,416,271	7,804,513
Placements from China Securities Finance Corporation Limited ("CSFC") <sup>(1)</sup>	–	3,940,389
Total	<u>5,416,271</u>	<u>11,744,902</u>

- (1) As at 31 December 2024, the Group has no placements from CSFC. As at 31 December 2023, placements from CSFC were repayable within one year, and bore interest rates ranging from 2.12% to 2.30% per annum.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 47. ACCOUNTS PAYABLE TO BROKERAGE CUSTOMERS

	As at 31 December	
	2024	2023
Margin financing and securities lending deposits	<b>20,158,331</b>	13,979,341
Other brokerage business deposits	<b>231,911,186</b>	164,075,731
Total	<b>252,069,517</b>	178,055,072

Accounts payable to brokerage customers mainly include money held on behalf of customers in banks and clearing houses, and bear interest at the prevailing market interest rates.

The majority of the accounts payable balances are repayable on demand except where certain accounts payable to brokerage customers represent monies received from customers for their margin financing and futures trading activities under the normal course of business. Only amounts in excess of the required deposits and cash collateral stipulated are repayable on demand.

No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not provide additional value in view of the nature of these businesses.

### 48. EMPLOYEE BENEFITS PAYABLE

	As at 31 December	
	2024	2023
Salaries, bonuses and allowances	<b>7,925,488</b>	7,544,451
Social welfare and others	<b>120,696</b>	136,390
Contributions to a defined contribution scheme	<b>26,714</b>	48,003
Total	<b>8,072,898</b>	7,728,844

The Group provides an additional enterprise annuity plan to employees in mainland China. According to the plan, when an employee leaves the company, some of the enterprise payment amount may be transferred back to the enterprise annuity enterprise account according to the actual working time. There is no case of using forfeited contributions to reduce the existing contribution level.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 49. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

#### (a) Analyzed by collateral type:

	As at 31 December	
	2024	2023
<b>Current</b>		
Bonds	<b>238,127,096</b>	194,899,493
Funds	–	16,973,511
Precious metals and others	<b>6,810,421</b>	4,956,586
Total	<b>244,937,517</b>	216,829,590

#### (b) Analyzed by market:

	As at 31 December	
	2024	2023
<b>Current</b>		
Interbank market	<b>163,598,657</b>	134,851,315
Stock exchanges	<b>74,528,439</b>	77,021,689
Shanghai gold exchange	<b>6,810,421</b>	4,956,586
Total	<b>244,937,517</b>	216,829,590

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

#### Current

	As at 31 December	
	2024	2023
At fair value through profit or loss <sup>(1)</sup>		
– Debt securities	<b>4,603,563</b>	1,470,697
– Equity securities	<b>2,085,886</b>	1,539,627
– Gold	<b>151,411</b>	142,270
Designated as at fair value through profit or loss		
– Debt securities <sup>(2)</sup>	<b>53,356,761</b>	53,046,729
– Interest attributable to other holders of consolidated structured entities <sup>(3)</sup>	<b>6,071,424</b>	1,424,305
Total	<b>66,269,045</b>	57,623,628

## Section X Independent Auditor's Report and Notes to Financial Statements

### 50. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

#### Non-current

	As at 31 December	
	2024	2023
Designated as at fair value through profit or loss		
– Debt securities <sup>(2)</sup>	8,806,915	16,956,084
– Interest attributable to other holders of consolidated structured entities <sup>(3)</sup>	208,012	244,549
Total	9,014,927	17,200,633

- (1) As at 31 December 2024 and 2023, included in the Group's financial liabilities through profit or loss were equity securities, bonds and gold borrowed by the Group.
- (2) As at 31 December 2024 and 2023, included in the Group's financial liabilities designated as at fair value through profit or loss were structured notes generally in the form of notes or certificates with the underlying investments related to listed equity investments, listed debt investments, unlisted fund investments and etc.
- (3) As at 31 December 2024 and 2023, the financial liabilities arising from the consolidation of structured entities were designated as at fair value through profit or loss by the Group, as the Group has the obligation to pay other investors or limited partners upon the maturity dates of the structured entities based on the net asset value and related terms of those consolidated structured entities.

### 51. BONDS PAYABLE

#### Current

	As at 31 December	
	2024	2023
Corporate bonds <sup>(1)</sup>	27,784,792	22,615,599
Subordinated bonds <sup>(1)</sup>	3,607,486	7,683,361
Medium-term notes <sup>(2)</sup>	–	2,144,148
Total	31,392,278	32,443,108

#### Non-current

	As at 31 December	
	2024	2023
Corporate bonds <sup>(1)</sup>	67,367,521	87,955,219
Subordinated bonds <sup>(1)</sup>	13,558,238	3,603,877
Medium-term notes <sup>(2)</sup>	14,037,510	10,023,339
Structured notes	7,642,918	–
Total	102,606,187	101,582,435

## Section X Independent Auditor's Report and Notes to Financial Statements

### 51. BONDS PAYABLE (continued)

(1) The details of the outstanding corporate bonds and subordinated bonds payable are as follows:

**As at 31 December 2024**

Name	Par value	Issue date	Maturity date	Coupon rate
<b>Current</b>				
Corporate bonds				
22 GUOJUN G1	2,000,000	2022.03	2025.03	3.04%
22 GUOJUN G3	2,800,000	2022.04	2025.04	2.96%
22 GUOJUN G5	3,100,000	2022.05	2025.05	2.78%
22 GUOJUN G7	2,500,000	2022.07	2025.07	2.92%
22 GUOJUN G9	2,000,000	2022.09	2025.09	2.52%
23 GUOJUN G1	3,000,000	2023.01	2025.02	2.90%
23 GUOJUN G3	1,500,000	2023.02	2025.02	2.92%
23 GUOJUN G5	1,600,000	2023.05	2025.05	2.79%
23 GUOJUN G7	3,000,000	2023.08	2025.08	2.53%
23 GUOJUN G9	1,500,000	2023.09	2025.10	2.80%
23 GUOJUN 11	900,000	2023.10	2025.10	2.82%
23 GUOJUN 13	3,500,000	2023.11	2025.11	2.82%
Subordinated bond				
22 GUOJUN C2	3,500,000	2022.01	2025.01	3.17%
<b>Non-current</b>				
Corporate bonds				
21 GUOJUN G2	2,000,000	2021.04	2026.04	3.75%
21 GUOJUN G4	5,000,000	2021.05	2026.05	3.67%
21 GUOJUN G8	6,100,000	2021.07	2026.07	3.48%
21 GUOJUN 10	4,200,000	2021.08	2026.08	3.35%
21 GUOJUN 11	3,000,000	2021.08	2031.08	3.77%
21 GUOJUN 13	3,400,000	2021.09	2031.09	3.80%
21 GUOJUN 15	3,400,000	2021.10	2031.10	3.99%
22 GUOJUN G2	1,400,000	2022.03	2032.03	3.74%
22 GUOJUN G4	2,500,000	2022.04	2032.04	3.70%
22 GUOJUN G6	2,400,000	2022.05	2032.05	3.58%
22 GUOJUN G8	2,500,000	2022.07	2027.07	3.27%
22 GUOJUN 10	3,000,000	2022.09	2027.09	2.90%
23 GUOJUN G2	3,000,000	2023.01	2026.01	3.07%
23 GUOJUN G4	4,500,000	2023.02	2026.02	3.16%
23 GUOJUN G6	3,400,000	2023.05	2026.04	2.92%
23 GUOJUN G8	2,000,000	2023.08	2026.08	2.70%

## Section X Independent Auditor's Report and Notes to Financial Statements

### 51. BONDS PAYABLE (continued)

(1) The details of the outstanding corporate bonds and subordinated bonds payable are as follows: (continued)

Name	Par value	Issue date	Maturity date	Coupon rate
<b>Non-current (continued)</b>				
Corporate bonds (continued)				
23 GUOJUN 10	3,500,000	2023.09	2026.09	2.89%
23 GUOJUN 12	2,500,000	2023.10	2028.10	3.12%
23 GUOJUN 15	1,700,000	2023.11	2028.11	3.08%
24 GUOJUN G1	5,000,000	2024.05	2027.05	2.30%
24 GUOJUN G2	2,000,000	2024.07	2026.08	2.07%
Subordinated bond				
24 GUOJUN C1	3,000,000	2024.06	2027.08	2.28%
24 GUOJUN C2	1,000,000	2024.10	2026.03	2.17%
24 GUOJUN C3	2,000,000	2024.10	2026.10	2.24%
24 GUOJUN C4	3,000,000	2024.12	2026.12	2.05%
24 GUOJUN C5	3,000,000	2024.12	2027.12	2.10%
24 JUNQI C1	1,000,000	2024.03	2027.03	2.77%
24 JUNQI C2	500,000	2024.11	2027.11	2.30%

As at 31 December 2023

Name	Par value	Issue date	Maturity date	Coupon rate
<b>Current</b>				
Corporate bonds				
21 GUOJUN G1	4,000,000	2021.04	2024.04	3.46%
21 GUOJUN G3	3,000,000	2021.05	2024.05	3.31%
21 GUOJUN G5	2,900,000	2021.06	2024.06	3.40%
21 GUOJUN G7	1,900,000	2021.07	2024.07	3.13%
21 GUOJUN G9	2,800,000	2021.08	2024.08	3.01%
21 GUOJUN 12	4,400,000	2021.09	2024.10	3.09%
21 GUOJUN 14	3,300,000	2021.10	2024.11	3.29%
Subordinated bond				
21 GUOJUN C1	3,000,000	2021.01	2024.01	3.89%
21 GUOJUN C3	2,000,000	2021.12	2024.12	3.20%
22 GUOJUN C1	2,500,000	2022.01	2024.01	3.00%
<b>Non-current</b>				
Corporate bonds				
21 GUOJUN G2	2,000,000	2021.04	2026.04	3.75%
21 GUOJUN G4	5,000,000	2021.05	2026.05	3.67%
21 GUOJUN G8	6,100,000	2021.07	2026.07	3.48%

## Section X Independent Auditor's Report and Notes to Financial Statements

### 51. BONDS PAYABLE *(continued)*

(1) The details of the outstanding corporate bonds and subordinated bonds payable are as follows: *(continued)*

Name	Par value	Issue date	Maturity date	Coupon rate
<b>Non-current <i>(continued)</i></b>				
Corporate bonds <i>(continued)</i>				
21 GUOJUN 10	4,200,000	2021.08	2026.08	3.35%
21 GUOJUN 11	3,000,000	2021.08	2031.08	3.77%
21 GUOJUN 13	3,400,000	2021.09	2031.09	3.80%
21 GUOJUN 15	3,400,000	2021.10	2031.10	3.99%
22 GUOJUN G1	2,000,000	2022.03	2025.03	3.04%
22 GUOJUN G2	1,400,000	2022.03	2032.03	3.74%
22 GUOJUN G3	2,800,000	2022.04	2025.04	2.96%
22 GUOJUN G4	2,500,000	2022.04	2032.04	3.70%
22 GUOJUN G5	3,100,000	2022.05	2025.05	2.78%
22 GUOJUN G6	2,400,000	2022.05	2032.05	3.58%
22 GUOJUN G7	2,500,000	2022.07	2025.07	2.92%
22 GUOJUN G8	2,500,000	2022.07	2027.07	3.27%
22 GUOJUN G9	2,000,000	2022.09	2025.09	2.52%
22 GUOJUN 10	3,000,000	2022.09	2027.09	2.90%
23 GUOJUN G1	3,000,000	2023.01	2025.02	2.90%
23 GUOJUN G2	3,000,000	2023.01	2026.01	3.07%
23 GUOJUN G3	1,500,000	2023.02	2025.02	2.92%
23 GUOJUN G4	4,500,000	2023.02	2026.02	3.16%
23 GUOJUN G5	1,600,000	2023.05	2025.05	2.79%
23 GUOJUN G6	3,400,000	2023.05	2026.04	2.92%
23 GUOJUN G7	3,000,000	2023.08	2025.08	2.53%
23 GUOJUN G8	2,000,000	2023.08	2026.08	2.70%
23 GUOJUN G9	1,500,000	2023.09	2025.10	2.80%
23 GUOJUN 10	3,500,000	2023.09	2026.09	2.89%
23 GUOJUN 11	900,000	2023.10	2025.10	2.82%
23 GUOJUN 12	2,500,000	2023.10	2028.10	3.12%
23 GUOJUN 13	3,500,000	2023.11	2025.11	2.82%
23 GUOJUN 15	1,700,000	2023.11	2028.11	3.08%
Subordinated bond				
22 GUOJUN C2	3,500,000	2022.01	2025.01	3.17%

## Section X Independent Auditor's Report and Notes to Financial Statements

### 51. BONDS PAYABLE *(continued)*

- (2) The details of the outstanding medium-term notes are as follows:

On 3 March 2021, GJIHL has drawdown USD400 million under a medium term note programme. The notes are of 5 years, bearing interest at 2% per annum.

On 21 April 2021, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown USD500 million under a medium term note programme. The notes are of 5 years, bearing interest at 2% per annum. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

On 24 November 2021, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown USD300 million under a medium term note programme. The notes are of 3 years, bearing interest at 1.6% per annum. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

On 10 March 2023, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown RMB500 million under a medium term note programme. The notes are of 3 years, bearing interest at 3.35% per annum. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

On 23 March 2023, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown RMB935 million under a medium term note programme. The notes are of 3 years, bearing interest at 3.35% per annum. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

On 24 March 2023, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown RMB500 million under a medium term note programme. The notes are of 3 years, bearing interest at 3.35% per annum. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

On 22 November 2023, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown RMB520 million under a medium term note programme. The notes are of 3 years, bearing interest at 3.35% per annum. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

On 27 December 2023, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown RMB500 million under a medium term note programme. The notes are of 3 years, bearing interest at 3.35% per annum. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

On 28 December 2023, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown RMB700 million under a medium term note programme. The notes are of 3 years, bearing interest at 3.35% per annum. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 51. BONDS PAYABLE (continued)

(2) The details of the outstanding medium-term notes are as follows: (continued)

On 29 January 2024, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown USD35 million under a medium term note programme. The notes are of 3 years, bearing a floating interest. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

On 30 January 2024, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown RMB300 million under a medium term note programme. The notes are of 3 years, bearing interest at 3.25% per annum. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

On 8 February 2024, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown RMB500 million under a medium term note programme. The notes are of 3 years, bearing interest at 3.25% per annum. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

On 26 June 2024, the Company's subsidiary, Guotai Junan Holdings Limited has drawdown USD400 million under a medium term note programme. The notes are of 3 years, bearing a floating interest. The Company provided unconditional and irrevocable guarantee to the medium term note programme.

### 52. CONTRACT LIABILITIES

#### Current

	As at 31 December 2024	As at 31 December 2023
Advance consideration received from customers	<u>22,076</u>	<u>80,141</u>

Contract liabilities represent the advance payment of the sponsorship business, the asset management business and the commodity trading. The Group received theses advance payments when the contracts are signed, and will recognize the expected revenue in future when or as the work is completed or, in the case of commodity trading, when the customer takes possession of and accepts the commodity.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 53. OTHER CURRENT LIABILITIES

	As at 31 December	
	2024	2023
Accounts payable arising from derivative transactions	60,142,920	62,462,726
Accounts payable to brokers	9,686,078	9,650,641
Accounts payable arising from warehouse receipt pledge	3,777,473	3,751,296
Settlement payables to clearing house and customers	2,413,488	1,253,118
Bank's acceptance bill payable	1,280,500	1,087,481
Dividends payable	603,222	401,782
Other tax payable	395,990	285,913
Commission payable to other distributors	332,668	284,282
Advance received from issuance of financial products	201,569	176,827
Proceeds from underwriting securities received on behalf of customers	173,734	872,661
Accounts payable arising from equity incentives	173,322	361,484
Dividend received on behalf of customers	125,427	124,309
Underwriting fee payable in relation to IPO	90,173	90,173
Payables for the securities investor protection fund	86,087	50,864
Interest payable	30,955	72,504
Others	1,184,689	1,160,986
Total	<b>80,698,295</b>	<b>82,087,047</b>

The Group has no significant long-aging accounts payable.

### 54. OTHER NON-CURRENT LIABILITIES

	As at 31 December	
	2024	2023
Risk reserve for the futures brokerage business	201,682	184,791
Provisions	281,621	328,898
Total	<b>483,303</b>	<b>513,689</b>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 55. SHARE CAPITAL

All shares issued by the Company are fully paid ordinary shares. The par value per share is RMB1 yuan. The number of shares issued by the Company and their nominal value are as follows:

	As at 31 December	
	2024	2023
At the beginning of the year	8,904,611	8,906,673
The conversion of convertible bonds into ordinary shares	–	95
Deregistration of treasury shares	(880)	(2,157)
At the end of the year	<u>8,903,731</u>	<u>8,904,611</u>

### 56. OTHER EQUITY INSTRUMENTS

	As at 31 December	
	2024	2023
Perpetual subordinated bonds	<u>14,946,981</u>	<u>19,918,679</u>
Total	<u>14,946,981</u>	<u>19,918,679</u>

As approved by the CSRC, the Company issued four batches of perpetual subordinated bonds (collectively the “perpetual subordinated bonds”, including “19 Guojun Y1”, “20 Guojun Y1”, “22 Guojun Y1” and “23 Guojun Y1”) with an initial interest rate of 4.20%, 3.85%, 3.59% and 3.53% in September 2019, March 2020, July 2022 and June 2023. The actual proceeds from each of the perpetual subordinated bonds was equally RMB5 billion with a carrying amount of RMB100 per bond. The perpetual subordinated bonds have no fixed maturity dates and the Company has an option to redeem “19 Guojun Y1” and “20 Guojun Y1” at principal amounts plus any accrued interest on the fifth interest payment date or any interest payment date afterwards. The Company has an option to extend one cycle at the end of each repricing cycle, or redeem “22 Guojun Y1” and “23 Guojun Y1” in full. In September 2024, the Company has redeemed “19 Guojun Y1” in full.

The interest rate for perpetual subordinated bonds is fixed in the first 5 years and will be repriced every 5 years. The repriced interest rate is determined as the sum of the current base rate and the initial spread plus 300bp. The current base rate is defined as the average yield of 5 years treasury from the interbank fixed rate bond yield curve published on China Bond webpage 5 working days before the adjustment.

The issuer has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Of which, mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 56. OTHER EQUITY INSTRUMENTS *(continued)*

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

During the year ended 31 December 2024 and 2023, the Company recognized dividends payable to holders of the perpetual subordinated bonds amounting to RMB938 million and RMB759 million (Note 19), respectively.

### 57. RESERVES AND RETAINED PROFITS

#### (1) Capital reserve

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of face value and the difference between the considerations of the acquisition of equity interests from non-controlling shareholders and the carrying amount of the proportionate net assets.

#### (2) Investment revaluation reserve

Investment revaluation reserve mainly represents the fair value changes of debt instruments at fair value through other comprehensive income and equity instruments at fair value through other comprehensive income.

#### (3) Translation reserve

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group at the rate of exchange prevailing at the end of the reporting period, and the income and expenses are translated at the average exchange rates or at the approximate exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in the translation reserve.

#### (4) Surplus reserve

The surplus reserve includes the statutory surplus reserve and discretionary surplus reserve.

Pursuant to the "Company Law of the People's Republic of China", the articles of association of the Company and the decision of the Board, the Company is required to set aside 10% of its net profit (after offsetting the accumulated losses incurred in previous years) to the statutory surplus reserve until the balance reaches 50% of the respective registered capital. Subject to the approval of the shareholders, the statutory surplus reserve may be used to offset accumulated losses, and may also be converted into capital of the Company, provided that the balance of the statutory surplus reserve after such capitalization is not less than 25% of the registered capital immediately before capitalization.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 57. RESERVES AND RETAINED PROFITS *(continued)*

#### (5) General reserve

The general reserve includes the general risk reserve and the transaction risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company appropriates 10% of its annual net profit to the general risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Company appropriates 10% of its annual net profit to the transaction risk reserve.

In accordance with the requirements of Provisional Measures on Supervision and Administration of Risk Provision of Public Offering of Securities Investment Funds (Order of the CSRC No. 94) issued on 24 September 2013, the Group appropriates 10% of fund management fee to the general risk reserve.

#### (6) Retained profits

The movements in retained profits are set out below:

	Year ended 31 December	
	2024	2023
At the end of last year (as previously reported)	<b>58,506,243</b>	56,683,126
Profit for the year	<b>13,024,085</b>	9,374,143
Appropriation to general reserve	<b>(2,388,974)</b>	(1,759,099)
Dividends	<b>(4,897,052)</b>	(4,719,402)
Distribution to other equity instrument holders	<b>(938,000)</b>	(758,500)
Others	<b>(26,683)</b>	(314,025)
At the end of the year	<b>63,279,619</b>	58,506,243

## Section X Independent Auditor's Report and Notes to Financial Statements

### 58. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Cash and cash equivalents

	As at 31 December	
	2024	2023
Cash on hand	432	445
Bank balances	26,713,219	30,739,465
Clearing settlement funds	9,813,170	7,315,428
Financial assets held under resale agreements with original maturity of less than three months	39,675,145	42,981,231
Financial assets at fair value through profit or loss with original maturity of less than three months	110,000	–
Less: bank deposits with original maturity of more than three months, risk reserve deposits, restricted bank balances and clearing settlement funds	(4,920,446)	(4,116,993)
Total	<u>71,391,520</u>	<u>76,919,576</u>

#### (b) Changes in liabilities arising from financing activities

	Loans and borrowings	Short-term debt instruments	Bonds payable	Lease liabilities
At 1 January 2023	10,406,698	13,649,479	127,883,594	1,885,175
Changes from financing cash flows	1,618,096	5,458,165	6,064,839	(666,252)
Interest expenses	857,144	694,533	4,466,022	64,843
Interest paid	(856,592)	(430,083)	(4,592,297)	(64,843)
New leases	–	–	–	619,266
Other non-cash changes	185,896	–	203,385	(8,838)
At 31 December 2023	12,211,242	19,372,094	134,025,543	1,829,351
Changes from financing cash flows	(2,711,295)	28,119,217	(44,268)	(700,900)
Interest expenses	1,179,815	668,694	4,172,824	59,359
Interest paid	(1,179,871)	(668,940)	(4,302,046)	(59,359)
New leases	–	–	–	525,641
Other non-cash changes	235,994	–	146,412	(12,507)
At 31 December 2024	<u>9,735,885</u>	<u>47,491,065</u>	<u>133,998,465</u>	<u>1,641,585</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 58. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(continued)*

#### (c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	Year ended 31 December	
	2024	2023
Within operating activities	<b>35,609</b>	42,652
Within financing activities	<b>760,259</b>	731,095

### 59. TRANSFERRED FINANCIAL ASSETS

In the normal course of business, the Group enters into certain transactions in which it transfers recognized financial assets to third parties or customers. If these transfers qualify for derecognition, the Group derecognizes all or part of the financial assets where appropriate. If the Group has retained substantially all the risks and rewards of these assets, the Group continues to recognize these assets.

#### (1) Repurchase agreements

Transferred financial assets that do not qualify for derecognition include debt securities held by counterparties as collateral under repurchase agreements. The Group transfers the contractual rights to receive the cash flows of these securities, but has an obligation to repurchase them at the agreed date and price. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized them. In addition, they are recognized as financial assets sold under repurchase agreements.

Transferred financial assets that do not qualify for derecognition also include margin accounts receivable-backed repurchase whose beneficial rights are transferred to counterparties and repurchased by the Group at the maturity date. The Group has determined that it retains substantially all the risks and rewards of these financial assets and therefore has not derecognized them. In addition, they are recognized as financial assets sold under repurchase agreements.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 59. TRANSFERRED FINANCIAL ASSETS (continued)

#### (2) Securities lending

Transferred financial assets that do not qualify for derecognition include securities lent to customers for the securities lending business, for which the customers provide the Group with collateral that could fully cover the credit risk exposure of the securities lent. The customers have an obligation to return the securities according to the contracts. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized the securities lent.

#### (3) Margin financing borrowing

Transferred financial assets that do not qualify for derecognition include securities transferred to CSFC. When CSFC exercises the rights attached to the securities, it shall follow the instructions of the Group. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized the securities transferred.

The following tables provide a summary of the carrying amounts related to transferred financial assets that are not derecognized in their entirety and the associated liabilities:

	<b>Repurchase agreements</b>	<b>Securities lending</b>	<b>Margin financing borrowing</b>
<b>31 December 2024</b>			
Carrying amount of transferred assets	<u>5,220,219</u>	<u>2,088,034</u>	<u>-</u>
Carrying amount of related liabilities	<u>4,738,821</u>	<u>N/A</u>	<u>N/A</u>
	Repurchase agreements	Securities lending	Margin financing borrowing
<b>31 December 2023</b>			
Carrying amount of transferred assets	<u>3,030,857</u>	<u>2,432,180</u>	<u>953,680</u>
Carrying amount of related liabilities	<u>2,932,790</u>	<u>N/A</u>	<u>N/A</u>

### 60. CONTINGENCIES

As at 31 December 2024, the contingent liabilities due to pending litigations amounted to RMB477,906 thousand.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 61. EQUITY-SETTLED SHARE-BASED PAYMENTS

#### (a) Share-based payments of the Company

The Company carried out a restricted share incentive scheme of A shares whereby the Company grant restricted A shares to the incentive participants in return for their services. Details of the scheme for the years ended 31 December 2024 and 2023 are set out below:

	Year ended 31 December	
	2024	2023
Granted during the year	–	–
Unlocked during the year	<b>27,704,280</b>	–
Cancelled during the year	<b>880,196</b>	–

As at 31 December 2024, the cumulative amount of equity-settled share-based payments recognized in the Company's capital reserve was RMB852,148 thousand. The total amount of expenses recognized for equity-settled share-based payments in the current year was RMB46,345 thousand.

The fair value of services received in return for restricted share incentive scheme is measured by reference to the fair value of shares. The estimate of the fair value of restricted shares granted is measured based on the closing price of shares at grant date.

### 62. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

#### (a) Relationship of related parties

##### (1) Major shareholders

Share percentage in the Company:

	As at 31 December	
	2024	2023
Shanghai State-owned Assets Operation Co., Ltd. ("Shanghai SA")	<b>23.06%</b>	23.06%
Shanghai International Group Co., Ltd. ("SIG")	<b>9.05%</b>	9.05%

## Section X Independent Auditor's Report and Notes to Financial Statements

### 62. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (a) Relationship of related parties *(continued)*

##### (2) Subsidiaries of the Company

The detailed information of the Company's subsidiaries is set out in Note 26.

##### (3) Associates and joint ventures of the Group

The detailed information of the Group's associates and joint ventures is set out in Note 28.

##### (4) Other related parties of the Group

Name of the related parties	Relationship of the related parties
Shanghai Guoxin Venture Investment Co., Ltd.	Shanghai SA controls the entity
Shanghai Guoxin Investment Development Co., Ltd.	Shanghai SA controls the entity
Shanghai International Group Assets Management Co., Ltd.	SIG controls the entity
Shanghai Zhenghai Guoxin Investment Center (L.P.)	Shanghai SA controls the entity
Shanghai International Group (Hong Kong) Co., Ltd.	SIG controls the entity
China Foreign Economy and Trade Trust Co., Ltd.	The trustee of a trust in favor of Shanghai SA
China Securities Credit Investment Co., Ltd.	The senior management of the Company acts as a director of the entity
Shanghai Pudong Development Bank Co., Ltd.	The director of the Company acts as the director of the entity
Guang Dong Yuecai Trust Co., Ltd.	The trustee of a trust in favor of Shanghai SA
Shanghai Guohe Capital Co., Ltd.	The senior management of SIG acts as a director of the entity
Allinpay Network Service Co., Ltd.	The director of the Company acts as the director of the entity
Shenzhen Investment Holdings Co., Ltd.	The director of the Company serves as the chief accountant of the entity
Shanghai Chengtuo Environmental Protection Financial Services Co., Ltd.	The director of the Company acts as the chairman of the entity
Shanghai Rural Commercial Bank	The senior management of SIG acts as a director of the entity
Anhui Huamao Industry Investment Co., Ltd.	The supervisor of the Company acted as the director of the entity
Beijing Futaihua Investment Management Co., Ltd.	Subsidiary of a company in which Shanghai SA holds more than 30% of the shares
Shenzhen Special Economic Zone Development Group Company, Ltd.	The director of the Company acts as the director of the entity
Guotai Junan Investment Management Co., Ltd.	Subsidiary of a company in which Shanghai SA holds more than 30% of the shares
Great Wall Securities Co., Ltd.	The supervisor of the Company acted as the vice chairman of the entity
New China Asset Management Co., Ltd.	The retired director of the Company acted as the vice president of the entity
Galaxy Asset Management Co., Ltd.	The director of the Company acts as the director of the entity
SPDB Financial Leasing Co., Ltd.	The senior management of Shanghai SA acts as a director of the entity
Shenzhen Energy Group Co., Ltd.	The supervisor of the Company acts as the secretary of the board of directors

Other related parties can be individuals or enterprises, which include members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 62. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (b) Transactions between the Group and other related parties

(1) Fee and commission income from related parties

Related parties	Year ended 31 December	
	2024	2023
Associates and joint ventures of the Group	100,890	107,500
Other major related parties	5,794	3,776
Major shareholders and their subsidiaries	1,394	1,049

(2) Interest received from related parties

Related parties	Year ended 31 December	
	2024	2023
Other major related parties	227,647	233,400
Associates and joint ventures of the Group	842	2,802
Major shareholders and their subsidiaries	6,150	–

(3) Interest paid to related parties

Related parties	Year ended 31 December	
	2024	2023
Other major related parties	63,693	91,357
Associates and joint ventures of the Group	1,660	1,115
Major shareholders and their subsidiaries	96	74

(4) Operating expenses and costs paid to related parties

Related parties	Year ended 31 December	
	2024	2023
Other major related parties	23,413	47,939
Associates and joint ventures of the Group	137	–

## Section X Independent Auditor's Report and Notes to Financial Statements

### 62. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

- (5) Related party transactions with SIG and HuaAn Funds constitute continuing connected transactions as defined by the Hong Kong Listing Rules. In 2024, the annual caps and the actual amounts of securities and financial products transactions and financial services related continuing connected transactions with SIG and/or its associates and HuaAn Funds and/or its subsidiaries are as follows:

SIG	Year ended 31 December			
	2024		2023	
	Caps (RMB in million)	Actual amount (RMB in million)	Caps (RMB in million)	Actual amount (RMB in million)
<b>Securities and financial products</b>				
Inflow	1,536.40	686.96	1,392.18	313.02
Outflow	1,447.42	1,082.48	1,310.93	715.71
<b>Financial services</b>				
Revenue generated	252.76	7.55	242.49	5.56
Fees paid	40.20	–	36.19	–
<b>HuaAn Funds</b>	Year ended 31 December 2024		Year ended 31 December 2023	
	Caps (RMB in million)	Actual amount (RMB in million)	Caps (RMB in million)	Actual amount (RMB in million)
<b>Securities and financial products</b>				
Inflow	13,983.86	4,477.77	6,324.01	3,770.20
Outflow	20,684.59	4,219.25	12,733.26	8,151.17
<b>Financial services</b>				
Revenue generated	241.67	79.87	256.32	127.99
Fees paid	49.70	4.83	43.94	6.48

## Section X Independent Auditor's Report and Notes to Financial Statements

### 62. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (c) Balances of related party transactions between the Group and its related parties

##### (1) Deposits with related parties

	As at 31 December	
Related parties	2024	2023
Other major related parties	9,798,415	7,875,839

##### (2) Financial assets held under resale agreements

	As at 31 December	
Related parties	2024	2023
Other major related parties	49,003	47,653

##### (3) Accounts payable

	As at 31 December	
Related parties	2024	2023
Other major related parties	14,402	18,442
Associates and joint ventures of the Group	51	3

##### (4) Financial assets sold under repurchase agreements

	As at 31 December	
Related party	2024	2023
Other major related parties	758,730	472,075

##### (5) Bonds held by the Group

	As at 31 December	
Related parties	2024	2023
Other major related parties	3,553,883	2,104,912
Associates and joint ventures of the Group	30,866	105,923

## Section X Independent Auditor's Report and Notes to Financial Statements

### 62. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS *(continued)*

#### (c) Balances of related party transactions between the Group and its related parties *(continued)*

##### (6) Loans and borrowings with related parties

	As at 31 December	
Related parties	2024	2023
Other major related parties	1,708,899	2,854,909

##### (7) Derivative transactions with related parties

	As at 31 December	
Related parties	2024	2023
Derivative financial assets		
Associates and joint ventures of the Group	3,847	3,128
Other major related parties	6,951	217,157
Derivative financial liabilities		
Associates and joint ventures of the Group	–	116
Other major related parties	3,975	20,590

#### (d) Remuneration of directors, supervisors and senior management

During the year ended 31 December 2024, the Company accrued and attributed pre-tax remuneration of current year to directors, supervisors and senior management of the Company amounting to RMB10,872 thousand (During the year ended 31 December 2023: RMB26,914 thousand). For the year ended 31 December 2024, the Company's contribution to pension scheme and other social insurance for directors, supervisors and senior management amounted to RMB3,454 thousand (For the year ended 31 December 2023, RMB4,289 thousand). The final amount of compensation of directors, supervisors and senior management who received compensation from the Company during the Reporting Period is still in the process of confirmation and the remaining part will be disclosed upon confirmation.

Further details of directors' and supervisors' emoluments are included in Note 17.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 63. SEGMENT REPORTING

The Group is organized into business units based on their products and services and has six reportable operating segments as follows:

- 1) The wealth management segment, which mainly provides securities and futures brokerage, financial products, investment advisory, stock pledging, margin financing and securities lending, agreed securities repurchase and other services to clients.
- 2) The investment banking segment, which primarily includes sponsorship, equity underwriting, debt underwriting, structured debt financing, M&A financial advisory services and diversified corporate solutions to corporate and government clients.
- 3) The institutional and trading segment, mainly consists of research, institutional brokerage, trading and investment and equity investment. Among which, institutional brokerage mainly provides prime brokers, seat leasing, custody and outsourcing, QFII and other services to institutional clients; Our trading and investment business mainly includes investment transactions in stocks, fixed income, foreign exchange, large commodities and their derivative financial instruments, as well as providing integrated financial solutions for clients' investment, financing and risk management.
- 4) The investment management segment, which primarily includes asset management and fund management services to institutions and individuals.
- 5) The international segment covers brokerage, corporate financing, asset management, loans and financing, financial products, market-making, and investment businesses through GJIHL. Additionally, the Group actively expanded into markets in the United States, Europe, and Southeast Asia.
- 6) The other segment includes government grants and other general operating expenses.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 63. SEGMENT REPORTING (continued)

#### (a) Operating segments

	Year ended 31 December 2024						
	Wealth management	Investment banking	Institutional and trading	Investment management	International business	Other	Total
Segment total revenue and other income							
Fee and commission income	11,189,885	2,805,736	2,412,960	3,907,240	764,303	-	21,080,124
Interest income	8,950,148	-	3,396,763	221,168	2,496,228	102	15,064,409
Net investment gains	-	-	10,707,751	407,861	3,679,847	-	14,795,459
Other income and gains	-	-	9,740,734	51,586	155,654	869,112	10,817,086
Total revenue and other income	20,140,033	2,805,736	26,258,208	4,587,855	7,096,032	869,214	61,757,078
Segment expenses	(15,759,497)	(1,649,967)	(17,311,545)	(2,821,065)	(5,426,492)	(2,432,088)	(45,400,654)
Including: Interest expenses	(4,139,917)	-	(4,680,825)	(9,958)	(3,831,341)	(45,301)	(12,707,342)
Credit loss expense	(69,831)	-	(100,336)	(237)	(79,569)	-	(249,973)
Provision for impairment losses	-	-	(41,602)	-	-	-	(41,602)
Segment operating profit	4,380,536	1,155,769	8,946,663	1,766,790	1,669,540	(1,562,874)	16,356,424
Share of profits of associates and joint ventures	-	-	240,298	65,520	-	-	305,818
Segment profit before income tax	4,380,536	1,155,769	9,186,961	1,832,310	1,669,540	(1,562,874)	16,662,242
Income tax expense							(3,113,481)
Segment profit for the year							13,548,761
As at 31 December 2024							
Segment total assets	344,184,403	3,522,013	495,476,960	27,941,725	172,959,282	3,661,029	1,047,745,412
Segment total liabilities	294,563,936	1,511,736	417,406,999	3,646,815	151,528,932	1,613,297	870,271,715
Year ended 31 December 2024							
Other segment information:							
Depreciation and amortization expenses	594,425	6,083	855,715	48,257	81,072	6,322	1,591,874
Capital expenditure	433,156	4,432	623,557	35,165	59,077	4,608	1,159,995

## Section X Independent Auditor's Report and Notes to Financial Statements

### 63. SEGMENT REPORTING (continued)

#### (a) Operating segments (continued)

	Year ended 31 December 2023						
	Wealth management	Investment banking	Institutional and trading	Investment management	International business	Other	Total
Segment total revenue and other income							
Fee and commission income	7,830,643	3,669,212	2,567,089	4,109,665	572,313	–	18,748,922
Interest income	9,610,974	–	4,167,913	127,947	1,728,602	141	15,635,577
Net investment gains	–	–	6,536,415	172,100	2,411,863	–	9,120,378
Other income and gains	–	–	7,648,192	64,985	(21,456)	1,107,233	8,798,954
Total revenue and other income	17,441,617	3,669,212	20,919,609	4,474,697	4,691,322	1,107,374	52,303,831
Segment expenses	(13,745,544)	(1,987,161)	(15,728,458)	(2,967,651)	(3,796,119)	(2,310,446)	(40,535,379)
Including: Interest expenses	(4,785,752)	–	(5,676,158)	(10,198)	(2,308,028)	(52,833)	(12,832,969)
Credit loss expense	(52,928)	–	(125,021)	(9,572)	(74,997)	–	(262,518)
Provision for impairment losses	–	–	(32,399)	–	–	–	(32,399)
Segment operating profit	3,696,073	1,682,051	5,191,151	1,507,046	895,203	(1,203,072)	11,768,452
Share of profits of associates and joint ventures	–	–	95,846	283,600	–	–	379,446
Segment profit before income tax	3,696,073	1,682,051	5,286,997	1,790,646	895,203	(1,203,072)	12,147,898
Income tax expense							(2,262,481)
Segment profit for the year							<u>9,885,417</u>
As at 31 December 2023							
Segment total assets	272,168,189	5,126,532	481,152,823	26,978,074	136,150,127	3,826,739	925,402,484
Segment total liabilities	224,133,960	2,102,600	404,802,212	3,573,287	115,770,984	1,641,431	752,024,474
Year ended 31 December 2023							
Other segment information:							
Depreciation and amortization expenses	493,728	9,300	872,838	48,940	82,705	6,941	1,514,452
Capital expenditure	379,944	7,157	671,684	37,661	63,645	5,341	1,165,432

## Section X Independent Auditor's Report and Notes to Financial Statements

### 63. SEGMENT REPORTING *(continued)*

#### (b) Geographical segments

Total revenue	Year ended 31 December	
	2024	2023
Mainland, China	43,999,614	38,792,099
Hong Kong, China and overseas	6,940,378	4,712,778
Total	<u>50,939,992</u>	<u>43,504,877</u>

The Group's non-current assets are mainly located in Mainland China (country of domicile).

#### (c) Information about a major customer

The Group has no single customer which contributed to 10 percent or more of the Group's revenue for the years ended 31 December 2024 and 2023.

### 64. FINANCIAL RISK MANAGEMENT

#### (1) Policies for and structure of risk management

##### Policies for risk management

The Group faces various financial risks in the normal course of business, mainly including credit risk, liquidity risk and market risk. The Group has established policies and procedures to identify and evaluate these risks, and continually monitors these risks by setting appropriate risk limits and internal control systems and through reliable management and information systems. The Group's risk management policies include two aspects: the objective of risk management and the principles of risk management.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (1) Policies for and structure of risk management *(continued)*

Policies for risk management *(continued)*

##### *Objective for risk management*

The overall objective of the Group's risk management is to establish a management mechanism that enables scientific decision-making, standardized operation, efficient management and sustainable development that can maintain the Group's financial stability and improve its market position and performance. Specifically, it includes:

- ensuring strict compliance with relevant laws, regulations and the Group's policies;
- establishing and improving corporate governance that meets current requirements, and building scientific and proper processes of decision-making, execution, supervision and feedback;
- establishing a set of robust and effective risk management policies to identify errors and fraud, close loopholes, and ensure a healthy conduct of business activities;
- setting up a proper and effective risk measurement and analysis system, which can effectively identify, measure, analyze and evaluate various risks that may arise from the normal course of business, to ensure the safety and integrity of the Group's assets;
- improving management efficiency and effectiveness, striving to keep assets secured and risks well managed based on effective control of risk.

##### *Principles for risk management*

The principles for risk management include: appropriateness, coverage, independence, effectiveness, forward looking.

##### *Structure of risk management*

The Group's risk management structure includes corporate governance structure and risk management organizational structure.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (1) Policies for and structure of risk management *(continued)*

Policies for risk management *(continued)*

##### *Corporate governance structure*

According to the "Company Law", "Securities Law" and "Code of Corporate Governance for Securities Companies" and other laws and regulations, the Group has established a modern corporate governance structure that features management comprising of Shareholders' Meetings, the Board of Directors, the Board of Supervisors and the senior management. The Group manages risks by explicitly stipulating management's authorization, responsibility and business objectives, and regulating their behaviors.

##### *Organizational structure of risk management*

The Company has established a four-level risk management system consisting of the Board (including Risk Control Committee) and Supervisory Committee, operation management (including risk management committee and assets and liabilities management committee), risk management department, other business departments and branches and subsidiaries. Risk management departments include those which are specifically responsible for risk management, such as the risk management department, the internal audit risk management department, the legal compliance department, and the group audit center, as well as departments that perform other risk management duties, such as the planning and finance department, the assets and liabilities department, the IT department, the operation center and the executive office.

#### (2) Credit risk

The Group's cash and bank balances are mainly deposited with state-owned commercial banks or joint-stock commercial banks with adequate capital. Clearing settlement funds are mainly deposited with China Securities Depository and Clearing Corporation Limited. The credit risk on cash and cash equivalents is relatively low.

The Group primarily faces three types of credit risks: firstly, the risk of loss arising from the Group's obligation to settle on behalf of its customers in securities trading or derivative trading on the customers' accounts which become under-margined on the settlement date due to the Group's failure to require full margin deposits before the transactions or because the customers are unable to cover their transactions due to other reasons; secondly, the credit risk associated with its securities financing activities, which is the risk of losses due to defaults of its margin financing and securities lending clients, securities repurchase clients and stock-pledged financing clients; thirdly, the default risk of investments in credit products, namely the risk of asset impairment and changes in investment returns due to defaults of borrowers or issuers who refuse to repay the principal and interest when due.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (2) Credit risk *(continued)*

In order to manage the credit risk arising from the brokerage business, securities and futures brokerage transactions in Mainland China are all settled on a full-pledged basis, which enables the Group's credit risk associated with the brokerage business to be well under control.

Credit risk arises from the margin financing and securities lending business and stock-pledged financing primarily due to fraudulent information from clients, failure of customers to repay debts in full in a timely manner, customers' breach of contracts with respect to the size and structure of trading positions, customers' violation of regulatory requirements in their trading actions, and the involvement of collateral in legal disputes, among others. The Credit Business Department of the Company and its Hong Kong subsidiary has dedicated employees who are responsible for the approval of limits of margin deposits, stock-pledged financing business, and the margin financing and securities lending business, which are updated based on the periodic assessment of customers' ability to repay. The Credit and Risk Management Department monitors the status of margin deposits and stock-pledged financing, and makes margin calls when necessary. In cases where customers fail to deposit more money as required, collateralized securities will be sold to control the risk. When determining the expected credit loss of the margin financing and securities lending business, securities repurchase and stock-pledged financing, the Group estimates the probability of default based on practical experience and historical data, sets loss given default based on industrial information and market data, and takes forward-looking factors into consideration.

In order to manage default risks associated with investments in credit products, for bond investments, the Group has established credit lines for counterparties and investment restrictions in accordance with their credit ratings. When determining the expected credit loss on bond investments, the Group estimates the probability of default based on the mapping relationship of rating, sets loss given default based on industrial information and market data, and takes forward-looking factors into consideration.

For trade receivables, the Group applies a simplified approach in calculating ECLs based on the historical credit loss experience, adjusted for related information specific to the debtors and the economic environment, etc.

For other financial assets where the simplified approach was not adopted, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs ("LTECL") that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

Both LTECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (2) Credit risk *(continued)*

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Group groups debt financial assets under the requirement of IFRS 9 into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1: When debt financial assets are first recognized, the Group recognizes an allowance based on 12-month ECLs. Stage 1 debt financial assets also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When debt financial assets have shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 debt financial assets also include financial assets, where the credit risk has improved and the financial assets have been reclassified from Stage 3.
- Stage 3: Debt financial assets are considered credit-impaired. The Group records an allowance for the LTECLs.

POCI: Purchased or originated credit-impaired ("POCI") assets are financial assets that are credit-impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered to be a (partial) derecognition of the financial asset.

When estimating the ECLs, the Group considers different scenarios. Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted debt instruments are expected to be recovered, including the probability that the debt instruments will cure and the value of collateral or the amount that might be received for selling the asset.

For financial assets held under resale agreements and margin accounts receivable, the allowance for ECLs may significantly fluctuate due to the decline in fair value of collaterals caused by stock market volatility, which may not fully cover the receivables. The Group considers multiple factors to determine the allowance for ECLs, such as the credit situation, repayment ability of the debtor, the credit enhancement measures of the third party, the liquidity and disposal cycle of collaterals.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (2) Credit risk *(continued)*

##### Criteria of significant increase in credit risk

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group considers reasonable and supportable information that is available without undue cost or effort, including qualitative and quantitative analyses based on historical data, internal and external credit risk ranking, and forward-looking information. The Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition, on either an individual basis or a collective basis for the underlying portfolio of financial instruments with similar credit risk characteristics, to determine the change in the risk of a default occurring over the expected life of the financial instrument.

Relevant considerations in assessing whether the credit risk on the financial instrument has increased significantly include: whether the probability of default has increased significantly at the reporting date since initial recognition, whether the borrower's operating and financial condition has significant and adverse changes, whether the maintenance margin ratio has under a force liquidation level, whether the latest rating has under investment grade. Generally, the credit risk on a financial instrument is considered to have increased significantly when the contractual payment is more than or equal to 30 days past due regardless of the way in which the Group assesses significant increases in credit risk unless the Group has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (2) Credit risk *(continued)*

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

Credit impairment may be due to the combined effect of several events rather than a single discrete event. To determine whether a financial asset is credit-impaired, the Group considers one or more of the following both quantitative and qualitative indicators:

- The borrower is more than 90 days past due on its contractual payments;
- The collateral valuation falls short of the related loan amounts;
- The latest ratings are in default grade;
- Significant financial difficulty of the issuer or the borrower;
- The disappearance of an active market for that financial asset because of financial difficulties;
- The Group, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Other circumstances that show financial assets are credit-impaired.

For Stock-pledged financing, based on the borrowers' credit quality, contract maturity date, the related collateral securities information, which includes the sector situation, liquidity discount factor, restrictions, concentration, volatility, maintenance margin ratio, issuers' operation condition and related information, the Group sets differentiated collateral to loan ratios (generally no less than 130%) as force liquidation thresholds against different exposures related to these transactions.

- Stock-pledged financing with maintenance margin ratio above the force liquidation thresholds, past due for no more than 30 days are classified under Stage 1;
- Stock-pledged financing with maintenance margin ratio above 100% while fall below the force liquidation thresholds, past due for more than 30 days but less than 90 days are classified under Stage 2;
- Stock-pledged financing with maintenance margin ratio fall below 100%, past due for more than 90 days are classified under Stage 3.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (2) Credit risk *(continued)*

##### Key parameters for expected credit losses

Depending on whether the credit risk is significantly increased or credit-impaired, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month or lifetime expected credit losses. The key parameters for measuring expected credit losses include the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). The Group considers the quantitative analysis of historical data (such as the credit rating of counter parties, ways of guarantee, the category of collateral, and ways of repayment, etc.) and forward-looking information, to establish a model of PD, LGD, and EAD.

##### Methods that is used in the calculation of expected credit losses

The Group considers PD/LGD impact on measuring expected credit losses:

- PD is an estimate of the likelihood that a borrower will be unable to meet its debt obligations over the future 12 months or the whole remaining lifetime. The Group estimates PD based on the historical default data, internal and external credit ratings and forward-looking information, etc.
- LGD is the estimated share of the exposure at default that is lost when a borrower defaults. LGD varies depending on the category of counterparties, ways and priority of recourse, and the category of collateral. LGD is the percentage of loss when default occurs;
- EAD is an estimation of the extent to which the Group may be exposed to a counterparty in the event of the counterparty's default in the future 12 months or the whole remaining lifetime;
- Forward-looking information, both the assessment of a significant increase in credit risk and calculation of expected credit losses include forward-looking information. The Group identifies the key economic factors affecting credit risk and the expected credit losses of different kinds of business based on historical data analysis. The Group forecasts economic factors periodically and applies expert judgments to determine the impact of forward-looking information on PD, etc.

For Stock-pledged financing, the Group periodically make assessments on the borrowers' credit risk based on available internal and external information, such as: historical default data, maintenance margin ratio, the liquidity, etc. Loss ratio (considers PD& LGD) applied by the Group under the 3 stages as at 31 December 2024 were as follows:

- |          |  |
|----------|--|
| Stage 1: | no less than 0.2% according to different maintenance margin ratios;  |
| Stage 2: | 0.2% to 10% according to different maintenance margin ratios;  |
| Stage 3: | Evaluate and determine the allowance for ECLs after considering the recoverable amount of each contract based on multiple factors, including qualitative and quantitative indicators such as the value of collaterals, maintenance margin ratio, the credit quality and repayment ability of the borrower, other collaterals conditions, the credit enhancement measures of the third party. |

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT (continued)

#### (2) Credit risk (continued)

Methods that is used in the calculation of expected credit losses (continued)

##### (i) Maximum exposure to credit risk

The table below summarizes the Group's maximum exposure to credit risk without taking account of any collateral and other credit enhancements.

	As at 31 December	
	2024	2023
Debt instruments at fair value through other comprehensive income	<b>86,027,718</b>	94,146,785
Financial assets held under resale agreements	<b>60,645,701</b>	69,666,091
Financial assets at fair value through profit or loss	<b>250,086,829</b>	174,846,244
Debt investments at amortised cost	<b>3,995,305</b>	3,614,543
Refundable deposits	<b>69,011,661</b>	56,787,627
Other non-current assets	<b>275,077</b>	199,939
Accounts receivable	<b>13,082,258</b>	16,823,117
Other current assets	<b>983,887</b>	944,794
Margin accounts receivable	<b>106,268,255</b>	89,753,965
Derivative financial assets	<b>9,016,783</b>	9,672,698
Clearing settlement funds	<b>9,813,170</b>	7,315,428
Cash held on behalf of brokerage customers	<b>202,568,220</b>	141,939,238
Bank balances	<b>26,713,219</b>	30,739,465
Total maximum credit risk exposure	<b>838,488,083</b>	696,449,934

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (3) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities for shortage of capital or fund. The Group has adopted the following measures to manage liquidity risk:

**Risk monitoring system built using net capital as the core indicator**

The Group establishes a risk monitoring system using net capital as the core indicator and includes other indicators such as the risk coverage ratio, capital leverage ratio, etc. according to “Administrative Measures for Risk Control Indicators of Securities Companies”. Meanwhile, the Company strictly adheres to the requirements as per “Guidance for Liquidity Risk Management of Securities Companies” and sets up a framework of the liquidity risk management which features with the liquidity coverage ratio and the net stable funding ratio as the core indicators. The Company continually monitors these indicators and maintains sufficient liquidity reserves by establishing multi-hierarchies of an efficient liquid asset management system.

**Strictly controlling the scale of the proprietary trading business**

The Group controls the scale of the proprietary trading business strictly. The proprietary investment to net capital ratio falls within the safety zone determined by the regulators. In addition, the Group also sets limits on the percentage of investments in securities and monitors them on a timely basis.

**Implementation of risk budget**

With the authorization of the Board of Directors, the Group prepares a risk budget for all businesses twice a year, i.e. at the beginning and in the middle of a year. Liquidity risk management is included as part of the risk budget.

**Temporary liquidity replenishment mechanism**

The Group has business cooperation with various commercial banks and obtains appropriate credit facilities, so as to establish a temporary liquidity replenishment mechanism. The commercial banks agreed to provide an overdraft facility amounting to RMB9,000 million and RMB15,000 million as at 31 December 2024 and 2023, respectively, in case of any temporary position shortage.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT (continued)

#### (3) Liquidity risk (continued)

##### Temporary liquidity replenishment mechanism (continued)

The table below lists the maturity profiles of financial liabilities of the Group based on the remaining undiscounted contractual cash flows:

31 December 2024	On demand	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial liabilities							
Loans and borrowings	16,730	8,328,234	840,159	46,330	583,278	-	9,814,731
Short-term debt instruments	-	3,254,924	3,654,162	41,126,821	-	-	48,035,907
Placements from other financial institutions	-	4,254,347	646,381	523,199	-	-	5,423,927
Accounts payable to brokerage customers	252,069,517	-	-	-	-	-	252,069,517
Financial assets sold under repurchase agreements	-	207,087,501	12,483,243	25,721,508	-	-	245,292,252
Financial liabilities at fair value through profit or loss	-	20,484,566	7,609,166	38,175,313	8,904,975	109,952	75,283,972
Derivative financial liabilities	1,385	884,322	1,899,972	5,930,527	665,895	9,474	9,391,575
Bonds payable	-	3,728,575	7,052,440	24,130,806	91,437,291	17,548,260	143,897,372
Lease liabilities	-	69,576	117,919	521,340	973,511	31,502	1,713,848
Other current liabilities	3,777,577	72,927,477	226,549	2,536,823	-	-	79,468,426
Total financial liabilities	<u>255,865,209</u>	<u>321,019,522</u>	<u>34,529,991</u>	<u>138,712,667</u>	<u>102,564,950</u>	<u>17,699,188</u>	<u>870,391,527</u>
31 December 2023	On demand	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Financial liabilities							
Loans and borrowings	-	8,993,573	2,074,980	662,664	106,693	515,210	12,353,120
Short-term debt instruments	-	1,103,819	9,647,281	8,836,376	-	-	19,587,476
Placements from other financial institutions	-	5,532,032	5,175,560	1,116,895	-	-	11,824,487
Accounts payable to brokerage customers	178,055,072	-	-	-	-	-	178,055,072
Financial assets sold under repurchase agreements	-	190,080,011	11,355,246	15,869,245	-	-	217,304,502
Financial liabilities at fair value through profit or loss	-	10,264,876	12,772,139	34,586,613	16,796,959	403,674	74,824,261
Derivative financial liabilities	11,180	1,239,325	2,358,279	5,190,631	1,989,997	699,194	11,488,606
Bonds payable	-	5,981,750	420,616	29,675,215	91,370,725	18,157,000	145,605,306
Lease liabilities	-	69,849	127,682	475,325	1,228,150	51,805	1,952,811
Other current liabilities	3,760,684	75,067,948	480,140	1,567,931	-	-	80,876,703
Total financial liabilities	<u>181,826,936</u>	<u>298,333,183</u>	<u>44,411,923</u>	<u>97,980,895</u>	<u>111,492,524</u>	<u>19,826,883</u>	<u>753,872,344</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (4) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates, exchange rates and securities' market prices.

The Group also engages in the stock and bond underwriting business, and may commit to purchase any remaining shares or bonds in standby underwriting agreements. Under these circumstances, the Group faces the risk that the market prices of the left-over portion may fall below the subscription price due to changes in market conditions.

The Group sets the maximum exposure for market risk. The monitoring and measurement of the exposure is determined according to the principal amount and the stop-loss limit. Market risk is controlled within the predetermined range set by management.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates primarily to financial instruments that are interest-bearing.

The tables below summarize the interest rate risk of the Group. Financial assets and liabilities are presented with reference to the earlier of the contractual repricing dates or maturity dates, and are stated at their carrying amounts.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT (continued)

#### (4) Market risk (continued)

##### (i) Interest rate risk (continued)

31 December 2024	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
Financial assets							
Debt instruments at fair value through other comprehensive income	1,281,909	2,012,807	10,661,934	31,104,461	40,088,372	878,235	86,027,718
Equity Instruments at fair value through other comprehensive income	-	-	-	-	-	22,021,315	22,021,315
Debt investments at amortised cost	99,283	208,333	100,155	1,608,253	1,970,245	9,036	3,995,305
Financial assets held under resale agreements	40,721,221	3,321,551	14,652,166	1,808,944	-	141,819	60,645,701
Financial assets at fair value through profit or loss	9,145,617	17,242,954	77,443,459	95,686,273	49,030,515	159,924,587	408,473,405
Refundable deposits	1,488,372	-	-	-	-	67,523,289	69,011,661
Other non-current assets	-	-	-	-	-	275,077	275,077
Accounts receivable	-	-	-	-	-	13,082,258	13,082,258
Other current assets	-	-	-	-	-	983,887	983,887
Margin accounts receivable	4,279,136	14,332,849	86,230,419	-	-	1,425,851	106,268,255
Derivative financial assets	82,442	32,086	741,071	431,123	10,479	7,719,582	9,016,783
Clearing settlement funds	9,801,061	-	-	-	-	12,109	9,813,170
Cash held on behalf of brokerage customers	143,818,346	11,306,961	46,800,000	-	-	642,913	202,568,220
Cash and bank balances	19,404,335	3,216,961	3,932,100	-	-	160,255	26,713,651
Total	<u>230,121,722</u>	<u>51,674,502</u>	<u>240,561,304</u>	<u>130,639,054</u>	<u>91,099,611</u>	<u>274,800,213</u>	<u>1,018,896,406</u>
31 December 2024	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
Financial liabilities							
Loans and borrowings	8,302,002	826,125	35,000	529,000	-	43,758	9,735,885
Short-term debt instruments	3,233,269	3,528,373	40,501,531	-	-	227,892	47,491,065
Placements from other financial institutions	4,248,848	631,599	510,018	-	-	25,806	5,416,271
Accounts payable to brokerage customers	204,448,662	-	-	-	-	47,620,855	252,069,517
Financial assets sold under repurchase agreements	206,633,842	12,320,419	25,257,319	-	-	725,937	244,937,517
Financial liabilities at fair value through profit or loss	14,256,066	7,457,753	36,246,504	8,806,915	-	8,516,734	75,283,972
Derivative financial liabilities	66,431	148,145	839,937	133,233	9,474	8,194,355	9,391,575
Bonds payable	3,499,879	6,498,878	20,867,587	84,931,696	16,011,686	2,188,739	133,998,465
Lease liabilities	65,372	109,954	491,106	944,533	30,620	-	1,641,585
Other current liabilities	-	-	-	-	-	79,468,427	79,468,427
Total	<u>444,754,371</u>	<u>31,521,246</u>	<u>124,749,002</u>	<u>95,345,377</u>	<u>16,051,780</u>	<u>147,012,503</u>	<u>859,434,279</u>
Interest rate sensitivity exposure	<u>(214,632,649)</u>	<u>20,153,256</u>	<u>115,812,302</u>	<u>35,293,677</u>	<u>75,047,831</u>	<u>127,787,710</u>	<u>159,462,127</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT (continued)

#### (4) Market risk (continued)

##### (i) Interest rate risk (continued)

	Within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
31 December 2023							
Financial assets							
Debt instruments at fair value through							
other comprehensive income	762,800	375,532	7,960,481	56,868,133	26,860,440	1,319,399	94,146,785
Equity Instruments at fair value through							
other comprehensive income	-	-	-	-	-	1,875,680	1,875,680
Debt investments at amortised cost	109,989	-	489,383	59,948	2,947,748	7,475	3,614,543
Financial assets held under resale agreements	44,802,587	3,336,874	19,492,646	1,780,530	-	253,454	69,666,091
Financial assets at fair value through							
profit or loss	6,640,522	5,797,592	62,140,920	71,854,604	27,416,494	198,724,108	372,574,240
Refundable deposits	879,793	-	-	-	-	55,907,834	56,787,627
Other non-current assets	-	-	-	-	-	199,939	199,939
Accounts receivable	-	-	-	-	-	16,823,117	16,823,117
Other current assets	-	-	-	-	-	944,794	944,794
Margin accounts receivable	7,695,326	25,078,847	54,995,869	-	-	1,983,923	89,753,965
Derivative financial assets	138,308	66,607	533,945	313,559	2,088	8,618,191	9,672,698
Clearing settlement funds	7,302,678	-	-	-	-	12,750	7,315,428
Cash held on behalf of brokerage customers	91,699,074	11,685,958	38,010,000	-	-	544,206	141,939,238
Cash and bank balances	26,294,859	989,579	3,355,406	-	-	100,066	30,739,910
Total	<u>186,325,936</u>	<u>47,330,989</u>	<u>186,978,650</u>	<u>130,876,774</u>	<u>57,226,770</u>	<u>287,314,936</u>	<u>896,054,055</u>
31 December 2023							
Financial liabilities							
Loans and borrowings	8,927,792	2,024,452	636,912	40,000	499,000	83,086	12,211,242
Short-term debt instruments	1,045,417	9,398,903	8,635,493	-	-	292,281	19,372,094
Placements from other financial institutions	5,520,884	5,112,792	1,063,723	-	-	47,503	11,744,902
Accounts payable to brokerage customers	144,241,062	-	-	-	-	33,814,010	178,055,072
Financial assets sold under repurchase							
agreements	189,742,127	11,175,733	15,411,113	-	-	500,617	216,829,590
Financial liabilities at fair value through							
profit or loss	8,667,035	12,772,139	33,078,252	16,552,410	403,674	3,350,751	74,824,261
Derivative financial liabilities	139,984	211,298	555,469	238,577	1,824	10,341,454	11,488,606
Bonds payable	5,499,504	-	26,411,256	84,001,169	16,000,934	2,112,680	134,025,543
Lease liabilities	64,821	117,748	432,702	1,164,488	49,592	-	1,829,351
Other current liabilities	-	-	-	-	-	80,876,703	80,876,703
Total	<u>363,848,626</u>	<u>40,813,065</u>	<u>86,224,920</u>	<u>101,996,644</u>	<u>16,955,024</u>	<u>131,419,085</u>	<u>741,257,364</u>
Interest rate sensitivity exposure	<u>(177,522,690)</u>	<u>6,517,924</u>	<u>100,753,730</u>	<u>28,880,130</u>	<u>40,271,746</u>	<u>155,895,851</u>	<u>154,796,691</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT (continued)

#### (4) Market risk (continued)

##### (i) Interest rate risk (continued)

###### *Sensitivity analysis*

The Group uses sensitivity analysis to measure the impact on net interest income, fair value gains or losses and equity due to changes in interest rates. The sensitivity of net interest income represents the fluctuation of net interest income, as a result of certain changes in interest rates, arising from financial assets and liabilities held at the year end which will be repriced within the next year. The sensitivity of fair value gains or losses and equity are calculated as the fluctuations in fair values of fixed-rate financial assets that are classified as financial instruments at fair value, due to certain changes in interest rates.

The table below summarizes the results of the sensitivity analysis, and shows the impact on net profits and other comprehensive income (net of tax) resulting from a reasonably possible change in the interest rate, based on the assets and liabilities held as at 31 December 2024 and 2023, with all other variables held constant.

	As at 31 December			
	2024		2023	
	+50 BP	-50 BP	+50 BP	-50 BP
Change in				
– net profit	(1,366,980)	1,417,756	(962,088)	984,326
– other comprehensive income	(1,502,417)	1,553,918	(994,802)	1,032,694
Change in equity	<u>(2,869,397)</u>	<u>2,971,674</u>	<u>(1,956,890)</u>	<u>2,017,020</u>

##### (ii) Currency risk

Currency risk is the risk of fluctuation in the fair value of financial instruments or future cash flows arising from movements in foreign exchange rates. The Group's currency risk primarily relates to business activities denominated in foreign currencies different from the Group's functional currency, and its net investments in foreign subsidiaries.

Except for the subsidiaries incorporated in Hong Kong which hold assets mainly denominated in HKD, the assets and liabilities denominated in foreign currencies represent only an insignificant portion of the Group's entire assets and liabilities.

The Group's currency risk is not material because the net foreign currency exposure is relatively low.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (4) Market risk *(continued)*

##### (iii) Price risk

Price risk is the risk that the fair value of equity securities declines because of unfavorable changes in the stock index level or the price of individual securities.

The Group mainly invests in listed equity securities, warrants, funds, stock futures, etc. The Group's maximum exposure to price risk is determined by the fair value of financial instruments it holds.

The above financial instruments are exposed to price risk due to fluctuations in fair values, which can be caused by factors specific to individual financial instruments or their issuers, or factors affecting all financial instruments traded in the market.

The analysis below is to show the impact on net profit and other comprehensive income (net of tax) due to changes in fair values of investments in equity securities, funds, equity derivative financial assets/liabilities, trust products, stock futures and other equity investments by 10%, based on the carrying amounts at the end of each reporting period, with all other variables held constant.

##### *Sensitivity analysis*

	As at 31 December			
	2024		2023	
	+10%	-10%	+10%	-10%
Change in				
– net profit	<b>8,135,869</b>	<b>(8,135,869)</b>	9,621,686	(9,621,686)
– other comprehensive income	<b>1,656,875</b>	<b>(1,656,875)</b>	141,265	(141,265)
Change in equity	<b><u>9,792,744</u></b>	<b><u>(9,792,744)</u></b>	<u>9,762,951</u>	<u>(9,762,951)</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (5) Capital management

The Group's objectives for capital management are:

- to safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders;
- to support the Group's stability and growth;
- to maintain a strong capital base to support the development of their business; and
- to comply with the capital requirements under the PRC and Hong Kong regulations.

The Group manages and adjusts its capital structure in accordance with changes in the economic situation and risk characteristics of relevant assets. In order to maintain or adjust its capital structure, the Company may adjust profit distribution to shareholders, return capital, issue new shares, subordinated debts and convertible bonds, etc.

The Group adopts net capital as the indicator to manage its capital. Net capital is a comprehensive risk control indicator which is calculated as net assets minus risk adjustments on certain assets, liabilities and business, determined in accordance with securities companies' business scope and liquidity of their assets and liabilities.

On 23 January 2020, the CSRC issued the Calculation Rules for Risk Control Indicators of Securities Companies, which came into effect on 1 June 2020; on 20 March 2020, the CSRC issued the Administrative Measures for Risk Control Indicators of Securities Companies (2020 amended) with amendments to the framework and criteria of risk control indicators which securities companies must be continually compliant, which came into effect on 20 March 2020. Based on the rules above and other related rules issued or revised subsequently, the Company is required to meet the following standards for risk control indicators on a continual basis:

- (i) the ratio of net capital divided by the sum of its various risk capital provisions shall be no less than 100%;
- (ii) the ratio of net capital divided by net assets shall be no less than 20%;
- (iii) the ratio of net capital divided by liabilities shall be no less than 8%;
- (iv) the ratio of net assets divided by liabilities shall be no less than 10%;
- (v) the ratio of the value of equity securities and derivatives held divided by net capital shall not exceed 100%;

## Section X Independent Auditor's Report and Notes to Financial Statements

### 64. FINANCIAL RISK MANAGEMENT *(continued)*

#### (5) Capital management *(continued)*

The Group's objectives for capital management are: *(continued)*

- (vi) the ratio of the value of non-equity securities and non-equity derivatives held divided by net capital shall not exceed 500%;
- (vii) the ratio of core net capital divided by total assets on and off-balance sheet shall be no less than 8%;
- (viii) the ratio of high quality liquid assets divided by net cash outflows within 30 days shall be no less than 100%;
- (ix) the ratio of stable funds available divided by stable funds required shall be no less than 100%; and
- (x) the ratio of the value of margin financing, securities lending, stock-pledged financing and securities repurchase divided by net capital shall not exceed 400%.

Certain subsidiaries of the Company are also subject to capital requirements under the PRC and Hong Kong regulations, imposed by the CSRC and the Hong Kong Securities and Futures Commission, respectively.

Note: On 13 September 2024, the CSRC issued the Calculation Rules for Risk Control Indicators of Securities Companies, which came into effect on 1 January 2025. In accordance with the requirements of the Notice on further regulating the participation of Securities and Funds in the securities, funds, and insurance companies swap facility (SFISF), the Company has early adopted in 2024.

### 65. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability could be settled, between knowledgeable and willing parties in an arm's length transaction. Methods and assumptions below are used to estimate the fair value.

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments.

- (a) Fair value is based on quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1");
- (b) Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) ("Level 2"); and
- (c) Fair value is based on inputs for the asset or liability that are not based on observable market data (unobservable inputs) ("Level 3").

## Section X Independent Auditor's Report and Notes to Financial Statements

### 65. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

#### (1) Fair values of the financial assets and financial liabilities that are measured at fair value on a recurring basis:

31 December 2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
At fair value through profit or loss				
– Debt securities	1,367,828	227,700,233	563,652	229,631,713
– Funds	54,036,796	17,139,841	5,611,436	76,788,073
– Equity securities	56,035,022	2,162,088	2,573,603	60,770,713
– Other investments	4,221,042	32,409,704	4,652,160	41,282,906
Debt instruments at fair value through other comprehensive income				
– Debt securities	-	86,027,718	-	86,027,718
Equity Instruments at fair value through other comprehensive income				
– Non-tradable equity instruments	11,052,633	10,795,150	173,532	22,021,315
Derivative financial assets	1,199,787	7,816,996	-	9,016,783
Total	<u>127,913,108</u>	<u>384,051,730</u>	<u>13,574,383</u>	<u>525,539,221</u>
Financial liabilities at fair value through profit or loss				
At fair value through profit or loss				
– Equity securities	2,085,886	-	-	2,085,886
– Debt securities	-	4,603,563	-	4,603,563
– Others	-	151,411	-	151,411
Designated as at fair value through profit or loss				
– Debt securities	-	56,295,212	5,868,464	62,163,676
– Others	5,555,526	370,026	353,884	6,279,436
Derivative financial liabilities	1,143,403	8,248,172	-	9,391,575
Total	<u>8,784,815</u>	<u>69,668,384</u>	<u>6,222,348</u>	<u>84,675,547</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 65. FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

#### (1) Fair values of the financial assets and financial liabilities that are measured at fair value on a recurring basis: *(continued)*

31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
At fair value through profit or loss				
– Debt securities	2,009,104	154,548,047	992,293	157,549,444
– Funds	38,367,265	65,621,022	5,476,698	109,464,985
– Equity securities	59,424,607	6,558,214	3,189,504	69,172,325
– Other investments	1,626,440	29,129,843	5,631,203	36,387,486
Debt instruments at fair value through other comprehensive income				
– Debt securities	542,068	93,604,717	–	94,146,785
Equity Instruments at fair value through other comprehensive income				
– Non-tradable equity instruments	1,702,561	1,417	171,702	1,875,680
Derivative financial assets	965,029	8,707,669	–	9,672,698
Total	<u>104,637,074</u>	<u>358,170,929</u>	<u>15,461,400</u>	<u>478,269,403</u>
Financial liabilities at fair value through profit or loss				
At fair value through profit or loss				
– Equity securities	1,539,627	–	–	1,539,627
– Debt securities	–	1,470,697	–	1,470,697
– Others	–	142,270	–	142,270
Designated as at fair value through profit or loss				
– Debt securities	–	63,196,442	6,806,371	70,002,813
– Others	1,062,193	114,964	491,697	1,668,854
Derivative financial liabilities	640,667	10,847,939	–	11,488,606
Total	<u>3,242,487</u>	<u>75,772,312</u>	<u>7,298,068</u>	<u>86,312,867</u>

During the year mentioned above, there were no significant transfers of fair value measurements between Level 1 and Level 2.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 65. FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

#### (2) Valuation process and methods for specific investments

As at the end of the reporting period, the Group's valuation methods and assumptions are as follows:

##### Level 1

Fair value of financial investment is based on quoted prices (unadjusted) reflected in active markets for identical assets or liabilities.

##### Level 2

Fair value of financial investment is based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly.

During the year, the Group held no changes on the valuation techniques for Level 2.

##### Level 3

Fair value of financial investment is based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For certain unlisted equity securities and debt securities, the Group adopts the valuation techniques and quotation from counterparties' quotations or valuation techniques to determine the fair value. Valuation techniques include a discounted cash flow analysis, the market comparison approach, etc. The fair value measurement of these financial instruments may involve unobservable inputs such as credit spread, price to book ratio, price to earnings ratio, liquidity discount, etc. Fair value change resulting from changes in the unobservable inputs was not significant. The Finance Department periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial instruments in Level 3.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 65. FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

#### (3) Movements in Level 3 financial instruments measured at fair value:

Year ended 31 December 2024			
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss
As at 1 January 2024	15,289,698	171,702	(7,298,068)
Gains/(losses) for the year	(489,639)	–	144,147
Changes in fair value recognized in other comprehensive income	169,178	40,702	(132,094)
Additions	793,687	88	(7,441)
Transfers in	52,919	804	–
Transfers out	(782,650)	–	–
Decreases	(1,632,342)	(39,764)	1,071,108
As at 31 December 2024	<u>13,400,851</u>	<u>173,532</u>	<u>(6,222,348)</u>

Year ended 31 December 2023			
	Financial assets at fair value through profit or loss	Equity instruments at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss
As at 1 January 2023	15,798,945	246,313	(7,341,788)
Gains/(losses) for the year	56,147	–	265,057
Changes in fair value recognized in other comprehensive income	107,259	(6,954)	(97,272)
Additions	638,175	186	(54,066)
Transfers in	118,161	–	(180,413)
Transfers out	(304,724)	(80)	–
Decreases	(1,124,265)	(67,763)	110,414
As at 31 December 2023	<u>15,289,698</u>	<u>171,702</u>	<u>(7,298,068)</u>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 65. FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

#### (4) Important unobservable input value in fair value measurement of Level 3

For financial instruments in Level 3, prices are determined using valuation techniques such as discounted cash flow models and other similar techniques. Categorization of fair value measured within Level 3 of the valuation hierarchy is generally based on the significance of the unobservable inputs to the overall fair value measurement. The following table presents the valuation techniques and inputs of major financial instruments in Level 3.

As at 31 December 2024:

Financial assets/liabilities	Fair value	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Stocks/unlisted equity investments	2,068,174	Market approach	Discount for lack of marketability	The higher the discount, the lower the fair value
Stocks/unlisted equity investments	545,255	Recent transaction price	N/A	N/A
Stocks/unlisted equity investments	117,813	Discounted cash flow model	Risk adjusted discount rate	The higher the risk adjusted discounted rate, the lower the fair value
Stocks/unlisted equity investments	15,893	Net Asset Value	N/A	N/A
Debt investments	204,183	Market approach	Pricing multiples	The higher the pricing multiples, the higher the fair value
Debt investments	359,469	Income approach	Collateral Value	N/A
Unlisted funds	1,089,920	Market approach	Discount for lack of marketability	The higher the discount, the lower the fair value
Unlisted funds	4,521,516	Net Asset Value	N/A	N/A
Other investments	4,652,160	Net Asset Value	N/A	N/A
Financial liabilities	(353,884)	Market approach	Discount for lack of marketability	The higher the discount, the lower the fair value
Financial liabilities	(5,868,464)	Net Asset Value	N/A	N/A

## Section X Independent Auditor's Report and Notes to Financial Statements

### 65. FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

#### (4) Important unobservable input value in fair value measurement of Level 3 *(continued)*

As at 31 December 2023:

Financial assets/liabilities	Fair value	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
Stocks/unlisted equity investments	2,688,522	Market approach	Discount for lack of marketability	The higher the discount, the lower the fair value
Stocks/unlisted equity investments	485,708	Recent transaction price	N/A	N/A
Stocks/unlisted equity investments	102,468	Discounted cash flow model	Risk adjusted discount rate	The higher the risk adjusted discounted rate, the lower the fair value
Stocks/unlisted equity investments	84,508	Net Asset Value	N/A	N/A
Debt investments	191,144	Market approach	Pricing multiples	The higher the pricing multiples, the higher the fair value
Debt investments	801,149	Income approach	Collateral Value	N/A
Unlisted funds	4,703,494	Net Asset Value	N/A	N/A
Unlisted funds	773,204	Market approach	Discount for lack of marketability	The higher the discount, the lower the fair value
Other investments	5,631,203	Net Asset Value	N/A	N/A
Financial liabilities	(452,663)	Market approach	Discount for lack of marketability	The higher the discount, the lower the fair value
Financial liabilities	(6,845,405)	Net Asset Value	N/A	N/A

The fair value of the financial instruments in Level 3 is not significantly sensitive to a reasonable change in these unobservable inputs.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 65. FAIR VALUES OF FINANCIAL INSTRUMENTS *(continued)*

#### (5) Financial assets and liabilities not measured at fair value

As at 31 December 2024 and 31 December 2023, the carrying amounts of the Group's financial instruments carried at cost or amortized cost approximated their fair values, except for debt investments at amortised cost and bonds payable, whose carrying amounts and fair values are summarized below.

As at 31 December 2024					
	Carrying amounts	Fair values	Level 1	Level 2	Level 3
Debt investments at amortised cost	3,995,305	4,300,966	-	4,300,966	-
Bonds payable	<u>133,998,465</u>	<u>137,533,378</u>	<u>-</u>	<u>137,533,378</u>	<u>-</u>
As at 31 December 2023					
	Carrying amounts	Fair values	Level 1	Level 2	Level 3
Debt investments at amortised cost	3,614,543	3,724,471	-	3,724,471	-
Bonds payable	<u>134,025,543</u>	<u>135,563,842</u>	<u>6,286,081</u>	<u>129,277,761</u>	<u>-</u>

### 66. EVENTS AFTER THE REPORTING PERIOD

#### 1. Progress of the Proposed Merger and Share Exchange of the Company and Haitong Securities

In order to achieve resource sharing and complementary advantages, as well as to accelerate the establishment of a first-class investment bank with international competitiveness and market leadership, the Company proactively promoted the matters in relation to the merger with Haitong Securities Co., Ltd. ("Haitong Securities") by way of absorption and a share-for-share exchange and raise ancillary funds and the related-party transaction ("the Transaction").

On 28 February 2025, the Company received net proceeds (after deducting relevant expenses in relation to the Proposed Placement) of approximately RMB9,985 million by issuing 626,174,076 Placement A Shares to Shanghai SA to raise ancillary funds.

On 13 March 2025, the A share Share Exchange has been completed, with 5,985,871,332 Guotai Junan A Shares issued. On 14 March 2025, the H share Share Exchange has been completed, with 2,113,932,668 Guotai Junan H Shares issued. Therefore, closing has taken place on 14 March 2025, upon which the post-merger Company will assume all assets, liabilities, businesses, employees, contracts, qualifications and all other rights and obligations of Haitong Securities.

The fair value of the consideration are based on the quoted market prices of the Company's shares issued to all A share exchange shareholders and H share exchange shareholders of Haitong Securities as at 14 March 2025. As at the date of this report, the fair value of identifiable assets and liabilities of Haitong Securities as at 14 March 2025 were being assessed by the Company through a valuation conducted by an independent valuer.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 66. EVENTS AFTER THE REPORTING PERIOD *(continued)*

#### 2. Issuance of corporate bonds

On 8 January 2025, the Company has publicly issued 1st batch of corporate bonds to qualified investors, with Category I of 3 years with a nominal amount of RMB3.5 billion, bearing interest at 1.73% per annum and Category II of 5 years with a nominal amount of RMB3.5 billion, bearing interest at 1.81% per annum.

On 5 March 2025, the Company has publicly issued 2nd batch of corporate bonds to qualified investors, with Category I of 3 years with a nominal amount of RMB2 billion, bearing interest at 2.04% per annum and Category II of 5 years with a nominal amount of RMB1 billion, bearing interest at 2.10% per annum.

#### 3. Issuance of subordinated bonds

On 16 January 2025, the Company has publicly issued 1st batch of subordinated bonds to qualified investors, with Category I of 2 years with a nominal amount of RMB500 million, bearing interest at 1.88% per annum and Category II of 3 years with a nominal amount of RMB1.5 billion, bearing interest at 1.93% per annum.

On 17 February 2025, the Company has publicly issued 2nd batch of subordinated bonds to qualified investors, with Category I of 13 months with a nominal amount of RMB700 million, bearing interest at 1.85% per annum and Category II of 3 years with a nominal amount of RMB1.6 billion, bearing interest at 1.96% per annum.

#### 4. Drawdown of medium-term notes

From 1 January 2025 to the date of this report, GJIHL issued 4 medium-term notes with a total amount of USD191 million.

#### 5. Issuance of short-term corporate bonds

On 13 March 2025, the Company has publicly issued 1st batch of short-term corporate bonds to qualified investors, with Category I of 9 months with a nominal amount of RMB2.5 billion, bearing interest at 2.07% per annum and Category II of 1 year with a nominal amount of RMB3.5 billion, bearing interest at 2.08% per annum.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 67. STANDARDS AND AMENDMENTS RELEVANT TO THE GROUP THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED BEFORE THEIR EFFECTIVE DATES IN 2024

The following new standards and amendments to standards have not come into effect for the financial year beginning on 1 January 2024 and have not been early adopted by the Group in preparing the consolidated financial statements.

	Effective for annual periods beginning on or after
(1) Lack of Exchangeability – Amendments to IAS 21	1 January 2025
(2) Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7	1 January 2026
(3) Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
(4) IFRS 18, Presentation and Disclosure in Financial Statements	1 January 2027
(5) IFRS 19, Subsidiaries without Public Accountability: Disclosures	1 January 2027
(6) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date has been deferred indefinitely

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a material impact on the Group's consolidated financial statements.

## Section X Independent Auditor's Report and Notes to Financial Statements

### 68. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	As at 31 December	
	2024	2023
<b>Non-current assets</b>		
Property and equipment	2,658,548	2,684,853
Right-of-use assets	1,113,098	1,236,704
Other intangible assets	755,633	729,392
Investments in subsidiaries	27,919,187	27,448,144
Investments in associates	5,282,498	4,928,706
Debt instruments at fair value through other comprehensive income	49,076,793	76,450,493
Equity instruments at fair value through other comprehensive income	21,220,372	1,550,102
Financial assets held under resale agreements	1,810,988	1,783,561
Financial assets at fair value through profit or loss	2,487,919	3,852,843
Refundable deposits	13,763,121	13,847,121
Deferred tax assets	701,038	1,763,503
Other non-current assets	232,411	161,968
<b>Total non-current assets</b>	<b>127,021,606</b>	<b>136,437,390</b>
<b>Current assets</b>		
Accounts receivable	1,962,193	6,451,225
Other current assets	7,030,344	8,345,141
Margin accounts receivable	99,094,778	84,532,693
Debt instruments at fair value through other comprehensive income	10,198,122	7,078,755
Financial assets held under resale agreements	46,180,401	63,002,680
Financial assets at fair value through profit or loss	286,619,280	265,940,677
Derivative financial assets	9,190,286	9,173,457
Clearing settlement funds	10,847,817	8,730,916
Cash held on behalf of brokerage customers	116,730,823	75,928,104
Cash and bank balances	15,739,406	20,329,917
<b>Total current assets</b>	<b>603,593,450</b>	<b>549,513,565</b>
<b>Total assets</b>	<b>730,615,056</b>	<b>685,950,955</b>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 68. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

	As at 31 December	
	2024	2023
<b>Current liabilities</b>		
Short-term debt instruments	40,579,109	16,826,694
Placements from other financial institutions	5,416,271	11,744,902
Accounts payable to brokerage customers	117,191,423	79,730,022
Employee benefits payable	5,891,151	5,472,361
Income tax payable	321,329	727,115
Financial assets sold under repurchase agreements	191,447,612	191,780,268
Financial liabilities at fair value through profit or loss	23,903,564	26,783,279
Derivative financial liabilities	8,871,499	11,533,724
Bonds payable	31,392,278	30,298,960
Contract liabilities	6,120	64,170
Lease liabilities	505,344	467,715
Other current liabilities	64,556,134	64,553,171
<b>Total current liabilities</b>	<b>490,081,834</b>	<b>439,982,381</b>
<b>Net current assets</b>	<b>113,511,616</b>	<b>109,531,184</b>
<b>Total assets less current liabilities</b>	<b>240,533,222</b>	<b>245,968,574</b>
<b>Non-current liabilities</b>		
Loans and borrowings	539,495	549,552
Bonds payable	87,044,756	91,559,096
Lease liabilities	733,255	918,015
Financial liabilities at fair value through profit or loss	5,113,867	6,814,325
Other non-current liabilities	281,618	328,897
<b>Total non-current liabilities</b>	<b>93,712,991</b>	<b>100,169,885</b>
<b>Net assets</b>	<b>146,820,231</b>	<b>145,798,689</b>
<b>Equity</b>		
Share capital	8,903,731	8,904,611
Other equity instruments	14,946,981	19,918,679
Treasury shares	(173,322)	(361,484)
Reserves	80,129,584	76,472,324
Retained profits	43,013,257	40,864,559
<b>Total equity</b>	<b>146,820,231</b>	<b>145,798,689</b>

## Section X Independent Auditor's Report and Notes to Financial Statements

### 68. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

	Reserves								
	Share capital	Other equity instruments	Capital reserve	Investment revaluation reserve	Surplus reserve	General reserve	Treasury shares	Retained profits	Total
At 31 December 2023	8,904,611	19,918,679	45,859,788	312,811	7,172,529	23,127,196	(361,484)	40,864,559	145,798,689
Profit for the year	-	-	-	-	-	-	-	10,004,433	10,004,433
Other comprehensive income for the year	-	-	-	1,623,204	-	-	-	-	1,623,204
Total comprehensive income for the year	-	-	-	1,623,204	-	-	-	10,004,433	11,627,637
Redemption of perpetual bonds	-	(4,971,698)	(28,302)	-	-	-	-	-	(5,000,000)
Appropriation to general reserve	-	-	-	-	-	2,000,888	-	(2,000,888)	-
Dividends	-	-	-	-	-	-	-	(4,897,051)	(4,897,051)
Distribution to other equity instrument holders	-	-	-	-	-	-	-	(938,000)	(938,000)
Other comprehensive income that has been reclassified to retained profits	-	-	-	19,796	-	-	-	(19,796)	-
Deregistration of treasury shares	(880)	-	(4,672)	-	-	-	5,552	-	-
Equity-settled share-based payments	-	-	46,346	-	-	-	182,610	-	228,956
At 31 December 2024	8,903,731	14,946,981	45,873,160	1,955,811	7,172,529	25,128,084	(173,322)	43,013,257	146,820,231

## Section X Independent Auditor's Report and Notes to Financial Statements

### 68. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

			Reserves						
	Share capital	Other equity instruments	Capital reserve	Investment revaluation reserve	Surplus reserve	General reserve	Treasury shares	Retained profits	Total
At 31 December 2022	8,906,673	16,046,936	44,619,271	208,626	7,172,529	21,733,388	(393,371)	40,778,589	139,072,641
Profit for the year	-	-	-	-	-	-	-	6,969,042	6,969,042
Other comprehensive income for the year	-	-	-	92,823	-	-	-	-	92,823
Total comprehensive income for the year	-	-	-	92,823	-	-	-	6,969,042	7,061,865
Issue of perpetual bonds	-	5,000,000	(19,623)	-	-	-	-	-	4,980,377
Appropriation to general reserve	-	-	-	-	-	1,393,808	-	(1,393,808)	-
Dividends	-	-	-	-	-	-	-	(4,719,402)	(4,719,402)
Distribution to other equity instrument holders	-	-	-	-	-	-	-	(758,500)	(758,500)
Other comprehensive income that has been reclassified to retained profits	-	-	-	11,362	-	-	-	(11,362)	-
Conversion of convertible bonds	95	(1,128,257)	1,130,011	-	-	-	-	-	1,849
Shares repurchased	-	-	-	-	-	-	(14,188)	-	(14,188)
Deregistration of treasury shares	(2,157)	-	(12,031)	-	-	-	14,188	-	-
Equity-settled share-based payments	-	-	142,160	-	-	-	31,887	-	174,047
At 31 December 2023	8,904,611	19,918,679	45,859,788	312,811	7,172,529	23,127,196	(361,484)	40,864,559	145,798,689

### 69. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorized for issue by the Board of Directors on 28 March 2025.

## Section XI Information Disclosure of Securities Company

### I. RELEVANT INFORMATION ABOUT SIGNIFICANT ADMINISTRATIVE PERMISSIONS FOR THE COMPANY

√ Applicable    □ Not applicable

No.	Date of approval	Headings of approval	No. of approval
1	29 January 2024	Reply on Approving the Registration of the Public Offering of Corporate Bonds by Guotai Junan Securities Co., Ltd. to Professional Investors	Zheng Jian Xu Ke [2024] No.160
2	17 October 2024	Reply on Guotai Junan Securities Co., Ltd.'s Participation in Swap Facilities	Ji Gou Si Han [2024] No. 1864
3	19 November 2024	Reply of the Municipal SASAC on Matters Relating to the Merger by Absorption and Share Exchange Between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. and Raising of Ancillary Funds	Hu Guo Zi Wei Chan Quan [2024] No. 211
4	17 January 2025	Reply on Approving the Registration of the Merger by Absorption between Guotai Junan Securities Co., Ltd. and Haitong Securities Co., Ltd. (海通證券股份有限公司) and Raising of Ancillary Funds, Approval of the Merger by Guotai Junan Securities Co., Ltd. of Haitong Securities Co., Ltd., Change of Substantial Shareholder and De Facto Controller of HFT Investment Management Co., Ltd. (海富通基金管理有限公司), Change of Substantial Shareholder of Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司), Change of Substantial Shareholder and De Facto Controller of Haitong Futures Co., Ltd. (海通期貨股份有限公司)	Zheng Jian Xu Ke [2025] No.96

### II. RESULT OF CLASSIFICATION OF THE COMPANY BY REGULATORY AUTHORITY

√ Applicable    □ Not applicable

The Company's classified evaluation result in 2024: Class A Grade AA.

# Appendix I Business Qualifications for Each Individual Business

## 1. BUSINESS QUALIFICATIONS FOR EACH INDIVIDUAL BUSINESS OF THE COMPANY

No.	Approval Department	Qualification Name/Membership
1	The People's Bank of China	<p>Interbank Borrowing Qualification (Yin Huo Zheng [2000] No. 122, Yin Zong Bu Han [2016] No. 22)</p> <p>Participation of Gold Trading on Shanghai Gold Exchange (Yin Shi Huang Jin Bei [2014] No. 143)</p> <p>Free Trade Accounting Business (August 2015)</p> <p>Participating in Southbound Trading Link Business (December 2021)</p> <p>RMB Cross-border Payment and Receipt Information Management System (RCPMIS) Direct Link Entry Qualification (October 2024)</p> <p>Pilot securities company of "Cross-boundary Wealth Management Connect Scheme" Securities Company (November 2024)</p>
2	CSRC and its local branches	<p>The Company's business scope includes: licensed projects: securities business; securities investment consulting; securities companies to provide intermediary introduction business for futures companies. (Items subject to approval by law may be carried out only after obtaining approval from relevant departments, and the specific business projects are subject to the approval documents or licenses of the relevant departments) General projects: securities financial advisory services (Except for items subject to approval by laws, business activities can be conducted independently with the business license in accordance with the laws). (No. 9131000063159284XQ)</p> <p>Online Agency Securities Trading (Zheng Jian Xin Xi Zi [2001] No. 3)</p> <p>Agency Sale Business of Open-ended Securities Investment Fund (Zheng Jian Ji Jin Zi [2002] No. 31)</p> <p>Provision of Intermediary Introduction Business for Futures Companies (Zheng Jian Xu Ke [2008] No. 124, Hu Zheng Jian Ji Gou Zi [2010] No. 103)</p>

## Appendix I Business Qualifications for Each Individual Business

No.	Approval Department	Qualification Name/Membership
		Participating in Stock Index Futures Transaction (Hu Zheng Jian Ji Gou Zi [2010] No. 253)
		Bond-pledged Quotation and Repurchase Business (Ji Gou Bu Bu Han [2011] No. 573, Shang Zheng Han [2013] No. 257)
		Agreed Repurchase Securities Trading Business (Ji Gou Bu Bu Han [2012] No. 250)
		Pilot Qualification for Conducting Consumer Payment Services for Client Securities Funds (Ji Gou Bu Bu Han [2012] No. 555)
		New Transfer-in Function for Client Securities Funds Consumption Payment Service (Ji Gou Bu Bu Han [2013] No. 963)
		Margin Financing and Securities Lending Business (Zheng Jian Xu Ke [2010] No. 311)
		Agency Sale of Financial Products (Hu Zheng Jian Ji Gou Zi [2013] No. 56)
		Pilot of Agency Services for Gold and Other Precious Metal Spot Contracts and Proprietary Business for Gold Spot Contracts (Ji Gou Bu Bu Han [2014] No. 121)
		Qualification for Securities Investment Fund Custody Business (Zheng Jian Xu Ke [2014] No. 511)
		Self-operated and Nominee Foreign Exchange Settlement and Sale, Self-operated and Nominee Foreign Exchange Trading, Cross-border Guarantee, Foreign Exchange Borrowing and Lending Business (Zheng Quan Ji Jin Ji Gou Jian Guan Bu Bu Han [2014] No. 1614)
		Stock Options Market Making Business (Zheng Jian Xu Ke [2015] No. 154)

## Appendix I Business Qualifications for Each Individual Business

No.	Approval Department	Qualification Name/Membership
		Proprietary Participation in Carbon Emissions Trading (Ji Gou Bu Han [2015] No. 862)
		Conducting Cross-border Business at Pilot (Ji Gou Bu Han [2017] No. 3002)
		Qualification for First-class Dealer for Over-the-counter Options (Ji Gou Bu Han [2018] No. 1789)
		Qualifications to Conduct Credit Derivative Business (Ji Gou Bu Han [2018] No. 2545)
		Stock Index Options Market Making Business (Ji Gou Bu Han [2019] No. 3066)
		Conducting Fund Investment Advisory Business at Pilot (Ji Gou Bu Han [2020] No. 385)
		Account Management Function Optimization Pilot Business (Ji Gou Bu Han [2021] No. 3750)
		Treasury Futures Market Making Business (Ji Gou Bu Han [2021] No. 4029)
		Listed Securities Market Making Business (Zheng Jian Xu Ke [2022] No. 2453)
		Individual Pension Fund Sales Agency (November 2022)
		Swap Facilitation Business Qualification (Ji Gou Xi Han [2024] No. 1864)

## Appendix I Business Qualifications for Each Individual Business

No.	Approval Department	Qualification Name/Membership
3	SAC	<p>Pilot of Underwriting Business of SME Private Placement Bonds (Zhong Zheng Xie Han [2012] No. 378)</p> <p>OTC Trading Business (Zhong Zheng Xie Han [2012] No. 825)</p> <p>Financial Derivatives Business (Zhong Zheng Xie Han [2013] No. 1224)</p>
4	China Securities Depository and Clearing Corporation Limited	<p>Clearing Participant (Zhong Guo Jie Suan Han Zi [2006] No. 67)</p> <p>Class A Clearing Participant (Zhong Guo Jie Suan Han Zi [2008] No. 24)</p> <p>Qualified Institution Establishment for Credit Protection Bond Pledge Repo Business (Zhong Guo Jie Suan Han Zi [2021] No. 200)</p>
5	China Securities Finance Corporation Limited	<p>Pilot Margin and Securities Refinancing Business (Zhong Zheng Jin Han [2012] No. 116)</p> <p>Pilot Securities Refinancing Business (Zhong Zheng Jin Han [2013] No. 45)</p> <p>Science and Technology Innovation Board Securities Refinancing Business (Zhong Zheng Jin Han [2019] No. 130)</p> <p>GEM Transfer and Financing Business (Zhong Zheng Jin Han [2020] No.145)</p> <p>Science and Technology Innovation Board Market Making and Bond Lending Business (Zhong Zheng Jin Han [2022] No. 272)</p>

## Appendix I Business Qualifications for Each Individual Business

No.	Approval Department	Qualification Name/Membership
6	Shanghai Stock Exchange/ Shenzhen Stock Exchange/ Beijing Stock Exchange	<p>Treasury Bonds Outright Repo Business (December 2004)</p> <p>Carrying out the Business of "SSE Fund Connect (上證基金通)" (July 2005)</p> <p>First-class Dealer for SSE 180 Trading Open-ended Index Securities Investment Fund (March 2006)</p> <p>Trader of Integrated Electronic Platform for Fixed Income Securities (Shang Zheng Hui Han [2007] No. 90)</p> <p>Qualified Investor of Block Trade System (No. A00001)</p> <p>Stock Pledge Repo Business (Shang Zheng Hui Zi [2013] No. 64, Shen Zheng Hui [2013] No. 58)</p> <p>Financing Business Pilot for Exercise of Options under Share Options Incentive Schemes of Listed Companies (Shen Zheng Han [2015] No. 15)</p> <p>Participant for Trading of Stock Options (Shang Zheng Han [2015] No. 66)</p> <p>SSE 50ETF Options Market Maker (Shang Zheng Han [2015] No. 212, Shang Zheng Gong Gao [2015] No. 4)</p> <p>Southbound Business (Shang Zheng Han [2014] No. 654, Shen Zheng Hui [2016] No. 326)</p> <p>Core Dealer of Credit Protection Contract (Shang Zheng Han [2019] No. 205)</p>

## Appendix I Business Qualifications for Each Individual Business

No.	Approval Department	Qualification Name/Membership
		SZSE Core Dealers in Credit Protection Contracts (18 April 2019)
		Business Qualification as Lead Market Maker of Listed Funds (Shang Zheng Han [2019] No. 1288)
		Credit Protection Certificate Creation Agency (Shang Zheng Han [2019] No. 2253)
		Stock Option Business (Shen Zheng Hui [2019] No. 470)
		CSI 300ETF Options Lead Market Maker (Shang Zheng Han [2019] No. 2303, Shen Zheng Hui [2019] No. 483)
		CSI 500 ETF Options Lead Market Maker (Shang Zheng Han [2022] No. 1626, Shen Zheng Hui [2022] No. 313)
		SSE Fund Connect Platform Market Maker (February 2022)
		GEM ETF Options Lead Market Maker (Shen Zheng Hui [2022] No. 313)
		SZSE 100ETF Options Lead Market Maker (Shen Zheng Hui [2022] No. 421)
		SSE Bonds Lead Market Maker, SZSE Bonds Lead Market Maker (February 2023)
		China AMC STAR 50ETF Options Lead Market Maker (Shang Zheng Gong Gao [2023] No. 25)
		E FUND STAR 50ETF Options Lead Market Maker (Shang Zheng Gong Gao [2023] No. 26)
		Qualification for Financing and Securities Financing Business on the NSE (9 February 2023)
		Qualification for Market Making and Trading Business of the NSE (20 February 2023)
		Qualification of SZSE Fund Liquidity Service Provider (2023)

## Appendix I Business Qualifications for Each Individual Business

No.	Approval Department	Qualification Name/Membership
7	State Administration of Foreign Exchange	Securities Brokerage and Underwriting Business of Foreign Currency (Hui Zi Zi No. SC201221)
		Settlement and Sale of Foreign Exchange (including Spot Settlement and Sale of Foreign Exchange, RMB and Foreign Exchange Derivatives) (Hui Fu [2014] No. 325)
		Businesses, such as Quanto Product Settlement and Sale, Foreign Exchange Settlement and Sale for QFII Custody Customer, Foreign Exchange Trading on behalf of Customers (Hui Zong Bian Han [2016] No. 505)
		Handling the Sale and Purchase of Foreign Exchange for the customers engaging in cross-border investment and financing transactions (Hui Zong Bian Han [2020] No. 469)
		Pilot Business Account Management for Settlement and Sale of Foreign Exchange, Current Account Settlement and Sale of Foreign Exchange on Behalf of Customers (Hui Zi Bian Han [2021] No. 238)
8	National Association of Financial Market Institutional Investors	Main Underwriting Business of Debt Financing Instruments for Non-Financial Businesses (Announcement of National Association of Financial Market Institutional Investors [2012] No. 19)
		Core Dealer of Credit Risk Mitigation Instruments (December 2016)
		Creator of Credit Risk Mitigation Warrants (2017)
		Creator of Credit-linked Notes (2017)
		Independently carrying out the Main Underwriting Business of Debt Financing Instruments for Non-Financial Businesses (Zhong Shi Xie Fa [2022] No. 155)

## Appendix I Business Qualifications for Each Individual Business

No.	Approval Department	Qualification Name/Membership
9	Shanghai Gold Exchange	<p>Special Membership (Certificate No. T002)</p> <p>Qualification for International Membership (Class A) (Certificate No. IM0046)</p> <p>Qualification for Proprietary Gold Trading (Shang Jin Jiao Fa [2013] No. 107)</p> <p>Interbank Gold Price Inquiries Business (Shang Jin Jiao Fa [2014] No. 114)</p> <p>Pilot Member of Implied Volatility Curve Quotation Group for Gold Inquiry Options (November 2017)</p>
10	China Foreign Exchange Trading Center	<p>China Interbank FX Market RMB Foreign Exchange Current Membership (Zhong Hui Jiao Fa [2015] No. 3)</p> <p>China Interbank FX Market RMB Foreign Exchange Derivatives Membership (Zhong Hui Jiao Fa [2015] No. 59)</p> <p>Northbound Trading Link Business under “Bond Connect” (July 2017)</p> <p>Inter-bank Foreign Currency Market Membership (Zhong Hui Jiao Fa [2018] No. 412)</p> <p>Qualifications for Real-time Acceptance of Interest Rate Swap Business (December 2019)</p> <p>Interbank Interest Rate Exchange Fixing (Closing) Curve Quote Agency (November 2019)</p> <p>Interest Rate Options Quotation Agency (March 2020)</p> <p>Inter-Bank Bond Market Spot Bond Market Maker (Comprehensive Type) (March 2021)</p> <p>Pilot Institution for Automated Market-making Services in the Inter-Bank Bond Market (November 2021)</p> <p>Interest Rate Swap Exclusive Market Maker (November 2022)</p> <p>“Northbound Swap Connect” Dealer (May 2023)</p>

## Appendix I Business Qualifications for Each Individual Business

No.	Approval Department	Qualification Name/Membership
11	Interbank Market Clearing House Company Limited	<p>Central Clearing Transaction of Shipping and Commodities Derivatives (Zhun Zi [2015] No. 016 for Membership of Clearing House)</p> <p>Business of Liquidation Agency of RMB Interest Rate Swap (2018 Bian Han No. 8, Qing Suan Suo Fa [2018] No. 30)</p> <p>Business of Central Clearing for Credit Default Swap (2018 Bian Han No. 29)</p> <p>Comprehensive Clearing Member for the Business of Central Clearing of Standard Bond Forwards (Qing Suan Suo Fa [2018] No. 193)</p> <p>General Clearing Member of Credit Default Swap Centralized Clearing Business (2021 Bian Han No. 183)</p> <p>Comprehensive Clearing Member for Comprehensive Liquidation Business of Net Bonds (Business Letter [2023] No. MS16)</p>
12	Shanghai Futures Exchange	<p>Physical Delivery Business (September 2021)</p> <p>Primary Dealer in Commodity Swaps (June 2022)</p>
13	Shanghai International Energy Exchange	<p>Crude Oil Futures Market Maker (October 2018)</p> <p>Physical Delivery Business (September 2021)</p>
14	Asset Management Association of China	Filing Certification of Private Equity Outsourcing Institutions (Filing No. A00005)
15	China Financial Futures Exchange	<p>CSI 300 Stock Index Options Market Maker (December 2019)</p> <p>Treasury Bonds Futures Lead Market Maker (March 2024)</p> <p>CSI 1000 Stock Index Options Market Maker (July 2022)</p> <p>SSE 50 Stock Index Options Market Maker (December 2022)</p>
16	Shanghai Commercial Paper Exchange Corporation Ltd	Access into the Chinese commercial paper trading system (July 2020)

## Appendix I Business Qualifications for Each Individual Business

### 2. INDIVIDUAL BUSINESS QUALIFICATIONS OF THE CONTROLLED SUBSIDIARIES

No.	Name of subsidiary	Qualification Name/Membership
1	Hong Kong Subsidiaries	<p>Issued by the Securities and Futures Commission of Hong Kong</p> <p>Type 1 (dealing in securities) (1 April 2003)</p> <p>Type 2 (dealing in futures contracts) (1 April 2003)</p> <p>Type 3 (leveraged foreign exchange trading) (21 October 2010)</p> <p>Type 4 (advising on securities) (1 April 2003)</p> <p>Type 5 (advising on futures contracts) (26 November 2010)</p> <p>Type 6 (advising on corporate finance) (1 April 2003)</p> <p>Type 9 (asset management) (1 April 2003)</p> <p>Custodian of open-ended fund companies (30 June 2022)</p> <p>Issued by The Stock Exchange of Hong Kong Limited</p> <p>Exchange Trading Right Certificate (July 2000)</p> <p>Exchange Participant Certificate (13 August 2001)</p> <p>China Connect Exchange Participant (10 November 2014)</p>

## Appendix I Business Qualifications for Each Individual Business

No.	Name of subsidiary	Qualification Name/Membership
		Hong Kong Options Market Maker (2 October 2019)
		Issuer of Structured Products Listed in Hong Kong (31 October 2019)
		SPAC Exchange Participant (17 March 2022)
		Options Market Product Trading Rights (25 April 2022)
		HKD-RMB Dual Counter Maker (19 June 2023)
		Issued by Hong Kong Securities Clearing Company Limited
		Direct Clearing Participant, China Connect Clearing Participant (10 November 2014)
		Issued by Hong Kong Futures Exchange Limited
		Exchange Participant Certificate and Exchange Trading Right Certificate (6 March 2000)
		Futures Dealer (6 March 2000)
		Issued by HKFE Clearing Corporation Limited
		Participant Certificate of Future Clearing Company (6 March 2000)
		Issued by the Hong Kong Mandatory Provident Fund Schemes Authority
		Principal Intermediary Qualification (20 December 2012)

## Appendix I Business Qualifications for Each Individual Business

No.	Name of subsidiary	Qualification Name/Membership
		Issued by Insurance Authority
		General and long-term business (including related long-term insurance membership) (23 September 2019)
		Issued by the People's Bank of China and Hong Kong Monetary Authority
		"Northbound Swap Connect" Overseas Institutional Investors (15 May 2023)
		"Southbound Trading Link" Market Maker (22 September 2023)
		Issued by China Securities Regulatory Commission
		Qualified Overseas Institutional Investors (21 February 2013)
		Permit for Securities and Futures Operation Business (December 2017)
		Issued by the Shanghai headquarters of the People's Bank of China
		National Interbank Bond Market Participants (30 April 2021)
		Issued by Monetary Authority of Singapore
		Capital markets services license – Capital Market Products Trading – Securities (13 February 2018)
		Capital Markets Services License-Fund Management (7 July 2020)
		Financial Adviser Exemption Qualification-Investment Products – Securities (18 April 2023)
		Capital Markets Products Trading – Collective Investment Scheme (20 September 2023)
		Financial Advisor Exemption Qualification-Investment Products – Collective Investment Scheme (16 January 2024)

## Appendix I Business Qualifications for Each Individual Business

No.	Name of subsidiary	Qualification Name/Membership
		Issued by State Securities Regulatory Commission of Vietnam
		Securities Brokerage License (28 August 2007)
		Proprietary Trading License (28 August 2007)
		Securities Investment Advisory License (28 August 2007)
		Securities Depository Service License (28 August 2007)
		Securities Underwriting Service License (22 November 2021)
		Public Fund Distribution License (8 August 2023)
		Approved by Monetary Authority of Macao
		Provision of securities trading, wealth management and financing services arising from investment in financial instruments (7 March 2023)
		Issued by United Kingdom Financial Conduct Authority (FCA)
		License of Investment Company (7 December 2023)
		Issued by the People's Bank of China, the State Administration of Financial Supervision, the China Securities Regulatory Commission, the Hong Kong Monetary Authority and the Hong Kong Securities and Futures Commission
		Participation in the Guangdong-Hong Kong-Macao Greater Bay Area Cross-border Wealth Management Link (Southbound and Northbound) (1 November 2024)

## Appendix I Business Qualifications for Each Individual Business

No.	Name of subsidiary	Qualification Name/Membership
2	Guotai Junan Asset Management	<p>Operation of securities and futures business: securities asset management, public offering securities investment fund management (91310000560191968J)</p> <p>Qualified Domestic Institutional Investor Participating in Administration of Overseas Securities Investment (Zheng Jian Ji Gou Zi [2007] No. 252)</p> <p>Asset Management Business Participating in the Trading of Stock Index Futures (Hu Zheng Jian Ji Gou Zi [2011] No. 38)</p> <p>Insurance Fund Investment Management Business (China Insurance Regulatory Commission) (10 October 2012)</p> <p>Pilot of Cash Management Products (Zheng Jian Xu Ke [2012] No. 828)</p> <p>Qualification for Publicly Offered Securities Investment Fund Management Business (Zheng Jian Xu Ke [2020] No. 3681)</p>
3	Guotai Junan Futures and its subsidiaries	<p>Securities and Futures Operation Business: Commodity Futures Brokerage, Financial Futures Brokerage, Futures Investment Consulting (No. 91310000100020711J)</p> <p>Comprehensive Settlement Business for Financial Futures (Zheng Jian Qi Huo Zi [2007] No. 148)</p> <p>Qualification for Futures Investment Consulting Business (Zheng Jian Xu Ke [2011] No. 1449)</p> <p>Asset Management Business (Zheng Jian Xu Ke [2012] No. 1506)</p> <p>Financing Contracts Services, Basis Trading, Cooperation, Hedge Pricing Services (Zhong Qi Xie Bei Zi [2015] No. 67)</p>

## Appendix I Business Qualifications for Each Individual Business

No.	Name of subsidiary	Qualification Name/Membership
		Membership Qualification of Shanghai International Energy Exchange (Shang Neng Pi Fu [2017] No. 105)
		Participant for Trading of SSE Stock Options (Shang Zheng Han [2018] No. 63)
		Market Making Business (Zhong Qi Xie Bei Zi [2018] No. 41)
		Individual Stock Over-the-counter Derivatives Business (August 2018)
		Commodity Exchange Business (Da Shang Suo Fa [2018] No. 494)
		Stock Options Business (Shen Zheng Han [2019] No. 722)
		Gold Futures Market Makers (2018)
		Corn Options Market Maker, No. 20 Rubber Futures Market Maker, Tin Futures Market Maker, PTA Market Maker (2019)
		Linear Low Density Polyethylene Options Market Maker, Polyvinyl Chloride Options Market Maker, Polypropylene Options Market Maker, Deformed Steel Bar Futures Market Maker, Natural Rubber Futures Market Maker, Soy Oil Futures Market Maker, Palm Oil Futures Market Maker, Japonica Rice Futures Market Maker, Low Sulphur Fuel Oil Futures Market Maker, International Copper Futures Market Maker, Soybean Meal Futures Market Maker (2020)
		Hot Rolled Coil Futures Market Maker, Crude Oil Options Market Maker, Iron Ore Futures Market Maker, Corn Futures Market Maker (2021)

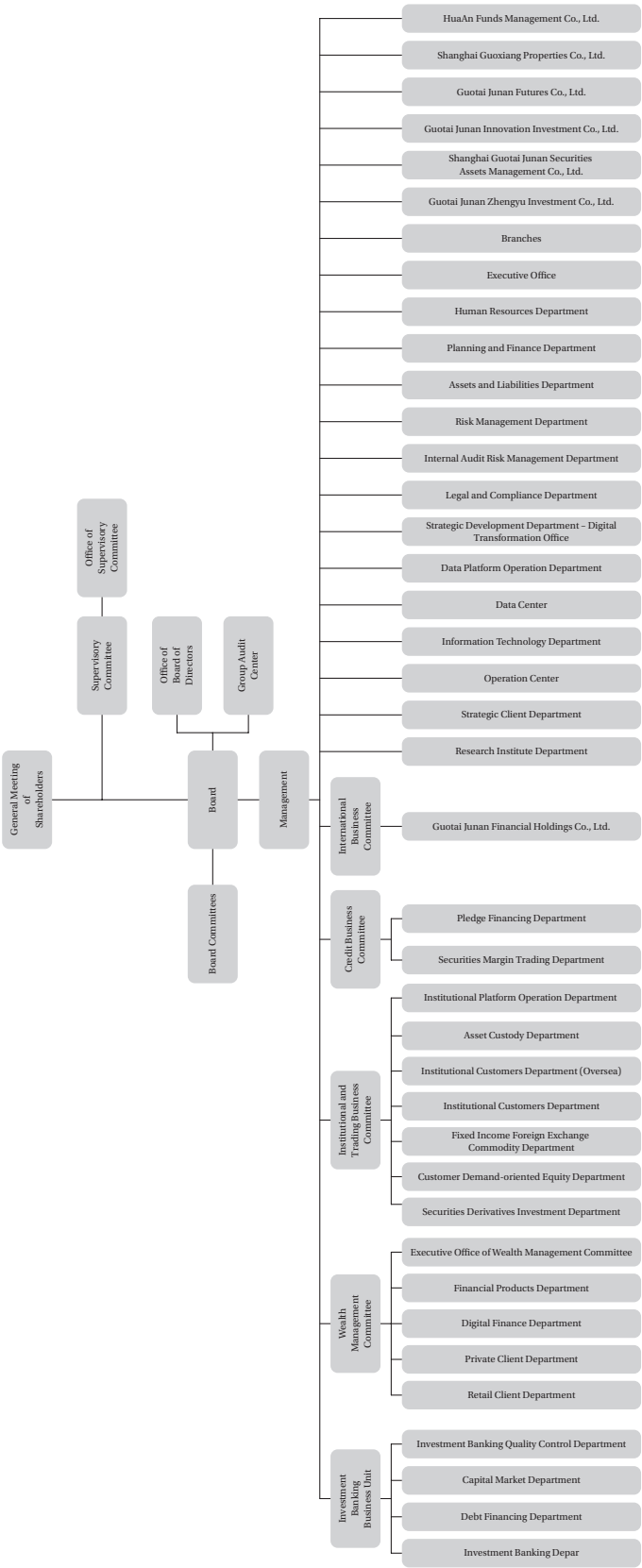
## Appendix I Business Qualifications for Each Individual Business

No.	Name of subsidiary	Qualification Name/Membership
		Crude Oil Futures Market Maker, Nickel Futures Market Maker, SZSE CSI 500ETF Options General Market Maker, SZSE 100ETF Options General Market Maker, SZSE GEM ETF Options General Market Maker, 2, 5, 10-Year Treasury Bond Futures General Market Maker, Hog Futures Market Maker, Egg Futures Market Maker, Industrial Silicon Futures Market Maker, Deformed Steel Bar Futures Market Maker (2022)
		Soda Ash Option Market Maker, Short Fiber Options Market Maker, Paraxylene Options Market Maker, Lithium Carbonate Options Market Maker, Fuel Oil Futures Market Maker, 30-Year Treasury Bond Futures General Market Maker, SSE CSI 500ETF Options Lead Market Maker, SSE CSI 300ETF Options Lead Market Maker, SSE 50ETF Options General Market Maker, SZSE CSI 300ETF Options Lead Market Maker, CICC CSI 300 Stock Index Options General Market Maker, CICC CSI 1000 Stock Index Options General Market Maker (2023)
		Capital Markets Services (CMS) license issued by Monetary Authority of Singapore (25 November 2022)
		Derivatives Trading and Clearing Members of Singapore Exchange (SGX) (6 September 2023)
		Methanol Options Lead Market Maker, Bottle chip options market maker, polysilicon options market maker (2024)

## Appendix I Business Qualifications for Each Individual Business

No.	Name of subsidiary	Qualification Name/Membership
4	HuaAn Funds and its subsidiaries	<p>Securities and Futures Operation Business: Publicly Offered Securities Investment Fund Management, Fund Sales, Management of Assets of Specific Client (No. 91310000630888761K)</p> <p>Qualified Domestic Institutional Investors (QDII) (Zheng Jian Ji Jin Zi [2007] No. 250)</p> <p>Business Qualification for Management of Assets of Specific Clients (Zheng Jian Xu Ke [2008] No. 304)</p> <p>Insurance Fund Entrusted Investment Manager Qualification (China Insurance Regulatory Commission) (19 September 2012)</p> <p>Pilot Business for Publicly Offered Funds Investment Consultation (Ji Gou Bu Han [2021] No. 1707)</p> <p>Qualifications for Fund Subsidiaries to Engage in Asset Management Business for Specific Clients (91310000080024263K)</p> <p>Issued by Hong Kong Securities and Futures Commission</p> <p>Type 1 license (dealing in securities) (19 January 2022)</p> <p>Type 4 license (advising on securities) (1 December 2010)</p> <p>Type 9 license (asset management) (1 December 2010)</p> <p>RMB Qualified Foreign Institutional Investor (RQFII) (Zheng Jian Xu Ke [2011] No. 2050)</p> <p>Qualification for Investment and Consultation of Stocks in Hong Kong (Institution filing code: H21007)</p>
5	Guotai Junan Innovation Investment	<p>Business Scope: Engaging in equity investment business and other businesses permitted by the China Securities Regulatory Commission (projects subject to approval in accordance with the law, approved by the relevant departments before carrying out business activities) (9131000068878675X4)</p> <p>Qualification for Private Equity Fund Manager (No. PT2600011780)</p>
6	Guotai Junan Zhengyu	<p>Business scope: equity investment, financial products investment (projects subject to approval in accordance with the law, approved by the relevant departments before carrying out business activities) (91310000MA1FL54T3M)</p>

# Appendix II Organization Chart of the Company



## Appendix III Basic Information of Branch Office

### 1. BRANCH OFFICE OF THE COMPANY

Branch office	Address	Date of establishment	Registered capital (or working capital)	Person-in-charge	Contact number
Anhui Branch Office	Rooms 2501,2510,2511 and 2512, 25F, AHCOF International Trade Center, Intersection of South Second Ring Road and Jinzhai Road, Shushan District, Hefei City	21 February 2013	RMB5 million	Zhang Qingsong (張青松)	0551-62816558
Guangxi Branch Office	Office rooms 2201 & 2205, Tower A, Nanhu Mingdu Plaza, 30 Shuangyong Road, Qingxiu District, Nanning City	20 February 2013	RMB5 million	Lin Guokui (林國奎)	0771-5651966
Xinjiang Branch Office	6F, Tower A, Gongxiao Building, 314 Yangtze River Road, Shayibake District, Urumqi, Xinjiang	4 March 2013	RMB5 million	An Ding (安定)	0991-2842212
Beijing Branch Office	Room 201 and 202, 2/F, Zhizhen Building, 7 Zhichun Road, Haidian District, Beijing City	6 September 2000	RMB10 million	Tang Chengli (唐成立)	010-82263688
Shanghai Branch Office	Rooms 12A, 12C-I, 13A-I, 369 Jiangsu Road	15 August 2000	RMB10 million	Jiang Tao (姜濤)	021-52400388
Shanghai FTZ Branch Office	16F (Actual Floor: 13F), 18 Dongyuan Road, China (Shanghai) Pilot Free Trade Zone	13 December 2013	RMB5 million	Zhang Neng (張能)	021-52400647
Shenzhen Branch Office	3401-3411, 3509, New World Business Center, Yitian Road West and Fuzhong Road North, Futian District, Shenzhen City	21 July 2000	RMB10 million	Zeng Hongxiang (曾宏祥)	0755-23976276
Sichuan Branch Office	Units 01, 02, 03, 04, 43/F, China Resources Building, 10 Shuangqing Road, Chenghua District, Chengdu City, Sichuan Province	31 July 2000	RMB10 million	Chen Yaohua (陳耀華)	028-65775166
Hubei Branch Office	7/F, 73 Xudong Street, Hongshan District, Wuhan City	11 August 2000	RMB10 million	Hou Xiaopeng (侯霄鵬)	027-87267558
Tianjin Branch Office	Units 07-09, 42F, Surveying and Mapping Level, Jinta Office Building, Tianjin Worldwide Finance Center, No. 2 Dagou North Road, Xiaobailou Street, Heping District, Tianjin City	30 June 2009	RMB5 million	Xu Xihai (徐錫海)	022-27819829
Hebei Branch Office	9/F, Tower A, Fangbei Building, No. 133, Yuhua East Road, Shijiazhuang City, Hebei Province	2 July 2009	RMB5 million	Mo Xiankun (莫獻坤)	0311-85662778
Shanxi Branch Office	12/F, Maisi Building, 8 Dongrong Street, Xuefu Industrial Park, Transformation Comprehensive Reform Demonstration Zone, Shanxi	3 July 2009	RMB5 million	Gu Xin (顧鑫)	0351-4183382

## Appendix III Basic Information of Branch Office

Branch office	Address	Date of establishment	Registered capital (or working capital)	Person-in-charge	Contact number
Inner Mongolia Branch Office	Room 1701-1702, International Finance Building, 18 Xinhua East Street, Ruyi Industrial Park, Hohhot City, Inner Mongolia Autonomous Region	30 June 2009	RMB5 million	Liao Guangwei (廖光蔚)	0471-5212939
Liaoning Branch Office	Units 05, 06 and 07, 33/F, 286 Qingnian Street, Heping District, Shenyang City	1 July 2009	RMB5 million	Zhang Bo (張博)	024-31873606
Jilin Branch Office	Rooms 2506-2509, Huamao International Building, 4848 Renmin Street, Nanguan District, Changchun City	30 June 2009	RMB5 million	Bai Qian (白茜)	0431-84505678
Heilongjiang Branch Office	12/F Zhongshi Building, 193 Zhongshan Road, Nangang District, Harbin City, Heilongjiang Province	30 June 2009	RMB5 million	Chi Jun (池浚)	0451-86201260
Jiangsu Branch Office	Room 5101 & 5102, 51/F, Office Building T1, Building 3, Huaxin City, 258 Jiangdong Middle Road, Jianye District, Nanjing City	9 July 2009	RMB5 million	Wang Chunming (王春明)	025-84575188
Suzhou Branch Office	Room 2701, Building 2, Suzhou International Fortune Plaza, No. 9 West Suzhou Avenue, Suzhou Industrial Park, Suzhou Area of China (Jiangsu) Pilot FreeTrade Zone	9 December 2020	RMB5 million	Xu Bo (徐博)	0512-69828186
Zhejiang Branch Office	Rooms 1701, 1702, 1703, 1704-1, 1704 – 2, 17/F, Building 1, Hongshou Financial Center, 300 Xinye Road, Shangcheng District, Hangzhou City, Zhejiang Province	30 June 2009	RMB5 million	Lin Jian (林堅)	0571-87560518
Fujian Branch Office	11/F, Export-Import Bank of China Building, 350 Jiangbin Central Boulevard, Taijiang District, Fuzhou City, Fujian Province	2 July 2009	RMB5 million	Chen Meixin (陳美心)	0591-88325166
Jiangxi Branch Office	Rooms 3002-3009, 3101-3106, 3112 & 3113, Cuilin Building, 1266 Fenghe Middle Avenue, Honggutan New District, Nanchang City, Jiangxi Province	3 July 2009	RMB5 million	Wang Lei (王蕾)	0791-86113053
Shandong Branch Office	5/F, Building 1, Long Ao Jin Zuo Office Building, No. 8000 Jingshi Road, Lixia District, Ji'nan City	29 June 2009	RMB5 million	Li Jian (李建)	0531-88512977
Henan Branch Office	No. 39 Jinshui East Road, Zhengdong New District, Zhengzhou City	29 June 2009	RMB5 million	Yu Ping (于萍)	0371-65752727

## Appendix III Basic Information of Branch Office

Branch office	Address	Date of establishment	Registered capital (or working capital)	Person-in-charge	Contact number
Hunan Branch Office	4/F, No. 89 Wuyi Boulevard, Furong District, Changsha City, Hunan Province	1 July 2009	RMB5 million	Hu Lan (胡蘭)	0731-84800639
Hainan Branch Office	No. B2002, B2003, B2004, 20F, West Block of Office Building, Tower B, Lot S5, Haikuotiankong • Guorui Town, 11 Guoxing Avenue, Meilan District, Haikou City, Hainan Province	30 June 2009	RMB5 million	Fan Xiaojun (范曉軍)	0898-68551022
Guizhou Branch Office	No. 1, 22/F, Unit (3)1, Tower 1-5, East Zone, Financial Business District, Area B, Zhongtian Exhibition, Changling North Road, Guanshanhu District, Guiyang City, Guizhou Province	1 July 2009	RMB5 million	Ma Hong (馬鴻)	0851-85818223
Yunnan Branch Office	Rooms 1706, 1707, 1708, 1709 & 1710, 17/F, Building 4, Qicaijunyuan, Baita Road, Panlong District, Kunming City, Yunnan Province	30 June 2009	RMB5 million	Xiao Bohao (肖波浩)	0871-63105290
Shaanxi Branch Office	Rooms 15303, 15304, 15305, 15306, 53/F, Tower B, Greenland Center, 11 Jinye Road, Gaoxin District, Xi'an City, Shaanxi Province	2 July 2009	RMB5 million	Hua Yuwei (華宇煒)	029-88304600
Gansu Branch Office	Room 001, 28/F, Unit 2, No. 3 Tianshui Middle Road, Donggang West Road Street, Chengguan District, Lanzhou City, Gansu Province	30 June 2009	RMB5 million	Lan Geru (蘭革儒)	0931-8429499
Guangdong Branch Office	Room 2701, Room 2702 No. A & Room 2801-06, No. 32 Huaxia Road, Tianhe District, Guangzhou City	29 June 2009	RMB5 million	Yao Guohai (姚國海)	020-38817833
Chongqing Branch Office	17-1/F, No. 3 Finance Street, Jiangbei District, Chongqing City	30 June 2009	RMB5 million	He Fuwei (何符偉)	023-63707386

## Appendix III Basic Information of Branch Office

Branch office	Address	Date of establishment	Registered capital (or working capital)	Person-in-charge	Contact number
Shenzhen Qianhai Branch Office	Units 1501, 1502, 1506, 1507, 1508, 1509, 1510, 1511, 1512, Tower A, Office Building T5, Qianhai China Resources Financial Center, No. 5035 Menghai Avenue, Nanshan Subdistrict, Qianhai Shenzhen – Hong Kong Cooperation Zone, Shenzhen City	10 August 2022	RMB5 million	Gao Dawang (高大望)	0755-83799772
Hebei Xiongan Branch Office	Rooms 105 and 509, Building C, No. 507 Minglang North Street, Rongcheng County, Xiongan Area of China (Hebei) Pilot Free Trade Zone (Voluntary Declaration)	28 July 2022	RMB5 million	Guo Jiang (郭江)	0311-85662770
Qingdao Branch Office	B3/F, No. 108 Nanjing Road, Shinan District, Qingdao City, Shandong Province	9 May 2023	RMB5 million	Wang Heyun (王河雲)	0532-85842555
Shanghai Qingpu Branch Office	Room 301, 3/F, No. 2, Lane 99, Jiajie Road, Zhaoxiang Town, Qingpu District, Shanghai	30 March 2023	RMB5 million	Bi Zhigang (畢志剛)	021-38676211
Shanghai Lingang New Area Branch Office	Room 304, Odd No. 859-863 Huanhu West 1st Road, Lingang Section, China (Shanghai) Pilot Free Trade Zone	21 April 2023	RMB5 million	Cao Lu (曹璐)	021-60292621
Xiamen Branch Office	Units 04-06, 26/F, Xiamen Century Center, No. 50 Minzu Road, Siming District, Xiamen City	12 June 2023	RMB5 million	Cai Bingzheng (蔡炳政)	0592-2056166

## Appendix III Basic Information of Branch Office

### 2. BRANCH OFFICE OF GUOTAI JUNAN FUTURES

Branch office	Address	Date of establishment	Person-in-charge	Contact number
Zhejiang Branch Office	Room 3001-3, 30/F, Hangzhou Ping An Financial Center, No. 280 Minxin Road, Shangcheng District, Hangzhou City, Zhejiang Province	3 July 2008	Zhang Sixi (章四夕)	0571-86807670
Ningbo Branch Office	15-2 & 15-3, No. 51 Sanyanqiao Street, Ningzhu Plaza, Yinzhou District, Ningbo City, Zhejiang Province	8 September 2008	Fei Zhen (費振)	0574-87916515
Beijing Branch Office	Units 01, 07 & 08, 25/F, West Tower, B12 Jianguomenwai Street, Chaoyang District, Beijing City	27 August 2008	Wang Fei (王菲)	010-58795755
Shenzhen Branch Office	2603, 2604 & 2605, Gemdale Center, No. 2007 Shennan Boulevard, Gangxia Community, Futian Street, Futian District, Shenzhen City	6 August 2010	Shao Weimin (邵嵬敏)	0755-83730216
Liaoning Branch Office	Rooms 1904 & 1905, Dalian Futures Building, Tower A, Dalian International Finance Center, No. 129 Huizhan Road, Shahekou District, Dalian City	12 July 2011	Wang Wei (王偉)	0411-84807755
Guangdong Branch Office	Rooms 2005 & 2006, No. 1 Linjiang Boulevard, Tianhe District, Guangzhou City	22 September 2011	Wu Xindi (吳新迪)	020-38628010
Jilin Branch Office	Rooms 2302 & 2303, Building 1, Chuanyu Hongtai International Global Trade Center Phase II, Jingyue Development Zone, Changchun City, Jilin Province	6 April 2010	Qin Zhiguo (秦志國)	0431-85918811
Henan Branch Office	Room 1105, Futures Building, No. 30 Shangwuwaihuan Road, Zhengdong New District, Zhengzhou City	31 December 2014	Zhang Wentian (張聞天)	0371-65600697
Jiangsu Branch Office	Room 3701 (14-16), 37/F, No. 347 Jiangdong Middle Road, Jianye District, Nanjing City, Jiangsu Province	29 May 2015	Mao Jiali (毛佳莉)	025-87780990
Qingdao Branch Office	Room 501, 5/F, Jiezheng Fortune Center, Building 11, No. 195 Hong Kong East Road, Laoshan District, Qingdao City, Shandong Province	17 September 2015	Hu Xiaohang (胡曉航)	0532-80993627
Hubei Branch Office	Office (5) at 40/F, Zheshang International Building, No. 718 Jianshe Avenue, Jiang'an District, Wuhan City	2 September 2015	Qiu Xia (邱夏)	027-82886695
Hebei Branch Office	Rooms 803 & 804, 8/F, Tower B, Fangbei Building, No. 133 Yuhua East Road, Yuhua District, Shijiazhuang City, Hebei Province	21 May 2018	Zhao Xin (趙昕)	0311-85360908
Shaanxi Branch Office	Room 02, 16/F (18/F by Elevator), PICC (Shaanxi) Finance Building, 12 Gaoxin 3rd Road, High Tech District, Xi'an City, Shaanxi Province	5 June 2018	Luo Mingzhe (羅明哲)	029-88220218
Hunan Branch Office	Room 2401, Wanbohui Mingdi Phase III, No. 489 Shaoshan Middle Road, Yuhua District, Changsha City	26 December 2018	Zhu Qiyun (朱其運)	0731-82258088

## Appendix III Basic Information of Branch Office

Branch office	Address	Date of establishment	Person-in-charge	Contact number
Shandong Branch Office	Rooms 1107 & 1108, No. 975 Caoshanling South Road, Lixia District, Ji'nan City	24 January 2019	Li Lili (李莉莉)	0531-81210188
Xiamen Branch Office	1508-1509, Block B, China Resources Building, No. 95 Hubin East Road, Siming District, Xiamen City	27 September 2019	Fu Zuoren (傅作仁)	0592-5886155
Tianjin Branch Office	No. 01 & 03, 15/F, Tianjin International Finance Center Building, No. 136 Chifeng Road, Quanyechang Street, Heping District, Tianjin	13 January 2004	Pan Wei (潘偉)	022-23392200
Beijing Chaoyang Branch Office	Rooms 1501 and 1502, 15th Floor, Building 22, No. 5, A Zone of Shuguangxili, Chaoyang District, Beijing City	17 May 2018	Xu Shaofan (許少凡)	010-64669897
Hangzhou Branch Office	Room 2701-6, Room 2701-7, Building 3, Haiwei Business Center, Xixing Sub-district, Binjiang District, Hangzhou, Zhejiang Province	16 December 2022	Wang Zhili (王智力)	0571-86737328
Shenzhen Futian Branch Office	Rooms 1502, 1503 and 1504, 15th Floor, New World Business Center, No. 6009, Yitian Road, Fuxin Community, Lianhua Subdistrict, Futian District, Shenzhen	26 October 2022	Cong Dawei (丛大偉)	0755-23982559
Shanghai Changning Branch Office	Room 06, 9th Floor, No. 1133, Changning Road, Changning District, Shanghai City	9 February 2010	Shen Yiping (沈益平)	021-32522825
Shanghai Yangpu Branch Office	Rooms 2606 and 2607, Tower T2, No. 398, Huoshan Road, Yangpu District, Shanghai	9 April 2008	Hu Guangwei (胡光瑋)	021-55892500
Shanghai Huangpu Branch Office	Rooms 03 and 04, 14th Floor, No. 58, Yan'an East Road, Huangpu District, Shanghai City	29 November 2018	Xu Lin (徐琳)	021-63331738
Shanghai Lujiazui Branch Office	Room 06, 27th Floor (actually 24th Floor), No. 88, Yincheng Road, China (Shanghai) Pilot Free Trade Zone	10 October 2019	Liu Shanshan (劉珊珊)	021-58590391
Shanghai Century Avenue Branch Office	Room 1002B and 1003, No. 1501, Century Avenue, China (Shanghai) Pilot Free Trade Zone	15 May 2008	Qiao Lianhui (喬戀惠)	021-58385696
Sichuan Branch Office	Room 01B/02, 35/F, Tower A, No. 10 Shuangqing Road, Chenghua District, Chengdu City, Sichuan Province	21 November 2024	Su Zhenqiao (蘇楨喬)	028-84332660
Xinjiang Branch Offices	Rooms 601-01, 602, 603, Meike Building, No. 396 Weitai South Road, Urumqi Economic and Technological Development Zone (Toutunhe District), Xinjiang	23 December 2024	Zhang Hao lei (張浩雷)	0991-3740069

## Appendix IV Establishment and Disposal of Branches

### 1. THE COMPANY

#### 1) Newly-established branch offices and securities branches:

No.	Names of newly-established branches	Locations of newly-established branches	Permit issuing date
1	Suqian Qinghai Lake Road Securities Business Department	West of No. 102, East Office, Junlin International Plaza, No. 49 Qinghaihu Road, Suqian Economic Development Zone, Jiangsu Province	7 March 2024
2	Shanghai Jiajie Road Securities Business Department	Room 302, Building 2, Lane 99, Jiajie Road, Zhaoxiang Town, Qingpu District, Shanghai City	22 May 2024
3	Suzhou Xinghan Street Securities Business Department	Room 2801, Building 2, Suzhou International Fortune Plaza, No. 9 West Suzhou Avenue, Suzhou Industrial Park, Suzhou Area of China (Jiangsu) Pilot FreeTrade Zone	13 September 2024
4	Suzhou Wujiang Gaoxing Road Securities Business Department	Room 108, Changrong Building, No. 1211 Gaoxin Road, East Taihu Eco Tourism Resort (Taihu New Town), Wujiang District, Suzhou City	19 September 2024

#### 2) Relocated branch offices and securities branches:

No.	Names of branches before relocation	Names of branches after relocation	Locations of branches after relocation
1	Shaanxi Branch Office	Shaanxi Branch Office	Rooms 15301, 15303, 15304, 15305 & 15306, 53/F, Block B, Greenland Center, No. 11 Jinye Road, High-tech Zone, Xi'an, Shaanxi Province
2	Shanghai Branch Office	Shanghai Branch Office	Rooms 12A, 12C-I, 13A-I, No. 369 Jiangsu Road, Changning District, Shanghai City
3	Hunan Branch Office	Hunan Branch Office	Units 10-16, 41/F, Building T1, IFC, No. 188 Jiefang West Road, Dingwangtai Street, Furong District, Changsha City, Hunan Province

## Appendix IV Establishment and Disposal of Branches

No.	Names of branches before relocation	Names of branches after relocation	Locations of branches after relocation
4	Henan Branch Office	Henan Branch Office	Room 101-103, 1/F and Room 1003-1012, 10/F, Tower A (South Building), Publishing Building, No. 39 Jinshui East Road, Zhengdong New District, Zhengzhou City
5	Hebei Xiong'an Branch Office	Hebei Xiong'an Branch Office	Ground floor shop, No. 159 and Room 509, Building 5, No. 165 Minglang North Street, Rongcheng County, Xiongan Area of China (Hebei) Pilot Free Trade Zone (Voluntary Declaration)
6	Lvliang Changzhi Road Securities Business Department	Lvliang Wenfeng Road Securities Business Department	1st and 2nd of Unit 9 and 2nd Floor of Unit 10, Building 2, Wenfeng Garden, East of Beichuanhe East Road and North of Wenfeng Road, Fengshan Sub-district, Lishi District, Lvliang City, Shanxi Province
7	Changde Renmin Road Securities Business Department	Changde Furong Road Securities Business Department	Rooms 101 & 201, Building SC-2, Tianyuan Rongguo Xinfu, Furong Road, Xianyuan Community, Changgeng Sub-district, Wuling District, Changde City, Hunan Province
8	Horgos Kaiyuan Road Securities Business Department	Horgos Shenzhou Road Securities Business Department	Room 107, Building B, North Community Neighborhood Center, No. 8 Shenzhou Road, Horgos City, Ili Kazakh Autonomous Prefecture, Xinjiang
9	Xining Shengli Road Securities Business Department	Xining Shengli Road Securities Business Department	Shops 2, 3 and 4, Floor 1, Building 3, Sapphire Hotel, No. 21 Shengli Road, Chengxi District, Xining, Qinghai Province
10	Suzhou Shishan Road Securities Business Department	Suzhou Shishan Road Securities Business Department	Rooms 1908, 1909, 1910 & 1911, 19/F, Longhu Center, Building 13, Shishan Tianjie Life Plaza, High-tech Zone, Suzhou City, Jiangsu Province

## Appendix IV Establishment and Disposal of Branches

No.	Names of branches before relocation	Names of branches after relocation	Locations of branches after relocation
11	Lanzhou Donggang West Road Securities Business Department	Lanzhou Qingyang Road Securities Business Department	Southeast of 24th Floor, Tower B, Hongyun Jinmao, No. 2 Qingyang Road, Guangwumen Subdistrict, Chengguan District, Lanzhou City, Gansu Province
12	Deqing Wuyuan Street Securities Business Department	Deqing Yunxiu South Road Securities Business Department	Shops 05 & 05-1, 1st Floor, Information Technology Building, No. 650 Yunxiu South Road, Wuyang Sub-district, Deqing County, Huzhou City, Zhejiang Province
13	Chengde Xidajie Securities Business Department	Chengde Shiji Middle Road Securities Business Department	Shops 111 & 112, Building A4, West Zone of Fudi Huayuan, Laojuzhai Community, Qiaodong Subdistrict, Shuangqiao District, Chengde City, Hebei Province
14	Hechi Jincheng Middle Road Securities Business Department	Hechi Baiwang Road Securities Business Department	Shop 201, Complex Building, Zone B, Phase I, Hechi Macau International City, No. 10 Baiwang Road, Jinchengjiang District, Hechi City
15	Yinchuan Jiefang West Street Securities Business Department	Yinchuan Fenghuang North Street Securities Business Department	Rooms 2907, 2908, 2909, 29th Floor, Xinhua Insurance Building, No. 309 Fenghuang North Street, Xingqing District, Yinchuan, Ningxia
16	Wuhan Guanshan Boulevard Securities Business Department	Wuhan Guanshan Boulevard Securities Business Department	Unit 19 1/F, Block A, Unit 08 2/F, Block A, Guanggu New Development International Center, No. 473 Guanshan Avenue, Donghu New Technology Development Zone, Wuhan City, Hubei Province
17	Wuhan Xudong Street Securities Business Department	Wuhan Xudong Street Securities Business Department	No. 2, 1/F & Room 1707, 17/F, Energy Building, No. 73 Xudong Street, Hongshan District, Wuhan City, Hubei Province
18	Wuhan Jinghan Avenue	Wuhan Xinhua Road Securities Business Department	Units 02-06, 30/F, Office Building T2, Phase III, Yuexiu International Financial Centre, No. 17 Jingwu Road, Jianghan District, Wuhan City, Hubei Province

## Appendix IV Establishment and Disposal of Branches

No.	Names of branches before relocation	Names of branches after relocation	Locations of branches after relocation
19	Wuhan Maying Road Securities Business Department	Wuhan Lumo Road Securities Business Department	Room 4, 1/F, Unit 1 (No. 1-1004), Room 2, 3/F & Room 3, 3/F, Unit 1 (No. 2-303), Jinyu Plaza, No. 399 Lumo Road, Hongshan District, Wuhan City, Hubei Province
20	Weinan Cangcheng Road Securities Business Department	Weinan Cangcheng Road Securities Business Department	Shop Unit 105-2, Building B2, Chengshangcheng Community, Cangcheng Road, Linwei District, Weinan City, Shaanxi Province
21	Shanghai East Zhongshan Road Securities Business Department	Shanghai East Zhongshan Road Securities Business Department	Room 103 & the whole 7th floor, Building 12, No. 298 East Zhongshan Road, Songjiang District, Shanghai City
22	Shantou Jinsha Road Securities Business Department	Shantou Changping Road Securities Business Department	Rooms 2009-2014, South Tower, China Resources Building, No.95 Changping Road, Longhu District, Shantou City
23	Ya'an Chaoyang Road Securities Business Department	Ya'an Yayu Road Securities Business Department	No. 25 and 26, 1/F, No. 02, 3/F, Building 2, Xixiu Jianghehui, No. 8 Yayu Road, Shuizhongba, Yucheng District, Ya'an City, Sichuan Province
24	Chengdu Jintangxian Shili Avenue Securities Business Department	Chengdu Rongdu Avenue Securities Business Department	No. 1-7, 9/F, No. 1, 1/F, Building 1, No. 59, Rongdu Avenue South Section 1, Xindu Street, Xindu District, Chengdu City
25	Chengdu Shuncheng Avenue Securities Business Department	Chengdu Shuncheng Avenue Securities Business Department	2/F & 3/F, Shuncheng Building, No. 229 Shuncheng Avenue, Qingyang District, Chengdu City
26	Zhuhai Jingshan Road Securities Business Department	Zhuhai Jingshan Road Securities Business Department	Shops 103 & 104, No. 89 Jingshan Road, Xiangzhou District, Zhuhai City, Guangdong Province
27	Ningbo Junzi Street Securities Business Department	Ningbo South Dazha Road Securities Business Department	6-1B, 6-2, 6-3, No. 500 South Dazha Road, Jiangbei District, Ningbo City, Zhejiang Province
28	Liuzhou Guizhong Avenue Securities Business Department	Liuzhou Guizhong Avenue Securities Business Department	1-2, 1-3, 1-4, Xiyahuating, No. 18 at the south end of Guizhong Avenue, Liuzhou City

## Appendix IV Establishment and Disposal of Branches

No.	Names of branches before relocation	Names of branches after relocation	Locations of branches after relocation
29	Shanghai Huangpi South Road Securities Business Department	Shanghai Huangpi South Road Securities Business Department	Units 1008, 1009, 1010 & 1011, 10/F, Building 4, No. 1, Lane 838, Huangpi South Road, Huangpu District, Shanghai City
30	Shanghai Hongqiao Securities Business Department	Shanghai Wanping South Road Securities Business Department	Units 05-08, 12/F (Nominal Unit 05-08, 15/F), No.98 Wanping South Road, & Unit A, 1/F, No.106 Wanping South Road, Xuhui District, Shanghai City
31	Yichang Zhenzhu Road Securities Business Department	Yichang Yanjiang Avenue Securities Business Department	4th Floor, Tower of Xingfa Building, No. 188-9 Yanjiang Avenue, Wujiagang District, Yichang City, Hubei Province (on the side of the river)
32	Fuzhou Gandong Avenue Securities Business Department	Fuzhou Jinchao Avenue Securities Business Department	Room 1-1, 1/F, Rooms 1601 & 1602, 16/F, (Central Diamond Plaza) Complex A, No. 1199 Jinchao Avenue, Fuzhou High-tech Industrial Development Zone, Fuzhou City, Jiangxi Province
33	Yichun Yuanshan Middle Road Securities Business Department	Yichun Yiyang Avenue Securities Business Department	Room 2-2, 2/F, Building 19, Feicuicheng, No. 519 Yiyang Avenue & Room 2-1, 2/F, Building 19, Feicuicheng, No. 509 Yiyang Avenue, Yuanzhou District, Yichun City, Jiangxi Province
34	Nanyang Jianshe East Road Securities Business Department	Nanyang Dushan Avenue Securities Business Department	No. 101-1, 1/F, Unit 1, Building 16, Block 16, Yulongyuan, Middle Section of Dushan Avenue, Wancheng District, Nanyang City
35	Beijing Zhongguangcun Street Securities Business Department	Beijing Zhongguangcun Street Securities Business Department	302, 3/F, No. 8 Haidian North Second Street, Haidian District, Beijing City
36	Xuzhou Heping Road Securities Business Department	Xuzhou Heping Road Securities Business Department	102-1, 1/F & 505, 509-514, 5/F, Building 1, Wenyuan Building, No. 59 Heping Road, Yunlong District, Xuzhou City

## Appendix IV Establishment and Disposal of Branches

No.	Names of branches before relocation	Names of branches after relocation	Locations of branches after relocation
37	Zhanjiang Wanhao Shijia Securities Business Department	Zhanjiang Wanhao Shijia Securities Business Department	No. 5, Shop 03, 1/F, Building 3 & 4, Wanhao Shijia, No. 6 Lvmin Road, Xiashan District, Zhanjiang City
38	Tianjin Qingnian Road Securities Business Department	Tianjin Qingnian Road Securities Business Department	No. 281, 283 Qingnian Road, Nankai District, Tianjin City
39	Beijing Tongzhou Xinhua West Street Securities Business Department	Beijing Tongzhou Xinhua West Street Securities Business Department	101, 1-2/F, Building 1, Court 60, Xinhua West Street, Tongzhou District, Beijing City
40	Jiaxing Xiuzhou Avenue Securities Business Department	Jiaxing Xiuzhou Avenue Securities Business Department	Room 104-105, North side, 1/F and Room 204-205, North side, 2/F, Tower F, Future Science and Technology Plaza, No. 138 Xiuzhou Avenue, Xiuzhou District, Jiaxing City, Zhejiang Province
41	Yantai Xisheng Street Securities Business Department	Yantai Xisheng Street Securities Business Department	No. 1, West side, 1/F and Room 2301, 2302, 2303, 2305, 23/F, Huitong International, No. 27 Xisheng Street, Zhifu District, Yantai City, Shandong Province
42	Changchun Northeast Asia International Financial Center Securities Business Department	Changchun Northeast Asia International Financial Center Securities Business Department	Room 608, 609, 610, 611, 612, 613, Building 2, Northeast Asia International Financial Center, No. 10606 Renmin Street, Nanguan District, Changchun City, Jilin Province
43	Ganzhou Zhangjiangnan Avenue Securities Business Department	Ganzhou Zhangjiangnan Avenue Securities Business Department	Shop 25 & 26, Building D4, Haode Shui'anxintian, Zhangjiangnan Avenue, Zhanggong District, Ganzhou City, Jiangxi Province

### 3) Deregistered securities branches:

No.	Names of securities branches
1	Gejiu Jinhu West Road Securities Business Department
2	Jilin Jilin Jiefang Avenue Securities Business Department

## Appendix IV Establishment and Disposal of Branches

### 2. GUOTAI JUNAN FUTURES

#### 1) Newly-established branch offices and securities branches:

No.	Names of newly-established branches	Locations of newly-established branches	Permit issuing date
1	Beijing Chaoyang Branch Office	Rooms 1501 and 1502, 15th Floor, Building 22, No. 5, A Zone of Shuguangxili, Chaoyang District, Beijing City	15 March 2024
2	Hangzhou Branch Office	Room 2701-6, Room 2701 – 7, Building 3, Haiwei Business Center, Xixing Sub-district, Binjiang District, Hangzhou, Zhejiang Province	18 March 2024
3	Shenzhen Futian Branch Office	Rooms 1502, 1503 and 1504, 15th Floor, New World Business Center, No. 6009, Yitian Road, Fuxin Community, Lianhua Subdistrict, Futian District, Shenzhen	25 March 2024
4	Shanghai Changning Branch Office	Room 06, 9th Floor, No. 1133, Changning Road, Changning District, Shanghai City	10 April 2024
5	Shanghai Yangpu Branch Office	Rooms 2606 and 2607, Tower T2, No. 398, Huoshan Road, Yangpu District, Shanghai	24 April 2024
6	Shanghai Huangpu Branch Office	Rooms 03 and 04, 14th Floor, No. 58, Yan'an East Road, Huangpu District, Shanghai City	24 April 2024
7	Shanghai Lujiazui Branch Office	Room 06, 27th Floor (actually 24th Floor), No. 88, Yincheng Road, China (Shanghai) Pilot Free Trade Zone	29 April 2024
8	Shanghai Century Avenue Branch Office	Room 1002B and 1003, No. 1501, Century Avenue, China (Shanghai) Pilot Free Trade Zone	10 May 2024
9	Sichuan Branch Office	Room 01B/02, 35/F, Tower A, No. 10 Shuangqing Road, Chenghua District, Chengdu City, Sichuan Province	21 November 2024
10	Xinjiang Branch Offices	Rooms 601-01, 602, 603, Meike Building, No. 396 Weitai South Road, Urumqi Economic and Technological Development Zone (Toutunhe District), Xinjiang	6 January 2025

Stock Code: 02611 Stock Name: GTJA