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Guotai Haitong Securities Co., Ltd.
國泰海通證券股份有限公司

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

(Stock Code: 02611)

**Annual Report of the Implementation of the 2024 Action Plan of
“Improving Quality, Increasing Efficiency and Achieving Returns”**

The board of directors (the “**Board**”) of Guotai Haitong Securities Co., Ltd. (the “**Company**”) hereby announces that, in order to actively implement the Several Opinions of the State Council on Strengthening Regulation, Forestalling Risks and Promoting the High-Quality Development of the Capital Market, fully promote the high-quality development of the Company, consolidate and enhance the Company’s influence in the industry and accelerate the establishment of a first-class investment bank, the Company has proposed the 2024 Action Plan of “Improving Quality, Increasing Efficiency and Achieving Returns” from the aspects of operation and management, corporate governance, information disclosure and investor returns, based on the characteristics of the industry, its own development stage and investor demands, and made public disclosure to investors and the community. In 2024, the Company vigorously promoted the implementation of the Action Plan of “Improving Quality, Increasing Efficiency and Achieving Returns” and related work and achieved positive progress and good results, details of which are as follows:

I. Actively promoting the merger and restructuring of Guotai Junan Securities and Haitong Securities, and accelerating the establishment of a first-class investment bank

On 5 September 2024, Guotai Junan Securities and Haitong Securities announced a merger and restructuring to facilitate resource sharing and give full play to complementary advantages between both sides, accelerate the establishment of a first-class investment bank with international competitiveness and market leadership and push forward the development of Shanghai into an international financial center. The Company expedited the merger and restructuring work. The proposal on merger and restructuring was disclosed on 9 October 2024. A shareholders’ meeting was convened on 13 December 2024 to deliberate and approve various resolutions to complete all corporate governance procedures. The transaction was completed on 14 March 2025, and was officially renamed as Guotai Haitong Securities Co., Ltd. (“**Guotai Haitong**”) on 3 April 2025. As of the end of 2024, the pro forma consolidated entity, Guotai Haitong, reported total assets of RMB1.73 trillion and net assets of RMB342.9 billion, demonstrating enhanced and robust capital strength, more professional and comprehensive service capabilities, as well as a more streamlined and efficient operation and management structure.

II. Properly handling the relationship between functionality and profitability, and continuously enhancing the quality and efficiency of serving economic and social development

The Company deeply implemented its functional mission as a financial state-owned enterprise and gave full play to its professional advantages. Excelling in “technology finance”, the Company strengthened the linkage of “investment – investment banking – investment and research”, and participated in the launch of the Shanghai Angel Group. By the end of 2024, the Company built a “FOF + industry fund” science & technology innovation themed fund matrix of over RMB30 billion, and invested in the establishment of the Three Leading Industry FOFs of Shanghai, thereby accelerating the implementation of investment in science & technology innovation funds. The Company provided assistance for the first IPO to complete registration after the release of the “Eight STAR Market Measures”, as well as the first enterprise on the STAR Market to be approved to conduct merger, acquisition and restructuring during the year, making it the top three in the industry in terms of the number and amount of science and technology innovation bonds it underwrote. Excelling in “green finance”, the Company systematically enhanced the green finance service capabilities of “financing, investment, trading, cross border and risk control”. In 2024, the Company ranked among the top three in the industry in terms of the underwriting scale of domestic green bonds, and maintained its industry-leading position in terms of the carbon trading volume. Besides, the Company and China Construction Bank (“CCB”) jointly launched the innovative “CCB Carbon Loan” business. The Company also deepened the green operations, formulating energy-saving and carbon-reduction action plans and developing a new ESG information management system. In 2024, its MSCI ESG rating was upgraded to AAA, the highest among global industry peers. It was named for the second consecutive year among the “Top 30 ESG Financial Pioneers among Chinese Listed Companies.” Excelling in “inclusive finance”, the Company accelerated the transformation of wealth management and actively capitalized on market opportunities since late September 2024. As a result, both the number of new clients and the scale of public mutual fund holdings under custody grew substantially. The Company continuously enriched its portfolio of wealth management products, with flagship offerings such as CSI A50 and CSI A500 index-linked products achieving industry-leading sales. The Company was also selected as one of the first securities firms to pilot the Cross-boundary Wealth Management Connect Scheme. The Qingpu Branch Office, established by way of intensive Internet, has officially started operation. The Company precisely supported small, medium and micro-sized enterprises with its financial strength, contributing to the first private company to issue the micro, small and medium-sized enterprise backed bonds successfully in China. Excelling in “pension finance”, the Company has connected with 55 individual pension fund managers, ranking first in the industry in terms of the shelf rate of agency sales of individual pension fund products. The scale of pension target fund products under HuaAn Funds has exceeded RMB1.6 billion. The Company’s asset management subsidiary has successfully launched three pension FOF products. Excelling in “digital finance”, the Company has continuously strengthened the full-life cycle services for digital economy enterprises, while constantly promoting the deep integration of its own technology and business, and strengthening platform construction to create a benchmark for digital technology in the industry.

The Company deeply implemented the “investor-oriented” concept. The Company has newly set up a department for investor rights protection to coordinate and enhance efforts on investor rights protection, as well as continue to strengthen investor education. The Company’s investor education base has been awarded the excellent rating as a national-level investor education base by the China Securities Regulatory Commission (the “CSRC”) for six consecutive years.

The Company vigorously facilitates the improvement of the quality of listed companies. The Company earnestly performed its duties as a gatekeeper to strictly control the IPO entry, focused on strengthening the industrial service capacity, consistently improved sponsorship capabilities and due diligence level, promoted the construction of an all-round risk control system and intensified compliance accountability, so as to comprehensively improve its practice quality as an investment bank. At the same time, the Company actively expanded its diversified business chains, and took the initiative to explore business opportunities, such as shareholders' repurchases and appreciations, merger, acquisition and restructuring, financial advisory and equity incentives, thus driving listed companies to consistently strengthen their market value management.

The Company made solid progress in the establishment of three major customer service systems for retail, institutional and corporate customers. Adhering to the customer-centered approach, the Company built a synergistic service model for the three types of customers, provided one-stop full-life cycle financial services, and achieved "expanding customer base, broadening coverage, improving quality, and increasing efficiency". As of the end of 2024, the Jun Hong APP boasts over 41 million users, with average monthly active users ranking among the top two in the industry. There are more than 81.8 thousand users on the Daohe platform, with a coverage of more than 10.6 thousand institutions and enterprises.

III. Promoting the acceleration and effectiveness of digital transformation, and continuously consolidating the advantages of digital technology to lead the development

The Company steadily implemented the "online, digital and intelligent" measures. The Company significantly enhanced the online digitalization of core business operations and improved administrative workflow efficiency. The enterprise-level databases and OneID customer master data operation system have been primarily established. The management cockpit has been revised and upgraded. An AI Shared Capability Center has been initially established. The Company also completed the private deployment of large language models and adopted a "1+N" architecture strategy, becoming the first investment bank in the industry to fully integrate large model capabilities into its intelligent customer service system.

The Company has strengthened its technological leadership, steadily promoted platform construction and built an efficient and agile delivery performance system to maintain industry leadership in key business platform indicators and R&D and delivery capabilities. The Company strengthened the business continuity assurance, ensured a 100% safe operation rate of the core trading system and smoothly responded to major market pressure. The Company successfully developed applications such as carbon financial management, precise wealth management services, and digital due diligence in investment banking based on blockchain technologies. The Company's information innovation efforts have been rated excellent for four consecutive years, with new achievements, including one special treasury bond project from the National Development and Reform Commission, one project for promoting high-quality industrial development from the Shanghai Municipal Commission of Economy and Informatization, and two innovation-level projects from the Shanghai State-owned Assets Supervision and Administration Commission, five FinTech Development Awards from the People's Bank of China, and 13 outstanding industry research topics.

IV. Strengthening management improvement, and improving the quality and efficiency through refined management

The Company enhanced the driving force and penetration of strategic planning, The Company systematically promoted the implementation of its “second three-year” strategic plan, steadily carried out a mid-term evaluation of the planning system, constantly deepened the understanding of the laws and underlying logic of business development, and accumulated professional competence, so as to continue to improve its core competitiveness.

The Company further improved the standardization of expense management and control, strengthened the implementation monitoring and early warning of expense budgets, and realized the dynamic management of branch budgets. The Company improved the efficiency of its allocation of assets and liabilities, promoted the issuance of domestic and overseas bonds in an orderly manner, and comprehensively ensured the capital needs of businesses. The Company empowered key businesses, supported business departments to make dynamic adjustments based on environmental changes, and facilitated the optimal allocation of capital and funds.

The Company enhanced its group-based and intensive management and control. The financial sharing center assumed responsibility for the fundamental financial operations across all branches and outlets. The procurement management center completed the organization establishment and the system and mechanism review, and formally implemented procurement management. The centralized operation 2.0 has been implemented across all branch companies. The Company continued to optimize the management mechanism of the branches and subsidiaries.

The Company comprehensively built and consolidated the three lines of defense of “business units, compliance and risk control, check and audit”, and strengthened risk prevention and control in key business areas, so as to empower a sound and effective compliance risk control and management mechanism. The Company has obtained an AA regulatory rating in Class A companies by the CSRC for 17 consecutive years, continued to be selected into the “white list” of securities companies and has been awarded the highest rating in the practice assessment of industry culture construction for four consecutive years, and maintained international credit ratings at BBB+ by Standard & Poor and Ba1 by Moody, with the outlook of the Company’s ratings being stable.

V. Continuously improving the Company's corporate governance and enhancing governance efficiency

Facing the need of improving its governance system and governance efficiency, the Company grasped the new trend of the board of directors' governance in first-class investment banks, and integrated value creation throughout the whole process of the Company's corporate governance and corporate operation and decision-making. The Company coordinated internal and external resources, and provided job training for new directors and on-going training on duty performance for directors to enhance their ability to perform duties. The Company strengthened the advisory and suggestion functions of the special committees of the Board, and continued to enhance the strategic decision-making and strategic management capabilities of the Board. Over the year, the Company held three meetings of the Strategy and ESG Committee, eight meetings of the Remuneration, Appraisal and Nomination Committee, eight meetings of the Audit Committee and four meetings of the Risk Control Committee in total. The Company further implemented the requirements of the Measures for the Administration of Independent Directors of Listed Companies, established and implemented a special meeting system for independent directors, and further improved the special meeting mechanism for independent directors and the work process of independent directors' duty performance. Over the year, the Company held five special meetings of independent directors in total, fully exerting the functions of independent directors. The Company continued to promote the connection of party building responsibilities with operating responsibilities and the in-depth integration of party building work with production and operation within state-owned enterprises, so as to continuously improve the level of the Company's corporate governance and promote the comprehensive implementation of the Company's strategies.

VI. Strengthening communication and attaching importance to shareholders' demands and investors' voices

The Company continued to implement the "investor-oriented" concept, continuously improved the investor relationship management system, and enhanced the quality of domestic and overseas information disclosure. The Company continued to further strengthen the communication with stakeholders such as shareholders, investors and analysts through various methods, such as organizing analysis and communication meetings, domestic and overseas roadshows, attending investment strategies meetings or investment forums of seller institutions, and reception of analysts for survey and research, so as to enhance the initiative and pertinence of investor relationship management. The Company actively participated in online performance briefings, and collective results briefings of Shanghai state-owned listed companies, and answered the calls from investors seriously. Through diversified forms of communication, the Company expanded the coverage of investor services and continued to implement and improve the protection mechanism for minority investors.

VII. Valuing shareholder returns and enhancing investor perception

The Company continued to implement the “investor-oriented” development concept, fully protected the rights and interests of investors, and created a “long-term, stable and sustainable” mechanism of shareholder value and returns. The Company has assessed the feasibility of multiple dividend distributions according to the requirements of the regulatory rules on dividend distributions, amended the Articles of Association of the Company, and convened a general meeting to authorize the Board to formulate an interim dividend distribution plan to increase the frequency of dividend distribution. The interim dividend distribution was completed in October 2024, with a dividend of RMB0.15 per share (tax included). The proposed dividend for the full year of 2024 was RMB0.28 per share (tax included), representing a significant year-on-year increase in the total dividend amount.

VIII. Strengthening the responsibilities of “key minorities”

The Company earnestly organized directors, supervisors and senior management to participate in various training sessions organized by the CSRC and the stock exchanges, and regularly disseminated information such as regulatory updates and regulatory developments, so as to strengthen the understanding of the relevant laws and regulations and professional knowledge of the capital market by the “key minorities”, continuously enhance the self-discipline awareness of the key minorities, and thus jointly promote the Company’s standardized operation.

In the next stage, the Company will remain committed to a “customer-centric” concept, accelerate the comprehensive integration, continuously enhance its core capabilities, and strive to effectively fulfill its responsibilities and obligations as a listed company through good performance, standard corporate governance and stable returns to investors, so as to return investors’ trust, maintain the Company’s market image and jointly promote the smooth operation of the capital market. The main measures are as follows:

Firstly, properly handling the relationship between functionality and profitability. The Company will think in the big-picture terms, stay on top of the overall situation, take advantage of the opportunities of digital, intelligent and green development, proactively respond to the national strategy, try its best to complete the “Five Key Essays”, serve the construction of a strong financial sector and Shanghai’s “Five Centers” with a higher stance and stronger capabilities, and further improve the quality and effectiveness of services to the real economy.

Secondly, accelerating the full realization of integration synergies. Building on a new starting point, the Company will systematically develop new branding, strategies, and corporate culture aligned with the vision of becoming a world-class investment bank. This includes constructing a new organizational structure, continuously optimizing institutional mechanisms, and accelerating integrated development to unlock the full potential of synergistic collaboration.

Thirdly, continuously improving core capabilities. The Company will remain committed to deepening reforms, enhance core capabilities in asset allocation, value discovery, transaction services, and global pricing, improve the cross-line and cross-divisional collaboration at home and abroad, and drive the achievement of “expanding customer base, broadening coverage, improving quality, and increasing efficiency” in customer operations. With a focus on professionalism, precision, and comprehensive solutions, the Company strives to serve as a “provider” of direct financing, a “manager” of societal wealth, and a “gatekeeper” of the capital market.

Fourthly, further reinforcing a solid and intensive management foundation. The Company will focus on building a more intensive and shared middle- and back-office operation system to achieve greater cost efficiency. By strengthening and optimizing capital utilization to further consolidate our industry-leading capital strength, we will deepen cross-border integrated management and continuously enhance and upgrade our comprehensive compliance and risk control systems. At the same time, the Company will continue to strengthen the development of its professional talent teams by upholding the principles of merit-based selection and appointment, thereby fully unleashing entrepreneurial drive and innovation potential across the organization.

Fifthly, further leveraging the leading and safeguarding role in information technology and digital transformation. The Company will continue to advance its digital transformation strategy, focusing on “online business processes, data-driven operations and outcomes, and the intelligentization of management decisions and customer experiences”. Emphasis will be placed on building customer-facing service and management platforms to enhance the overall client experience. The Company will also strengthen its independent R&D capabilities, continuously improve the construction of fintech technology infrastructure, and adhere to the bottom line of safe operation. Furthermore, the Company will actively explore and enrich the application scenarios of artificial intelligence, big data, and blockchain technologies, while continuing to deepen innovative collaborations under the “Open Securities” model.

By order of the Board
Guotai Haitong Securities Co., Ltd.
ZHU Jian
Chairman

Shanghai, the PRC
29 April 2025

As at the date of this announcement, the executive Directors of the Company are Mr. ZHU Jian, Mr. LI Junjie and Mr. NIE Xiaogang; the non-executive Directors of the Company are 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; and the independent non-executive Directors of the Company are Mr. LI Renjie, Mr. WANG Guogang, Mr. PU Yonghao, Mr. MAO Fugen, Mr. CHEN Fangruo and Mr. JIANG Xian.