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## **GF SECURITIES CO., LTD.**

**廣發証券股份有限公司**

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

**(Stock Code: 1776)**

### **2024 ANNUAL RESULTS ANNOUNCEMENT**

The board of directors (the “**Board**”) of GF Securities Co., Ltd. (the “**Company**”) hereby announces the audited results of the Company and its subsidiaries for the year ended December 31, 2024. This announcement, containing the full text of the 2024 annual report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to the information to accompany preliminary announcements of annual results.

The 2024 annual report of the Company will be published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.gf.com.cn](http://www.gf.com.cn) by the end of April 2025.

By order of the Board  
**GF Securities Co., Ltd.**  
**Lin Chuanhui**  
*Chairman*

Guangzhou, the PRC  
March 28, 2025

*As at the date of this announcement, the Board of the Company comprises Mr. Lin Chuanhui, Mr. Qin Li, Ms. Sun Xiaoyan and Mr. Xiao Xuesheng as executive Directors; Mr. Li Xiulin, Mr. Shang Shuzhi and Mr. Guo Jingyi as non-executive Directors; and Ms. Leung Shek Ling Olivia, Mr. Li Wenjing, Mr. Zhang Chuang and Mr. Wang Dashu as independent non-executive Directors.*

## Important Notice

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

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

All the directors attended the board meeting in respect of considering and approving this report.

The 2024 annual financial report of the Company prepared in accordance with IFRS Accounting Standards has been audited by Ernst & Young, who has issued a standard unqualified audit report. Unless otherwise indicated, the financial data stated in this report is denominated in RMB.

Forward-looking statements included in this annual report, including future plans, do not constitute a substantive commitment to investors by the Company. Investors and the parties concerned should maintain sufficient knowledge of the underlying risks and understand the differences among plans, projections and commitments.

The Company faces various risks in its operations, which mainly include liquidity risk, market risk, credit risk, compliance risk, operation risk, information technology risk, reputational risk, etc.. In response to the risks mentioned above, the Company has established and maintained a comprehensive internal control system, and a compliance and comprehensive risk management system to ensure that the Company operates healthily within an extent of controllable, predictable and tolerable risks. Investors are advised to read the “Management Discussion and Analysis” as set out in Section 5 of this report carefully and to pay particular attention to the above risk factors.

The proposed profit distribution plan of the Company was considered and passed by the Board of Directors: based on the number of the shares as at the dividend distribution registration date, a cash bonus of RMB4.00 (tax inclusive) per 10 shares will be paid to all shareholders. No bonus shares will be distributed and no capital reserves will be converted into share capital.





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# DEFINITIONS

Term	Definition
Articles of Association	Articles of Association of GF Securities Co., Ltd
Reporting Period	Year 2024 (January 1, 2024 to December 31, 2024)
the Company, Company, parent company, GF Securities	GF Securities Co., Ltd.
the Group, Group	the Company and its subsidiaries which fall within the scope of the consolidated financial statements
Jilin Aodong	Jilin Aodong Pharmaceutical Group Co., Ltd. (吉林敖東藥業集團股份有限公司)
Liaoning Cheng Da	Liaoning Cheng Da Co., Ltd. (遼寧成大股份有限公司)
Zhongshan Public Utilities	Zhongshan Public Utilities Group Co., Ltd. (中山公用事業集團股份有限公司)
HKSCC Nominees	HKSCC Nominees Limited
GF Fund	GF Fund Management Co., Ltd. (廣發基金管理有限公司)
GFHK	GF Holdings (Hong Kong) Corporation Limited (廣發控股(香港)有限公司)
GF Securities (Hong Kong)	GF Securities (Hong Kong) Brokerage Limited (廣發証券(香港)經紀有限公司)
GF Asset Management (Hong Kong)	GF Asset Management (Hong Kong) Limited (廣發資產管理(香港)有限公司)
GF Investments (Hong Kong)	GF Investments (Hong Kong) Company Limited (廣發投資(香港)有限公司)
GF Capital (Hong Kong)	GF Capital (Hong Kong) Limited (廣發融資(香港)有限公司)
GF Global Capital	GF Global Capital Limited (廣發全球資本有限公司)
GF Futures	GF Futures Co., Ltd. (廣發期貨有限公司)
GF Futures (Hong Kong)	GF Futures (Hong Kong) Co., Limited (廣發期貨(香港)有限公司)
GF Financial Markets (UK)	GF Financial Markets (UK) Limited

# DEFINITIONS

Term	Definition
GF Xinde	GF Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司)
GF Qianhe	GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司)
GF Asset Management	GF Securities Asset Management (Guangdong) Co., Ltd. (廣發証券資產管理(廣東)有限公司)
GFFL	Guangfa Financial Leasing (Guangdong) Co., Ltd. (廣發融資租賃(廣東)有限公司)
Guangdong Equity Exchange	Guangdong Equity Exchange Co., Ltd. (廣東股權交易中心股份有限公司)
E Fund	E Fund Management Co., Ltd. (易方達基金管理有限公司)
Value Partners Group	Value Partners Group Limited (惠理集團有限公司)
GF Charity Foundation	GF Securities Social Charity Foundation in Guangdong Province
ECT	E-Capital Transfer Co., Ltd. (證通股份有限公司)
CSF	China Securities Finance Corporation Limited (中國證券金融股份有限公司)
the PRC	Mainland China
CSRC	the China Securities Regulatory Commission
CIRC	the former China Insurance Regulatory Commission
Guangdong Bureau of the CSRC	Guangdong Bureau of the China Securities Regulatory Commission
SSE	the Shanghai Stock Exchange
SZSE	the Shenzhen Stock Exchange
BSE	the Beijing Stock Exchange
SZSE Listing Rules	Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange
Company Law	Company Law of the PRC (《中華人民共和國公司法》)
Securities Law	Securities Law of the PRC (《中華人民共和國證券法》)

# DEFINITIONS

<b>Term</b>	<b>Definition</b>
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
SFC	the Securities and Futures Commission of Hong Kong
SFO	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
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
CG Code	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
margin financing and securities lending	the operating activities engaged by the Company in which loans are provided to customers for purchasing listed securities (margin financing) or listed securities are borrowed by customers for sale (securities lending) with collaterals provided by customers
Stock Index Futures	a financial futures contract using stock price index as the subject matter, that is, a standard form of contract to be entered into by both parties which stipulates the performance of a transaction on stock price index at an agreed price on a specific date in future, and in which the stock price index of a stock market is the subject matter of the transaction
Stock Pledged Repo Transaction	a transaction in which a qualified borrower pledges his shares or other securities held as collaterals to obtain financing funds from a qualified lender, and agrees to repay the funds on a future date to release the pledge
Security Transactions with Repurchase Agreement	a transaction in which a qualified customer sells the subject securities at an agreed price to the securities company which is the custodian of such securities, and agrees to purchase the subject securities from the securities company at another agreed price on a future date, and the securities company will return the relevant yields generated by the subject securities during the period pending for repurchase to the customer pursuant to the agreement signed with the customer
NEEQ	National Equities Exchange and Quotations (全國中小企業股份轉讓系統), also known as new third board (新三板)

# DEFINITIONS

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

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





**SECTION 1**

**COMPANY PROFILE**



# COMPANY PROFILE

## I. COMPANY INFORMATION

<b>Stock Name</b>	GF SEC	<b>Stock Code</b>	000776 (SZSE); 1776 (Hong Kong Stock Exchange)
<b>Listing venues of the Shares</b>	SZSE and Hong Kong Stock Exchange		
<b>Name in Chinese</b>	廣發證券股份有限公司		
<b>Short Name in Chinese</b>	廣發証券		
<b>Name in English</b>	GF Securities Co., Ltd.		
<b>Short Name in English</b>	GF SECURITIES		
<b>Legal Representative of the Company</b>	Lin Chuanhui		
<b>General Manager of the Company</b>	Qin Li		
<b>Registered Address</b>	Room 618, 2 Tengfei 1st Road, Sino-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong		
<b>Postal Code of the Registered Address</b>	510555		
<b>Historical Changes of the Company's Registered Address</b>	On February 9, 2010, "Yan Bian Road" was renamed as "GF Securities" and its registered address was changed to 43rd Floor (Room 4301-4316), Metro Plaza, No. 183-187, Tianhe North Road, Tianhe District, Guangzhou. On May 15, 2017, the registered address of the Company was changed to Room 618, 2 Tengfei 1st Road, Sino-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong		
<b>Business Address</b>	GF Securities Tower, 26 Machang Road, Tianhe District, Guangzhou, Guangdong		
<b>Postal Code of the Business Address</b>	510627		
<b>Principal Business Address in Hong Kong</b>	27/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong		
<b>Company Website</b>	www.gf.com.cn		
<b>Company E-mail</b>	gfzq@gf.com.cn		
<b>Te</b>	0086-20-66338888		
<b>Customer Service Hotline</b>	0086-95575		
<b>Registered Capital of the Company</b>	RMB7,621,087,664		
<b>Net Capital of the Company</b>	RMB95,860,233,564.88		

## II. CONTACT PERSONS AND CONTACT INFORMATION

### Secretary of the Board/Securities Affairs Representative

<b>Name</b>	Yin Zhongxing
<b>Address</b>	58th Floor, GF Securities Tower, 26 Machang Road, Tianhe District, Guangzhou, Guangdong
<b>Tel</b>	0086-20-87550265/0086-20-87550565
<b>Fax</b>	0086-20-87554163
<b>E-mail</b>	yinzhongxing@gf.com.cn

# COMPANY PROFILE

## III. INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Website of the A-share stock exchange where the Company discloses its annual report	the website of SZSE (www.szse.cn)
Website of the H-share stock exchange where the Company discloses its annual report	the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk)
Media name and website address where the Company discloses its annual report	China Securities Journal, Securities Times, Shanghai Securities News, Securities Daily and www.cninfo.com.cn
Place where the annual report of the Company is available for inspection	51st Floor, GF Securities Tower, 26 Machang Road, Tianhe District, Guangzhou, Guangdong

## IV. CHANGES IN REGISTRATION INFORMATION

Unified social credit code	91440000126335439C
Changes in the principal business of the Company since the listing of the Company	The Company's principal business has not changed since its listing
Changes in controlling shareholders	Not applicable

## V. QUALIFICATIONS OF INDIVIDUAL BUSINESSES

No.	Type of License	Approval Authority	Issue Date
1	Permit for Operations of Securities and Futures Business	CSRC	November 1998
2	Qualification for entry into the national inter-bank market (conducting interbank lending, sales and trading of bonds, spot bonds transactions and bond repurchase businesses)	PBOC	September 1999
3	Membership of the national interbank lending market	China Foreign Exchange Trading System & National Interbank Funding Center	November 1999
4	Qualification for online entrusted securities trading business	CSRC	February 2001
5	Qualification for entrusted investment management business	CSRC	May 2002
6	Qualification for open-end securities investment fund distribution business	CSRC	August 2002
7	Pilot securities firm to carry on relevant innovative activities	Securities Association of China	December 2004

# COMPANY PROFILE

No.	Type of License	Approval Authority	Issue Date
8	Qualification as an eligible clearing participant for purchasing warrants (Qualification for warrants clearing business of China Securities Depository and Clearing Corporation Limited)	China Securities Depository and Clearing Corporation Limited	August 2005
9	Short-term financing bill underwriting business	PBOC	September 2005
10	Qualification for quotation transfer business	Securities Association of China	January 2006
11	Clearing participant of China Securities Depository and Clearing Corporation Limited	China Securities Depository and Clearing Corporation Limited	March 2006
12	Membership of SSE	SSE	April 2007
13	Membership of SZSE	SZSE	April 2007
14	Qualification of level one dealer on the SSE Integrated Electronic Platform for Fixed Income Securities	SSE	July 2007
15	Class A clearing participant of China Securities Depository and Clearing Corporation Limited	China Securities Depository and Clearing Corporation Limited	August 2007
16	Qualification for providing intermediary services for futures companies	CSRC	May 2008
17	Qualification of qualified investor of block trade system	SSE	June 2008
18	Qualification for margin financing and securities lending	CSRC	March 2010
19	Membership of Chongqing Share Transfer Center	Chongqing Share Transfer Center	July 2011
20	License for Operating Foreign Exchange in Securities Business	State Administration of Foreign Exchange	August 2011
21	Qualified Domestic Institutional Investor (QDII) qualification for overseas securities investment management business	Guangdong Bureau of the CSRC	November 2011
22	Qualification for bond-pledged repo business authorization	SSE	November 2011
23	Alternative investment business (conducted through GF Qjanhe)	Guangdong Bureau of the CSRC	January 2012
24	Qualification for provision of marketing unit for insurance institutional investors	CIRC	January 2012
25	Pilot business to underwrite SME private bonds	Securities Association of China	June 2012

# COMPANY PROFILE

No.	Type of License	Approval Authority	Issue Date
26	Qualification for the participation in proprietary business of securities firms in the interest rate swap investment and transaction	Guangdong Bureau of the CSRC	July 2012
27	Qualification for the first batch of pilot work for refinancing business of China Securities Finance Corporation Limited	CSF	August 2012
28	Trading permission for Security Transactions with Repurchase Agreement	SSE	September 2012
29	Qualification for entrusted management insurance fund	CIRC	October 2012
30	Qualification for main underwriting business of debt financing instruments for non-financial businesses	National Association of Financial Market Institutional Investors	November 2012
31	Qualification for OTC trading business	Securities Association of China	December 2012
32	Qualification for the swap transaction business of equity income	Securities Association of China	January 2013
33	Trading authorization for Security Transactions with Repurchase Agreement	SZSE	January 2013
34	Qualification for stock index futures business of China Financial Futures Exchange	China Financial Futures Exchange	January 2013
35	Authorization for lending transaction of refinancing securities	SSE	February 2013
36	Business qualification as a lead brokerage (sponsorship business and brokerage business)	National Equities Exchange and Quotations Co., Ltd.	March 2013
37	Member of Guangzhou Financial Association	Guangzhou Financial Association	March 2013
38	Qualification of the sales agent for financial products	Guangdong Bureau of the CSRC	May 2013
39	Membership certificate of the Asset Management Association of China	Asset Management Association of China	May 2013
40	Authorization for Stock Pledged Repo Transaction	SSE	June 2013
41	Authorization for Stock Pledged Repo Transaction	SZSE	June 2013
42	Membership of Zhejiang Equity Exchange	Securities Association of China	August 2013
43	Qualification for proprietary business of Shanghai Futures Exchange	Shanghai Futures Exchange	September 2013

## COMPANY PROFILE

No.	Type of License	Approval Authority	Issue Date
44	Qualification for ETF liquidity service provider business (Bosera S&P 500ETF, E Fund SSE & SZSE 300ETF, HuaAn SSE 180ETF, HuaAn SSE Gold ETF)	SSE	September 2013
45	License for part-time insurance agency	CIRC Guangdong Bureau	November 2013
46	Securities fund consumption payment services for clients	CSRC	December 2013
47	Qualification for pilot work of comprehensive custody business of private equity	CSRC	January 2014
48	Qualification for pledged repo business authorization	SZSE	April 2014
49	Qualification for pilot work of receipt certificates	Securities Association of China	May 2014
50	Qualification for custody business of securities investment funds	CSRC	May 2014
51	Qualification on the Dalian Equity Exchange	Securities Association of China	June 2014
52	Qualification for the mutual swap and central clearing of Renminbi interest rates	Interbank Market Settlement Co., Limited (銀行間市場清算所股份有限公司)	June 2014
53	Qualification on the Gansu Equity Exchange Center	Securities Association of China	July 2014
54	Qualification for market-making business on the National Equities Exchange and Quotations	National Equities Exchange and Quotations Co., Ltd.	July 2014
55	Qualification for the swap transaction business of OTC equity income	Securities Association of China	July 2014
56	Qualification for pilot work of Internet securities business	Securities Association of China	September 2014
57	Qualification for Hong Kong Stock Connect business authorization	SSE	October 2014
58	Qualification for agency services business for gold and other precious metal spot contracts and proprietary trading for spot gold contract	CSRC	January 2015
59	Qualification for stock option marketmaking business	CSRC	January 2015
60	Qualification for options settlement business	China Securities Depository and Clearing Corporation Limited	January 2015
61	Qualification as a stock options trading participant	SSE	January 2015

# COMPANY PROFILE

No.	Type of License	Approval Authority	Issue Date
62	Qualification for the SSE 50ETF options market-making business	SSE	January 2015
63	Qualifications for financing-oriented option exercise business and restricted securities lending business with respect to share incentive schemes of listed companies	SZSE	January 2015
64	Membership certificate of the Shanghai Gold Exchange	Shanghai Gold Exchange	April 2015
65	Member of China Futures Association (ordinary member)	China Futures Association	May 2015
66	Opening accounts through one-way video	China Securities Depository and Clearing Corporation Limited	June 2015
67	Filing Certificate of Private Equity Outsourcing Institutions	Asset Management Association of China	June 2015
68	Qualification as a market maker in the national interbank bond market	PBOC	January 2016
69	Interbank Market operations clearing membership	Interbank Market Settlement Co., Limited (銀行間市場清算所股份有限公司)	September 2016
70	Qualification for Hong Kong Stock Connect business authorization under Shenzhen-Hong Kong Stock Connect	SZSE	November 2016
71	Membership of foreign currency funding in interbank funding market	China Foreign Exchange Trading System	March 2017
72	“Bond Connect” quotation bureau qualification	National Interbank Funding Center	July 2017
73	Qualification to issue credit-linked notes	National Association of Financial Market Institutional Investors	August 2017
74	Qualification to issue credit risk mitigation certificates	National Association of Financial Market Institutional Investors	August 2017
75	Qualification of core dealer of credit risk mitigation instruments	National Association of Financial Market Institutional Investors	August 2017
76	Qualification for interbank gold inquiry business	Shanghai Gold Exchange	December 2017
77	Pilot cross-border business	CSRC	April 2018
78	Qualification for regular clearing membership for central clearing businesses of credit default swaps	Interbank Market Settlement Co., Limited (銀行間市場清算所股份有限公司)	June 2018
79	Qualification for sale and purchase of foreign exchange	CSRC	July 2018
80	Qualification as a primary dealer for over-the-counter options business	Securities Association of China	August 2018

# COMPANY PROFILE

No.	Type of License	Approval Authority	Issue Date
81	Qualification for credit derivative business	CSRC	December 2018
82	Qualification as a dealer for commodity swap business	Dalian Commodity Exchange	December 2018
83	Qualification of core dealer of credit protection contract	SSE	February 2019
84	Qualification for business as lead market maker of listed funds	SSE	February 2019
85	Qualification for membership of the China Banking Association	China Banking Association	September 2019
86	Authorization for opening stock options business	SZSE	December 2019
87	Qualification for primary market maker of CSI 300ETF Options business	SSE	December 2019
88	Qualification for primary market maker of CSI 300ETF Options business	SZSE	December 2019
89	Qualification for creating credit protection certificate	SSE	December 2019
90	Qualification for participating in securities refinancing business on ChiNext	CSF	August 2020
91	Qualification for accessing into the China's commercial paper trading system	Shanghai Commercial Paper Exchange Corporation Ltd.	August 2020
92	First batch of forward quoters for The Agricultural Development Bank of China standard bonds	National Interbank Funding Center	October 2020
93	Qualification for market-oriented agreed application of securities refinancing business on the STAR Market	CSF	July 2021
94	Membership of BSE	BSE	November 2021
95	Qualification for pilot work of virtual position QFII model	SZSE	December 2021
96	SSE E-interactive Platform Information Reprinting License	Shanghai Stock Exchange Information Network Co., Ltd.	December 2021
97	Qualification for market maker of the Fund Access Platform of the Shenzhen Stock Exchange	SZSE	February 2022
98	Qualification for pilot work of corporate counsel	Guangdong Department of Justice	May 2022

# COMPANY PROFILE

No.	Type of License	Approval Authority	Issue Date
99	Qualification for primary market maker of CSI 500ETF Options business	SSE	September 2022
100	Qualification for market maker of ChiNext ETF Options business	SZSE	September 2022
101	Qualification for market maker of CSI 500ETF Options business	SZSE	September 2022
102	Qualification for pilot account management function optimization business	CSRC	November 2022
103	Qualification for pilot work of national blockchain innovation application	China Central Depository & Clearing Co., Ltd.	December 2022
104	Qualification for stock index options	CSRC	January 2023
105	Pilot qualification for liquidity foreign exchange management	CSRC	April 2023
106	Qualification of main market maker of China AMC STAR 50ETF options	SSE	June 2023
107	Qualification of main market maker of E Fund STAR 50ETF options	SSE	June 2023
108	Qualification of account opening agency for China Insurance Insurance Asset Registration Trading Company	China Insurance Insurance Asset Registration Trading Company	September 2023
109	Qualification of carrying out lead underwriting business independently	National Association of Financial Market Institutional Investors	November 2023

**The qualifications of individual business that the Company has obtained in 2024 include:**

1	Qualification for swap facility business	CSRC	October 2024
2	Qualification for crossboundary wealth management connect pilot	CSRC, Guangdong Branch of the People's Bank of China	November 2024
3	Qualification for listed securities market making trading business	CSRC	November 2024
4	Qualification for participation in carbon emissions trading business	CSRC	December 2024

# COMPANY PROFILE

**Membership and qualifications of individual business that the controlling subsidiaries of the Company have obtained include:**

No.	Type of License	Approval Authority	Issue Date
<b>Membership and business qualifications obtained by GF Fund and its subsidiaries</b>			
1	Permit for Operations of Securities and Futures Business	CSRC	July 2003
2	Client-specific asset management	CSRC	February 2008
3	Qualified Domestic Institutional Investor (QDII)	CSRC	January 2009
4	Entrusted Domestic Investment Manager of National Social Security Fund	National Council for Social Security	December 2010
5	Type 4: advising on securities	SFC	September 2011
6	Type 9: asset management	SFC	September 2011
7	RMB Qualified Foreign Institutional Investor (RQFII)	CSRC	August 2012
8	Entrusted investment managers of insurance funds	CIRC	October 2012
9	Permit for Operations of Securities and Futures Business (Client-specific asset management)	CSRC	June 2013
10	Entrusted asset management investment managers of Insurance Security Fund	China Insurance Security Fund Co., Ltd.	August 2013
11	Qualified Foreign Institutional Investors (QFII)	CSRC	September 2013
12	Financial Services Commission of South Korea – investment consulting business license (Foreign Investment Adviser)	Financial Services Commission of South Korea	November 2013
13	Type 1: dealing in securities	SFC	March 2014
14	Investment advisory (US Investment Adviser)	U.S. Securities and Exchange Commission (SEC)	May 2014
15	Basic pension insurance fund securities investment management agency	National Council for Social Security	December 2016
16	Hong Kong Shares Investment Advisory Institution	Asset Management Association of China	October 2018
17	Fund investment advisory business	CSRC	June 2021
18	Qualified domestic limited partnership qualification for pilot business of overseas investment enterprises	Financial Development Bureau of Guangdong-Macao In-Depth Cooperation Zone in Hengqin	December 2021
19	Qualified domestic limited partnership (QDLP) qualification for pilot overseas investment fund management enterprises	Joint Meeting Office on Pilot Overseas Investment of Qualified Domestic Limited Partnership of Guangdong-Macao In-Depth Cooperation Zone in Hengqin	January 2023

# COMPANY PROFILE

No.	Type of License	Approval Authority	Issue Date
<b>Membership and business qualifications obtained by GF Futures and its subsidiaries</b>			
1	Qualification for commodity futures brokerage business	CSRC	March 1993
2	Exempted Membership	National Futures Association (NFA)	November 1993
3	Membership	Intercontinental Exchange, Inc.	March 2005
4	Type 2: dealing in futures contracts	SFC	February 2007
5	Futures Exchange Participant	Hong Kong Futures Exchange Limited (Hong Kong)	May 2007
6	HKCC Participant	HKFE Clearing Corporation Limited (Hong Kong)	May 2007
7	Qualification for financial futures brokerage business	CSRC	August 2007
8	Membership	China Financial Futures Exchange	February 2008
9	Membership	Shanghai Futures Exchange	June 2008
10	Membership	ICE Clear Europe	September 2008
11	Membership	Dalian Commodity Exchange	December 2008
12	Membership	Zhengzhou Commodity Exchange	March 2009
13	Membership	Metal Material Circulation Association of Guangdong Province	July 2011
14	Qualification for futures investment consulting business	CSRC	August 2011
15	Trading membership	Singapore Exchange Derivatives Trading Limited	August 2011
16	Qualification for asset management business	CSRC	November 2012
17	Pilot business filed for record: warehouse financing services and basis trading business	China Futures Association	March 2013
18	Membership	Sugar Association of London	June 2013
19	Membership	Futures Industry Association (FIA)	August 2013
20	Category 1, ring dealing membership	London Metal Exchange	January 2014
21	Non-trading membership	London Stock Exchange	February 2014
22	Qualification for fund sales business	Guangdong Bureau of the CSRC	February 2015
23	Pilot business filed for record: OTC derivatives business	China Futures Association	April 2015
24	Membership	China Futures Association	May 2015
25	Associate membership	Insurance Asset Management Association of China	December 2015

# COMPANY PROFILE

No.	Type of License	Approval Authority	Issue Date
26	Qualification for RMB Qualified Foreign Institutional Investor (RQFII)	CSRC	April 2016
27	Membership	National Association of Financial Market Institutional Investors	November 2016
28	Membership	Shanghai International Energy Exchange	May 2017
29	Pilot business filed for record: marketmaking business	China Futures Association	October 2017
30	Membership	Guangzhou Headquarters Economy Association	February 2018
31	Membership	Asset Management Association of China	July 2018
32	Membership	Shanghai Futures Association	August 2018
33	Participant of stock option trading on the Shanghai Stock Exchange	SSE	December 2018
34	Qualification for options clearing business	China Securities Depository and Clearing Corporation Limited	December 2018
35	Membership	China Rubber Industry Association	May 2019
36	Trading participant of the Shenzhen Stock Exchange	SZSE	January 2020
37	Hazardous chemical products business permit	Emergency Management Bureau of Pudong New Area, Shanghai	August 2020
38	Membership	Guangzhou Futures Exchange	June 2022
39	Administrative license for directory registration of importers	Shanghai Branch of the State Administration of Foreign Exchange	June 2022



# COMPANY PROFILE

No.	Type of License	Approval Authority	Issue Date
<b>Membership and business qualifications obtained by GFHK and its subsidiaries</b>			
1	Type 1: dealing in securities	SFC	January 2007
2	Type 6: advising on corporate finance	SFC	January 2007
3	Stock Exchange Participant	Hong Kong Stock Exchange	February 2007
4	Type 4: advising on securities	SFC	November 2007
5	Type 9: asset management	SFC	November 2007
6	Business license for securities investment	CSRC	December 2011
7	RMB Qualified Foreign Institutional Investor (RQFII) Qualification	CSRC	December 2011
8	Approval for RMB Qualified Foreign Institutional Investor (RQFII) investment quota	State Administration of Foreign Exchange (PRC)	January 2012
9	Account opening license	PBOC Shenzhen Central Sub-branch (PRC)	February 2012
10	Qualified Foreign Institutional Investor Qualification	CSRC	January 2015
11	Approval for QFII investment quota and related account opening	State Administration of Foreign Exchange (PRC)	March 2015
12	Options Trading Exchange Participant	Hong Kong Stock Exchange	November 2015
13	Direct Clearing Participant	The SEHK Options Clearing House Limited	November 2015
14	System account	Beijing Financial Assets Exchange	October 2020
15	Membership	National Association of Financial Market Institutional Investors	October 2020
16	Business license for insurance brokerage: (general & long term (including Linked Long-Term Insurance))	Hong Kong Insurance Authority	June 2021
17	SPAC Exchange Participants	Hong Kong Stock Exchange	March 2022



# COMPANY PROFILE

No.	Type of License	Approval Authority	Issue Date
<b>Membership and business qualifications obtained by GF Asset Management</b>			
1	Qualified Domestic Institutional Investor (QDII) qualification for overseas securities	CSRC	December 2013
2	Permit for Operations of Securities Business (securities asset management)	CSRC	March 2014
3	Member of National Association of Financial Market Institutional Investors	National Association of Financial Market Institutional Investors	July 2015
4	Investment Manager Qualification for Management of Entrusted Investment of Insurance Funds	CIRC	March 2016
<b>Membership and business qualifications obtained by GF Qianhe</b>			
1	Membership	Securities Association of China	May 2017
<b>Membership and business qualifications obtained by GFFL</b>			
1	Membership	Guangdong Financial Leasing Association	April 2016
2	Membership	Guangzhou Financial Leasing Industry Alliance	April 2016
3	Membership	Guangzhou Nansha Financial Industry Association	November 2018
<b>Membership and business qualifications obtained by GF Xinde</b>			
1	Membership	Securities Association of China	April 2017
2	Membership	Asset Management Association of China	March 2018

# COMPANY PROFILE

## VI. COMPANY HISTORY AND DEVELOPMENT

With the approval of the PBOC, Guangdong Development Bank (廣東發展銀行) (currently known as China Guangfa Bank Co., Ltd.) established a securities department on April 9, 1991. On May 21, 1993, the Guangdong Administration for Industry and Commerce approved the due establishment of the Securities Department of Guangdong Development Bank (廣東發展銀行證券業務部). On January 25, 1994, the Company was converted into Guangdong Guangfa Securities Company (廣東廣發證券公司) whose capital was contributed by Guangdong Development Bank with its own funds.

On December 26, 1996, the Company was converted into a limited liability company and its name was changed to Guangfa Securities Limited Liability Company (廣發證券有限責任公司). On August 26, 1999, the Company was spun off from Guangdong Development Bank as required by the sectoral regulations applicable to the financial industries under the PRC laws. On July 25, 2001, the Company was converted into a joint stock company and its name was changed to GF Securities Co., Ltd. (廣發證券股份有限公司) (the “Original Guangfa”).

On February 12, 2010, the Company became listed on the SZSE by completing a reverse takeover of Yan Bian Road Construction Co., Ltd. (延邊公路建設股份有限公司) (“Yan Bian Road”), a company listed on the SZSE with the stock code of 000776 (the “Reverse Takeover”). The key steps of the Reverse Takeover were as follows:

The repurchase by Yan Bian Road of 84,977,833 shares from one of its then shareholders, Jilin Aodong Pharmaceutical Group Co., Ltd. (吉林敖東藥業集團股份有限公司);

The issuance of 2,409,638,554 shares by Yan Bian Road to shareholders of the Original Guangfa in exchange for all the then existing shares of the Original Guangfa;

As a result of the Reverse Takeover, the Original Guangfa transferred all of its assets and employees to Yan Bian Road and was deregistered on February 10, 2010.

As part of the Reverse Takeover, the name of Yan Bian Road was changed to “GF Securities Co., Ltd.”



# COMPANY PROFILE

## MAJOR CHANGES IN SHARE CAPITAL

Upon its establishment on May 21, 1993, the Company's registered capital was RMB10,000,000.

On January 25, 1994, the Company increased its registered capital to RMB150,000,000.

On November 1, 1995, the Company increased its registered capital to RMB200,000,000.

On December 26, 1996, the Company increased its registered capital to RMB800,000,000.

On December 14, 1999, the Company increased its registered capital to RMB1,600,000,000.

On July 25, 2001, the Company was converted into a joint stock company with registered share capital of RMB2,000,000,000.

On February 10, 2010, as a result of the Reverse Takeover, the Company's share capital increased to RMB2,507,045,732.

On August 17, 2011, the Company issued 452,600,000 A Shares to 10 investors by way of private placement. As a result, the Company's share capital increased to RMB2,959,645,732.

On September 17, 2012, the Company increased its share capital to RMB5,919,291,464 through the capitalization of its capital reserves on the basis of 10 shares for every 10 shares.

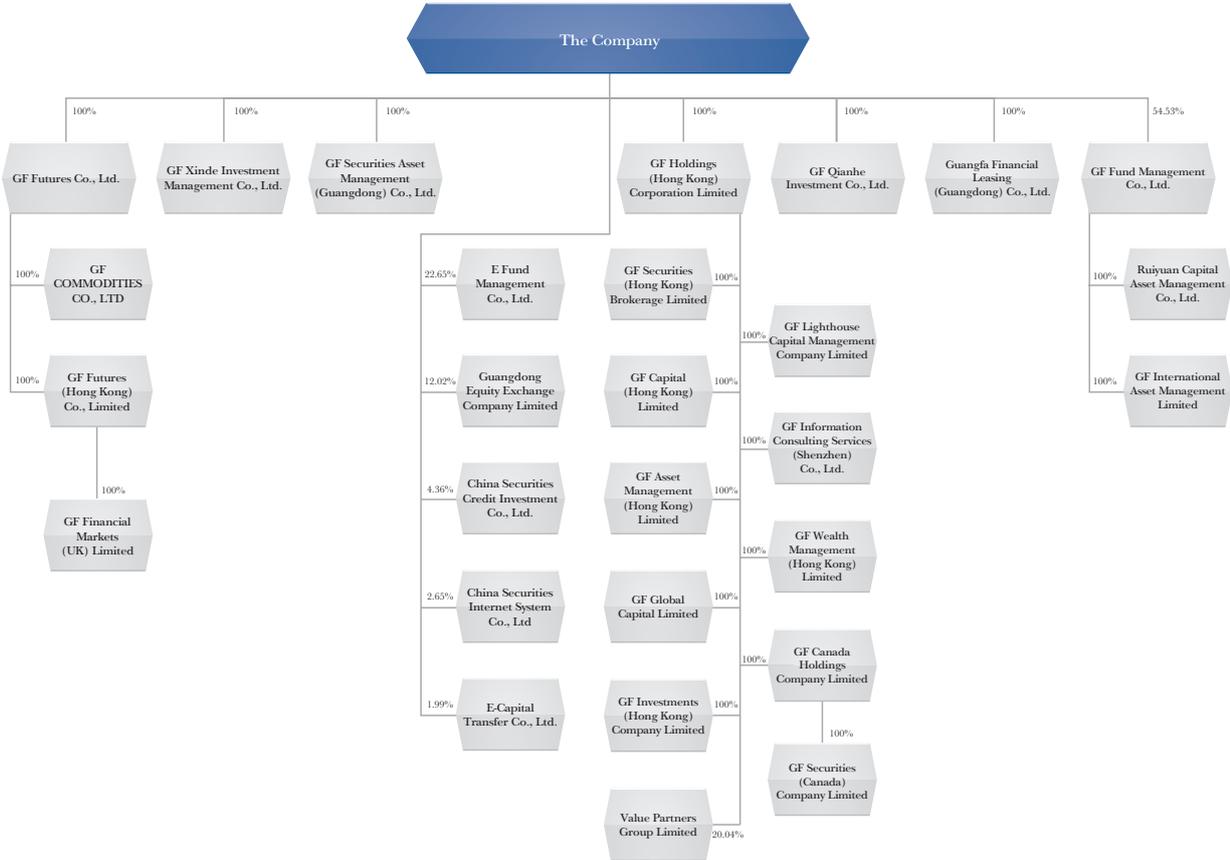
On April 10, 2015, the Company was listed for trading on the Main Board of the Hong Kong Stock Exchange. Upon full exercise of the over-allotment options, the Company issued a total of 1,701,796,200 H Shares and increased its share capital to RMB7,621,087,664.

On February 25, 2025, the Company completed the cancellation and repurchase of 15,242,153 A Shares, and the Company's share capital was changed to RMB7,605,845,511.

# COMPANY PROFILE

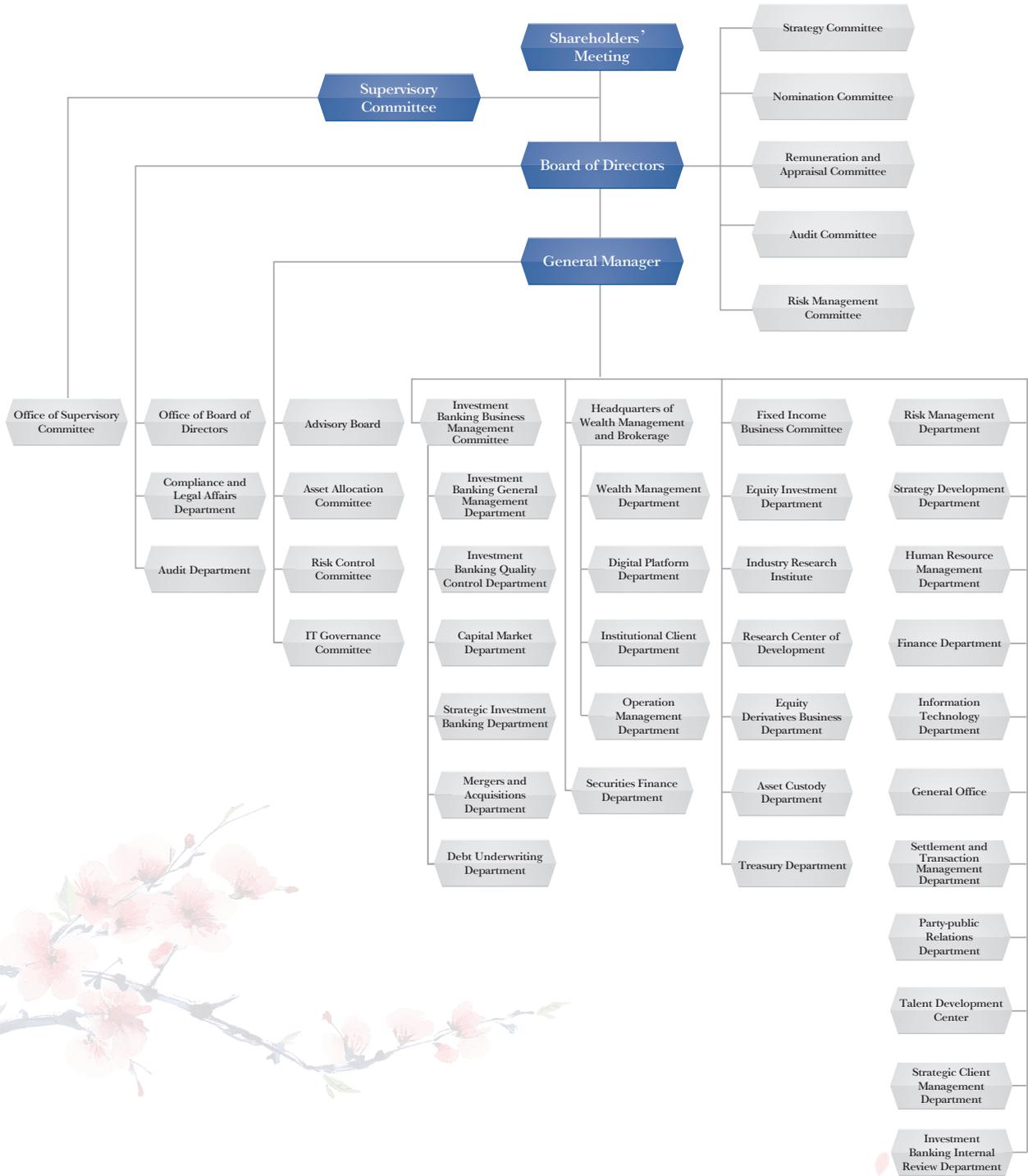
## VII. ORGANIZATION STRUCTURE OF THE COMPANY

### 1. Organization Structure of the Company



# COMPANY PROFILE

## 2. Organization Structure of the Company



# COMPANY PROFILE

## 3. Domestic and Overseas Principal Branch Companies

Names of Branch Companies	Registered Address	Date of Establishment	Responsible Person	Contact No.
GF Securities Co., Ltd. Guangxi Branch	Offices 1, 2 and 5, the east side of the 2nd floor, Xinda Building, 19 Fengxiang Road, Qingxiu District, Nanning	December 2000	Xiang Yingying	0771-5313688
GF Securities Co., Ltd. Shanxi Branch	Rooms 1205-1208, 12th Floor, Block A, Building 3, Shanxi International Finance Center, 426 South Zhonghuan Street, Taiyuan Xuefu Park, Shanxi Comprehensive Reform Demonstration Zone	October 2001	Li Jiaying	0351-4940300
GF Securities Co., Ltd. Anhui Branch	15th Floor, Renhe Building, Changjiang Middle Road, Hefei, Anhui Province	February 2007	Ran Xiang	0551-62636568
GF Securities Co., Ltd. Suzhou Branch	Units 03, 04 and 05, 3rd Floor, 289 Suzhou Avenue East, Industrial Park, Suzhou, Jiangsu Province	June 2007	Zhao Yang	0512-65156868
GF Securities Co., Ltd. Hunan Branch	Room 301, Xiangbao Media Center, No. 442, One Section, Furong Middle Road, Kaifu District, Changsha, Hunan Province	July 2008	Qiao Ying	0731-85287218
GF Securities Co., Ltd. Jiangxi Branch	1st and 2nd Floors, 132 Beijing West Road, Xihu District, Nanchang, Jiangxi Province	September 2008	Li Lin	0791-86303229
GF Securities Co., Ltd. Shenzhen Branch	Units 2001 and 2002, Shum Yip Center Building, 5045 Shennan East Road, Xinwei Community, Guiyuan Street, Luohu District, Shenzhen	July 2009	Liu Zelin	0755-82083898
GF Securities Co., Ltd. Shanghai Branch	Unit 05, 35th Floor (nominal floor, actually 32/F), 429 Nanquan North Road, China (Shanghai) Pilot Free Trade Zone	July 2009	Wang Xindong	021-68818808
GF Securities Co., Ltd. Hebei Branch	Rooms 1106, 1107, 11th Floor, No. 101, Building 2, BOC Financial Centre, No. 26, Ziqiang Road, Qiaoxi District, Shijiazhuang, Hebei Province	July 2009	Zhu Shuaiqi	0311-85278887
GF Securities Co., Ltd. Shandong Branch	101-02, 1st Floor, Building 3, Yinfeng Fortune Plaza, No. 1, Long 'ao West Road, Longdong Street, Lixia District, Jinan, Shandong Province	July 2009	Zhuang Wei	0531-86993666
GF Securities Co., Ltd. Hubei Branch	No. 4, 5, 6 and 7, 27th Floor, Office Building Unit, Block A, Tian Yue Xing Chen, 8 Sanyang Road, Jiangan District, Wuhan	July 2009	Peng Tao	027-82800767
GF Securities Co., Ltd. Guangzhou Branch	Zibian No. 201, Room 201, 101 Tianhe Road, Tianhe District, Guangzhou	July 2009	Han Chang	020-83863518
GF Securities Co., Ltd. Jiangsu Branch	272 Jiqingmen Avenue, Gulou District, Nanjing	August 2009	Liu Zhengyi	025-86899227

# COMPANY PROFILE

Names of Branch Companies	Registered Address	Date of Establishment	Responsible Person	Contact No.
GF Securities Co., Ltd. Chengdu Branch	Room 2205, Level 22, Building 3, No. 1199, North Section of Tianfu Avenue, Chengdu High-tech Zone, China (Sichuan) Pilot Free Trade Zone	August 2009	Su Yaping	028-85972529
GF Securities Co., Ltd. Zhejiang Branch	Rooms 104, 201-1, 2, 3, 4, 3704, 3705 and 3706, Building 3, Qianjiang International Times Plaza, 290 Fuchun Road, Shangcheng District, Hangzhou, Zhejiang Province	August 2009	Chen Xiaoyu	0571-86566651
GF Securities Co., Ltd. Xi'an Branch	Rooms 1202, 1204 and 1205, COLI Building, 3 Furong South Road, Qijiang New District, Xi'an, Shaanxi Province	August 2009	He Xiaoshe	029-65655877
GF Securities Co., Ltd. Beijing Branch	Level 18, Yuetan Building, 2 Yuetan North Street, Xicheng District, Beijing	August 2009	You Haiyang	010-59136868
GF Securities Co., Ltd. Zhuhai Branch	Room 302, Hengqin Smart Finance Industrial Park, West Side of Building 17, Hengqin Creative Valley, 1889 Huandao East Road, Hengqin New District, Zhuhai	February 2011	Liao Weifeng	0756-8286229
GF Securities Co., Ltd. Foshan Branch	Flat A, B, C, G, H, J and K, actually 18/ F (nominally 20/F), Block 2, Youbang Financial Center, 1 Denghu East Road, Guicheng Street, Nanhai District, Foshan, Guangdong Province	May 2011	Zheng Zhixiong	0757-83789698
GF Securities Co., Ltd. Changchun Branch	Rooms 503 and 505, 5th Floor, Shengrong Building, 438 Jiefang Road, Nanguan District, Changchun City	August 2011	Li Chao	0431-88634077
GF Securities Co., Ltd. Fujian Branch	Unit 05, Level 34, Yuyang Zhongyang Jinzuo Office Building, 118 Shuguang Road, Taijiang District, Fuzhou, Fujian Province	April 2012	Zheng Lu	0591-83055872
GF Securities Co., Ltd. Yuedong Branch	9 Yingbin Road, Shantou	June 2014	Huang Bin	0754-88280098
GF Securities Co., Ltd. Yuxi Branch	Second of 201, 45 Tianchang Road, Pengjiang District, Jiangmen, Guangdong Province	June 2014	Peng Wenyi	0750-3488001
GF Securities Co., Ltd. Dongguan Branch	Rooms 505, 506, 507 and 508, Building 1, 6 Hongmian Road, Songshan Lake Park, Dongguan, Guangdong Province	June 2014	Ju Guoxian	0769-28331886
GF Securities Co., Ltd. Hainan Branch	Area A, Level 3, Lantian Building, 19 Heping Avenue, Meilan District, Haikou, Hainan Province	September 2015	Li Junhua	0898-66288660
GF Securities Co., Ltd. Liaoning Branch	16th Floor, 227 Qingnian Street, Shenhe District, Shenyang, Liaoning Province	November 2019	Wen Yinghui	0411-84355166

# COMPANY PROFILE

## 4. Domestic and Overseas Controlled Subsidiaries and Invested Companies

### (1) Domestic Principal Controlled Subsidiaries and Invested Companies

Company Name	Registered Address	Date of Establishment	Registered Capital (ten thousand)	Shareholding Ratio (%)	Responsible Person	Contact No.
GF Fund	Room 2608, 3018 Huandao East Road, Hengqin New District, Zhuhai, Guangdong Province	2003.08	RMB14,097.80	54.53	Ge Changwei	020-83936666
GF Futures	Flat 1002, 12 Junxian Street, Huangpu District, Guangzhou, Guangdong Province	1993.03	RMB205,000	100	Zhou Wei	020-88830688
GF Xinde	Room B607, Building 1, 275 Xintuo Road, Daxie Development Zone, Ningbo, Zhejiang Province	2008.12	RMB280,000	100	Xiao Xuesheng	020-66338790
GF Qianhe	Room 206, 3 Xingfu West Street, Beifang Town, Huairou District, Beijing	2012.05	RMB710,350	100	Ao Xiaomin	010-83948182
GF Asset Management	Room 2005, Office Building, 191 Rongzhu Road, Hengqin New District, Zhuhai	2014.01	RMB100,000	100	Qin Li	020-66338701
GFFL	Room 612, 36 Jintao West Street, Nansha District, Guangzhou	2015.06	RMB80,000	100	Zhang Wei	020-66335038
E Fund	Level 6, 188 Rongyue Road, Hengqin New District, Zhuhai, Guangdong Province	2001.04	RMB13,244.20	22.65	Liu Xiaoyan	020-38797888
Guangdong Equity Exchange	2001, Room 202, No. 9, Zhifeng Street, Huangpu District, Guangzhou	2018.07	RMB31,098.31	12.0183	Wu Shaoqiu	020-82196295
China Securities Credit Investment Co., Ltd.	Unit 2, 8B Office Building, Hongyi Building, Financial Street, Nanshan Subdistrict, Qianhai SZ-HK Cooperation Zone, Shenzhen	2015.05	RMB458,598	4.36	Chen Jin	0755-84362888
China Securities Internet System Co., Ltd.	8-10/F, Building 4, Financial Street, Xicheng District, Beijing	2013.02	RMB755,024.45	2.65	Zhao Shanzhong	010-83897958
ECT	Building 1, 27 Xinjinqiao Road, China (Shanghai) Pilot Free Trade Zone	2015.01	RMB251,875	1.99	Fan Yu	021-20538888

# COMPANY PROFILE

GF Fund established Ruiyuan Capital Asset Management Co., Ltd.

Name of Subsidiary	Registered Address	Date of Establishment	Registered Capital (ten thousand)	Shareholding Ratio (%)	Responsible Person	Contact No.
Ruiyuan Capital Asset Management Co., Ltd.	Office 2607, 3018 Huandao East Road, Hengqin New District, Zhuhai	2013.06	RMB7,500	100	Zhu Ping	020-89188990

GF Futures established GF COMMODITIES CO., LTD.

Name of Subsidiary	Registered Address	Date of Establishment	Registered Capital (ten thousand)	Shareholding Ratio (%)	Responsible Person	Contact No.
GF COMMODITIES CO., LTD.	Room A-805, 188 Yesheng Road, Lin-Gang Special Area, China (Shanghai) Pilot Free Trade Zone	2013.04	RMB55,000	100	Xu Yanwei	020-88830888



# COMPANY PROFILE

## (2) Overseas Principal Wholly-owned Subsidiaries

Name of Subsidiary	Registered Address	Date of Establishment	Registered Capital (ten thousand)	Shareholding Ratio (%)	Responsible Person	Contact No.
GFHK	27/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong	2006.06	HK\$820,000	100	Li Qian	(852) 37191111

GFHK has the following principal wholly-owned subsidiaries: GF Securities (Hong Kong), GF Capital (Hong Kong), GF Asset Management (Hong Kong), GF Global Capital, GF Investments (Hong Kong), GF Lighthouse Capital Management Company Limited, GF Information Consulting Service (Shenzhen) Company Limited, GF Wealth Management (Hong Kong) Limited, GF Canada Holdings Company Limited and GF Securities (Canada) Company Limited.

Name of Subsidiary	Registered Address	Date of Establishment	Registered Capital (ten thousand)	Shareholding Ratio (%)	Responsible Person	Contact No.
GF Securities (Hong Kong)	27/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong	2006.07	HK\$310,000	100	Wang Yue	(852) 37191111
GF Capital (Hong Kong)	27/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong	2006.07	HK\$13,000	100	Yan Ming	(852) 37191111
GF Asset Management (Hong Kong)	27/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong	2006.07	HK\$47,500	100	Sun Bo	(852) 37191111
GF Global Capital	27/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong	2015.11	HK\$260,000	100	Zeng Chao	(852) 37191111
GF Investments (Hong Kong)	27/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong	2011.09	HK\$500	100	Mai Xiaoying	(852) 37191111
GF Lighthouse Capital Management Company Limited	Kingston Chambers, P.O. Box 173, Road Town VG1110, Tortola, British Virgin Islands	2014.09	US\$0.01	100	Mai Xiaoying	(852) 37191111
GF Information Consulting Service (Shenzhen) Company Limited	Room 201, Building A, 1 Qianwan 1st Road, Shenzhen-Hong Kong Cooperation Zone, Qianhai, Shenzhen	2014.04	RMB1,000	100	Wang Yue	0755-88263107
GF Wealth Management (Hong Kong) Limited	27/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong	2014.11	HK\$2,500	100	Wang Yue	(852) 37191111
GF Canada Holdings Company Limited	Suite 2270 – 1055 West Georgia Street, Vancouver BC V6E 3P3 Canada	2018.02	CAD456.03	100	Wen Huiqing	(778) 2975888
GF Securities (Canada) Company Limited	Suite 2270 – 1055 West Georgia Street, Vancouver BC V6E 3P3 Canada	2014.03	CAD1,640	100	Liao Zhanhua	(778) 2975888

The Company has related transactions with GFHK and its overseas subsidiaries, which will be strictly carried out and regulated under the Measures for the Administration of the Formation, Acquisition and Purchase of Non-controlling Shares of Overseas Business Institutions by Securities Companies and Securities Investment Fund Management Companies (《證券公司和證券投資基金管理公司境外設立、收購、參股經營機構管理辦法》).

# COMPANY PROFILE

GF Fund established GF International Investment Management Limited.

Name of Subsidiary	Registered Address	Date of Establishment	Registered	Shareholding Ratio (%)	Responsible	
			Capital (ten thousand)		Person	Contact No.
GF International Investment Management Limited	25/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong	2010.12	HK\$50,000	100	Shangguan Peng	(852) 36952868

GF Futures established GF Futures (Hong Kong), which in turn established GF Financial Markets (UK).

Name of Subsidiary	Registered Address	Date of Establishment	Registered	Shareholding Ratio (%)	Responsible	
			Capital (ten thousand)		Person	Contact No.
GF Futures (Hong Kong)	26/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong	2006.05	HK\$102,100	100	Liu Boya	(852) 38937799
GF Financial Markets (UK)	1 Finsbury Square, London, EC2A 1AE, United Kingdom.	1976.02	GBP5,596.9014	100	Luo Mansheng	020-88838016

## 5. Numbers and Distribution of Securities Brokerage Branches

As of December 31, 2024, the Company had established 330 securities brokerage branches. The numbers and distribution of securities brokerage branches are set out below:

Province/Municipality or Region	Number of Brokerage Branches	Province/Municipality or Region	Number of Brokerage Branches	Province/Municipality or Region	Number of Brokerage Branches
Guangdong Province (of which: Shenzhen)	130 (13)	Shaanxi Province	7	Heilongjiang Province	2
Shanghai	24	Sichuan Province	7	Inner Mongolia Autonomous Region	2
Zhejiang Province	21	Henan Province	5	Hunan Province	2
Hubei Province	17	Hainan Province	4	Gansu Province	1
Hebei Province	15	Chongqing	4	Guizhou Province	1
		Jiangxi Province	4	Ningxia Hui Autonomous Region	1
Jiangsu Province	15	Jilin Province	3	Tibet Autonomous Region	1
Fujian Province	14	Anhui Province	3	Shanxi Province	1
Liaoning Province	14	Yunnan Province	3	Xinjiang Uygur Autonomous Region	1
Shandong Province	11	Guangxi Zhuang Autonomous Region	3	Qinghai Province	1
Beijing	11	Tianjin	2	-	-

# COMPANY PROFILE

## VIII. OTHER RELEVANT INFORMATION

### (1) Auditors engaged by the Company

PRC Auditor	Ernst & Young Hua Ming LLP
Office Address of PRC Auditor	Level 17, Ernst & Young Tower, Oriental Plaza, No. 1 East Changan Ave. Dongcheng District, Beijing, PRC
Name of Signing Auditor	Chang Hua, He Mingzhi
Name of International Auditor	Ernst & Young (Certified Public Accountants and Registered Public Interest Entity Auditors)
Office Address of International Auditor	27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

### (2) Legal Advisors

PRC Legal Advisor	Jia Yuan Law Offices, Beijing
Overseas Legal Advisor	Latham & Watkins LLP

### (3) Share Registrars

A Share Registrar	China Securities Depository and Clearing Corporation Limited, Shenzhen Branch 22-28/F, Shenzhen Stock Exchange Building, 2012 Shennan Blvd, Futian District, Shenzhen, Guangdong, PRC
H Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong

### (4) The sponsor engaged by the Company to perform the continuous supervision obligation during the Reporting Period

Not applicable

### (5) The financial advisor engaged by the Company to perform the continuous supervision obligation during the Reporting Period

Not applicable





## SECTION 2

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# KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

# KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

## I. KEY ACCOUNTING DATA (CONSOLIDATED STATEMENTS)

(Accounting data and financial indicators set out in this report have been prepared in accordance with IFRS Accounting Standards)

Unit: RMB in millions

	<b>2024</b>	2023	Variance in comparison with last year	2022
Total revenue and other income	<b>37,346</b>	33,298	12.16%	33,256
Profit before income tax	<b>11,852</b>	8,744	35.54%	10,388
Net profit attributable to owners of the Company	<b>9,637</b>	6,978	38.11%	7,929
Net cash (used in)/from operating activities	<b>(30,467)</b>	(2,352)	—	40,163
Basic earnings per share (RMB/share)	<b>1.15</b>	0.83	38.55%	1.02
Return on weighted average net assets (%)	<b>7.44</b>	5.66	Increase by 1.78 percentage points	7.23

	<b>December 31, 2024</b>	December 31, 2023	Variance in comparison with the end of last year	December 31, 2022
Total assets	<b>758,745</b>	682,182	11.22%	617,256
Total liabilities	<b>605,660</b>	541,506	11.85%	492,463
Equity attributable to owners of the Company	<b>147,602</b>	135,718	8.76%	120,146
Total share capital (million shares)	<b>7,621</b>	7,621	—	7,621
Equity per share attributable to owners of the Company (RMB/share) (note 1)	<b>19.37</b>	17.81	8.76%	15.76
Gearing ratio (%) (note 2)	<b>73.76</b>	74.43	Decrease by 0.67 percentage point	73.98

Notes: 1. In calculating equity per share attributable to owners of the Company as indicated in the table above, the perpetual subordinated bonds issued by the Company were included. After excluding such impact, equity per share attributable to ordinary shareholders of the Company as at the end of the Reporting Period was RMB15.93.

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

# KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

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

The net profits in the years of 2024 and 2023 and the net assets as of December 31, 2024 and December 31, 2023 as stated in the consolidated financial statements of the Company disclosed in accordance with IFRS Accounting Standards are consistent with those in accordance with China's Accounting Standards (CAS).

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

Unit: RMB

Item	At the end of 2024	At the end of 2023	Variance in comparison with the end of last year
Core net capital	<b>69,460,233,564.88</b>	65,515,503,102.87	6.02%
Supplementary net capital	<b>26,400,000,000.00</b>	27,650,000,000.00	-4.52%
Net capital	<b>95,860,233,564.88</b>	93,165,503,102.87	2.89%
Net assets	<b>131,523,760,774.53</b>	120,245,734,494.60	9.38%
Total risk capital reserves	<b>39,835,754,275.72</b>	39,923,953,172.20	-0.22%
Total on- and off-balance sheet assets	<b>590,674,795,623.91</b>	554,044,315,596.83	6.61%
Risk coverage ratio	<b>240.64%</b>	233.36%	Increase of 7.28 percentage points
Capital leverage ratio	<b>11.98%</b>	12.03%	Decrease of 0.05 percentage point
Liquidity coverage ratio	<b>161.14%</b>	222.43%	Decrease of 61.29 percentage points
Net stable funding ratio	<b>135.25%</b>	129.57%	Increase of 5.68 percentage points
Net capital/Net assets	<b>72.88%</b>	77.48%	Decrease of 4.60 percentage points
Net capital/Liabilities	<b>25.06%</b>	24.99%	Increase of 0.07 percentage point
Net assets/Liabilities	<b>34.38%</b>	32.25%	Increase of 2.13 percentage points
Proprietary equity securities and its derivatives/Net capital	<b>31.55%</b>	31.10%	Increase of 0.45 percentage point
Proprietary non-equity securities and its derivatives/Net capital	<b>296.51%</b>	294.25%	Increase of 2.26 percentage points

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

Each of the parent company's risk control indicators is in compliance with the relevant requirements under the Administrative Measures for Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》).



# KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

## IV. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS IN THE LAST FIVE YEARS

### 1. Earnings (Unit: RMB ' 000)

	2024	2023	2022	2021	2020
Total revenue and other income	37,345,943	33,298,353	33,255,892	41,914,753	35,983,218
Total expenses	26,279,571	25,269,060	23,807,917	28,378,705	23,247,144
Profit before income tax	11,852,140	8,744,436	10,387,788	14,963,846	13,599,297
Net profit attributable to owners of the Company	9,636,830	6,977,800	7,929,282	10,854,116	10,038,135

### 2. Assets (Unit: RMB ' 000)

	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Total assets	758,745,109	682,181,679	617,256,282	535,855,324	457,463,686
Total liabilities	605,659,727	541,505,969	492,463,442	425,053,981	355,190,100
Equity attributable to owners of the Company	147,601,916	135,717,648	120,145,632	106,624,510	98,162,197
Share capital	7,621,088	7,621,088	7,621,088	7,621,088	7,621,088

### 3. Key financial indicators

	2024	2023	2022	2021	2020
Basic/diluted earnings per share (RMB/share)	1.15	0.83	1.02	1.42	1.32
Return on weighted average net assets (%)	7.44	5.66	7.23	10.67	10.60
Gearing ratio (%)	73.76	74.43	73.98	72.92	71.15
Equity per share attributable to owners of the Company (RMB/share)	19.37	17.81	15.76	13.99	12.88

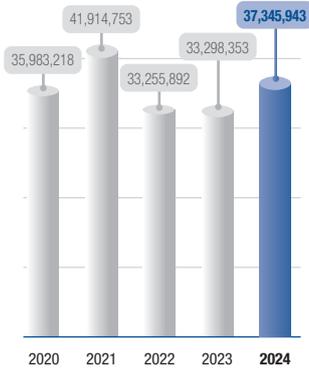
Notes: 1. Gearing ratio = (Total liabilities - Accounts payable to brokerage clients)/(Total assets - Accounts payable to brokerage clients)

2. In calculating equity per share attributable to owners of the Company as indicated in the table above, the perpetual subordinated bonds issued by the Company were included. After excluding such impact, equity per share attributable to ordinary shareholders of the Company as at the end of the Reporting Period was RMB15.93.

# KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

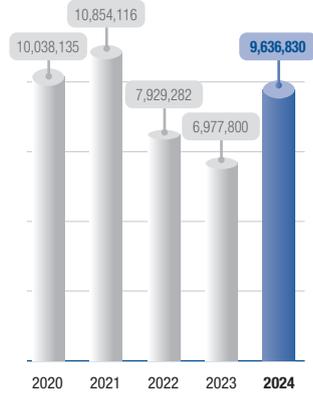
## Total revenue and other income

(Unit: RMB '000)



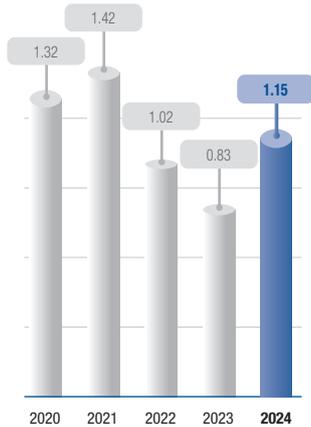
## Net profit attributable to owners of the Company

(Unit: RMB '000)

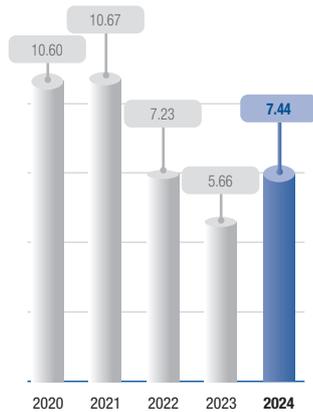


## Basic earnings per share

(RMB/share)

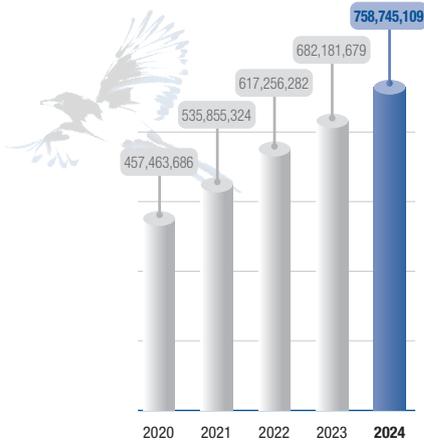


## Return on weighted average net assets (%)



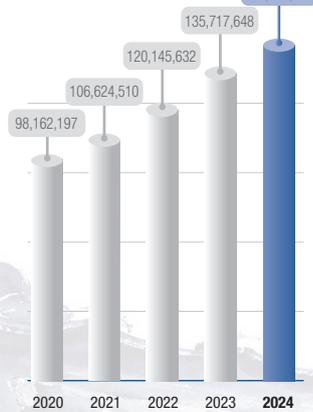
## Total assets

(Unit: RMB '000)



## Equity attributable to owners of the Company

(Unit: RMB '000)







## SECTION 3

# CHAIRMAN'S STATEMENT

# CHAIRMAN'S STATEMENT

Dear Shareholders,

The year 2024 was a crucial year for China in pursuing economic transformation and comprehensively deepening the reform of the capital market. Striving against all difficulties and making progress while ensuring stability, the Chinese economy has achieved steady development in new quality productive forces and solid progress in high-quality development. Facing a complicated and changeable macroeconomic situation with profound changes in the industrial landscape, basic systems of the capital market and the underlying philosophy of supervision has been reshaped in a systematic manner based on the principle of “enhancing supervision, preventing risks and promoting high-quality development” and the implementation of the new “Nine Guidelines for Capital Market” and “1+N” policy system. Persisting in deepening reform and consolidating the foundation for stable growth, the securities industry has been striving for innovation-driven advancement and driving the healthy development of the real economy through high-quality services.

Looking backward to 2024, when we were facing a challenging macroeconomic situation and an evolving industry landscape, the Company made a unified response and worked hard to press ahead by maintaining the positioning of a securities company as a functional entity in effectively playing our role of serving the real economy. We achieved steady progress in all areas of our work with main operating indicators in the forefront of the industry, realizing a total revenue and other income of RMB37,346 million and a net profit attributable to shareholders of the Company of RMB9,637 million. Extensive support of every customer, shareholder, partner and all sectors of society, as well as the hard work of all staff of GF Securities, are indispensable in achieving this achievement. On behalf of GF Securities, I would like to express my sincere gratitude to everyone!

Over the last year, we were actively committed to our original aspirations of serving the real economy by tracing our roots in the industry for development. Firstly, we have been forging the research-driven model that fully play the role of a think tank to make proposals in facilitating the development of key regions and key industries. We also focused on the construction of the “Five Best Ones” ecological project by creating the “technology + capital” industry ecosystem, and pursuing the implementation of a number of key projects in new arenas under the “research + investment + investment banking” model. Adhering to the principle of pursuing Chinese modernization, we launched several large-scale strategy meetings including the “focus on New Productive Forces” meeting that covered both the industry and market players, so as to build an exchange platform for the Company and the investors across industries and enterprises. Secondly, we focused on our core business. We achieved steady progress in the implementation of transformation and reform of our wealth management and brokerage business. We continued to enhance our comprehensive capacity of serving residents’ wealth management. In terms of the balance maintained by the agency sales of non-monetary public funds, the Company ranked No. 3 in the industry. We took further steps to promote the development of our investment banking business in a professional manner. We effectively fulfilled our responsibilities as a “gatekeeper” of the capital market by introducing “source of living water” for quality technological innovation enterprises. In terms of size of equity underwriting business and bonds underwriting business, the Company ranked No. 10 in the industry, with transactions that fully demonstrated the professionalism. By providing liquidity support to market making and proprietary investment, the Company activated the capital market and provided market making services to over 800 funds, all ETF options and major stock index options of CFFEX. Thirdly, we focused on key regions and key areas. We fully supported the implementation of major national regional strategies by obtaining the qualification for the first batch of pilot work for the Cross-boundary Wealth Management Connect Scheme to serve interconnection of the financial markets in the Guangdong-Hong Kong-Macao Greater Bay Area. Centering around the guidance of national industrial policies, financial policies and regional development policies, the Company held a forum on merger and acquisition of new productive forces and launched a number of large events on merger and acquisition such as the founding conference of the Merger and Acquisition Alliance of Capital Markets in Guangdong (廣東資本市場併購聯盟), so as to building a merger and acquisition business ecosystem and promote the orderly circulation of assets and capital.

Over the last year, we proactively integrated into the national development, and made new progress in the in-depth development of the “Five Major Areas”. First of all, we made efforts to support the development of the area of technology and finance. We made equity investment in 30 I&T enterprises, entered into equity financing and debt financing arrangements for 42 technology enterprises with a total amount of RMB147.0 billion, and established 6 investment funds for technological innovation enterprises, so as to cater the needs of various technology innovation entities for investment and

# CHAIRMAN'S STATEMENT

financing. Secondly, we continued to build a green financial service system. We published 11 in-depth research reports such as the Blue Book on the Development of the Green Energy Industry to support the research in the area of green industries. The Company has underwritten as the lead underwriter 18 tranches of various types of low-carbon transformation and green bonds with an underwritten amount of RMB5.631 billion, and has underwritten and issued bonds for 7 green ABS projects with a raised fund of RMB14.759 billion, thereby providing diverse financial solutions for green industries. The Company has made investment in green bonds through its owned funds with an amount of RMB5.993 billion, thereby introducing “financial water” that helps the development of the green industries. Thirdly, we have expanded the business layout of the pension finance business by issuing a total of 24 products of pension target funds with a total amount of RMB6.9 billion, so as to develop a multi-level pension finance service system. Fourthly, we continued to explore possibilities for application and implementation of digital finance. We have put a total of 43 large-scale AI models into practice, which has help us maintain our leading position in the industry in terms of number of scenarios and business coverage.

Over the last year, we were committed to the philosophy of finance for the country and finance for the people and proactively performed our social responsibilities. Firstly, we conducted our financial business based on the principle of political- and people-oriented in a professional manner. Focusing on areas of rural revitalisation, providing student subsidies and boosting education, finance empowerment and medical assistance, the Company has made social welfare expenses at an amount of RMB22.6760 million, while the total social welfare expenses incurred by GF Charity Foundation established by the Group, amounted to over RMB300 million. Secondly, the Company continued to improve the level of ESG and actively responded to primary focus of stakeholders. The Company strengthened the comprehensive risk management of the Group and strictly abided by compliance operation requirements to enhance investor protection and shareholder return. The Company has achieved a total social contribution of RMB4.29 per share. The Company has been included as a constituent stock in the Hang Seng Corporate Sustainable Index Series for many consecutive years.

In 2025, the “1+N” policy for the capital market will continue to take effect and deliver solid outcomes, further enhancing the value of investment. Accordingly, the Company will adhere to the main responsibilities and principal businesses and prioritize the role of performing its functions, while embracing technological revolution to actively pursue innovative changes, so as to make our contribution to the high-quality development of the capital market.

First of all, we will focus on serving the national strategy, continuously strengthen our professional capabilities and optimize our business layout. With serving national strategies as the core approach, we will make adjustments to our business structure in a proactive manner, accelerate transformation and upgrading of our traditional businesses such as wealth management, research and investment banking, so as to strengthen the Company’s strategic competitiveness in the areas of innovative businesses and international businesses and achieve the deep integration of efforts to serve national strategies and the high-quality development of the Company. Secondly, we will embrace the wave of technological revolution by driving business development with strategic upgrade, make concrete progress to speed up digital transformation and deepen innovation and application of AI in all business scenarios within the Company, and fully leverage technologies in the construction of a financial service system that serves new quality productivity, so as to embrace the trend of technological revolution for our development. Thirdly, we will promote development by innovation and reform, enhance our overall capability of providing resolutions and build on our professionalism as a securities company, so as to enrich customer foundation with its customer-centric focus and reciprocate our customers with high-quality comprehensive financial services. Fourthly, we will stick to the bottom line of compliance to ensure steady and long-term development of our operation. We will also adhere to the bottom-line mindset, build a defense line of preventing risks, continuously improve the Company’s risk control system, and incorporate regulatory requirements and internal control standards into the entire life cycles of our businesses.

In retrospect, the episodes of fierce competition were distant memories; looking ahead, we are ready to go against the challenging future. Embarking on the grand journey of developing China a financial power, and standing on the turning point in the history of the securities industry that undergone deepened reform, every GF employee, will follow the guidance of China’s socialism with Chinese characteristics in a new era, serve national strategies in the course of our development, embrace the trend of technological revolution in our development, and pursue innovation and reform for our development, thus opening a new page in the development of the Company into an international first-class investment bank.





## SECTION 4

# DIRECTORS' REPORT

# DIRECTORS' REPORT

The directors of the Company (the “Directors”) hereby present the annual report and the audited consolidated financial statements of the Company and the Group for the year ended December 31, 2024. Contents of relevant section in this report mentioned in the cross references in the Directors’ Report forms part of the Directors’ Report.

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

The securities market experienced a fluctuating upward trend in 2024. Firstly, the main stock market indices rose. In the first half of the year, the A-share market showed a volatile trend due to multiple factors including those related to the internal and external environment. After September 24, a package of incremental policies was gradually implemented, significantly improving the trend and trading volume of the A-share market. In 2024, the Shanghai Composite Index, Shenzhen Component Index, ChiNext Index, and Science and Technology Innovation 50 Index rose by 12.67%, 9.34%, 13.23%, and 16.07% respectively. The turnover of the Shanghai and Shenzhen stock markets reached RMB254.8 trillion, representing a year-on-year increase of 20.1%. Secondly, the domestic monetary environment remained loose, the bond market maintained an upward trend, and the scale of the bond market grew steadily. In 2024, the bond market issued a total of RMB79.3 trillion of various bonds, representing a year-on-year increase of 11.7%. As of the end of 2024, the bond market custody balance was RMB177.0 trillion, representing a year-on-year increase of 12.1%. ChinaBond-New Composite Index (Full Price) Index rose by 7.61%. Thirdly, the pace of equity financing slowed down. In 2024, a total of 259 equity financings were completed in the A-share market, with a financing amount of RMB247.840 billion, representing a year-on-year decrease of 65.37% and 72.90%, respectively. Among them: 102 IPOs were completed with a financing amount of RMB66.280 billion, representing a year-on-year decrease of 67.52% and 81.54%, respectively; and 157 refinancing were completed with a financing amount of RMB181.560 billion, representing a year-on-year decrease of 63.83% and 67.31%, respectively. Fourthly, total amount under management of public funds continued to grow. As of the end of 2024, the management scale was RMB32.83 trillion, representing a year-on-year increase of 18.93%, and the newly established funds issued a total of 1,188.923 billion units during the year, representing a year-on-year increase of 4.51%.

2024 marked the year of comprehensive and deepening reform of the capital market. The Third Plenary Session of the 20th Central Committee of the Communist Party of China drew up a blueprint for reform and established the main line of “strengthening supervision, preventing risks, and promoting development”. The new “Nine Guidelines for Capital Market”, “1+N” policy system, and a package of incremental policies since September 2024 have injected strong momentum into the development of the capital market, stabilizing the market as well as confidence and expectations, and facilitating the continuous improvement of the ecology of the capital market. Looking forward to 2025, although the external environment will remain complex and volatile, the fundamentals of the nation’s economy (namely “stable foundation, superimposed advantages, abundant resilience, and huge potential”) have not changed. In particular, the central government has made strategic arrangements to strengthen extraordinary counter-cyclical adjustments, and through systematic economic boosting policies, it has continued to release the benefits of institutional opening-up, and built a solid fundamental support for the stable operation of the capital market.

# DIRECTORS' REPORT

As the capital market reforms deepen, regulatory authorities are accelerating the construction of multi-level institutional supply, continuously improving the endogenous stability mechanism of the capital market, and stimulating the vitality of market entities through institutional innovation, promoting the improvement of market resilience and the accumulation of potential energy, and laying a solid institutional foundation for the high-quality development of the securities industry. The securities industry is based on the fundamental positioning which is politically-guided and people-oriented, and adhere to the strategic direction of anchoring in its main responsibilities and main business. Its puts functional construction at the forefront of its development, deeply practices the essential requirement of serving the real economy, focuses on the strategic layout of the “five major areas”, strives to build a new paradigm of functional, intensive, specialized and characteristic development, and promotes the transformation and upgrading of the industry with the cultivation of new-quality productivity to comprehensively meet the strategic needs of China’s modernization.

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

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

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



# DIRECTORS' REPORT

Products and services of the four business segments are specifically set out in the table below:

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

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

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

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

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

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

# DIRECTORS' REPORT

## III. BUSINESS REVIEW

Business operations and business review of the Group for the year ended December 31, 2024 are set out in “Management Discussion and Analysis”, which forms part of the Directors’ Report, in Section 5 of this report.

## IV. ANALYSIS ON CORE COMPETITIVENESS

### (1) Excellent corporate culture

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

The Company adheres to the professional development, unswervingly in concept and successfully in action for a long term. The Company built consensus through the establishment of a diversified and inclusive talent mechanism, assembled a team of talents from all corners of the world with excellent professionalism and high recognition of the Company’s corporate culture. The management leads by example and concentrates on the operation of the business. The employees are truth-seeking and pragmatic. With the orientation of strategy achievement and value creation, a group of young management with ambition and competency are developed, and a reasonable talent pool has been formed to continuously build the source of knowledge and the foundation of strength.

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

# DIRECTORS' REPORT

## (2) Forward-looking strategic doctrine

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

The Company has always focused on the main responsibilities and business, striving to improve its core competitiveness and develop its core business for more than 30 years without deviation and with solid and deep cultivation. The Company continues to expand business layout, puts functionality as first priority and adheres to the fundamental purpose of the financial industry to serve the real economy, and is committed to on “five major areas” of finance. In the business line, it has successively set up futures subsidiaries, public fund subsidiaries, private fund subsidiaries, alternative investment subsidiaries and asset management subsidiaries. With its value concept and pragmatic entrepreneurial style, it has built a full business chain with perfect layout and strong strength. In terms of regional development, based in Guangdong, the Company serves the whole country, connects domestic and overseas, and forges a leading national brokerage with a long-term vision and an open pattern. With the determination of “success does not depend on me” and the spirit of “hammering nails”, all the staff has anchored the green mountains and resolutely implemented the established strategies with consistent strategic direction.

## (3) Stable shareholding structure

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

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

## (4) Scientific business layout

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

# DIRECTORS' REPORT

The Company has implemented the business model to empower high-quality development of businesses with research, maintained the leading position of research ability in the industry for a long time and won many major institutional awards such as the Best Analyst of the Securities Times, the Best Analyst of New Fortune (新財富最佳分析師) and the Golden Bull Award for China Securities Industry Analysts (中國證券業分析師金牛獎) for many consecutive years, ranking among the best. The Company has taken the lead in proposing wealth management transformation and equipped with excellent financial product research and sales capabilities, professional asset allocation capabilities and more than 4,600 securities investment consultants, ranking No. 1 in the industry (in terms of parent company caliber). The Company is committed to providing precise wealth management services for different types of customers. It has become a first-class trustworthy wealth management institution. At the end of December 2024, in terms of the balance maintained by the agency sales of non-monetary public funds, the Company ranked No. 3 in the industry.

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

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

## (5) Outstanding location advantage

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

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

# DIRECTORS' REPORT

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

## (6) Philosophy of compliance and steady development

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

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

## V. PROFIT DISTRIBUTION AND PROPOSED DIVIDEND

The formulation and implementation details of the Company's cash dividends policy and the profit distribution proposal for 2024 are set out in "XI. Profit Distribution and Conversion of Capital Reserves into Share Capital of the Company" of Section 6 "Corporate Governance" in this report.

## VI. SHARE CAPITAL CHANGES AND MATTERS RELATING TO BONDS

During the Reporting Period, there were no changes in the total number of ordinary shares and the shareholding structure of the Company.

For details on the issuance of securities (excluding preference shares) during the Reporting Period, please refer to "II. Securities Issuance and Listing" of Section 9 "Changes in Shareholdings and Particulars about Shareholders" in this report.

For details on the issuance of corporate bonds, subordinated bonds, short-term financing bills and financial bonds by the Company, please refer to Section 11 "Bonds" in this report.

## VII. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

For details of the composition of the Directors, Supervisors and senior management of the Company, their changes and biographies during the Reporting Period, please refer to "V. Particulars about Directors, Supervisors and Senior Management" of Section 6 "Corporate Governance" in this report.

# DIRECTORS' REPORT

## VIII. SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company has entered into the Service Contracts for Directors and the Service Contracts for Supervisors with each of the eleven Directors of the current eleventh session of the Board of Directors and each of the five Supervisors of the current eleventh session of the Supervisory Committee. The term of office of the Directors and Supervisors was effective from the date of approval by the general meeting or the employee representatives meeting until the expiry date of the term of office for the eleventh session of the Board of Directors and the Supervisory Committee. The Service Contracts for Directors and the Service Contracts for Supervisors provide the agreed terms on the duties and responsibilities of the Directors and Supervisors during their term of office.

In addition, none of the Directors and Supervisors of the Company has entered into any service contract with the Company or its subsidiaries which is not terminable within one year without payment of compensation, other than statutory compensation.

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

Please refer to "9. Directors, Supervisors and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company and its Associated Corporations" under "III. Shareholders and De Facto Controllers" of Section 9 "Changes in Shareholdings and Particulars about Shareholders" in this report.

## X. SHARE PURCHASE RIGHTS OF DIRECTORS AND SUPERVISORS

Save as disclosed in this report, neither of the Company nor any of its subsidiaries has participated at any time during the year in any arrangement through which the Directors and Supervisors of the Company may benefit by purchasing shares or bonds of the Company or any other entities.

## XI. PERMITTED INDEMNITY PROVISION

Appropriate insurance policy arrangements have been made by the Company in respect of the responsibilities of the Directors and members of the senior management to cover possible legal liabilities owed to third parties arising from corporate activities that may be faced by the Directors and members of the senior management.

## XII. INTEREST OF DIRECTORS AND SUPERVISORS IN MATERIAL CONTRACTS

Except for the service contracts, the Group has not entered into any significant contracts in which the Directors or Supervisors of the Company have, directly or indirectly, a material interest during the Reporting Period.

# DIRECTORS' REPORT

## XIII. INTEREST OF DIRECTORS IN BUSINESSES IN COMPETITION WITH THE COMPANY

The Directors of the Company do not have any interest in any business that competes with the business of the Company.

## XIV. MANAGEMENT CONTRACTS

For the year ended December 31, 2024, no contract has been entered into for the management and administration of the entire business or any material part of the business of the Group.

## XV. MAJOR CUSTOMERS

The Company utilizes a wide range of financial instruments to serve the various financial needs of corporations, individuals, institutional investors, financial institutions and government clients and provide comprehensive solutions. Our major customers are based in the PRC. With the development of international business, the Company also provides services to overseas customers. In 2024, income generated from the five largest customers of the Company contributed less than 5% to the total revenue and other income of the Company.

None of the shareholders controlling more than 5% of the shareholding of the Company, Directors, Supervisors and their respective associates has any interest in the five largest customers of the Company. The Company has no major supplier due to the nature of its business.

## XVI. CHARITABLE DONATIONS

During the Reporting Period, the Group's total expenditure on social charity was RMB22.6760 million, including the Company's donations to GF Charity Foundation and the expenditure on social charity of its wholly-owned and controlled subsidiaries. The GF Charity Foundation established by the Group actively carried out activities such as rural revitalization and education assistance, with a total expenditure on social charity was RMB22.7821 million during the Reporting Period.

## XVII. RESERVES AND RESERVES FOR PROFIT DISTRIBUTION

For particulars about changes in reserves and reserves for profit distribution, please refer to the "Consolidated Statement of Changes in Equity" of Financial Statements and Notes 59 and 60 of the Notes to the Consolidated Financial Statements in this report.

## XVIII. EMPLOYEES

Human resources are one of the greatest assets of the Group. The Company is committed to increasing effort in building its talents pool by enhancing training and improving the quality of employees. Please refer to "IX. Information of the Staff of the Company" in Section 6 "Corporate Governance" in this report.

# DIRECTORS' REPORT

## XIX. PRE-EMPTIVE RIGHT

Pursuant to the regulations under the PRC laws and the Articles of Association of the Company, shareholders of the Company have no pre-emptive right.

## XX. ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING AND PERFORMANCE OF SOCIAL RESPONSIBILITIES

Regarding the environmental, social and governance (ESG) and the performance of social responsibilities of the Company, please see “II. Social Responsibilities” of Section 7 “Environmental and Social Responsibilities” in this report. The Company implemented new development concept of “innovation, coordination, green, openness and sharing” to support the construction of ecological civilization and green low-carbon industry. By focusing on the “five major areas” of finance and actively giving play to the function of the capital market, we improved the quality and efficiency of our efforts to serve the real economy and promoted the concentration of key resources in the fields of scientific and technological innovation, advanced manufacturing, green and low-carbon development, financial inclusiveness and people’s livelihood. We adhered to the goal of building China into a financial power, remained as a practitioner of responsible investment and green finance, and comprehensively enhanced our business competitiveness and comprehensive service capabilities to achieve the common growth of the Company and its customers. We care about the health and safety of employees and have established a sound system for the protection of employees’ rights and interests and a long-term mechanism for talent development to promote the development of employees. We adhered to the functional positioning of finance to serve the country and the people, consciously implemented the political, people-oriented and professional nature of financial works and took an active part to serve the overall national strategy. By focusing on rural revitalisation, providing student subsidies and boosting education, finance empowerment and medical assistance, the Company actively responded to the primary concerns of stakeholders, and effectively coordinated Company’s economic and social benefits, as well as its own development and social development, so as to ensure the stable and long-term development of the Company. We attached great importance to investor protection and shareholder return, strengthened the comprehensive risk management of the Group and strictly abided by compliance operation requirements to constantly improve the level of ESG. The Company has complied with the mandatory disclosure requirement and the “comply or explain” provisions as set out in the “Environmental, Social and Governance Reporting Code” during the year. For details, please see “GF Securities Co., Ltd. 2024 Sustainability and Environmental, Social and Governance (ESG) Report” published by the Company.

Regarding the governance of the Company, please see Section 6 “Corporate Governance” in this report.

## XXI. REVIEW OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The financial statements of the Company for the year ended December 31, 2024 have been reviewed by the Audit Committee of the Board of Directors of the Company.

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

Please refer to Note 75 of the Notes to the Consolidated Financial Statements in this report for details of events after the end of the Reporting Period.

By Order of the Board  
**Lin Chuanhui**  
Chairman

Guangzhou  
March 28, 2025





## SECTION 5

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# MANAGEMENT DISCUSSION AND ANALYSIS

# MANAGEMENT DISCUSSION AND ANALYSIS

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

In 2024, in face of a complex situation with intensifying external pressure and increasing internal difficulties, the people of all ethnic groups across the country to respond calmly by taking comprehensive measures. As a result, the overall economic operation was stable while making progress, the expected economic growth target for the whole year was successfully achieved and the total economic volume reached a new level with a year-on-year growth of 5.0% in GDP (Source: National Bureau of Statistics).

The year 2024 was a crucial year for comprehensively deepening the reform of the capital market. The CSRC made overall plans to prevent risks, strengthen supervision and promote high-quality development and strengthened the foundation for development through strict supervision and management, resulting in positive and profound changes in the capital market. We promoted the new “Nine Guidelines for Capital Market” and “1+N” policy system for the capital market and made full efforts to maintain the stable operation of the capital market and create a regulated and orderly market environment. We deepened the reform of the capital market to establish a long-term mechanism for the inherent stability of the capital market and comprehensively enhance its functionality and international competitiveness.

In 2024, under the guidance of the Board of Directors, the Company continued to promote high-quality development and made solid progress in business transformation. Thanks to the joint efforts of all employees, the Company achieved good operating results, with its main operating indicators remaining at the forefront of the industry. As of December 31, 2024, total assets of the Group amounted to RMB758,745 million, representing an increase of 11.22% as compared to the end of 2023; and equity attributable to owners of the Company amounted to RMB147,602 million, representing an increase of 8.76% as compared to the end of 2023. During the Reporting Period, total revenue and other income of the Group was RMB37,346 million, representing a year-on-year increase of 12.16%; total expenses were RMB26,280 million, representing a year-on-year increase of 4.00%; and net profit attributable to owners of the Company was RMB9,637 million, representing a year-on-year increase of 38.11%.



# MANAGEMENT DISCUSSION AND ANALYSIS

## II. PRINCIPAL BUSINESSES OPERATED BY THE GROUP DURING THE REPORTING PERIOD

### 1. Investment banking business segment

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

#### (1) Equity financing business

In 2024, the total number and financing amount of equity financings<sup>1</sup> in the A share market completed were 259 and RMB247.840 billion, respectively, representing a year-on-year decrease of 65.37% and 72.90%, respectively. Specifically, the number and financing amount of IPOs were 102 and RMB66.280 billion, respectively, representing a year-on-year decrease of 67.52% and 81.54%, respectively; and the number and financing amount of refinancing projects were 157 and RMB181.560 billion, respectively, representing a year-on-year decrease of 63.83% and 67.31%, respectively (Source: Wind). The number of newly listed companies on the NEEQ was 350, representing a year-on-year increase of 12.54%; and the number and financing amount of private placing of listed companies on the NEEQ were 207 and RMB11.941 billion, respectively, representing a year-on-year decrease of 63.87% and 33.73%, respectively (Source: NEEQ). The number and financing amount of financing projects in the Hong Kong stock market were 474 and HK\$175.660 billion, respectively, representing a year-on-year increase of 13.13% and 23.32%, respectively. Specifically, the number of IPOs was 70, and the financing amount of IPOs was HK\$88.147 billion, representing a year-on-year increase in financing amount of 90.24%; and the number and financing amount of refinancing projects were 404 and HK\$87.513 billion, respectively, representing a year-on-year increase of 15.76% and a year-on-year decrease of 8.94%, respectively (Source: Wind).

During the Reporting Period, the Company thoroughly implemented national strategies and regulatory requirements by adhering to the original purpose of serving the real economy with finance and giving priority to functionality. We adhered to the industry-oriented approach, strengthened resources accumulation, customer development and professional capability building in key sectors, and endeavored to develop into an industrial investment bank and a technology investment bank. We deepened our business cultivation in key areas and continued to consolidate our competitiveness in the Greater Bay Area. We adhered to the customer-centric approach, promoted the in-depth implementation of domestic and overseas integration, strengthened group-oriented business collaboration, and further enhanced our comprehensive financial service capabilities. We focused on efficiency enhancement, compliance and risk control and management empowerment to accelerate the digital and intelligent transformation of investment banks.

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

## MANAGEMENT DISCUSSION AND ANALYSIS

We constantly strengthened the quality control of the whole process of investment banking business, and effectively fulfilled its responsibility as a “gatekeeper” in the capital market. In respect of domestic equity financing, the Company completed eight A share equity financing projects with a lead underwritten amount of RMB8.666 billion; and completed ten listings on the NEEQ during the Reporting Period. As of the end of 2024, the Company sponsored a total of 44 companies listed on the market as the lead brokerage, of which 84.09% were “specialized, sophisticated, distinctive and innovative” enterprises. In 2024, the Company won a number of awards, including the China Securities Industry Junding Award for All-round Investment Banking granted by the Securities Times and the 17th New Fortune Best Refinancing Investment Bank. In respect of overseas equity financing, the Company completed 14 overseas equity financing projects, including 12 Hong Kong IPO projects, with an issue size of US\$6.8 billion; one US IPO project with an issue size of US\$21.89 million; and one refinancing project with an issue size of US\$2.5 billion; and its equity financing business in Hong Kong ranked fourth among Chinese-based securities companies in terms of the total issuance size of IPOs and refinancing projects equally distributed among all underwriters, according to the statistics of Dealogic.

	2024		2023	
	Lead underwritten amount (RMB100 million)	Number of lead underwriters	Lead underwritten amount (RMB100 million)	Number of lead underwriters
<b>A-share item</b>				
Initial public offering (IPO)	<b>8.05</b>	<b>3</b>	20.33	3
Refinancing offering	<b>78.61</b>	<b>5</b>	143.33	14
Total	<b>86.66</b>	<b>8</b>	163.67	17

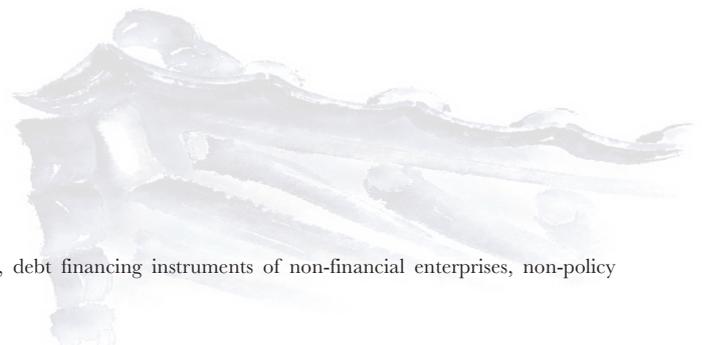
Source: Statistics of the Company, Wind.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (2) Debt financing business

In 2024, in respect of domestic market, the bond market interest rate showed a trend of “fluctuating downward with intensifying shocks”. The issuance amount of major credit bonds<sup>2</sup> was RMB18.28 trillion, representing a year-on-year increase of 9.08%. Specifically, the issuance amount of corporate bonds was RMB3,950.561 billion, representing a year-on-year increase of 2.47%; the issuance amount of debt financing instruments of non-financial enterprises was RMB9,698.934 billion, representing a year-on-year increase of 13.34%; the issuance amount of non-policy financial bonds was RMB4,534.197 billion, representing a year-on-year increase of 10.32%; and the issuance amount of enterprise bonds was RMB60.007 billion, representing a year-on-year decrease of 70.11% (Source: Wind). In respect of overseas market, the US treasury bond market experienced three interest rate cuts in 2024, with a total reduction of 100 basis points, and the market size rebounded. The issuance amount of Chinese-issued overseas bonds was US\$149.939 billion, representing a year-on-year increase of 31.93% (Source: DMI).

During the Reporting Period, the Company steadily enhanced its market position by consolidating resources, leveraging the Group’s synergistic advantages and consistently cultivating key regions, on the basis of a strict control of business development risk. During the Reporting Period, the Company acted as the lead underwriter for 665 tranches of bonds, representing a year-on-year increase of 59.86%, with a lead underwritten amount of RMB296.322 billion, representing a year-on-year increase of 21.22%. The Company ranked 6th in terms of the scale of major credit bonds underwritten by lead underwriter, up by 2 places from the end of previous year. The Company attached great importance to serving national strategies with bond business and facilitated high-quality development with financial power. During the Reporting Period, the Company acted as the lead underwriter for 110 tranches of various science and technology innovation bonds with an underwritten amount of RMB34.479 billion; acted as the lead underwriter for 18 tranches of various low-carbon transformation and green bonds with an underwritten amount of RMB5.631 billion; and acted as the lead underwriter for 5 tranches of rural revitalization bonds with an underwritten amount of RMB1.119 billion. The Company took multiple measures to strengthen the quality control of its practices and received a Class A rating in the 2024 quality evaluation of bond practices of securities companies organized by the Securities Association. In respect of Chinese offshore bond business, 60 bonds were issued with an underwritten amount of US\$11.022 billion.



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

## MANAGEMENT DISCUSSION AND ANALYSIS

	2024		2023	
	Lead underwritten amount (RMB100 million)	Number of offerings (tranches)	Lead underwritten amount (RMB100 million)	Number of offerings (tranches)
<b>Domestic item</b>				
Enterprise bonds	<b>10.08</b>	<b>5</b>	35.16	8
Corporate bonds	<b>1,667.95</b>	<b>395</b>	1,462.04	271
Debt financing instruments of non-financial enterprises	<b>538.74</b>	<b>165</b>	232.69	65
Financial bonds	<b>726.45</b>	<b>99</b>	698.53	71
Exchangeable bonds	<b>20.00</b>	<b>1</b>	16.00	1
Total	<b><u>2,963.22</u></b>	<b><u>665</u></b>	<u>2,444.42</u>	<u>416</u>

Source: Wind.



# MANAGEMENT DISCUSSION AND ANALYSIS

## (3) *Financial advisory business*

In 2024, 112 A share listed companies announced material asset restructuring for the first time, representing a year-on-year increase of 9.80%, with a total transaction amount disclosed of RMB461.263 billion (Source: Wind). Among them, 55 companies made such announcements after the release of the “Six Rules for Mergers and Acquisitions”. With the promulgation of the new “Nine Guidelines for Capital Market”, the “Six Rules for Mergers and Acquisitions” and other policies, merger and acquisition and restructuring have ushered in new opportunities for development as an important way to improve the quality of listed companies and develop new productive forces.

During the Reporting Period, centering around the guidance of national industrial policies, financial policies and regional development policies, the Company practiced the business model of “One Guangfa” by holding a number of large-scale M&A themed events, such as the forum on merger and acquisition of new productive forces and the inaugural conference of the Guangdong capital market M&A alliance, and building a merger and acquisition business ecosystem to provide customers with multi-level and all-round comprehensive services, promoting the orderly circulation of assets and capital. During the Reporting Period, the Company completed five projects in major asset restructuring and financial advisory business that had industry and regional influence, involving a total transaction amount of approximately RMB13.357 billion; and in terms of overseas projects, GF Capital (Hong Kong) completed three financial advisory projects, involving a transaction amount of approximately HK\$1.446 billion. During the Reporting Period, the Company won the “2024 China Securities Industry Junding Award for Financial Advisors on M&A and Restructuring” granted by the Securities Times and the award of the 17th New Fortune Best Refinancing Investment Bank. Two transactions in which the Company acted as buyer’s financial advisor were awarded the 2023-2024 Top Ten Domestic M&A Golden Whistle Award.



# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Wealth management business segment

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

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

As of the end of 2024, the SSE Composite Index, the SZSE Component Index and the ChiNext Index rose by 12.67%, 9.34% and 13.23%, respectively; and the trading volume of stocks and funds in the market was RMB295.84 trillion, representing a year-on-year increase of 22.90%. Hong Kong's Hang Seng Index, Hang Seng China Enterprises Index and Hang Seng Technology Index rose by 17.67%, 26.37% and 18.70%, respectively, as compared to the end of last year; and the average daily trading turnover of the Hong Kong stock market was HK\$131.818 billion, representing a year-on-year increase of 26% (Source: Hong Kong Stock Exchange).

During the Reporting Period, the Company adhered to its main responsibility and main businesses, closely followed its main tone for high-quality development and its digitalization and platform-based strategies, focused on the key development direction for "high-quality customer base and efficient online operation" of the wealth brokerage business, carried out customer development services and standardized operations both online and offline; the Company continued to promote the implementation of a series of reforms on wealth brokerage to provide organizational capabilities, resource allocation and talent support for high-quality development; under the policy guidance for continued declines in rates and interest rates and reductions in the commissions and fees of public funds, the Company unwaveringly accelerated its transformation into a buy-side investment adviser to stay highly aligned with the interests of investors. The Company adhered to the principle of "the Company will not carry out those businesses if it is not clear how to carry out and control them", and strictly adhered to the bottom line of compliance. In respect of domestic market, as of the end of December 2024, the total balance of financial products sold by Company on a commission basis exceeded RMB260 billion, representing an increase of approximately 22% as compared to the end of last year; according to the statistics of the Securities Association of China, a total of more than 4,600 employees were qualified as investment advisors, ranking first in the industry (based on data of parent company). The turnover of the Company's SSE and SZSE stock and funds amounted to RMB23.95 trillion (bilateral statistics), representing a year-on-year increase of 28.98%. In the overseas market, the Group further diversified its product offerings and continued to transform into wealth management with net sales income and balance of financial products and commissions for multi-market transactions achieving a year-on-year growth.

# MANAGEMENT DISCUSSION AND ANALYSIS

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

Item	January to December 2024		January to December 2023	
	Trading volume as agent (RMB100 million)	Market share (%)	Trading volume as agent (RMB100 million)	Market share (%)
Stocks	198,940.41	3.86	157,905.56	3.71
Funds	40,528.34	5.32	27,764.80	5.00
Bonds	534,989.53	4.85	498,176.72	4.94
Total trading volume	<u>774,458.29</u>	<u>4.57</u>	<u>683,847.08</u>	<u>4.59</u>

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

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

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

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

Type	Total sales amount for the period (RMB100 million)	Total redeemed amount for the period (RMB100 million)
Fund products	2,030.14	1,601.24
Trust products	638.69	538.30
Other financial products	6,890.10	6,756.94
Total	<u>9,558.93</u>	<u>8,896.48</u>

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## **(2) *Futures brokerage business***

In 2024, on a unilateral basis, the cumulative trading volume of the futures market was RMB619.26 trillion, representing a year-on-year increase of 8.93%, of which the cumulative trading volume of commodity futures was RMB428.33 trillion, representing a year-on-year decrease of 1.61%; the cumulative trading volume of financial futures was RMB190.93 trillion, representing a year-on-year increase of 43.37% (Source: China Futures Association).

During the Reporting Period, GF Futures insisted on strengthening its main responsibilities and main businesses and explored the industry chain and value chain with a year-on-year increase in the market share in terms of both trading volume and turnover and steady development of its domestic and overseas business. During the Reporting Period, the market share of GF Futures in terms of trading volume was 2.12%, representing an increase of 0.60 percentage point as compared to the same period of last year; the market share of trading turnover was 2.08%, representing an increase of 0.51 percentage point as compared to the same period of last year; the consolidated operating income and net profit of overseas subsidiaries of GF Futures achieved year-on-year growth; and the GF Futures (Hong Kong) was awarded the “Top Five Chinese Futures Brokers” by the Singapore Exchange for SGX Iron Ore Derivatives and SGX USD/CNH Futures in 2024.

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

As of the end of December 2024, the balance of margin financing and securities lending in the entire market was RMB1,864.583 billion, representing an increase of 12.94% as compared to the end of last year (Source: Wind).

During the Reporting Period, the Company adhered to the principle of customer-centricity, continued to improve the quality and efficiency of customer services and standardized business development. As of the end of December 2024, the balance of margin financing and securities lending of the Company was RMB103.686 billion, representing an increase of 16.52% as compared to the end of last year, with a market share of 5.56%.

# MANAGEMENT DISCUSSION AND ANALYSIS

## **(4) Repurchase transaction business**

During the Reporting Period, the Company steadily carried out the stock pledge business, strictly implemented various measures on duration management and continued to optimize asset structure. As of the end of December 2024, the balance of the exchange traded Stock Pledged Repo Transaction business carried out by the Company through its owned funds was RMB9.455 billion, representing a decrease of 23.29% as compared to the end of 2023.

## **(5) Financial leasing business**

During the Reporting Period, GFFL continued to strengthen the construction and optimization of its comprehensive risk management system. As of the end of December 2024, the net amount of the lease receivables amounted to RMB14 million.

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

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

### **(1) Equity investment and trading business**

The equity investment and trading business of the Company is mainly engaged in stock investment and trading.

In 2024, the major stock indices in the A-share market showed a positive annual growth rate. Benefiting from the policy support in the second half of the year, stocks of securities firms and insurance industry generally rose. The communications industry continued to rise with the development of artificial intelligence and the increase in AI capital expenditures of related enterprises. Sectors such as pharmaceuticals and biology, agriculture, forestry, animal husbandry and fishery and beauty care experienced general declines.

During the Reporting Period, in respect of equity investment, the Company adhered to the value investment approach, strengthened the combination of top-down macro-strategy with the research of the industry and individual stocks, and used multi-strategy investment tools to reduce the fluctuation of investment income, achieving good investment performance.



# MANAGEMENT DISCUSSION AND ANALYSIS

## **(2) Fixed income sales and trading business**

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

In 2024, the domestic monetary policy was moderately loose while the fiscal policy was actively strengthened; the high level of overseas inflation cooled down, and the Federal Reserve was still in the cycle of cutting interest rates. ChinaBond – New Composite Wealth Index (Full Price) increased by 7.61% as compared with the end of the previous year; the interest rate of the 10-year Treasury Bond was 1.68%, down 88bp from the end of the previous year; the interest rate of the 10-year U.S. Treasury Bond was 4.57%, up 64bp as compared with the end of the previous year; Chinese issued US Dollar-denominated Bond Index increased by 6.48% as compared with the end of the previous year (Source: Wind, Bloomberg).

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

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

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

In 2024, the OTC derivatives market continued to develop in a standardized and healthy direction. The new “Nine Guidelines for Capital Market” propose to “establish a fast-track approval channel for exchange traded funds (ETFs) to promote the development of index investment”, and the domestic ETF fund market scale has been further expanded.

During the Reporting Period, as a primary dealer of OTC derivatives business, based on its professional advantages in derivatives pricing and trading, the Company continued to strengthen the construction of team and system, enhanced product creation, strategy innovation and trading and sales capabilities, and diversified and expanded its product system, types of underlying products and revenue structure, so as to

# MANAGEMENT DISCUSSION AND ANALYSIS

continuously provide institutional customers with asset allocation and risk management solutions through OTC derivatives. The market-making business of the Company continued to be in the first echelon of the market, providing market-making services for more than 800 funds and all ETF options of the SSE and SZSE, market-making services for CSI 300 stock index options and CSI 1000 stock index options of the China Financial Futures Exchange, and market-making services for 43 NEEQ companies. During the Reporting Period, the Company issued 84,691 private equity products through the China Securities Inter-agency Quotation System and OTC market, with a total amount of RMB900.744 billion. The Company became the lead market maker for stock index options of the China Financial Futures Exchange, and was granted the SSE's 2023 Stock Option Market Development Contribution Award (Outstanding Option Market Maker Award and Contribution to New Option Varieties Award), the SZSE's 2023 Outstanding ETF Liquidity Provider Award and Outstanding Option Market Maker Award, and the CFFEX's 2023 Outstanding Stock Index Option Market Maker Award (Bronze Award).

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

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

In 2024, the number of investment cases in China's equity investment market was 6,545, representing a year-on-year decrease of 7.9%; the total investment scale was RMB638.071 billion, representing a year-on-year decrease of 10.3%; the number of exit cases was 3,696, representing a year-on-year decrease of 6.3% (Source: Zero2IPO Research).

During the Reporting Period, GF Qianhe focused on hard technology, AI+, advanced manufacturing, healthcare, special opportunity investment and other major fields. As of the end of 2024, the accumulated number of projects invested by GF Qianhe was 323.



# MANAGEMENT DISCUSSION AND ANALYSIS

## (5) *Investment research business*

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

During the Reporting Period, the Group continued to promote the implementation of the research-driven business model and gave full play to the empowerment and promotion effect of research on the Company's core business. As of the end of December 2024, the Group's equity research covered 28 industries and 993 A-share listed companies in China, and 169 Hong Kong and overseas listed companies. The Company achieved research results based on digital means such as GF research portal and mini programs, continued to explore in the direction of intelligence, and strived to build a multi-platform, multi-channel and multi-dimensional customer service system. During the Reporting Period, the industrial research institute of the Company continued to build an ecosystem of production, learning, research, investment and financing integration, empowered the development of various business segments, provided research support for policy formulation and industrial planning of government departments, and explored the establishment of industrial incubation and transformation cooperation mechanism with key scientific research universities to play a role as a bridge of "technology-finance-industry".

The outstanding research capacity of the Company enjoys a high reputation in the industry and received numerous honors. From 2017 to 2024, the Company has won awards from mainstream organizations and ranked among the top: Best Analyst of Securities Times (證券時報最佳分析師), Best Analyst of New Fortune (新財富最佳分析師), China Securities Industry Analyst Golden Bull Award (中國證券業分析師金牛獎), Sell-side Analyst Crystal Ball Award (賣方分析師水晶球獎), Best Analyst of Shanghai Securities News, the Golden Kirin (金麒麟) Best Analyst of Sina Finance, the Gold Analysts of the 21st Century (21世紀金牌分析師), etc. In 2024, focusing on the main line of Chinese-style modernization, the Company held large-scale strategy conferences such as "Focusing on New Quality Productivity", "Strengthening the Foundation and Cultivating the Roots" and "Forseeing 2025" to build a communication platform between listed companies and institutional investors to serve the development of the real economy; it also held an investment strategy seminar in Hong Kong, with a focus on serving overseas institutional investors.

## (6) *Asset custody business*

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

# MANAGEMENT DISCUSSION AND ANALYSIS

In 2024, the new “Nine Guidelines for Capital Market” clearly require the vigorous development of equity public funds, promote the development of indexed investment, and support the steady development of private securities investment funds and private asset management business. The scale of public funds continued to increase, breaking historical records for many times during the year. The Guidelines for the Operation of Private Securities Investment Funds (《私募證券投資基金運作指引》) emphasized the responsibility of entrusted management and further regulated the development of private fund business.

During the Reporting Period, the Company continued to promote the layout of public fund products, focusing on the custody of indexed public funds; actively implemented the new regulations on private funds, and provided professional services to fund managers. The Company strengthened the construction of basic systems, improved comprehensive service and risk management capabilities, and promoted the steady development of asset custody business. As of the end of December 2024, the Company had 3,775 custody products and 4,367 products of fund operation outsourcing services. According to Wind, the Company ranked fifth in the industry in terms of the scale of custody of public funds.

#### 4. Investment management business segment

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

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

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

In the 2024, the asset management business of securities firms actively responded to the policy calls such as the new “Nine Guidelines for Capital Market”, actively returned to the origin of the industry, continuously improved the professional level, and steadily promoted the standardized transformation.



# MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, GF Asset Management insisted on playing the role of “manager” of social wealth, continuously strengthened the construction of investment and research system, improved the ability of active management, and actively promoted product creation and business expansion. The scale of assets under management has increased. As of the end of December 2024, the net value of collective asset management schemes, single asset management schemes and specific asset management schemes of GF Asset Management increased by 30.11%, 1.31% and 205.34%, respectively, as compared with the end of 2023, and its total scale increased by 23.87% as compared with the end of 2023.

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

	Net value of asset management (RMB100 million)	
	December 31, 2024	December 31, 2023
Collective asset management business	<b>1,543.83</b>	1,186.55
Single asset management business	<b>811.70</b>	801.24
Specific asset management business	<b>179.62</b>	58.83
Total	<b>2,535.16</b>	2,046.62

Source: Statistics of the Company.

As of the end of December 2024, there were 41 asset management schemes managed by GF Futures, with a total asset under management of RMB1.844 billion.

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## (2) *Public fund management business*

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

In 2024, the public fund industry as a whole showed a steady and sound development trend. Under the guidance of the new “Nine Guidelines for Capital Market” and a series of ancillary policies, fund companies further enhanced the play of their functions, steadily reduced the comprehensive fee rate, promoted the optimization of a more customer-centric industry ecosystem, and actively served the residential wealth management and the development of the real economy. As of the end of December 2024, the net assets of the public fund management business totaled RMB32.83 trillion, representing an increase of 18.93% from that at the end of 2023 (Source: Asset Management Association of China).

GF Fund is one of the investment managers of the National Social Security Fund and Basic Pension Insurance Fund. It also provides asset management services for insurance companies, financial companies, other institutional investors and general investors. In addition, GF Fund can invest the capital raised domestically in overseas capital market through QDII and QDLP, and invest capital raised from overseas markets in China’s capital market in the forms of QFII and RQFII through GF International Investment Management Limited, its wholly-owned subsidiary. During the Reporting Period, GF Fund adhered to the main line of high-quality development and continued to strengthen the construction of its core capabilities of investment research, improved the richness and quality of asset supply, and further enhanced the level of professional customer services. As of the end of December 2024, the public funds managed by GF Fund in aggregate reached RMB1,465.507 billion, representing an increase of 19.93% as compared to the end of 2023, and the total fund size excluding money market funds amounted to RMB840.356 billion, ranking third in the industry (Source: Wind, Statistics of the Company).

E Fund is one of the investment managers of the National Social Security Fund and Basic Pension Insurance Fund. It also provides asset management services for insurance companies, financial companies, enterprise annuity, other institutional investors and general investors. In addition, E Fund can invest capital raised domestically in overseas capital market through QDII, and invest capital raised from overseas markets in China’s capital market in the forms of QFII and RQFII through E Fund Management (HK) Co., Ltd., its wholly-owned subsidiary. During the Reporting Period, E Fund adhered to its original aspiration, focused on its main business, put functionality first, and did a good job in the “five major areas” of finance. The Company continued to enhance its core capabilities in investment research, and continuously optimized diversified products and services to meet the needs of investors. It steadily promoted the globalization strategy to better serve the real economy and the wealth management needs of residents. As of the end of December 2024, the public funds managed by E Fund in aggregate reached RMB2,053.608 billion, representing an increase of 22.43% as compared to the end of 2023, and the total fund size excluding money market funds amounted to RMB1,430.981 billion, ranking first in the industry (Source: Wind, Statistics of the Company).

# MANAGEMENT DISCUSSION AND ANALYSIS

## (3) Private fund management business

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

In 2024, the State Council promulgated Several Policies and Measures for Promoting the High-Quality Development of Venture Capital (《促進創業投資高質量發展的若干政策措施》), pursuant to which the State shall focus on the whole chain of “raising, investment, management and exit” of venture capital, further improve the policy environment and management system and actively support venture capital in growing bigger and stronger. There were 3,981 new offering funds in the equity investment in the PRC, representing a year-on-year decrease of 43.0%; the total amount of new funds exceeded RMB1,440.0 billion, representing a year-on-year decrease of 20.8% (Source: Zero2IPO Research).

During the Reporting Period, GF Xinde focused on such industries as biomedicine, intelligent manufacturing, new energy and corporate services. As of the end of 2024, the paid-in funds under management by GF Xinde amounted to approximately RMB17 billion. In the overseas market, GF Investments (Hong Kong) managed four equity investment fund products, and has completed investment mainly in fields of high-end manufacturing, TMT, big consumption and biomedical. Several investment projects have exited by way of mergers and acquisitions or been listed on the stock exchanges in Hong Kong, the United States and other regions.

## III. ANALYSIS ON FINANCIAL STATEMENTS

### 1. Analysis on Consolidated Statement of Profit or Loss

#### (1) Revenue composition

Unit: RMB' 000

Item	2024	2023	Amount increased/ decreased	Percentage increased/ decreased
Commission and fee income	<b>15,002,481</b>	14,814,495	187,986	1.27%
Interest income	<b>12,574,359</b>	13,546,682	-972,323	-7.18%
Net investment gains	<b>7,806,602</b>	3,731,495	4,075,107	109.21%
Other income and gains or losses	<b>1,962,501</b>	1,205,681	756,820	62.77%
Total revenue and other income	<b>37,345,943</b>	33,298,353	4,047,590	12.16%

In 2024, total revenue and other income of the Group was RMB37,346 million, representing an increase of 12.16% as compared with RMB33,298 million for 2023.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Commission and fee income

Unit: RMB '000

Item	2024	2023	Amount increased/ decreased	Percentage increased/ decreased
Securities brokerage business commission and fee income	<b>6,260,425</b>	5,526,104	734,321	13.29%
Asset management and fund management fee income	<b>6,885,232</b>	7,727,649	-842,417	-10.90%
Underwriting and sponsorship fee income	<b>705,462</b>	532,961	172,501	32.37%
Futures brokerage business commission and fee income	<b>645,875</b>	549,094	96,781	17.63%
Consultancy and financial advisory fee income	<b>186,508</b>	162,179	24,329	15.00%
Others	<b>318,979</b>	316,508	2,471	0.78%
<b>Total commission and fee income</b>	<b><u>15,002,481</u></b>	<b><u>14,814,495</u></b>	<b><u>187,986</u></b>	<b><u>1.27%</u></b>

The change in total revenue and other income was reflected in the commission and fee income of RMB15,002 million in 2024, which has increased by RMB188 million or 1.27% as compared with 2023, mainly due to an increase of RMB734 million in securities brokerage business commission and fee income and an increase of RMB173 million in underwriting and sponsorship fee income in 2024 over 2023, partly offset by a decrease of RMB842 million in asset management and fund management fee income in 2024 over 2023.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Interest income

Unit: RMB ' 000

Item	2024	2023	Amount increased/ decreased	Percentage increased/ decreased
Margin financing and securities lending	<b>5,050,124</b>	5,596,926	-546,802	-9.77%
Debt instruments at fair value through other comprehensive income	<b>2,981,917</b>	3,680,127	-698,210	-18.97%
Deposits with exchanges and financial institutions	<b>3,725,081</b>	3,514,397	210,684	5.99%
Financial assets held under resale agreements	<b>783,219</b>	702,525	80,694	11.49%
Debt instruments at amortized cost	<b>7,238</b>	25,962	-18,724	-72.12%
Others	<b>26,780</b>	26,745	35	0.13%
<b>Total interest income</b>	<b><u>12,574,359</u></b>	<u>13,546,682</u>	<u>-972,323</u>	<u>-7.18%</u>

The change in total revenue and other income was reflected in the interest income of RMB12,574 million in 2024, which has decreased by RMB972 million or 7.18% as compared with 2023, mainly attributable to a year-on-year decrease in the interest incomes from debt instruments at fair value through other comprehensive income and margin financing and securities lending of RMB698 million and RMB547 million, respectively, partially offset by a year-on-year increase in the interest incomes from deposits with exchanges and financial institutions of RMB211 million.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Net Investment Gains

Unit: RMB '000

Item	2024	2023	Amount increased/ decreased	Percentage increased/ decreased
Net realized gains from disposal of financial instruments at fair value through other comprehensive income	851,985	176,193	675,792	383.55%
Net realized gains from disposal of financial instruments at fair value through profit or loss	1,649,108	-260,814	1,909,922	—
Dividend income and interest income from financial instruments at fair value through profit or loss	4,803,317	4,274,546	528,771	12.37%
Dividend income from financial instruments at fair value through other comprehensive income	1,302,544	366,463	936,081	255.44%
Net realized gains from derivatives	-827,262	16,262	-843,524	—
Unrealized fair value changes of financial instruments at fair value through profit or loss	22,700	-841,155	863,855	—
Others	4,210	—	4,210	—
<b>Total net investment gains</b>	<b>7,806,602</b>	<b>3,731,495</b>	<b>4,075,107</b>	<b>109.21%</b>

The change in total revenue and other income was reflected in the net investment gains in 2024 of RMB7,807 million, representing an increase of RMB4,075 million or 109.21% as compared with 2023, mainly attributable to the increase in net realized gain from disposal and unrealized fair value changes of financial instruments at fair value through profit or loss.

The change in total revenue and other income was reflected in the other income and gains in 2024 of RMB1,963 million, representing an increase of RMB757 million or 62.77% as compared with that of 2023, mainly attributable to reversal of provisions and increase in commodity trading income.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (2) Expenses composition

Unit: RMB '000

Item	2024	2023	Amount increased/ decreased	Percentage increased/ decreased
Depreciation and amortization	<b>1,022,205</b>	929,475	92,730	9.98%
Staff costs	<b>9,579,778</b>	8,772,983	806,795	9.20%
Commission and fee expenses	<b>292,029</b>	302,152	-10,123	-3.35%
Interest expenses	<b>10,225,907</b>	10,410,661	-184,754	-1.77%
Other operating expenses	<b>5,219,761</b>	4,754,677	465,084	9.78%
Credit impairment losses	<b>-64,681</b>	95,485	-160,166	—
Other assets impairment losses	<b>4,572</b>	3,627	945	26.05%
<b>Total expenses</b>	<b><u>26,279,571</u></b>	<u>25,269,060</u>	<u>1,010,511</u>	<u>4.00%</u>

In 2024, total expenses of the Group were RMB26,280 million, representing an increase of 4.00% as compared with RMB25,269 million in 2023. The change in total expenses was mainly reflected in (1) the year-on-year increase in staff costs of RMB807 million, primarily attributable to the increase in the provision on salaries, bonuses and allowances; (2) the year-on-year increase in other operating expenses of RMB465 million, primarily attributable to the increase in commodity trading costs.

In 2024, the Group realized net profit attributable to owners of the Company of RMB9,637 million, representing a year-on-year increase of 38.11%; basic earnings per share were RMB1.15, representing a year-on-year increase of 38.55%; return on weighted average net assets was 7.44%, representing a year-on-year increase of 1.78 percentage points.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Analysis on Consolidated Statement of Financial Position

Unit: RMB ' 000

	December 31, 2024	Composition	December 31, 2023	Composition	Amount increased/ decreased	Percentage increased/ decreased
<b>Non-current assets</b>	<b>50,096,104</b>	<b>6.60%</b>	33,654,789	4.93%	16,441,315	48.85%
Of which: Equity instruments						
at fair value through other comprehensive income	22,317,775	2.94%	5,696,951	0.84%	16,620,824	291.75%
Investments in associates	8,912,004	1.17%	7,249,310	1.06%	1,662,694	22.94%
Financial assets at fair value through profit or loss	8,844,547	1.17%	10,066,050	1.48%	-1,221,503	-12.13%
Property and equipment	3,271,412	0.43%	3,230,375	0.47%	41,037	1.27%
Investment in joint ventures	2,097,754	0.28%	1,981,901	0.29%	115,853	5.85%
Right-of-use assets	1,999,128	0.26%	2,024,845	0.30%	-25,717	-1.27%
Deferred tax assets	1,855,661	0.24%	2,562,495	0.38%	-706,834	-27.58%
<b>Current assets</b>	<b>708,649,005</b>	<b>93.40%</b>	648,526,890	95.07%	60,122,115	9.27%
Of which: Financial assets at fair value						
through profit or loss	233,976,850	30.84%	206,002,361	30.20%	27,974,489	13.58%
Bank balances	169,395,629	22.33%	118,815,211	17.42%	50,580,418	42.57%
Advances to customers	108,919,686	14.36%	91,107,898	13.36%	17,811,788	19.55%
Debt instruments at fair value through other comprehensive income	104,334,355	13.75%	139,295,121	20.42%	-34,960,766	-25.10%
Clearing settlement funds	35,188,242	4.64%	34,510,389	5.06%	677,853	1.96%
Deposits with exchanges and non-bank financial institutions	22,681,989	2.99%	21,252,801	3.12%	1,429,188	6.72%
Financial assets held under resale agreements	20,565,244	2.71%	19,701,054	2.89%	864,190	4.39%
<b>Total assets</b>	<b>758,745,109</b>	<b>100.00%</b>	682,181,679	100.00%	76,563,430	11.22%

## MANAGEMENT DISCUSSION AND ANALYSIS

	December 31, 2024	Composition	December 31, 2023	Composition	Amount increased/ decreased	Percentage increased/ decreased
<b>Current liabilities</b>	<b>527,275,824</b>	<b>87.06%</b>	470,235,108	86.84%	57,040,716	12.13%
Of which: Accounts payable to						
brokerage clients	<b>175,339,655</b>	<b>28.95%</b>	132,010,529	24.38%	43,329,126	32.82%
Financial assets sold under						
repurchase agreements	<b>171,313,952</b>	<b>28.29%</b>	153,748,802	28.39%	17,565,150	11.42%
Short-term financing payables	<b>71,983,519</b>	<b>11.89%</b>	45,363,288	8.38%	26,620,231	58.68%
Other accounts payable,						
other payables and accruals	<b>36,675,423</b>	<b>6.06%</b>	43,252,310	7.99%	-6,576,887	-15.21%
Bonds payable	<b>32,688,789</b>	<b>5.40%</b>	39,872,687	7.36%	-7,183,898	-18.02%
Due to banks and other						
financial institutions	<b>14,605,858</b>	<b>2.41%</b>	22,653,003	4.18%	-8,047,145	-35.52%
Financial liabilities at fair value						
through profit or loss	<b>7,661,116</b>	<b>1.26%</b>	15,768,777	2.91%	-8,107,661	-51.42%
<b>Net current assets</b>	<b>181,373,181</b>		178,291,782		3,081,399	1.73%
<b>Non-current liabilities</b>	<b>78,383,903</b>	<b>12.94%</b>	71,270,861	13.16%	7,113,042	9.98%
Of which: Bonds payable	<b>70,602,188</b>	<b>11.66%</b>	63,707,808	11.76%	6,894,380	10.82%
<b>Total liabilities</b>	<b>605,659,727</b>	<b>100.00%</b>	541,505,969	100.00%	64,153,758	11.85%
<b>Total equity</b>	<b>153,085,382</b>		140,675,710		12,409,672	8.82%

As of December 31, 2024, total assets of the Group were RMB758,745 million, representing an increase of RMB76,563 million or 11.22% as compared with that at the end of last year; total liabilities were RMB605,660 million, representing an increase of RMB64,154 million or 11.85% as compared with that at the end of last year. Non-current assets were RMB50,096 million, representing an increase of 48.85% as compared with that at the end of last year, primarily attributable to the increase in the scale of equity instruments at fair value through other comprehensive income; current assets were RMB708,649 million, representing an increase of 9.27% as compared with that at the end of last year; current liabilities were RMB527,276 million, representing an increase of 12.13% as compared with that at the end of last year; and non-current liabilities were RMB78,384 million, representing an increase of 9.98% as compared with that at the end of last year.

# MANAGEMENT DISCUSSION AND ANALYSIS

Among the Group's assets, each of financial assets at fair value through profit or loss, bank balances, advances to customers and debt instruments at fair value through other comprehensive income had a relatively high proportion, accounting for 32.00%, 22.33%, 14.36% and 13.75% of total assets of the Group, respectively, and collectively accounting for 82.44% of total assets of the Group. Financial assets at fair value through profit or loss increased by RMB26,753 million or 12.38% as compared with that at the end of last year, primarily attributable to the increase in the scale of investments in debt securities; bank balances increased by RMB50,580 million or 42.57% as compared with that at the end of last year, primarily attributable to the increase in customer bank balances; advances to customers increased by RMB17,832 million or 19.57% as compared with that at the end of last year, primarily attributable to the increase in the scale of margin financing business; and debt instruments at fair value through other comprehensive income decreased by RMB34,961 million or 25.10% as compared with that at the end of last year, primarily attributable to the decrease in the scale of debt securities.

Among the Group's liabilities, each of accounts payable to brokerage clients, financial assets sold under repurchase agreements, bonds payable and short-term financing payables had a relatively high proportion, accounting for 28.95%, 28.29%, 17.05% and 11.89% of total liabilities of the Group, respectively, and collectively accounting for 86.18% of total liabilities of the Group. Accounts payable to brokerage clients increased by RMB43,329 million or 32.82% as compared with that at the end of last year, primarily attributable to the increase in customer deposits; financial assets sold under repurchase agreements increased by RMB17,565 million or 11.42% as compared with that at the end of last year, primarily attributable to the increase in scale of outright sale and repurchase agreements; bonds payable decreased by RMB290 million or 0.28% as compared with that at the end of last year, primarily attributable to the partial repayment of structured notes at maturity; and short-term financing payables increased by RMB26,620 million or 58.68% as compared with that at the end of last year, primarily attributable to the new issue of short-term corporate bonds.

As of December 31, 2024, the Group's equity attributable to owners of the Company was RMB147,602 million, representing an increase of RMB11,884 million or 8.76% as compared with that as of the end of last year. Excluding the effect of accounts payable to brokerage clients, the Group's gearing ratio was 73.76%, representing a decrease of 0.67 percentage point as compared with 74.43% as of the end of last year, while the Group's assets and liabilities structure remained relatively stable.



# MANAGEMENT DISCUSSION AND ANALYSIS

## Borrowings and debt financing

As at the end of the Reporting Period, the Company's own debts included short-term borrowings, short-term financing payables, amounts due to banks and other financial institutions, financial assets sold under repurchase agreements, long-term borrowings and bonds payable, totalling RMB365,519 million, of which, debts with financing term less than one year (inclusive) were RMB262,228 million and debts with financing term more than one year were RMB103,291 million, representing 71.74% and 28.26% of the aforesaid total debts, respectively.

Save as disclosed in this report, as of December 31, 2024, the Group did not have any outstanding mortgages, pledges, debentures, loan capital, bank overdrafts, borrowings or other similar debts or liabilities under acceptances or letter of credits, any guarantees or other material contingent liabilities.

### 3. Analysis on the Consolidated Statement of Cash Flow

As of December 31, 2024, cash and cash equivalents of the Group amounted to RMB32,238 million, representing an increase of 48.28% as compared with RMB21,741 million as at the end of 2023. Of which, net cash used in operating activities in 2024 was RMB30,467 million, representing an increase of 1,195.14% from RMB2,352 million in 2023, and the change was mainly due to the decrease in net cash inflows from financial assets sold under repurchase agreements and amounts due to banks and other financial institutions; net cash from investing activities in 2024 was RMB25,179 million, representing an increase of 653.26% from RMB3,343 million in 2023, and the change was mainly due to the increase in net cash inflow from the disposal of financial instruments at fair value through other comprehensive income; and net cash from financing activities in 2024 was RMB15,717 million, representing an increase of 860.47% from RMB1,636 million in 2023, and the change was mainly due to the increase in cash inflow from short-term financing payables and bonds issued.

### 4. Explanation of Changes in the Consolidation Scope of Financial Statements

#### (1) Subsidiaries excluded from the scope of consolidation during the current year

Please refer to the Note "71.4 Deconsolidated subsidiaries" of the Notes to the Consolidated Financial Statements.

#### (2) Consolidated structured entities

Please refer to the Note "71.3 Consolidated structured entities" of the Notes to the Consolidated Financial Statements.

### 5. Change in Principal Accounting Policies and Accounting Estimates

The changes in the Company's principal accounting policies during the Reporting Period are set forth in details in the Note "2.3 Changes in accounting policies and disclosures" of the Notes to the Consolidated Financial Statements; there were no changes in accounting estimates or significant accounting errors requiring rectification occurred in the Company.

### 6. Restricted Asset Rights as of the End of the Reporting Period

Restricted asset rights as of the end of the Reporting Period are set forth in details in the Note "43. Restricted Asset Rights" of the Notes to the Consolidated Financial Statements.

# MANAGEMENT DISCUSSION AND ANALYSIS

## IV. ANALYSIS ON FINANCING CHANNELS AND SHORT-TERM AND LONG-TERM LIABILITY STRUCTURES

### 1. Financing channels

Financing instruments of the Group include debt financing instruments and equity financing instruments. The types of financing available include: interbank lending, bond repurchase, repurchase of bills, margin refinancing, income certificates, bonds issued on the interbank and exchange markets, bonds and notes issued overseas, new issuance and rights issue, etc. The Group carried out short-term and long-term financing through designated trading venues based on its own needs in accordance with relevant policies, regulations and market conditions.

In 2024, the Group raised funds by means of various financing instruments, including but not limited to interbank lending, bond repurchase, repurchase of bills, margin refinancing, income certificates, and the Group issued 16 short-term corporate bonds, 14 corporate bonds, 1 subordinated bond, 2 perpetual subordinated bonds and 1 offshore USD bond.

### 2. Liability structure

At the end of the Reporting Period, the ratio of net assets to liabilities of the Company was 34.38% and the ratio of net capital to liabilities of the Company was 25.06%.

The Company had no outstanding debts that were due, with good operating conditions, strong profitability, abundant cash flow and relatively low financial risks. For details of liability structure, please refer to “III. Analysis on Financial Statements – 2. Analysis on Consolidated Statement of Financial Position – Borrowings and Debt Financing” in this section.

### 3. Liquidity management measures and policies

The Company has been paying attention to liquidity safety and managing funds based on the principles of liquidity, safety, and benefits. The Company realizes reasonable matching between the source of funds and the structure and term of the application of funds through forward-looking and flexible financing arrangement. The Company defines the size limit and risk limit for each of the business lines and carries out dynamic monitoring on the net capital and risk control indicators to ensure that all indicators including liquidity risk regulation indicator continue to meet the regulatory requirements. The Company performs well in all business lines with good assets quality, which fundamentally guarantees the liquidity of assets. The Company has also established a liquidity reserve with sufficient high-liquidity assets to meet the Company’s emergency demand for liquidity.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 4. Analysis on financing capacity

As an A+H dual-listed securities company, the Company has smooth equity financing and debt financing channels within the PRC and abroad and is able to raise money from domestic and global markets. The Company operates its business healthily and has good creditworthiness. As of the end of 2024, the Company has been awarded a long-term issuer rating of BBB with a “Stable” outlook and a short-term issuer rating of A-2 by the international credit rating agency S&P Global Ratings; it has been awarded a long-term issuer rating of BBB with a “Stable” outlook by Fitch Ratings.

In recent years, the Company has constantly increased the number of financing channels and counterparties with sufficient liquidity resources available to use. The Company maintains good cooperative relationship with multiple financial institutions, having a large credit scale with the financing counterparties.

## 5. Contingencies and their influence

As at the end of the Reporting Period, the Company provided guarantee for overseas loans of its indirectly wholly-owned subsidiary, GF Financial Markets (UK), and for the issuance of overseas bonds of its offshore indirectly wholly-owned subsidiaries. For details, please refer to “XIII. Major Contracts and Their Performance – 2. Material Guarantees” of Section 8 in this report. Save as disclosed in this report, the Company has no contingencies such as the provision of assets guarantee, mortgage, pledge to any related party or third party, nor any financial commitments.

## V. ANALYSIS ON INVESTMENT CONDITIONS

### 1. General

Investment in the Reporting Period (RMB)	Investment in the same period of last year (RMB)	Change
2,559,220,000.00	—	—

Note: The investment amount in the Reporting Period represents the new investment of the Company in its subsidiaries, namely GFHK and GF Futures.

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

N/A

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

N/A

# MANAGEMENT DISCUSSION AND ANALYSIS

## 4. Financial asset investment

### (1) Security investment

Unit: RMB' 0,000

Securities type	Securities code	Securities short name	Investment cost	Accounting measurement mode	Book value at the beginning of the period	Profit and loss from the fair value change of the period	Accumulative fair value change accounted into equity	Purchase amount of the period	Sales amount of the period	Profit and loss in the Reporting Period	Book value at the end of the period	Accounting subject	Fund source
Bond	112405397.BB	24 China Construction Bank CD397	491,642.00	Measured at fair value	-	575.50	-	491,642.00	-	942.00	492,384.00	Held for trading	Self-owned
Other	N/A	WeShare Asset Management QFI Discretionary Managed Account - GF - Foreign Currency Guangfa Huoqiao Money Market Fund B	303,240.08	Same as above	-	78,103.34	-	371,496.75	67,803.93	78,103.34	382,396.16	Held for trading	Self-owned
Fund	003281.OF	GF Money Market Fund B	375,070.58	Same as above	621,545.72	-	-	827,830.12	1,087,227.22	14,724.67	376,873.29	Held for trading	Self-owned
Fund	270014.OF	GF Money Market Fund B	303,549.51	Same as above	413,222.35	-	-	602,320.30	720,996.16	8,996.45	303,551.94	Held for trading	Self-owned
Bond	112410802.BB	24 Industrial Bank CD392	294,984.90	Same as above	-	318.00	-	294,986.64	-	689.16	295,687.80	Held for trading	Self-owned
Bond	112402175.BB	(24 興業銀行 CD392) 24 Industrial and Commercial Bank of China CD175	295,189.30	Same as above	-	155.40	-	295,189.30	-	261.00	295,449.30	Held for trading	Self-owned
Bond	200005.BB	(24 工商銀行 CD175) 20 Interest-bearing Treasury Bond 05	287,435.74	Same as above	327,944.96	-1,400.23	992.80	242,218.11	65,984.00	7,753.94	283,995.91	Held for trading/other debt investments	Self-owned

# MANAGEMENT DISCUSSION AND ANALYSIS

Securities type	Securities code	Securities short name	Investment cost	Accounting measurement mode	Book value at the beginning of the period	Profit and loss from the fair value change of the period	Accumulative fair value change accounted into equity	Purchase amount of the period	Sales amount of the period	Profit and loss in the Reporting Period	Book value at the end of the period	Accounting subject	Fund source
Bond	220002.BB	22 Interest-bearing Treasury Bond 02	260,817.03	Same as above	203,666.32	89.32	6,720.88	91,683.01	33,018.06	5,171.76	273,484.15	Held for trading/other debt investments	Self-owned
Bond	200001.BB	Treasury Bond A	236,918.10	Same as above	240,686.94	-	1,626.43	-	5,711.70	5,892.18	241,535.90	Other debt investments	Self-owned
Other	N/A	Guosen Securities (Hong Kong) Asset Management QFII Discretionary Managed Account - GF - Foreign Currency	224,371.61	Same as above	-	16,383.91	-	224,619.47	-	16,383.91	241,003.38	Held for trading	Self-owned
Other securities investment held at the end of the period			32,338,661.87	-	34,815,954.85	-97,555.35	342,347.16	N/A	N/A	984,636.13	32,529,839.07	-	-
Total			35,491,879.72	-	36,623,021.34	-3,330.11	351,687.27	N/A	N/A	1,073,554.54	35,726,660.90	-	-

Note 1: This table is sorted by the ratio of the book value at the end of the period to the total securities investment of the Group at the end of the period and only contains the top ten securities held by the Group at the end of the period. Other securities investments refer to investments in other securities other than the top ten securities. Any single securities investment at the end of the period was less than 5% of the Group's total assets as of December 31, 2024.

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

# MANAGEMENT DISCUSSION AND ANALYSIS

(2) *Derivative investment conditions*

N/A

**5. Use of proceeds**

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

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

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

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

As at December 31, 2024, RMB12.504 billion out of the proceeds raised from the issuance of H Shares was used for the wealth management business to mainly develop margin financing and securities lending business and build a strategic Internet financial platform and wealth management platform; RMB4.986 billion was used for the investment management business, investment banking business and transaction and institution business to mainly increase the asset size under the investment management, increase input into the seed funds, innovate and develop investment management products, and participate in various financial products markets as a market maker and provide liquidity support; RMB5.852 billion was used for the international business to mainly increase input into the investment management, transaction and institution businesses in Hong Kong; the remaining RMB1.717 billion was temporarily used to replenish the working capital and develop short-term investment business during the Reporting Period. As of the disclosure date of this report, the Company has used up all the proceeds from the H Shares issuance pursuant to the H Share prospectus.

## VI. SALE OF MAJOR ASSETS AND EQUITY

**1. Sale of major assets**

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

**2. Sale of major equity**

N/A

# MANAGEMENT DISCUSSION AND ANALYSIS

## VII. ANALYSIS ON PRINCIPAL SUBSIDIARIES AND PARTICIPATING STOCK COMPANIES

Company name	Company type	Main business	Registered capital	Total assets (RMB)	Net assets (RMB)	Net profit (RMB)
GF Futures	Subsidiary	Commodity futures brokerage, financial futures brokerage, futures investment consultancy, asset management and fund sale.	RMB2,050,000,000	60,759,564,889.18	4,474,978,829.94	369,565,884.10
GF Xinde	Subsidiary	Equity investment; providing financial advisory services on equity investment to clients and other businesses approved by the CSRC.	RMB2,800,000,000	4,573,403,871.09	4,373,320,280.69	29,195,151.20
GFHK	Subsidiary	Investment holding, undertaking investment banking, sale and transactions, asset management, equity investment and other businesses permitted under regulatory rules through professional subsidiaries.	HKD8,200,000,000	56,852,276,979.09	7,899,481,196.92	735,916,163.02
GF Qianhe	Subsidiary	Project investment; investment management.	RMB7,103,500,000	10,257,745,921.98	10,001,646,125.56	-697,615,250.93
GF Asset Management	Subsidiary	Securities asset management business (including overseas securities investment management business of QDII).	RMB1,000,000,000	6,650,882,674.96	5,650,359,145.62	-592,557,913.64
GFEL	Subsidiary	Financial leasing business; storage equipment leasing service; agricultural machinery leasing; machinery equipment leasing; automobile leasing; construction machinery and equipment leasing; computer and communication equipment leasing; medical equipment leasing; transportation equipment leasing service; container leasing service; office equipment leasing service; storage batteries leasing; photovoltaic power generation equipment leasing.	RMB800,000,000	680,121,564.65	670,989,047.63	1,808,268.48
GF Fund	Subsidiary	Fund raising, fund sale, asset management, other businesses approved by the CSRC.	RMB140,978,000	18,450,493,798.91	12,022,998,209.91	1,999,672,964.01
E Fund	Participating stock company	Publicly offered securities investment fund management, fund sale, asset management for specific customers.	RMB132,442,000	29,760,116,133.85	19,283,856,918.55	3,900,483,064.57

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

For details, please refer to “III. Analysis on Financial Statements — 4. Explanation of Changes in the Consolidation Scope of Financial Statements” in this section.

### Explanation on the status of principal subsidiaries and participating stock companies

The net profit for the year of GF Qianhe changed significantly as compared to the previous year, which was mainly affected by the changes in investment income. The net profit for the year of GFHK changed significantly as compared to the previous year, which was mainly affected by the changes in investment income and the decrease in provisions.

# MANAGEMENT DISCUSSION AND ANALYSIS

## VIII. STRUCTURED ENTITIES CONTROLLED BY THE COMPANY

Please refer to the Note “71.3 Consolidated structured entities” of the Notes to the Consolidated Financial Statements for details.

## IX. OUTLOOK OF THE COMPANY

### (I) Industry landscape and trend

#### 1. *The building of a financial power leads the securities industry towards high-quality development*

At present, the international landscape and system are undergoing profound adjustments. The world is in an accelerated evolution period of a major change that has not been seen in a century. The transformation of the global economic governance system and the international competition in the financial field are intertwined and superimposed, and the importance of high-quality financial development is more prominent. The Central Financial Work Conference proposed for the first time to accelerate the building of a financial power, unswervingly follow the path of financial development with Chinese characteristics and promote high-quality development of the domestic financial sector. As an important participant in the capital market, securities companies underpin the important mission of strengthening the nation with financial power. The regulatory authorities proposed that efforts should be made to improve the professional service capabilities of institutions in the industry, enhance the comprehensive capabilities of serving new productivity and wealth management for residents, and promote the building of first-class investment banks and investment institutions. The securities industry must better meet the demand for high-quality financial services for high-quality development, make every effort to do a good job in the “five major areas” of science and technology in finance, green finance, inclusive finance, pension finance and digital finance, actively support technological innovation and industrial upgrading, and help in building a financial power with high-quality financial development.

#### 2. *Deepening reforms of the capital market to drive innovative development and restructuring the landscape of the securities industry*

The Third Plenary Session of the 20th CPC Central Committee set the direction for the development path of the capital market, highlighting the main line of “strengthening supervision, preventing risks and promoting development”. The new “Nine Guidelines for Capital Market” and “1+N” policy system, as well as a package of incremental policies since September 2024, have injected strong momentum into the development of the capital market. Tool innovation and system optimization have formed a two-way driving force to innovatively introduce structural tools such as securities swap facilities and stock repurchase and capital increase re-financing loans. Through increasing the proportion of insurance funds and pension equity investment, the long-term evaluation mechanism is optimized, and by strengthening “patient” capital, the entry barriers of medium — and long-term funds into the market will break up. The dividend distribution constraints and delisting mechanism of listed companies will be strengthened to promote the high-quality development of listed companies. Risk control indicators and classification rating mechanisms

# MANAGEMENT DISCUSSION AND ANALYSIS

will be improved to promote reshaping the logic of competition in the industry. In the course of promoting the building of first-class investment banks and investment institutions, with the continuous advancement of the waves of mergers and acquisitions and restructuring, market resources will accelerate concentrating on leading institutions with strong capital strength, outstanding economies of scale and remarkable effects of corporate services, and promote the industry to build a financial service system covering the entire life cycle of enterprises and forming a benign industry ecology of “supporting the best and limiting the worst”. The deepening of reform further highlights the functionality of the capital market in serving new quality production, accelerates the restructuring of the industry landscape, and lays the institutional and market foundations for the high-quality development of the capital market.

### **3. *The rapid development of financial technology promotes innovation and reform in the securities industry***

The Third Plenary Session of the 20th CPC Central Committee clearly proposed to accelerate the construction of institutional mechanisms to promote the development of the digital economy and improve the policy system to promote digital industrialization and industrial digitalization. Under the deployment and requirements of the central government, the digitalization level of the securities industry has rapidly improved. The regulatory authorities have launched pilot projects for financial technology innovations in the capital market and special pilot projects for “data elements × capital markets” to promote the application and implementation of data element-related technologies in key areas of the capital market. Digital transformation represented by the application of technologies such as artificial intelligence is rising and ascending, which has brought disruptive innovations. Domestic and foreign financial institutions have implemented intelligent applications in various scenarios such as internal operations, financial information, wealth management, intelligent customer service and intelligent risk control, which have greatly improved service efficiency and capabilities, and promoted continuous changes in business models. The development of artificial intelligence technology has promoted the intelligent transformation and upgrading of the securities industry; however, intelligent transformation requires a solid digital foundation, as well as top-down changes in working methods, organization and business models, talent capabilities and talent structures, as well as cultural concepts. When compared with institutions such as banks and internet companies, securities companies are still in the early stages of applying digital and artificial intelligence technologies and the comprehensive application of digital intelligence, with room for improvement in both the depth and the breadth of digitalization.

### **(II) The Company’s development strategy**

With its core values of “inquisitiveness and integrity”, the Company will strive to “become a modern investment bank with international competitiveness, brand influence and system importance”. The Company will adhere to the strategic plan of “customer-centric” throughout, and insight into customer needs based on the collaborative principles and innovative spirit; the Company will focus on the main responsibility and main business, optimize the business structure, strengthen self-innovation, and promote the transformation of development model to high quality development based on the new stage of development; the Company will comprehensively promote the strategic transformation and upgrading of its four major businesses, including investment banking business, wealth management business, trading and institution business and investment management business.

# MANAGEMENT DISCUSSION AND ANALYSIS

## (III) Annual business plan for 2025

In 2025, China's macro policies orientation will be more proactive and effective, the economy will continue to recover and grow, and the comprehensive and in-depth reform of the capital market will continue to be advanced. In 2025, the Company will adhere to serving the national development strategy, continuously improve core professional capabilities, enhance comprehensive service capabilities, create new development driving forces, enhance intensive operation and management capabilities, optimize management model, innovate and change, and strive to embark on a new journey of high-quality development for the Company.

The business plan does not constitute a performance commitment of the Company to investors. Investors are requested to maintain sufficient risk awareness and understand the difference between the business plan and performance commitment.

## (IV) Fund requirement for the development of the Company

In 2024, various services of the Company were carried out in an orderly manner and required adequate financial support. The Company will continue to enhance capital management and improve efficiency of its asset allocation. Meanwhile, the Company will timely seize the market opportunities to raise funds in various ways based on business development needs so as to optimize its capital structure and meet fund requirement for development by constantly exploring new financing products and methods.

## (V) Risk factors and counter-measures of the Company

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

### (1) Liquidity risk

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### (2) *Market risk*

Market risk refers to the risk of loss in the Company's financial assets resulting from adverse changes in the market price (price of equity securities, interest rates, exchange rates or commodity price, etc.). Such risks can be classified into equity price risk, interest rate risk, exchange rate risk and commodity price risk and other risks based on different types of subject assets. The market risks faced by the Group mainly concentrate on equity price risk and interest rate risk, which are mainly reflected in the fact that parent company and subsidiaries use their own funds to carry out domestic and overseas businesses including, among others, proprietary trading, market making and customer trading of equity securities, fixed-income securities and their derivatives. With further opening up of the capital market of China and the progressive implementation of the Company's strategy of internalization, foreign exchange risk to be borne by the Company increases due to the expansion of its business scope. Meanwhile, affected by factors such as continued geographical conflicts and expected changes in overseas monetary policy adjustments, the financial market has increased volatility, and the Company has become more difficult to manage market risks.

### (3) *Credit risk*

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

### (4) *Compliance risk*

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

# MANAGEMENT DISCUSSION AND ANALYSIS

(5) *Operational risk*

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

(6) *Information technology risk*

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

(7) *Reputation risk*

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Counter-measures that the Company has adopted (intends to adopt) for the above risks

### (1) Establish and improve the overall risk management system of GF Securities

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

### (2) Specific management for various risks

#### ① Liquidity risk management

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## ② Market risk management

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



# MANAGEMENT DISCUSSION AND ANALYSIS

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## ③ Credit risk management

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



# MANAGEMENT DISCUSSION AND ANALYSIS

## ④ Compliance risk management

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



# MANAGEMENT DISCUSSION AND ANALYSIS

## ⑤ Operational risk management

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

## ⑥ Information technology risk management

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## ⑦ Reputation risk management

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



## MANAGEMENT DISCUSSION AND ANALYSIS

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

The Company highly values investor relationship management and information disclosure, pays attention to the truthfulness, accuracy, completeness and timely and fair disclosure of information, actively protects the interest of medium and small investors, carefully listens and replies to proposals and consultative opinions of medium and small investors in the ordinary course of work. The Company maintains smooth interactive communication with institutional investors and individual investors by means of telephone, mail, website of the Company or the “Easy Interaction” platform of the SZSE, regular or ad hoc referral conference or roadshow, interview and research. In 2024, in addition to the daily telephone communication with public investors, there were a total of 18 receptions of activities such as research and performance roadshow, and the Company received about 200 investors in total. The details are as follows:

Reception time	Reception venue	Reception method	Type of participants	Participants	Main contents of the discussion and information provided
January 1, 2024 to December 31, 2024	—	Telephone communication	Individuals	Public investors	Operation and development of the Company
January 11, 2024	—	Telephone communication	Institutions	Investors invited to Goldman Sachs (Asia) Financial Corporate Day	Strategic and business development of the Company
January 24, 2024	—	Telephone communication	Institutions	Investors invited to HSBC Greater China Financial Corporate Day	Strategic and business development of the Company
March 29, 2024	—	Results roadshow	Institutions	Analysts and investors invited to GF Securities’ 2023 Annual Results Briefing	Strategic and business development of the Company
April 1, 2024	—	Results roadshow	Institutions, individuals	Investors participating in GF Securities’ 2023 Annual Results Presentation	Strategic and business development of the Company
April 24, 2024	—	Telephone communication	Institutions	M&G	Operation and development of the Company
May 16, 2024	The Company’s Meeting Room on 39th Floor	On-site meeting	Institutions	Analysts of CITIC Securities and its invited investors	Strategic and business development of the Company
June 6, 2024	The Company’s Meeting Room on 39th Floor	On-site meeting	Institutions	Pzena Investment Management	Operation and development of the Company
September 2, 2024	—	Telephone communication	Institutions	Investors invited to GF Securities’ 2024 Interim Results Briefing	Strategic and business development of the Company

# MANAGEMENT DISCUSSION AND ANALYSIS

Reception time	Reception venue	Reception method	Type of participants	Participants	Main contents of the discussion and information provided
September 5, 2024	Rosewood Beijing	On-site meeting	Institutions	Analysts and investors invited to Morgan Stanley China BEST Conference	Strategic and business development of the Company
September 11, 2024	JW Marriott Hotel Hong Kong	On-site meeting	Institutions	Analysts and investors invited to Goldman Sachs' 2024 "China+" Investment Forum	Strategic and business development of the Company
September 12, 2024	Grand Hyatt Hong Kong	On-site meeting	Institutions	Analysts and investors invited to CITIC CLSA Investors' Forum	Strategic and business development of the Company
September 12, 2024	—	Answering questions online	Institutions, individuals	The online collective reception day for investors of listed companies in Guangdong for 2024	Strategic and business development of the Company
September 19, 2024	—	Telephone communication	Institutions	M&G	Operation and development of the Company
November 7, 2024	Regent Shanghai Pudong	On-site meeting	Institutions	Analysts and investors invited to Founder Securities 2024 Listed Company – Investor Meeting	Strategic and business development of the Company
November 11, 2024	The Company's Meeting Room on 39th Floor	On-site meeting	Institutions	Kaiyuan Securities, Taikang AMC	Operation and development of the Company
November 11, 2024	—	Telephone communication	Institutions	M&G	Operation and development of the Company
November 14, 2024	Shangri-La Hotel, Futian, Shenzhen	On-site meeting	Institutions	Analysts and investors invited to CITIC Securities' 2025 Capital Market Annual Conference	Strategic and business development of the Company
November 20, 2024	The Company's Meeting Room on 39th Floor	On-site meeting	Institutions	Guotai Junan	Operation and development of the Company

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## XI. FORMULATION AND IMPLEMENTATION OF MARKET VALUE MANAGEMENT SYSTEM AND VALUATION UPLIFT PLAN

### (I) Whether the Company formulated the Market Value Management System

On 28 March 2025, the Proposal on Formulating the Market Value Management System of GF Securities was considered and approved at the seventh meeting of the eleventh session of the Board of the Company. In order to further strengthen the Company's market value management, effectively uplift the Company's investment value and enhance investor returns, in accordance with relevant laws, regulations, departmental rules, and normative documents including, among others, the Regulatory Guidelines for Listed Companies No. 10 – Market Value Management (《上市公司監管指引第 10 號 – 市值管理》), the Listing Rules of the Shenzhen Stock Exchange (《深交所上市規則》) and the Self-Regulatory Guidelines No. 1 for Companies Listed on Shenzhen Stock Exchange – Standardized Operation for Companies Listed on Main Board (《深交所上市公司自律監管指引第 1 號 – 主板上市公司規範運作》) and the Articles of Association, and in light of the actual situation of the Company, the Company has formulated the Market Value Management System of GF Securities, which took effect upon the date of consideration and approval of the Board of Directors.

### (II) Whether the Company disclosed the Valuation Uplift Plan

No



# MANAGEMENT DISCUSSION AND ANALYSIS

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

On February 29, 2024, the Company disclosed the “Announcement on the Action Plan for Enhancement in Both Quality and Return”, stating that it has formulated an action plan to improve both quality and return based on development strategies and operation circumstances of the Company to enhance practically its investability, strengthen investors’ confidence and promote the steady and sustainable development of the Company.

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

In 2024, the Company proactively integrated into the overall national development and deepened its high-quality operation model. The Company focused on the construction of multiple key track projects, including the “Five Best Ones” ecological construction, create a “technology + capital” industrial ecosystem, and implemented the “research + investment + investment banking” model. The Company enhanced its high-quality financial service capabilities and built the Company’s comprehensive competitive advantages. The transformation and reform of wealth management gradually started to bear fruit. The research business maintained its brand influence, and the trading business was actively transformed with rapid business growth. The investment bank earnestly fulfilled its role as the “gatekeeper” in the capital market. The Company adhered to the functional positioning of serving the country and the people with finance, and assisted customers in issuing a total of 135 tranches of innovative bonds, including technology innovation bonds, carbon-neutral green bonds and rural revitalization bonds, with an underwriting scale of RMB41.867 billion. The Company also underwrote and issued 7 green ABS projects, raising RMB14.759 billion. The Company continued to improve its ESG governance level and integrated ESG concepts into the development of its various businesses. The Company actively assumed the social responsibility of a corporate citizen, and initiated the establishment of the GF Charity Foundation, focusing on rural revitalization, education, financial empowerment and medical assistance, with accumulated public welfare expenditure exceeding RMB300 million. The Company adhered to the principle of putting investors first to enhance investors’ sense of gain. In July 2024, the Company completed the profit distribution for 2023 and distributed cash dividends of RMB2,281,753,653.30. In November 2024, the Company completed the distribution of interim profit for 2024 and distributed cash dividends of RMB760,584,551.10.

In the future, the Company will continue to focus on its main responsibilities and businesses, serve the real economy, regulate corporate governance, strengthen core competitiveness, and promote the high-quality development of the Company to a new level. Adhering to the investor-oriented approach, the Company will continue to improve the quality of information disclosure, strengthen communication with investors, enhance investors’ sense of gain, and practically fulfill the responsibilities and obligations as a listed company, and contribute to stabilizing the market as well as confidence.

# MANAGEMENT DISCUSSION AND ANALYSIS

## XIII. TAX CONCESSION

### 1. Holders of A Shares

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

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

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

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

# MANAGEMENT DISCUSSION AND ANALYSIS

## 2. Holders of H Shares

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

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

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

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

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





**SECTION 6**

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**CORPORATE  
GOVERNANCE**



# CORPORATE GOVERNANCE

## I. BASIC SITUATION OF THE CORPORATE GOVERNANCE

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

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

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

# CORPORATE GOVERNANCE

## II. THE COMPANY'S INDEPENDENCE FROM THE CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER IN TERMS OF ASSETS, PERSONNEL, FINANCE, INSTITUTIONS AND BUSINESS OF THE COMPANY

The Company has no controlling shareholder and de facto controller. The Company is completely separated from the largest shareholder with regard to the assets, personnel, finance, institutions, business and other aspects. The Board, the Supervisory Committee and each functional department are all able to operate independently, equipped with independent business and operation capacities. Details are as follows:

### 1. Independence of the assets

The Company has independent and integral assets which are necessary for carrying out securities business. The largest shareholder and its related parties have not taken up the Company's assets or acted detrimentally to the legitimate rights of the Company and its other shareholders or clients. The Company independently operates and manages its own assets according to laws, possessing the franchises, real estate, operation equipment and trademarks which are required for its operation. The Company has legitimate rights to own and use such assets, and the largest shareholder has not occupied the Company's assets and capital which may harm the interests of the Company.

### 2. Independence of personnel

The Company has a human resources management department and training center, and has established a complete human resources management system and institution to carry out human resource management related work including labor relations, recruitment and deployment, performance appraisal, payroll management, training and development independently. The Company is completely separated from the largest shareholder. The engagement of the Company's Directors, Supervisors and senior management complies with the Company Law, the Securities Law and other relevant provisions. The Company's current Directors, Supervisors and senior management have met the conditions required by the relevant laws, administrative regulations, departmental rules, normative documents, the SZSE Listing Rules and other relevant provisions of the relevant stock exchanges. No senior management serves in the largest shareholder of the Company or works in a part-time manner for other for-profit institutions or engages in other business activities.



# CORPORATE GOVERNANCE

## 3. Financial independence

In accordance with the Accounting Standards for Business Enterprises, the Accounting Standards for Business Enterprises – Application Guide, the Financial Rules for Financial Enterprises and other regulations, the Company has established an independent financial department along with independent financial accounting system and financial management system of which it is staffed with independent financial accountants, none of whom serve in a part-time manner for the largest shareholder of the Company. The Company's financial decisions are made independently, and the largest shareholder and its related parties have not interfered with the use of funds. The Company maintains separate banking accounts, and the largest shareholder and its related parties have not shared accounts with the Company. As an independent taxpayer, the Company has completed separate tax registration and pays tax according to laws, and the largest shareholder has not paid taxes together with the Company.

As at the date of this report, the Company has not provided any guarantees to the largest shareholder and its related parties.

## 4. Institutional independence

The Company has established a sound corporate governance structure, and has set up the general meeting of shareholders, the Board and its five special committees (namely the strategy committee, the nomination committee, the remuneration and appraisal committee, the audit committee and the risk management committee), the Supervisory Committee, the management team and related business management departments which work properly and exercise powers according to laws within the framework of their respective terms of reference. With independent and complete securities business and management systems, the Company independently develops business and complies with the CSRC requirements in terms of the organizational setup and operation. The Company's existing offices and business premises are completely split from those of its largest shareholder, so there is no shared use among different organizations.

## 5. Operational independence

The Company independently carries out operation within its business scope approved by the CSRC in accordance with the Company Law and the Articles of Association of the Company. The Company has obtained the required business license to run the securities business and has an independent and complete business system and self-operation capabilities. In its business operations, the Company is free from influence and control of the largest shareholder and its related parties and is able to compete independently in the market. There are no situations where the largest shareholder and its related parties violate the Company's operational procedures and interfere with the internal management and operation decisions of the Company.

## III. COMPETITION WITH THE COMPANY

None.

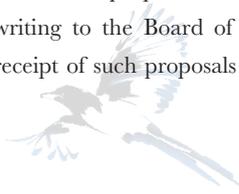
# CORPORATE GOVERNANCE

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

The general meeting of shareholders shall be the authority of power of the Company, through which the shareholders shall exercise their functions in accordance with the laws. The existing Articles of Association of the Company and the Rules of Procedure for the General Meeting have provided for the rights and obligations of shareholders, the authority of the general meeting of shareholders, the convening, voting and resolutions of the general meeting of shareholders, which ensure the standard and effective operation of the general meeting of shareholders and protect the interests of shareholders, especially those of the minority shareholders.

Under Article 84 of the Articles of Association of the Company, shareholder(s) severally or jointly holding 10% or more of the shares of the Company shall be entitled to request the Board to convene an extraordinary general meeting, and shall put forward such request to the Board in writing. The Board shall, pursuant to laws, administrative regulations and the Articles of Association, give a written reply on whether to convene an extraordinary general meeting or not within 10 days after receipt of the request. If the Board agrees to convene an extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is passed by the Board. In the event of any change to the original proposals set forth in the notice, the consent of relevant shareholder(s) shall be obtained. If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding 10% or more shares of the Company shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting, and shall put forward such request to the Supervisory Committee in writing. If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after receipt of the said request. In the event of any change to the original proposals set forth in the notice, the consent of relevant shareholder(s) shall be obtained. In the case of failure to issue the notice for the general meeting within the term stipulated, the Supervisory Committee shall be deemed as failing to convene and preside over the general meeting. As a result of its failure to do so, the shareholder(s) severally or jointly holding 10% or more shares of the Company for 90 consecutive days or above may convene and preside over such meeting by itself/themselves.

In addition, shareholders individually or collectively holding more than 1% of the shares of the Company may propose provisional proposals no later than ten days prior to the convening of a general meeting by submitting the same in writing to the Board of Directors. The Board of Directors shall notify other shareholders within two days after the receipt of such proposals and submit the same at the general meeting for consideration.



# CORPORATE GOVERNANCE

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

Session of meeting	Type of meeting	Participation	Convening date	Disclosure date	Resolutions of the meeting
		ratio of investors			
2023 annual general meeting	Annual general meeting	54.6933%	May 10, 2024	May 10, 2024	<p>The meeting considered and approved:</p> <ol style="list-style-type: none"> <li>1. Resolution Regarding the 2023 Directors' Report of GF Securities</li> <li>2. Resolution Regarding the 2023 Supervisory Committee's Report of GF Securities</li> <li>3. Resolution Regarding the 2023 Work Report of the Independent Directors</li> <li>4. Resolution Regarding the 2023 Duty Performance Reports of the Independent Directors</li> <li>5. Resolution Regarding the 2023 Final Financial Report of GF Securities</li> <li>6. Resolution Regarding the 2023 Annual Report of GF Securities</li> <li>7. Resolution Regarding the 2023 Profit Distribution Plan of GF Securities</li> <li>8. Resolution Regarding Engagement of Auditors in 2024</li> <li>9. Resolution Regarding the Authorization of Proprietary Investment Quota of the Company for 2024</li> <li>10. Resolution Regarding the 2024 Expected Daily Related Party/Connected Transactions of the Company</li> <li>11. Resolution Regarding Amendments to the Articles of Association</li> <li>12. Resolution Regarding the Formulation of the Working System of Independent Directors of GF Securities</li> <li>13. Resolutions Regarding the Election of Non-Independent Directors to the Eleventh Session of the Board of Directors of The Company</li> <li>14. Resolutions Regarding the Election of Supervisors to the Eleventh Session of the Supervisory Committee of the Company</li> <li>15. Resolutions Regarding the Election of Independent Directors to the Eleventh Session of the Board of Directors of The Company</li> </ol>



# CORPORATE GOVERNANCE

Session of meeting	Type of meeting	Participation		Convening date	Disclosure date	Resolutions of the meeting
		ratio of investors				
2024 first extraordinary general meeting	Extraordinary general meeting	52.7673%		October 15, 2024	October 15, 2024	The meeting considered and approved: <ol style="list-style-type: none"> <li>Resolution Regarding Amendments to the Related Party Transactions Management System of GF Securities</li> <li>Resolution Regarding the 2024 Interim Profit Distribution Plan of GF Securities</li> </ol>

Note: Participation ratio of investors refers to the proportion of the number of shares held by investors participating in the meeting in the total share capital on the Company on the convening date of the general meeting.

The announcements of the resolutions of the relevant meetings of the Company were published on China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily, and were also published on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

As a responsible listed company, the Company is devoted to providing effective protection to shareholders of the Company and their full right of information and ensuring the fairness of information disclosure. The Company has also continued to take concrete actions to further improve and increase its communication with investors. The Company has designated the secretary of the Board and the company secretary to be responsible for information disclosure. The securities representative and the Board's office assist in information disclosure and maintenance of investors relations. The Company interacts and communicates with investors in a variety of forms, mainly including phone calls, mails, investor relation website of the Company, the interaction platform of the SZSE, site visits, attending investor presentations and overseas roadshows. Shareholders may at any time make queries and express their views to the Board in writing through the company secretary and the Board's office. Where appropriate, shareholders' inquiries and comments will be forwarded to the Board and/or the relevant special committees of the Company's Board to address shareholders' questions, to ensure that shareholders, especially the minority shareholders, can fully exercise their rights (for contact information of the Company, please refer to "II. Contact Persons and Contact Information" in Section 1 of this report).

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

N/A

# CORPORATE GOVERNANCE

## V. PARTICULARS ABOUT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### 1. Basic information

Name	Gender	Age	Status	Position	Date of appointment	Date of cessation
Lin Chuanhui	Male	61	Current	Chairman	July 22, 2021	To present
				Executive Director	January 6, 2021	To present
Li Xiulin	Male	72	Current	Non-executive Director	May 12, 2014	To present
Shang Shuzhi	Male	72	Current	Non-executive Director	July 1, 2001	To present
Guo Jingyi	Male	49	Current	Non-executive Director	October 19, 2020	To present
Qin Li	Male	56	Current	Executive Director	April 27, 2011	To present
				General manager	May 10, 2024	To present
Sun Xiaoyan	Female	52	Current	Executive Director	December 8, 2014	To present
				Executive deputy general manager	May 10, 2024	To present
				Chief financial officer	March 6, 2006	To present
Xiao Xuesheng	Male	52	Current	Executive Director, deputy general manager	May 10, 2024	To present
Leung Shek Ling Olivia	Female	53	Current	Independent non-executive Director	June 9, 2020	To present
Li Wenjing	Male	45	Current	Independent non-executive Director	June 9, 2020	To present
Zhang Chuang	Male	46	Current	Independent non-executive Director	May 10, 2024	To present
Wang Dashu	Male	68	Current	Independent non-executive Director	May 10, 2024	To present
Zhou Xitai	Male	60	Current	Chairman of the Supervisory Committee	January 28, 2022	To present
				Employee representative Supervisor	January 10, 2022	To present
Wang Zhenyu	Male	43	Current	Shareholder representative Supervisor	May 10, 2024	To present
Zheng Chunmei	Female	60	Current	Shareholder representative Supervisor	May 10, 2024	To present
Zhou Feimei	Female	40	Current	Shareholder representative Supervisor	May 10, 2024	To present
Yi Xinyu	Female	40	Current	Employee representative Supervisor	August 25, 2022	To present
Ouyang Xi	Male	57	Current	Deputy general manager	May 10, 2024	To present
Zhang Wei	Male	49	Current	Deputy general manager	May 12, 2014	To present
Yi Yangfang	Male	54	Current	Deputy general manager	July 22, 2021	To present
Xin Zhiyun	Male	55	Current	Deputy general manager	July 22, 2021	To present
				Chief information officer	May 30, 2019	To present
Li Qian	Male	40	Current	Deputy general manager	July 22, 2021	To present
Xu Youjun	Male	53	Current	Deputy general manager	July 22, 2021	To present
Hu Jinquan	Male	49	Current	Deputy general manager	May 10, 2024	To present
Wu Shunhu	Male	55	Current	Chief compliance officer	May 10, 2024	To present
Cui Zhouhang	Male	41	Current	Chief risk officer	May 10, 2024	To present

# CORPORATE GOVERNANCE

Name	Gender	Age	Status	Position	Date of appointment	Date of cessation
Yin Zhongxing	Male	37	Current	Secretary to the Board, joint company secretary, securities affairs representative	May 10, 2024	To present
Ge Changwei	Male	59	Resigned	Executive Director, vice chairman	February 10, 2022	May 10, 2024
Fan Lifu	Male	52	Resigned	Independent non-executive Director	November 5, 2018	May 10, 2024
Hu Bin	Male	53	Resigned	Independent non-executive Director	June 9, 2020	May 10, 2024
Lai Jianhuang	Male	60	Resigned	Shareholder representative Supervisor	June 9, 2020	May 10, 2024
Xie Shisong	Male	61	Resigned	Shareholder representative Supervisor	June 9, 2020	May 10, 2024
Lu Xin	Female	61	Resigned	Shareholder representative Supervisor	June 9, 2020	May 10, 2024
Wu Jifu	Male	59	Resigned	Deputy general manager	May 12, 2014	May 10, 2024

Note 1: The calculation of age was conducted on March 28, 2025;

Note 2: The Company did not implement equity incentive plan, employee stock ownership plan or other employee incentive measures.

***DURING THE REPORTING PERIOD, DID ANY DIRECTOR AND SUPERVISOR RESIGN AND WAS ANY MEMBERS OF THE SENIOR MANAGEMENT DISMISSED DURING THEIR TERM OF OFFICE***

No



## CORPORATE GOVERNANCE

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

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

# CORPORATE GOVERNANCE

1. On May 9, 2024, resolutions were passed at the seventh meeting of the sixth session of the employee representatives meeting of the Company, pursuant to which Mr. Zhou Xitai and Ms. Yi Xinyu were elected as employee representative Supervisors of the eleventh session of the Supervisory Committee of the Company. The above employee representative Supervisors, together with the three Supervisors elected at the 2023 annual general meeting of the Company, will jointly form the eleventh session of the Supervisory Committee of the Company, and their term of office shall be the same as that of the eleventh session of the Supervisory Committee.
2. On May 10, 2024, the Resolution Regarding the Election of Non-independent Directors to the Eleventh Session of the Board of Directors of the Company, the Resolution Regarding the Election of Independent Directors to the Eleventh Session of the Board of Directors of the Company and the Resolution Regarding the Election of Supervisors to the Eleventh Session of the Supervisory Committee of the Company were considered and approved at the 2023 annual general meeting of the Company, pursuant to which Mr. Li Xiulin, Mr. Shang Shuzhi, Mr. Guo Jingyi, Mr. Lin Chuanhui, Ms. Sun Xiaoyan, Mr. Qin Li and Mr. Xiao Xuesheng were elected as non-Independent Directors of the eleventh session of the Board of Directors of the Company, among whom Mr. Li Xiulin, Mr. Shang Shuzhi and Mr. Guo Jingyi were elected as non-executive Directors, Mr. Lin Chuanhui, Ms. Sun Xiaoyan, Mr. Qin Li and Mr. Xiao Xuesheng were elected as executive Directors; Ms. Leung Shek Ling Olivia, Mr. Li Wenjing, Mr. Zhang Chuang and Mr. Wang Dashu were elected as independent Directors of the eleventh session of the Board of Directors the Company; and Mr. Wang Zhenyu, Ms. Zheng Chunmei and Ms. Zhou Feimei were elected as shareholder representative supervisors of the eleventh session of the Supervisory Committee of the Company.
3. On May 10, 2024, at the first meeting of the eleventh session of the Board of Directors of the Company, the Resolution Regarding the Election of the Chairman of the Eleventh Session of the Board of Directors of the Company was considered and approved to elect Mr. Lin Chuanhui as chairman of the eleventh session of the Board of Directors of the Company; the Resolution Regarding the Appointment of the General Manager of the Company was considered and approved to appoint Mr. Qin Li as general manager of the Company and authorized representative of the Company to communicate with the Hong Kong Stock Exchange; the Resolutions Regarding the Appointment of Other Senior Management Members of the Company were considered and approved to appoint Ms. Sun Xiaoyan as executive deputy general manager and chief financial officer of the Company, Mr. Xiao Xuesheng as deputy general manager of the Company, Mr. Ouyang Xi as deputy general manager of the Company, Mr. Zhang Wei as deputy general manager of the Company, Mr. Yi Yangfang as deputy general manager of the Company, Mr. Xin Zhiyun as deputy general manager and chief information officer of the Company, Mr. Li Qian as deputy general manager of the Company, Mr. Xu Youjun as deputy general manager of the Company, Mr. Hu Jinqian as deputy general manager of the Company, Mr. Wu Shunhu as chief compliance officer of the Company, Mr. Cui Zhouhang as chief risk officer of the Company and Mr. Yin Zhongxing as secretary to the Board of Directors, joint company secretary and securities affairs representative of the Company.
4. On May 10, 2024, the Resolution Regarding the Election of the Chairman of the Eleventh Session of the Supervisory Committee of the Company was considered and approved at the first meeting of the eleventh session of the Supervisory Committee of the Company to elect Mr. Zhou Xitai as chairman of the eleventh session of the Supervisory Committee of the Company.

# CORPORATE GOVERNANCE

## 2. Particulars of positions

The biographies of current Directors, Supervisors and senior management of the Company are as follows:

### (1) Directors

#### *Executive Directors*

**Mr. Lin Chuanhui** has served as executive Director of the Company since January 2021 and chairman of the Board of the Company since July 2021. Mr. Lin Chuanhui previously served as cadre of the scientific research office and deputy division researcher of the organization bureau of the Party School of the Central Committee of CPC, general manager of Beijing business unit of the investment banking department, deputy general manager of the investment banking department, general manager of the Shanghai business headquarters, standing deputy general manager of the investment banking department of the Company, general manager of GF Fund (planning), general manager and vice chairman of GF Fund, chairman and general manager of Ruiyuan Capital Management Co., Ltd., chairman of the board of directors of GF International Investment Management Limited, general manager of the Company and chairman of the board of directors of GFHK. Mr. Lin Chuanhui is currently a director of China Securities Inter-agency Quotation System Co., Ltd.. Mr. Lin Chuanhui obtained a bachelor's degree in economics from Jilin University.

**Mr. Qin Li** has served as executive Director of the Company since April 2011 and general manager of the Company since May 2024. Mr. Qin Li previously served as standing deputy general manager at the department of investment banking administration, general manager of the investment management department, general manager of capital operation department, general manager of planning and development department, general manager of investment department, assistant to general manager, deputy general manager and standing deputy general manager of the Company, director of E Fund, director of GF Fund (planning), director of GF Fund, chairman of GF Xinde, chairman of the board of Guangdong Equity Exchange Co., Ltd., director and chairman of GFHK, chief officer of GF Securities and general manager of GF Asset Management. Mr. Qin Li is currently the chairman of GF Asset Management. Mr. Qin Li obtained a bachelor's degree in economics from Shanghai University of Finance and Economics, a master's degree in commercial economics from Jinan University, a doctorate degree in economics from Renmin University of China and completed an executive master of business administration program from Cheung Kong Graduate School of Business.

**Ms. Sun Xiaoyan** has served as executive Director of the Company since December 2014, chief financial officer of the Company since March 2006 and executive deputy general manager of the Company since May 2024. Ms. Sun Xiaoyan previously served as deputy general manager of accounting department, deputy general manager of investment and proprietary trading department and general manager of finance department of the Company, chief financial officer of GF Fund (planning), chief financial officer and deputy general manager of GF Fund, deputy general manager of the Company, director of GFHK and chairman of the Supervisory Committee of ECT. Ms. Sun Xiaoyan is currently a director of GF Fund and a supervisor of ECT. Ms. Sun Xiaoyan obtained a bachelor's degree in economics from Renmin University of China and a master's degree in business administration from China Europe International Business School.

## CORPORATE GOVERNANCE

**Mr. Xiao Xuesheng** has served as executive Director and deputy general manager of the Company since May 2024. Mr. Xiao Xuesheng previously served as deputy general manager of the President's office and manager of the secretarial department, deputy general manager of the administration department, general manager of the general office, general manager of the mergers and acquisitions department, deputy general manager of the investment banking business management department of the Company, and general manager of GF Xinde. Mr. Xiao Xuesheng is currently a director of GF Investments (Hong Kong), a director and chairman of GF Xinde. Mr. Xiao Xuesheng obtained a bachelor's degree in law from Renmin University of China and completed a master's degree program in monetary banking at Graduate School of Chinese Academy of Social Sciences.

### *Non-executive Directors*

**Mr. Li Xiulin** has served as non-executive Director of the Company since May 2014. Mr. Li Xiulin is currently the chairman of Jilin Aodong. Mr. Li Xiulin previously served as doctor of Dunhua Deer Farm in Yanbian, Jilin Province, general manager and engineer of Yanbian AoDong Pharmaceutical Company, general manager of Yanbian Dunhua Deer Farm, chairman and general manager of Yanbian AoDong Pharmaceutical Co., Ltd. (currently known as Jilin Aodong Pharmaceutical Group Co., Ltd.). Mr. Li Xiulin obtained an academic diploma of bachelor's degree qualification in economics from Open College of Central Party School of the Communist Party of China and completed the 28th training course in business administration at Tsinghua University School of Economics and Management.

**Mr. Shang Shuzhi** has served as non-executive Director of the Company since July 2001. Mr. Shang Shuzhi is currently the honorary chairman and director of Liaoning Cheng Da. Mr. Shang Shuzhi previously served as deputy general manager of Liaoning Province Textiles Import and Export Corporation, deputy manager of Liaoning Province Knitwear and Home Textiles Import and Export Corporation in charge of operation and general manager thereof and chairman of Liaoning Cheng Da Group Ltd. Mr. Shang Shuzhi graduated from Dongbei University of Finance and Economics, majoring in international trade, and obtained the qualification of senior economist and the qualification of senior international business-engineer from Liaoning Provincial Department of Personnel (now known as Liaoning Provincial Department of Human Resources and Social Security), and obtained an executive master of business administration degree (EMBA) from Dongbei University of Finance and Economics.

**Mr. Guo Jingyi** has served as non-executive Director of the Company since October 2020. Mr. Guo Jingyi is currently the Secretary of the Party Committee and chairman of Zhongshan Public Utilities. Mr. Guo Jingyi previously served as manager of Zhongshan Sanxiang Water Supply Co., Ltd. (中山市三鄉供水有限公司), manager of Zhongshan Water Supply Co., Ltd. Sanxiang branch, deputy general manager and managing deputy general manager of Zhongshan Water Supply Co., Ltd., deputy general manager of water business department of Zhongshan Public Utilities Group Co., Ltd., general manager of Zhongshan Water Supply Co., Ltd., deputy general manager of Zhongshan Zhonghui Investment Group Company Limited, general manager of Zhongshan Transportation Development Group Co., Ltd., executive director and general manager of Zhongshan Rail Transit Co., Ltd. (中山市軌道交通有限公司), executive director of Zhongshan East Outer Ring Expressway Co., Ltd. (中山市東部外環高速公路有限公司), executive director of Zhongshan Transportation Development Investment Co., Ltd. (中山市交發投資有限公司); and director and general manager of Zhongshan Zhonghui Investment Group Company Limited. Mr. Guo Jingyi obtained a bachelor's degree in engineering from Wuyi University and completed in-service postgraduate studies majoring in economics (economic management) at the Graduate School of the Party School of the Communist Party of China.

# CORPORATE GOVERNANCE

## *Independent Non-executive Directors*

**Ms. Leung Shek Ling Olivia** has served as independent non-executive Director of the Company since June 2020. Ms. Leung Shek Ling Olivia is currently the principal lecturer and associate dean of the Faculty of Business and Economics of the University of Hong Kong. Ms. Leung Shek Ling Olivia previously served as associate professor of accounting at the City University of Hong Kong; director of the International Business and Global Management Program and assistant dean of the Faculty of Business and Economics of the University of Hong Kong. Ms. Leung Shek Ling Olivia concurrently serves as independent director of Yoho Group Holdings Limited. Ms. Leung Shek Ling Olivia obtained a bachelor's degree from the University of British Columbia in Canada and a doctorate degree from the Chinese University of Hong Kong.

**Mr. Li Wenjing** has served as independent non-executive Director of the Company since June 2020. Mr. Li Wenjing is currently a professor and dean at the Management School of Jinan University. Mr. Li Wenjing previously served as lecturer, and associate professor of the Management School, and deputy department head and department head of the Accounting Department of the Management School of Jinan University, independent director of Longse Technology Limited (長視科技股份有限公司), Shenzhen Xunfang Technologies Co., Ltd. (深圳市訊方技術股份有限公司), By-Health Co., Ltd. (湯臣倍健股份有限公司) and Zhuhai Huajin Capital Co., Ltd. (珠海華金資本股份有限公司), and external supervisor of China Guangfa Bank Co., Ltd. Mr. Li Wenjing obtained a bachelor's degree and a doctorate degree from Sun Yat-sen University.

**Mr. Zhang Chuang** has served as independent non-executive director of the Company since May 2024. Mr. Zhang Chuang is currently a professor and dean of the School of Law of Changchun University of Science and Technology. Mr. Zhang Chuang previously served as a lecturer, associate professor and professor of the School of Law of Changchun University of Science and Technology, deputy director of the scientific research division, deputy director and director of the social science division, and a part-time lawyer at Jilin Zhihui Law Firm (吉林智輝律師事務所). Mr. Zhang Chuang obtained an academic diploma of bachelor's degree qualification in Chinese language and literature from Northeast Normal University and a master's degree and a doctorate degree in law from Jilin University.

**Mr. Wang Dashu** has served as independent non-executive director of the Company since May 2024. Mr. Wang Dashu is currently a professor at the Economics faculty of Peking University. Mr. Wang Dashu previously served as independent director of Huadian Power International Corporation Limited. Mr. Wang Dashu concurrently serves as independent director of Jilin Jien Nickel Industry Co., Ltd. and China Green Electricity Investment of Tianjin Co., Ltd. Mr. Wang Dashu obtained a Bachelor's degree and a Master's degree in Economics from Peking University, and obtained a doctorate degree in Economics from La Trobe University in Australia.

# CORPORATE GOVERNANCE

## (2) Supervisors

**Mr. Zhou Xitai** has served as an employee representative Supervisor and chairman of the Supervisory Committee of the Company since January 2022. Mr. Zhou Xitai is currently the deputy secretary of the Party Committee, secretary of the discipline inspection commission and chairman of the labour union of the Company. Mr. Zhou Xitai previously served as teaching assistant at the Guangzhou College of Traditional Chinese Medicine, teaching assistant at the Party School of the Guangdong Provincial Committee, cadre at deputy section level and cadre at section level of the eighth office of the Guangdong Provincial Committee, principal staff member of the Futures Regulatory Commission of Guangdong Province, principal staff member and deputy head of the supervision department of the Guangdong Office of the China Securities Regulatory Commission, deputy head of the supervision department, deputy director of the audit department and director of the first audit department of the Guangzhou City Securities Administration Office of the China Securities Regulatory Commission, consultant of the legal department and director of the litigation review department of the China Securities Regulatory Commission, member of the Party Committee and deputy captain of the General Inspection Taskforce of the China Securities Regulatory Commission, secretary of the Party Committee and commissioner of the office for securities regulation in Shenzhen of the China Securities Regulatory Commission, member of the Party Committee and deputy general manager of Huazheng Asset Management Co., Ltd. (華證資產管理有限公司), member of the Party Committee and proposed deputy general manager of Jiantou Zhongxin Asset Management Co., Ltd. (建投中信資產管理有限責任公司) and secretary of the Party Committee of the Company. Mr. Zhou Xitai concurrently serves as a member of the Party Committee of Guangdong Non-public Economic Organizations. Mr. Zhou obtained a bachelor's degree in law from Central China Normal University.

**Mr. Wang Zhenyu** has served as a shareholder representative Supervisor of the Company since May 2024. Mr. Wang Zhenyu is currently a director, deputy general manager and secretary to the board of directors of Jilin Aodong. Mr. Wang Zhenyu previously served as secretary of the office of the board of directors, assistant to the secretary of the board of directors and representative of securities affairs of Jilin Aodong, secretary to the board of directors of Yan Bian Road Construction Co., Ltd. (延邊公路建設股份有限公司) and representative of securities affairs and employee representative supervisor of Jilin Aodong. Mr. Wang Zhenyu concurrently serves as director of Zhongshan Public Small Amount Loans Company Limited. Mr. Wang Zhenyu obtained a bachelor's degree in law and a bachelor's degree in finance from Changchun Taxation College (長春稅務學院) and a master's degree in Executive Master of Business Administration (EMBA) from Jilin University.

## CORPORATE GOVERNANCE

**Ms. Zheng Chunmei** has served as a shareholder representative Supervisor of the Company since May 2024. Ms. Zheng Chunmei is currently a professor in the Accountancy department of the Economics and Management Faculty of Wuhan University. Ms. Zheng Chunmei previously served as teaching assistant, lecturer and associate professor of the Accountancy department of the Economics and Management Faculty of Wuhan University, independent director of Kinghand Industrial Investment Co., Ltd., Huachangda Intelligent Equipment Group Co., Ltd., HNA Investment Group Co., Ltd., HNA Technology Co., Ltd., Routon Electronic Co., Ltd., Accelink Technologies Co., Ltd., Wuhan Zhongke Ruihua Ecological Technology Co., Ltd. and Hubei Hongyu New Packaging Materials Co., Ltd. Ms. Zheng Chunmei concurrently serves as independent director of Shenzhen Zhongheng Huafa Co., Ltd., Hubei Bank Corporation Limited, Hubei Yihua Chemical Industry Co., Ltd., Huachangda Intelligent Equipment Group Co., Ltd. and Hubei Chenke Agriculture And Animal Husbandry Group Co., Ltd. Ms. Zheng Chunmei obtained a bachelor's degree in Economics, a Master's degree in Management and a doctorate degree in Economics from Wuhan University.

**Ms. Zhou Feimei** has served as a shareholder representative Supervisor of the Company since May 2024. Ms. Zhou Feimei is currently the secretary to the board of directors of the Zhongshan Public Utilities. Ms. Zhou Feimei previously served as investment specialist of the project planning center, vice director of the investment and development department and deputy manager of the investment and operation department (presiding over work) of the Zhongshan Transportation Development Group Co., Ltd., researcher (department manager level) of the research department II of Zhongshan Financial Securities Research Institute Co., Ltd. (中山市金融證券研究所有限公司研究二部), investment director of the investment department of Zhongshan Zhonghui Investment Group Company Limited and assistant to general manager (investment direction) of Zhongshan Public Utilities. Ms. Zhou Feimei obtained a bachelor's degree in management from Hebei University of Science and Technology and a master's degree in economics from Jinan University.

**Ms. Yi Xinyu** has served as an employee representative Supervisor of the Company since August 2022. Ms. Yi Xinyu currently serves as the deputy general manager and chief officer of the office of the Board of the Company. Ms. Yi Xinyu previously served as employee of Jiangsu Petroleum Branch of China Petroleum & Chemical Corporation and temporary head of the office of the Board of the Company. Ms. Yi Xinyu obtained a bachelor's degree in law from East China University of Political Science and Law and a master's degree in law from Tsinghua University.

# CORPORATE GOVERNANCE

## (3) Senior management

The brief biographies of Mr. Qin Li, Ms. Sun Xiaoyan and Mr. Xiao Xuesheng are set out in “(1) Directors” in this section.

**Mr. Ouyang Xi** has served as deputy general manager of the Company since May 2024. Mr. Ouyang Xi previously served as library assistant at Guangdong Mechanics College (now known as Guangdong University of Technology), deputy general manager and managing deputy general manager of the investment banking department, general manager of the proprietary trading department, executive deputy general manager of the investment banking head office, secretary to the Board, chief financial officer, deputy general manager and chief officer of the Company, director of GF Fund and chairman of GF Hexin Industry Investment Management Co., Ltd. Mr. Ouyang Xi concurrently serves as director of GFHK and director of Guangzhou Institute for Investment Advisor . Mr. Ouyang Xi obtained a bachelor’s degree in science from Wuhan University and a master’s degree in economics from Jinan University.

**Mr. Zhang Wei** has served as a deputy general manager of the Company since May 2014. Mr. Zhang Wei previously served as treasury manager of the trust fund department of Anhui International Trust & Investment Company (安徽國際信託投資公司), business manager of the investment banking department, deputy general manager and general manager of the debt underwriting department, deputy general manager and co-general manager of the investment banking business management head office, general manager of the fixed income head office of the Company, and assistant to general manager of the Company, chairman of GF Asset Management, chairman of GF Hexin Industry Investment Management Co., Ltd. and director of China Securities Credit Investment Co., Ltd. (中證信用增進股份有限公司). Mr. Zhang Wei concurrently serves as supervisor of China Securities Credit Investment Co., Ltd., director of GFHK and chairman of GFFL. Mr. Zhang Wei obtained a bachelor’s degree in economics from Anhui University, a master’s degree in economics from Fudan University and a doctorate degree in economics from Renmin University of China.

**Mr. Yi Yangfang** has served as deputy general manager of the Company since July 2021. Mr. Yi Yangfang previously served as teacher of the Second Middle School of Yongxiu County, Jiangxi Province, member of investment promotion and development bureau of Yongxiu County, Jiangxi Province, salesman and deputy manager of the investment banking head office, investment wealth management head office and the proprietary trading department of the Company, member of the preparatory team of GF Fund, officer of investment management department, general manager of investment management department, fund manager, assistant general manager, investment director, deputy general manager, executive deputy general manager of GF Fund, director, vice chairman and chairman of the board of GF International Investment Management Limited, director of Ruiyuan Capital Management Co., Ltd. and director of E Fund. Mr. Yi Yangfang obtained a bachelor’s degree in science from Jiangxi University and a master’s degree in economics from Shanghai University of Finance and Economics.

## CORPORATE GOVERNANCE

**Mr. Xin Zhiyun** has served as chief information officer of the Company since May 2019 and deputy general manager of the Company since July 2021. Mr. Xin Zhiyun previously served as software engineer and editor of the Higher Education Press, principal staff member and deputy director of the Information Center, deputy director of the General Office, director-level consultant, director-level consultant (in charge) and director of the Audit Office of the Institutional Supervision Department of the China Securities Regulatory Commission, vice president, chief risk officer, chief compliance officer and chief financial officer of Essence Securities Co., Ltd. (now known as SDIC Securities Co., Ltd., same hereinafter) and director of Essence Capital Co., Ltd. Mr. Xin Zhiyun concurrently serves as chief representative of our representative office in Beijing and director of GFHK. Mr. Xin Zhiyun obtained a bachelor's degree in engineering from North China University of Technology, a master's degree in education from Beijing Normal University, a master's degree in business administration (Finance) from University of Nottingham and a doctorate degree in engineering from Tsinghua University.

**Mr. Li Qian** has served as deputy general manager of the Company since July 2021. Mr. Li Qian previously served as trader and head (responsible for the overall work of the office) of RMB interest rate trading office of Financial Market Department of the Industrial and Commercial Bank of China, deputy general manager of fixed income sales and trading department (responsible for the overall work of the department), general manager of fixed income sales and trading department of the Company, and assistant general manager of the Company, general manager of the management head office of the Company's securities investment business. Mr. Li Qian concurrently serves as chairman of the fixed income committee of the Company, chairman of GFHK and executive director of Value Partners Group. Mr. Li Qian obtained a bachelor's degree, a master's degree and a doctorate degree in economics from Renmin University of China.

**Mr. Xu Youjun** has served as deputy general manager of the Company since July 2021. Mr. Xu Youjun previously served as employee of the development department of Guangzhou Transportation Real Estate Company (廣州交通房地產公司), employee of the enterprise management department of Guangdong Zhujiang Investment Company (廣東珠江投資公司), manager of the investment banking department of Guangzhou Securities Co., Ltd., business manager of the investment banking department, assistant to general manager of the Hubei headquarters, assistant to general manager of the investment banking department, assistant to general manager of the investment banking general management department and executive director of the mergers and acquisitions department and general manager of the office of the Board of the Company, secretary to the Board, joint company secretary, securities affairs representative, chief compliance officer and general manager of the compliance and legal affairs department of the Company. Mr. Xu Youjun concurrently serves as director of E Fund. Mr. Xu Youjun obtained a bachelor's degree in engineering from Xiangtan University and a master's degree in economics from Sun Yat-Sen University.

**Mr. Hu Jinqun** has served as deputy general manager of the Company since May 2024. Mr. Hu Jinqun previously served as business assistant and business manager of the investment banking department, office manager and assistant to the general manager, director and managing director of the investment banking department, assistant to the general manager and vice chairman of the investment banking business management committee of the Company. Mr. Hu Jinqun concurrently serves as chairman of the investment banking business management committee of the Company. Mr. Hu Jinqun received his bachelor's and master's degree in economics from Southwestern University of Finance and Economics.

## CORPORATE GOVERNANCE

**Mr. Wu Shunhu** has served as chief compliance officer of the Company since May 2024. Mr. Wu Shunhu previously served as teacher at China Women's Executive Leadership Academy Shandong College (now known as Shandong Women's University), deputy director and director of training section and vice chairman of the educational training committee of Securities Association of China, principal staff member of the risk management office, consultant of the Shanghai Commissioner Office of China Securities Regulatory Commission, deputy secretary of the Party Committee and general manager of the asset management department of Zhongshan Securities Co., Ltd., general manager and legal representative of Zhong Xin Huijin Equity Investment Fund Management (Shenzhen) Company Limited (中新匯金股權投資基金管理(深圳)有限公司), deputy general manager, chief risk officer, compliance principal of GF Asset Management, general manager of the compliance and legal affairs department of the Company, chief risk officer and general manager of the risk management department of the Company. Mr. Wu Shunhu concurrently serves as general manager of the compliance and legal affairs department of the Company and compliance principal of GF Asset Management. Mr. Wu Shunhu obtained a bachelor's degree and a master's degree in economics from Shandong University, and a doctorate degree in economics from Renmin University of China.

**Mr. Cui Zhouhang** has served as chief risk officer of the Company since May 2024. Mr. Cui Zhouhang previously served as employee at Citibank (China) Co., Ltd., assistant to general manager, deputy general manager, deputy general manager (responsible for the overall management) of the risk management department of the Company, general manager of the human resources department of the Company, chief human resources officer of the Company and chief risk officer of GFHK. Mr. Cui Zhouhang concurrently serves as general manager of the risk management department of the Company and chief risk officer of GF Asset Management. Mr. Cui Zhouhang obtained a dual bachelor's degree in science and economics from Peking University, a master's degree in economics from Peking University and a master's degree in finance from the University of Hong Kong.



# CORPORATE GOVERNANCE

**Mr. Yin Zhongxing** has served as the secretary to the Board, a joint company secretary and securities affairs representative of the Company since May 2024. Mr. Yin Zhongxing previously served as senior research assistant of Beijing Securities and Futures Research Institute (北京證券期貨研究院), senior research assistant, labor union member, assistant researcher, deputy secretary and secretary of the Communist Youth League Committee of China Institute of Finance and Capital Markets and executive director of the strategic development department of the Company. Mr. Yin Zhongxing concurrently serves as the general manager of the Board office of the Company. Mr. Yin Zhongxing obtained his bachelor's degree in engineering from Beijing Forestry University and a master's degree in economics from Peking University.

## POSITION HELD IN THE SHAREHOLDING COMPANIES

Name	Name of shareholding companies	Position held in the shareholding companies	Commencement date	End date	Remuneration received from shareholding companies
Li Xiulin	Jilin Aodong	Chairman	February 2000	To present	Yes
Shang Shuzhi	Liaoning Cheng Da	Honorary chairman, director	February 2025	To present	Yes
Guo Jingyi	Zhongshan Public Utilities	Chairman	September 2020	To present	Yes
Wang Zhenyu	Jilin Aodong	Director, deputy general manager and secretary to the board of directors	July 2017	To present	Yes
Zhou Feimei	Zhongshan Public Utilities	Secretary to the board of directors	October 2021	To present	Yes



# CORPORATE GOVERNANCE

## POSITION HELD IN OTHER COMPANIES

Name	Name of other companies	Position held in the other companies	Commencement date	End date	Remuneration received from other companies
Lin Chuanhui	China Securities Internet System Co., Ltd.	Director	December 2021	To present	No
Sun Xiaoyan	ECT	Supervisor	June 2018	To present	No
Leung Shek Ling Olivia	The Faculty of Business and Economics of the University of Hong Kong	Associate dean and principal lecturer	January 2020	To present	Yes
	Yoho Group Holdings Limited	Independent director	July 2023	To present	Yes
Li Wenjing	Management School of Jinan University	Dean, professor	March 2019	To present	Yes
Zhang Chuang	The School of Law of Changchun University of Science and Technology	Dean, professor	September 2015	To present	Yes
Wang Dashu	The Economics faculty of Peking University	Professor	August 2003	To present	Yes
	Jilin Jien Nickel Industry Co., Ltd.	Independent director	December 2018	To present	Yes
	China Green Electricity Investment of Tianjin Co., Ltd.	Independent director	December 2023	To present	Yes
Wang Zhenyu	Zhongshan Public Small Amount Loans Company Limited	Director	May 2013	To present	Yes
Zheng Chunmei	The Accountancy department of the Economics and Management Faculty of Wuhan University	Professor	November 2007	To present	Yes
	Shenzhen Zhongheng Huafa Co., Ltd.	Independent director	September 2019	To present	Yes
	Hubei Bank Corporation Limited	Independent director	December 2020	To present	Yes
	Hubei Yihua Chemical Industry Co., Ltd.	Independent director	February 2022	To present	Yes
	Huachangda Intelligent Equipment Group Co., Ltd.	Independent director	April 2022	To present	Yes
	Hubei Chenke Agriculture And Animal Husbandry Group Co., Ltd.	Independent director	January 2024	To present	Yes
Ouyang Xi	Guangzhou Institute for Investment Advisor Management Co., Ltd.	Director	September 2023	To present	No
Zhang Wei	China Securities Credit Investment Co., Ltd.	Supervisor	May 2022	To present	No
Yi Yangfang	E Fund	Director	March 2023	March 2025	No
Li Qian	Value Partners Group	Executive director	August 2024	To present	No
Xu Youjun	E Fund	Director	March 2025	To present	No

**Penalties imposed by the securities regulatory authority on the current and resigned Directors, Supervisors and senior management of the Company during the Reporting Period for the last three years**

N/A

# CORPORATE GOVERNANCE

## 3. Remuneration of Directors, Supervisors and senior management

### (1) *Decision-making process for remuneration of Directors, Supervisors and senior management*

The Directors and Supervisors of the Company who do not have contractual labor relationship with the Company enjoy allowances. The Directors and Supervisors of the Company who have contractual labor relationship with the Company receive remuneration according to the Company's policies. The general meeting, the Board, the Supervisory Committee, the remuneration and appraisal committee of the Board and independent Directors perform their respective responsibilities in this decision-making process according to the relevant requirements.

### (2) *Basis for determining the remuneration of Directors, Supervisors and senior management*

The remuneration of Directors, Supervisors and senior management shall be determined depending on the Company's actual situation and their positions and performance by reference to the standards of similar companies in the finance industry.

### (3) *Payment of remuneration of Directors, Supervisors and senior management*

The remuneration will be paid regularly to personal accounts after withholding personal income tax according to the Company's remuneration policies.

The Rules for Governance of Securities Companies (《證券公司治理準則》) requires that “the annual performance-based remuneration of the senior management of the securities company shall be determined by the board of directors according to the annual performance assessment results of the senior management, more than 40% of which shall be paid in the form of deferred payment, and the period of deferred payment shall not be less than 3 years. The payment of deferred remuneration shall follow the principle of equal division”. The Guidelines for Securities Companies to Establish a Stable Remuneration System (《證券公司建立穩健薪酬制度指引》) requires that “the remuneration payment plan should ensure the company's capital adequacy and sustainable operation, the deferred payment period should match the risk duration of the relevant business, and the deferred payment speed should not be faster than the equal proportion”. The Board of the Company formulates and implements the specific plan for deferred payment of annual performance-based remuneration of business managers according to the above requirements and the Measures on Performance Assessment and Remuneration Management for Business Managers (《經營管理層績效考核與薪酬管理辦法》) of the Company on an annual basis.

# CORPORATE GOVERNANCE

## (4) *Appraisal of Directors, Supervisors and senior management personnel*

- 1) The duty performance appraisal of the Directors of the Company is composed of three parts, including self-evaluation by the Directors, appraisal by the remuneration and appraisal committee of the Board, and deliberation and confirmation by the Board. When the remuneration and appraisal committee of the Board and the Board deliberate on the duty performance of each Director, the Director being appraised shall abstain from voting.

Specific steps for appraisal on Directors' duty performance are as follows:

- ① Directors' self-evaluation: Directors conduct self-evaluation on their respective annual performance in accordance with the Form of Self-evaluation on Directors' Duty Performance (《董事履職自我評價表》) with the self-evaluation results of being competent or incompetent after the review and confirmation by the remuneration and appraisal committee of the Board.
- ② Appraisal by the remuneration and appraisal committee of the Board: The appraisal and evaluation on Directors' duty performance by the remuneration and appraisal committee of the Board is determined by the remuneration and appraisal committee of the Board. The office of the Board together with relevant departments collect the annual duty performance of Directors and assist the remuneration and appraisal committee of the Board in evaluating the Form of Appraisal of Directors' Duty Performance (《董事履職考評表》) and in checking the Checklist for Compliance of Directors' Duty Performance (《董事履職合規性核對表》) based on the annual duty performance of Directors with the self-appraisal results of being competent or incompetent.

When both self-appraisal results of performance and the appraisal results of the duty performance are competent after the review by the remuneration and appraisal committee of the Board and there is no "No" in the checking results of Checklist for Compliance of Directors' Duty Performance (《董事履職合規性核對表》), the appraisal results of annual performance will be competent; otherwise it will be incompetent.

When the Remuneration and Appraisal Committee of the Board deliberate on the duty performance of each Director, the Director being appraised shall abstain from voting.



# CORPORATE GOVERNANCE

- ③ Appraisal by the Board: The final appraisal results of Directors shall be determined by the Board. The procedures of duty performance appraisal for the executive Directors of the Company shall be in compliance with the other relevant requirements such as the human resource management policies and the Measures on Performance appraisal and Remuneration Management for Operating Management, the Director being appraised shall abstain from voting.

According to the Resolution on Appraisal of Directors' Duty Performance in 2024 considered and approved by the Board, the appraisal results of Directors are as follows:

The appraisal result of Lin Chuanhui of being competent is approved; the appraisal result of Li Xiulin of being competent is approved; the appraisal result of Shang Shuzhi of being competent is approved; the appraisal result of Guo Jingyi of being competent is approved; the appraisal result of Qin Li of being competent is approved; the appraisal result of Sun Xiaoyan of being competent is approved; the appraisal result of Xiao Xuesheng of being competent is approved; the appraisal result of Leung Shek Ling Olivia of being competent is approved; the appraisal result of Li Wenjing of being competent is approved; the appraisal result of Zhang Chuang of being competent is approved; the appraisal result of Wang Dashu of being competent is approved.

- 2) The appraisal on supervisors' performance includes supervisor's self-evaluation, peer appraisal among supervisors, democratic appraisal by the employee representatives meeting and appraisal by the Supervisory Committee.

Specific steps for appraisal on supervisors' duty performance are as follows:

- ① supervisors' self-evaluation: Supervisors conduct self-evaluation on their respective annual duty performance in accordance with the Form of Self-evaluation on Supervisors' Duty Performance (《監事履職自評表》) with the self-evaluation results of being competent, basically competent or incompetent;
- ② peer appraisal among supervisors: Supervisors conduct peer appraisal on other supervisors' annual duty performance and give a score for actual duty performance of other supervisors in accordance with the Form for Peer Appraisal of Supervisors. The Supervisory Committee determines the results of peer appraisal according to the rules of peer appraisal with appraisal results of being competent, basically competent or incompetent;
- ③ democratic appraisal of the employee representative supervisors by the employee representatives meeting: the employee representative supervisors shall report their annual duty performance at the employee representative meeting and accept the democratic appraisal by the employee representatives. The democratic appraisal results of employee representative supervisors were classified into three categories: competent, basically competent and incompetent;

- ④ appraisal by the Supervisory Committee: The appraisal by the Supervisory Committee is determined by the Supervisory Committee. The office of the Supervisory Committee together with relevant departments collect the annual duty performance of supervisors and assist the Supervisory Committee in checking the Form of Appraisal of Supervisors' Duty Performance (《監事履職評價表》) based on the annual duty performance of supervisors;
- ⑤ appraisal results of supervisors are considered and confirmed by the Supervisory Committee: The Supervisory Committee conducts appraisal on the annual duty performance of relevant supervisors. The Supervisory Committee considers the appraisal results on annual duty performance of supervisors (competent, basically competent or incompetent) according to the self-appraisal results of each supervisor, results of peer appraisal, results of democratic appraisal by the employee representatives meeting and results of consistency checking of the Form of Appraisal of Supervisors' Duty Performance (《監事履職評價表》) and rules under the Duty Performance Supervision and Assessment Implementation Plan of the Supervisory Committee of GF Securities for Supervisors for the year of 2024 (《廣發證券監事會對監事2024年度履職監督評價實施方案》);
- ⑥ When the Supervisory Committee considers the duty performance of each supervisor, the supervisors concerned shall abstain from voting.

According to the Resolution on Appraisal of Supervisors' Duty Performance in 2024 considered and approved by the Supervisory Committee, the appraisal results of Supervisors are as follows:

The appraisal result of Zhou Xitai of being competent is approved; the appraisal result of Wang Zhenyu of being competent is approved; the appraisal result of Zheng Chunmei of being competent is approved; the appraisal result of Zhou Feimei of being competent is approved; the appraisal result of Yi Xinyu of being competent is approved.

The human resource management system of the Company and the relevant requirements are applicable to the appraisal and remuneration of employee representative supervisor. The Performance Appraisal and Remuneration Management Regulations for Chairman of Supervisory Committee of the Company is applicable to the Chairman of Supervisory Committee of the Company.



## CORPORATE GOVERNANCE

### (5) Remuneration of Directors, Supervisors and senior management during the Reporting Period

Unit: RMB ' 0000

Name	Gender	Age	Position	Status	The total remuneration before tax received from the Company	Remuneration received from related parties of the Company
Lin Chuanhui	Male	61	Executive Director, Chairman	Current	232.10	No
Li Xiulin	Male	72	Non-executive Director	Current	18.00	Yes
Shang Shuzhi	Male	72	Non-executive Director	Current	18.00	Yes
Guo Jingyi	Male	49	Non-executive Director	Current	0.00	Yes
Qin Li	Male	56	Executive Director, general manager	Current	208.95	No
Sun Xiaoyan	Female	52	Executive Director, executive deputy general manager, chief financial officer	Current	225.75	No
Xiao Xuesheng	Male	52	Executive Director, deputy general manager	Current	110.80	No
Leung Shek Ling Olivia	Female	53	Independent non- executive Director	Current	27.00	Yes
Li Wenjing	Male	45	Independent non- executive Director	Current	27.00	No
Zhang Chuang	Male	46	Independent non- executive Director	Current	15.75	Yes
Wang Dashu	Male	68	Independent non- executive Director	Current	15.75	Yes
Zhou Xitai	Male	60	Chairman of the Supervisory Committee, employee representative supervisor	Current	234.97	No
Wang Zhenyu	Male	43	Shareholder representative supervisor	Current	8.75	Yes

# CORPORATE GOVERNANCE

Name	Gender	Age	Position	Status	The total remuneration before tax received from the Company	Remuneration received from related parties of the Company
Zheng Chunmei	Female	60	Shareholder representative supervisor	Current	8.75	Yes
Zhou Feimei	Female	40	Shareholder representative supervisor	Current	0.00	Yes
Yi Xinyu	Female	40	Employee representative supervisor	Current	81.88	No
Ouyang Xi	Male	57	Deputy general manager	Current	210.26	No
Zhang Wei	Male	49	Deputy general manager	Current	205.19	No
Yi Yangfang	Male	54	Deputy general manager	Current	206.88	No
Xin Zhiyun	Male	55	Deputy general manager, chief information officer	Current	193.22	No
Li Qian	Male	40	Deputy general manager	Current	213.71	No
Xu Youjun	Male	53	Deputy general manager	Current	190.68	No
Hu Jinquan	Male	49	Deputy general manager	Current	74.71	No
Wu Shunhu	Male	55	Chief compliance officer	Current	177.34	No
Cui Zhouhang	Male	41	Chief risk officer	Current	179.03	No
Yin Zhongxing	Male	37	Secretary to the Board, joint company secretary, securities affairs representative	Current	66.09	No
Ge Changwei	Male	59	Executive Director, vice chairman	Resigned	91.81	No
Fan Lifu	Male	52	Independent non-executive Director	Resigned	13.50	Yes
Hu Bin	Male	53	Independent non-executive Director	Resigned	13.50	Yes

## CORPORATE GOVERNANCE

Name	Gender	Age	Position	Status	The total remuneration before tax received from the Company	Remuneration received from related parties of the Company
Lai Jianhuang	Male	60	Shareholder representative supervisor	Resigned	7.50	Yes
Xie Shisong	Male	61	Shareholder representative supervisor	Resigned	7.50	Yes
Lu Xin	Female	61	Shareholder representative supervisor	Resigned	7.50	Yes
Wu Jifu	Male	59	Deputy general manager	Resigned	84.61	No
Total	—	—	—	—	3,176.48	—

Note 1: The Company has no payment of compensation in forms other than cash;

Note 2: The total remuneration before tax received from the Company represents the remuneration accrued and distributed by the Company attributable to 2024;

Note 3: The final remuneration of executive Directors, employee representative supervisors and senior management personnel is still in the process of being determined, and the remaining part of the remuneration will be disclosed separately after being confirmed;

Note 4: The remuneration of the abovementioned personnel during the Reporting Period is the remuneration received during the period of serving as Director, Supervisor and senior management.



# CORPORATE GOVERNANCE

## VI. BOARD OF DIRECTORS MEETINGS CONVENED DURING THE REPORTING PERIOD

The existing Articles of Association and the Rules of Procedure for the Board of Directors have provided for the qualification, obligations and responsibilities of Directors, the authority of the Board of Directors, the convening, voting and resolutions of the meeting of the Board of Directors, etc., which ensure the standard and effective operation of the Board.

### 1. The composition of the Board

The Company appoints and replaces Directors strictly in accordance with the relevant regulations and the provisions of its Articles of Association of the Company. The Board of Directors shall exercise its power and functions according to laws, ensuring that the convening, voting, resolutions of the Board of Directors comply with the Company Law, the Articles of Association of the Company and other regulations. The Board of Directors of the Company comprises 11 Directors, among whom, four are Executive Directors, three are Non-executive Directors and four are Independent Non-executive Directors. The number of Independent Non-executive Directors exceeds one-third of the total number of the Company's Directors.

The list of candidates for Directors shall be proposed at the general meeting by way of resolution for voting. Shareholder(s) severally or jointly holding 1% or more shares of the Company may put forward provisional proposals and submit them in writing to the convener 10 days before the general meeting. The cumulative voting system shall be implemented when the general meeting elects two or more independent directors. If the number of directors nominated by any single shareholder exceeds 1/2 or more of the number of directors, the number of supervisors nominated by such shareholder shall not exceed 1/3 of the number of supervisors. The Directors shall be elected or replaced at the general meeting and their term of office shall be three years. The Directors shall perform their official duties since the adoption of the resolution of the shareholders. Upon the expiry of the term, a Director shall be eligible for re-election and reappointment. Independent Non-executive Directors shall have the same term of office as the other Directors. The term of office of an Independent Non-Executive Director is renewable upon re-election when it expires, but no Independent Non-Executive Director shall serve for more than six years. Resolution for the election of Directors at a general meeting shall be passed by one half or more of the voting rights held by the Shareholders (including their proxies) attending the general meeting.

Independent Non-executive Directors shall be independent as required under Article 6 of the Measures for the Administration of Independent Directors of Listed Companies and Rule 3.13 of the Hong Kong Listing Rules. Currently, all Independent Non-executive Directors have conducted self-examinations on their independence and issued written confirmations, and the Board of Directors has evaluated and confirmed the independence of all Independent Non-executive Directors.

# CORPORATE GOVERNANCE

## 2. Independence of the Board of Directors

To promote more objective and effective board decision-making, the Company has established various systems, including the Rules of Procedure for the Board of Directors and Working System of the Independent Directors, so as to ensure that independent views and opinions of all Directors can be submitted to the Board of Directors.

- (1) The Rules of Procedure for the Board of Directors and Working Rules of the Independent Directors and various system of the Company provide guidance for the duty performance of each Director to ensure standard operation and reasonable decision-making by the Board of Directors, and stipulate actions to be taken by the Directors to avoid any conflict of interests;
- (2) The Board of Directors of the Company consists of 11 members; 7 of them are Non-executive Directors, including 4 Independent Non-executive Directors in accordance with the Listing Rules of the Mainland China and Hong Kong with a balanced composition so that there is a strong independent element on the Board;
- (3) Before nomination of candidates for the appointment of new Independent Non-executive Directors, the Nomination Committee shall make a comprehensive assessment on, among others, their independence, working experience and professional skills. It will also assess ongoing independence of the existing Independent Non-executive Directors and their time commitment for their performance of duties on an annual basis. According to Article 6 of the Measures for the Administration of Independent Directors of Listed Companies and Rule 3.13 of the Hong Kong Listing Rules, all Independent Non-executive Directors are required to confirm in writing that they meet the independence requirements on an annual basis;
- (4) The Chairman holds on an annual basis meetings with Independent Non-executive Directors without the presence of other Directors;
- (5) The Company convenes meetings attended by all Independent Non-executive Directors from time to time to consider relevant matters stipulated in the Measures for the Administration of Independent Directors of Listed Companies, or study other matters of the Company as necessary;
- (6) The non-Executive Directors shall receive fixed allowance for serving on the Board of Directors and specific committees under the Board of Directors;
- (7) The specific committees under the Board of Directors may, in the course of performing their duties, engage intermediaries to provide professional advice for their performance of duties at the expenses of the Company;
- (8) The Board of Directors of the Company shall make assessment on performance of Directors on an annual basis; the Director being appraised have abstained from voting. Upon deliberation and confirmation of the final appraisal results of performance of Directors by the Board of Directors, these results will be submitted together with the explanations on appraisal results of performance and matters in relation to their remunerations to the general meeting.

The Company believes that the above measures and policies have been effectively implemented during the Reporting Period.

# CORPORATE GOVERNANCE

## 3. Duties of the Board of Directors

The Board of Directors is the decision-making body of the Company, responsible for the general meeting of shareholders, and shall discharge their duties in accordance with laws, regulations, the Articles of Association of the Company and the listing rules where our Shares are listed. The Board of Directors is responsible for the formulation of the Company's strategies and corporate governance policies, implementation of risk management and internal control as well as corporate finance decisions.

According to the Articles of Association, the Board shall exercise the following functions and powers: to convene general meetings and report to general meetings; to execute resolutions of general meetings; to resolve on the Company's business plans and investment plans; to formulate the Company's long-term and mid-term development plans; to prepare the annual financial budgets and final accounting plans of the Company; to prepare the profit distribution plan and loss makeup plan of the Company; to prepare plans for the increase or decrease of the registered capital of the Company, the issuance of bonds or other securities and listing plans; to formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company; to decide on external investment, acquisition and disposal of assets, asset pledge, external guarantee, consigned financial management, connected transactions, donations etc. of the Company within the authority granted by the general meeting; to resolve on the establishment of internal management organizations of the Company; to appoint or dismiss the Company's general manager, secretary of the Board, chief compliance officer, chief risk officer, chief information officer and chief audit officer as nominated by the Chairman of the Board; to decide on the appointment or dismissal of the Company's vice general manager, chief financial officer and other senior management as nominated by the general manager and determine their remuneration and rewards and penalties; to set up the basic management system of the Company; to formulate the proposals for any amendment to the Articles of Association; to manage the disclosure of information by the Company; to propose to general meetings the appointment or change of the accounting firm acting as the auditors of the Company; to review the work report of the general manager of the Company and examine the work conducted by the general manager; to monitor, review and evaluate the establishment and implementation of the Company's various internal control systems and to be responsible for the effectiveness of the internal control; to determine the compliance management objectives of the Company, assume responsibility for the effectiveness of the compliance management, evaluate the effectiveness of the compliance management, and supervise and solve the problems existing in the compliance management; to ensure the independence of the chief compliance officer, guarantee the independent communication between the chief compliance officer and the Board and safeguard the smooth reporting between the chief compliance officer and the regulatory authority; to review the annual compliance report and monitor the implementation of the compliance policies; to assume the final responsibility for overall risk management, ensure the independence of the chief risk officer and establish a direct communication mechanism with the chief risk officer, examine and approve significant risk management policies including risk preference, review the Company's regular risk assessment report and assume other corresponding duties; to evaluate and determine the nature and extent of risks that the Company is willing to take in achieving its strategic objectives and ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board of Directors shall supervise the design, implementation and monitoring of the risk management and internal control systems by the management and the management shall provide the Board of Directors confirmations on the effectiveness of such systems. The Board of Directors shall determine to acquire the shares of the Company under the circumstances set out under Article 27(3), (5) and (6) of the Articles of Association; and to be responsible for reviewing the Company's information technology management objectives and assuming responsibility for the effectiveness of information technology management; review the information technology strategy to ensure its consistency with

# CORPORATE GOVERNANCE

the Company's development strategy, risk management strategy and capital strength; establish manpower and funding support plans for information technology; evaluate the overall effectiveness and efficiency of the annual information technology management; guide and promote the construction of corporate culture of the Company; exercise other functions and powers as conferred by laws, administrative regulations, departmental rules or the Articles of Association.

## 4. Major initiatives on corporate governance by the Board of Directors

In terms of corporate governance, the Board or its subordinated specific committees shall perform the following responsibilities: to formulate and review the policy and practice of corporate governance, and make proposals to the Board; to review and monitor training and continued professional development of the Directors and senior management personnel; to review and monitor the issuer's policies and practices on compliance with legal and regulatory requirements; and to review the issuer's compliance with the CG Code, and the disclosure in this report. During the Reporting Period, the Board of Directors of the Company carried out the following major initiatives on corporate governance:

- (1) In accordance with the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第 3 號 – 上市公司現金分紅》), the Rules for the Shareholders' Meetings of Listed Companies (《上市公司股東大會規則》) and the SZSE Listing Rules, the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the Main Board (《深圳證券交易所上市公司自律監管指引第 1 號 – 主板上市公司規範運作》) and other laws and regulations, as well as the Hong Kong Listing Rules and other relevant provisions, in light of its actual situation, the Company has revised the Articles of Association, the Rules of Procedure for the Strategic Committee of the Board of Directors (《董事會戰略委員會議事規則》), the Rules of Procedure for the Nomination Committee of the Board of Directors (《董事會提名委員會議事規則》), the Rules of Procedure for Remuneration and Appraisal Committee of the Board of Directors (《董事會薪酬與考核委員會議事規則》), the Rules of Procedure for the Audit Committee of the Board of Directors (《董事會審計委員會議事規則》), the Rules of Procedure for the Risk Management Committee of the Board of Directors (《董事會風險管理委員會議事規則》) and the Management System for Related Party Transactions (《關聯交易管理制度》), and has formulated the Working System of the Independent Directors (《獨立董事工作制度》).
- (2) Pursuant to the Administrative Measures for the Selection and Appointment of Accounting Firms by State-owned Enterprises and Listed Companies (《國有企業、上市公司選聘會計師事務所管理辦法》) jointly promulgated by the Ministry of Finance, the SASAC of the State Council and the CSRC, and in light of the provisions of the Articles of Association and its actual situation, the Company has formulated the Administrative Measures for the Selection and Appointment of Accounting Firms of GF Securities (《廣發證券選聘會計師事務所管理辦法》).
- (3) In order to implement the external regulatory requirements and based on its practical experience of internal management, the Company has formulated the Internal Accountability System of GF Securities (《廣發證券內部問責制度》) and has revised the Measures for the Administration of Compliance Accountability of GF Securities (《廣發證券合規問責辦法》).

# CORPORATE GOVERNANCE

- (4) The Company provides professional training and other support to its Directors, Supervisors and senior management for their performance of duties. In 2024, the Company facilitated Directors, Supervisors and senior management to participate in various trainings organized by the regulatory authorities, listed company associations, industry associations and the Company, with the expenses borne by the Company. The Company sent the laws, regulations, guidelines, notices, special editions issued by the regulatory authorities and the newsletters of the Directors and Supervisors (《董監事通訊》) that are compiled monthly by the Company to the Directors, Supervisors and senior management in a timely manner, so as to improve their understanding of the latest statutory requirements of the regulatory authorities and the stock exchange of the places where the Company is listed, the development of the securities industry and the Company's business and to provide facilitation and support for the performance of duties by the Company's Directors, Supervisors and senior management.
- (5) The Company attaches great importance to the deep integration of development strategy, cultural concept and operation development, and the corporate culture of the Company is in line with the Company's purpose, value and strategy. With culture-driven business, the Company regards serving the national strategy, the real economy development and the people's yearning for a better life as its corporate responsibilities and missions, leading the main businesses such as investment banking, wealth management, and asset management to enhance core competitiveness, and promote business decision-making and organic combination of cultural concepts. In order to carry on the culture of business, the cultural construction requirements are embedded in the whole process of the Company's operation and management, and the Company's mission, core values and business philosophy are demonstrated in the business operation, so that the culture has strong vitality, cohesion and appeal. During the Reporting Period, the Company coordinated and promoted the construction of corporate culture, strengthened the positive incentive role; built the characteristic cultural brand of "knowledge-based, truth-seeking and dedication", continued to strengthen cultural recognition; actively cultivated the financial culture with Chinese characteristics, fully supported the construction of industry culture, and facilitated the high-quality development of the industry by participating in activities including the research on the topic of industry culture construction.

Before the publication of this report, the Board has reviewed the Corporate Governance section herein (i.e. the Corporate Governance Report), and the Board is of the view that this Corporate Governance Report complies with the relevant requirements of the Hong Kong Listing Rules.

## 5. Duties of the management team

The Company implements the general-manager responsibility system under the leadership of the Board of Directors. The Articles of Association of the Company clearly delineate the respective responsibilities of the Board of Directors and the operating management. The management shall be accountable for the daily business operations of the Company and shall be responsible for organizing the implementation of the Board's resolutions, the Company's annual business plans and investment plans, preparing the plan for the establishment of internal management of the Company, preparing the basic management system of the Company, deciding the appointment or removal of executives other than those appointed or removed by the Board, and exercising other functions and powers conferred in the Articles of Association and by the Board. If necessary, the Board of Directors could delegate its management and administrative authority to the operating management team and provide clear guidelines on the authorized acts. Senior management staff shall be appointed or removed by the Board. They serve for a term of three years and may serve consecutive terms upon reappointment.

# CORPORATE GOVERNANCE

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## 6. Duties of the Chairman and General Manager

The Articles of Association, Rules of Procedures for the Board of Directors, Terms of Reference for the Chairman and Terms of Reference for the General Manager of the Company clearly delineate the duties of the Chairman and the General Manager. The Chairman is the legal representative of the Company, who leads the daily operations of the Board, and monitors the implementation of resolutions made by the Board to ensure efficient and orderly operations of the Board. The General Manager of the Company presides over the daily operation and management of the Company, organizes the implementation of the resolutions of the Board of Directors and reports to the Board of Directors. Mr. Lin Chuanhui served as both the Chairman and the General Manager of the Company until May 2024, and since May 2024, Mr. Lin Chuanhui has served as the Chairman of the Company and Mr. Qin Li has served as the General Manager of the Company. For details, please see “I. Basic Situation of the Corporate Governance” of this section.



# CORPORATE GOVERNANCE

## 7. The Board during the Reporting Period

Session of meeting	Convening date	Disclosure date	Status of resolutions
The Thirty-third Meeting of the Tenth Session of the Board of Directors	March 28, 2024	March 29, 2024	<p>The Board of Directors considered and approved:</p> <ol style="list-style-type: none"><li>the Resolution on the Directors' Report of GF Securities for the Year of 2023;</li><li>the Resolution on the Work Report of the Strategy Committee of the Board of Directors of GF Securities for the Year of 2023;</li><li>the Resolution on the Work Report of the Nomination Committee of the Board of Directors of GF Securities for the Year of 2023;</li><li>the Resolution on the Work Report of the Remuneration and Appraisal Committee of the Board of Directors of GF Securities for the Year of 2023;</li><li>the Resolution on the Work Report of the Audit Committee of the Board of Directors of GF Securities for the Year of 2023;</li><li>the Resolution on the Work Report of the Risk Management Committee of the Board of Directors of GF Securities for the Year of 2023;</li><li>the Resolution on the Work Report of Independent Directors for the Year of 2023;</li><li>the Resolution on the Duty Report of Independent Directors for the Year of 2023;</li><li>the Resolution on the Performance Assessment on Directors for the Year of 2023;</li><li>the Resolution on the Special Description of Performance Assessment and Remuneration of GF Securities Directors for the Year of 2023;</li><li>the Resolution on the Special Description of Duty Performance, Performance Assessment and Remuneration of GF Securities Business Management for the Year of 2023;</li><li>the Resolution on the Final Financial Report of GF Securities for the Year of 2023;</li><li>the Resolution on the Annual Report of GF Securities for the Year of 2023;</li><li>the Resolution on the Social Responsibility and Environmental, Social and Governance (ESG) Report of GF Securities for the Year of 2023</li><li>the Resolution on the Corporate Governance Report of GF Securities for the Year of 2023;</li><li>the Resolution on the Compliance Report of GF Securities for the Year of 2023;</li><li>the Resolution on the Review Report on the Effectiveness of the Compliance Management of GF Securities for the Year of 2023;</li><li>the Resolution on the Internal Control and Evaluation Report of GF Securities for the Year of 2023;</li><li>the Resolution on the Specific Auditing Report of Related Party Transactions of GF Securities for the Year of 2023;</li><li>the Resolution on the Audit Work Report of GF Securities for the Year of 2023;</li><li>the Resolution on the Risk Management Report of GF Securities for the Year of 2023;</li><li>the Resolution on the Specific Report on the Information Technology Management of GF Securities for the Year of 2023;</li><li>the Resolution on the Annual Management Report on the Network and Information Security of GF Securities for the Year of 2023;</li><li>the Resolution on the Plan of Profit-sharing of GF Securities for the Year of 2023;</li></ol>



# CORPORATE GOVERNANCE

Session of meeting	Convening date	Disclosure date	Status of resolutions
			<ol style="list-style-type: none"> <li>25. the Resolution on the Formulation of the Administrative Measures for the Selection and Appointment of Accounting Firms of GF Securities;</li> <li>26. the Resolution on the Assessment Report and Report on the Performance of Supervision Duties of the Audit Committee of the Board on the Performance of the Accounting Firm for the Year of 2023;</li> <li>27. the Resolution Regarding Engaging Auditors in 2024;</li> <li>28. the Resolution on the Authorization of Proprietary Investment Quota for 2024;</li> <li>29. the Resolution on Expected Daily Related Party/Connected Transactions of the Company for the Year of 2024;</li> <li>30. the Resolution on the Work Report of Anti-money Laundering of GF Securities for the Year of 2023;</li> <li>31. the Resolution on the Special Audit Report on Anti-money Laundering of GF Securities for the Year of 2023</li> <li>32. the Resolution on the Amendments to the Articles of Association of the Company;</li> <li>33. the Resolution on the Formulation of the Working System of the Independent Directors of GF Securities;</li> <li>34. the Resolution on the Authorization to Convene the General Meeting for the Year of 2023;</li> <li>35. the Resolution on Distribution of Performance-based Salary for the Management for the Year of 2023.</li> </ol>
The Thirty-fourth Meeting of the Tenth Session of the Board of Directors	April 15, 2024	April 16, 2024	<p>The Board of Directors considered and approved:</p> <ol style="list-style-type: none"> <li>1. the Resolution on the Nomination of Candidates for the Non-Independent Directors of the Eleventh Session of the Board of Directors of the Company;</li> <li>2. the Resolution on the Nomination of Candidates for the Independent Directors of the Eleventh Session of the Board of Directors of the Company.</li> </ol>
The Thirty-fifth Meeting of the Tenth Session of the Board of Directors	April 29, 2024	April 30, 2024	<p>The Board of Directors considered and approved:</p> <ol style="list-style-type: none"> <li>1. the Resolution on the 2024 First Quarterly Report of GF Securities;</li> <li>2. the Resolution on the 2024 First Quarterly Audit Work Report of GF Securities.</li> </ol>
The First Meeting of the Eleventh Session of the Board of Directors	May 10, 2024	May 11, 2024	<p>The Board of Directors considered and approved:</p> <ol style="list-style-type: none"> <li>1. the Resolution on the Election of Members of Special Committees of the Eleventh Session of Board of Directors of the Company;</li> <li>2. the Resolution on the Election of the Chairman of the Eleventh Session of Board of Directors of the Company;</li> <li>3. the Resolution on the Appointment of the General Manager of the Company;</li> <li>4. the Resolution on the Appointment of Other Senior Management Members of the Company.</li> </ol>
The Second Meeting of the Eleventh Session of the Board of Directors	June 25, 2024	June 26, 2024	<p>The Board of Directors considered and approved:</p> <ol style="list-style-type: none"> <li>1. the Resolution on the Formulation of the Internal Accountability System of GF Securities;</li> <li>2. the Resolution on the Amendments to the Measures for the Administration of Compliance Accountability of GF Securities.</li> </ol>

# CORPORATE GOVERNANCE

Session of meeting	Convening date	Disclosure date	Status of resolutions
The Third Meeting of the Eleventh Session of the Board of Directors	August 30, 2024	August 31, 2024	<p>The Board of Directors considered and approved:</p> <ol style="list-style-type: none"> <li>the Resolution on the 2024 Interim Report of GF Securities;</li> <li>the Resolution on the 2024 Interim Risk Management Report of GF Securities;</li> <li>the Resolution on the 2024 Interim Audit Work Report of GF Securities;</li> <li>the Resolution on the Amendments to the Rules of Procedure for the Strategic Committee of the Board of Directors of GF Securities;</li> <li>the Resolution on the Amendments to the Rules of Procedure for the Nomination Committee of the Board of Directors of GF Securities;</li> <li>the Resolution on the Amendments to the Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors of GF Securities;</li> <li>the Resolution on the Amendments to the Rules of Procedure for the Audit Committee of the Board of Directors of GF Securities;</li> <li>the Resolution on the Amendments to the Rules of Procedure for the Risk Management Committee of the Board of Directors of GF Securities;</li> <li>the Resolution on the Amendments to the Management System for Related Party Transactions of GF Securities;</li> <li>the Resolution on the Amendments to the Management System for the Use of Proceeds of GF Securities;</li> <li>the Resolution on Amendments to the Dividend Distribution Management Policies of GF Securities;</li> <li>the Resolution on 2024 Interim Profit Distribution Plan of GF Securities;</li> <li>the Resolution on the Authorization to Convene the 2024 First Extraordinary General Meeting.</li> </ol>
The Fourth Meeting of the Eleventh Session of the Board of Directors	October 30, 2024	October 31, 2024	<p>The Board of Directors considered and approved:</p> <ol style="list-style-type: none"> <li>the Resolution on the 2024 Third Quarterly Report of GF Securities;</li> <li>the Resolution on the 2024 Third Quarterly Audit Work Report of GF Securities;</li> <li>the Resolution on the Change of Joint Company Secretary and Authorized Representative of the Company.</li> </ol>
The Fifth Meeting of the Eleventh Session of the Board of Directors	December 26, 2024	December 27, 2024	<p>The Board of Directors considered and approved:</p> <ol style="list-style-type: none"> <li>the Resolution on Adjusting the Organizational Structure of the Company's Fixed Income Business.</li> </ol>

Related announcements of resolutions are published in the China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the HKExnews website of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) by the Company.

# CORPORATE GOVERNANCE

## 8. Attendance of Directors at Board meetings and general meetings of shareholders

Name of Director	Attendance at Board meetings and general meetings of shareholders							
	Required attendance at Board Meetings during the Reporting Period	Required attendance at				Times of absence from Board Meeting	Two consecutive absences in person from Board Meeting	Attendance at general meeting of shareholders
		On-site attendance at Board Meeting	Attendance at Board Meeting by telecommunication	Attendance at Board Meeting by proxy	Attendance at Board Meeting			
Lin Chuanhui	8	6	2	0	0	No	2/2	
Li Xiulin	8	3	5	0	0	No	2/2	
Shang Shuzhi	8	2	6	0	0	No	2/2	
Guo Jingyi	8	3	5	0	0	No	2/2	
Qin Li	8	6	2	0	0	No	2/2	
Sun Xiaoyan	8	6	2	0	0	No	2/2	
Xiao Xuesheng	5	2	3	0	0	No	1/1	
Leung Shek								
Ling Olivia	8	0	8	0	0	No	2/2	
Li Wenjing	8	2	6	0	0	No	2/2	
Zhang Chuang	5	1	4	0	0	No	1/1	
Wang Dashu	5	3	2	0	0	No	1/1	
Ge Changwei	3	2	1	0	0	No	1/1	
Fan Lifu	3	1	2	0	0	No	1/1	
Hu Bin	3	0	1	2	0	No	1/1	

## 9. Objections raised by Directors on matters of the Company

During the Reporting Period, no objection was raised by the Directors to the relevant matters of the Company.

## 10. Other explanations on the performance of duties by Directors

During the Reporting Period, no suggestions made by the Directors on the Company were rejected. During the Reporting Period, the independent non-executive Directors of the Company held a special meeting to discuss with the Chairman of the Board on “the effective pathways for the Company to adhere to its primary responsibilities and core business and promote its high-quality development to a new level under the current situation”. The Company integrated the opinions of independent non-executive Directors into its daily operations and development, focused on its primary responsibilities and core business and consolidated its core professional capabilities; optimized its business layout and cultivated new quality competitiveness; coordinated and promoted various reform initiatives to enhance its comprehensive service capabilities; and operated in a compliant and stable manner to ensure the Company’s long-term sustainability.

# CORPORATE GOVERNANCE

## 11. Implementation of the resolutions of shareholders' meetings by the Board of Directors

The Board of Directors of the Company has implemented the resolutions of shareholders' meetings well, and details on the implementation of the resolutions of shareholders' meetings by the Board of Directors during the Reporting Period are as follows:

- (1) On May 10, 2024, the Company convened the 2023 annual general meeting and passed the Resolution on Engagement of its Auditor for the Year of 2024. According to the resolution, the Company reappointed Ernst & Young as its auditor for the year of 2024.
- (2) On May 10, 2024, the Company convened the 2023 annual general meeting and passed the 2023 Profit Distribution Plan of GF Securities (《廣發證券2023年度利潤分配方案》). The Company has completed the profit distribution on July 3, 2024 by distributing cash dividend of RMB3.0 (tax inclusive) for every 10 shares based on 7,605,845,511 shares after deducting the repurchased 15,242,153 A Shares from the then share capital of the Company of 7,621,087,664 shares.
- (3) On May 10, 2024, the Company convened the 2023 annual general meeting and passed the Resolution on the Amendments to the Articles of Association. The revised Articles of Association officially came into effect on the date of the resolution of the general meeting of shareholders; the Company submitted the Filing Report on Amendments to the Articles of Association of GF Securities (《關於修訂廣發證券公司章程的備案報告》) to Guangdong Bureau of the CSRC in accordance with relevant laws and regulations.
- (4) On October 15, 2024, the Company convened the 2024 First Extraordinary General Meeting and passed the 2024 Interim Profit Distribution Plan of GF Securities (《廣發證券2024年度中期利潤分配方案》). The Company has completed the profit distribution on November 28, 2024 by distributing cash dividend of RMB1.0 (tax inclusive) for every 10 shares based on 7,605,845,511 shares after deducting the repurchased 15,242,153 A Shares from the then share capital of the Company of 7,621,087,664 shares.

## 12. Directors' trainings

The Company attaches great importance to continuous training of Directors, to ensure appropriate understanding of the Company's business operations and development by Directors, and their comprehensive understanding of the applicable regulatory laws, decrees and regulations where the Company's shares are listed. During the Reporting Period, in addition to attending trainings organized by the regulatory bodies, the Company's Directors were also proactively involved in seminars and symposiums organized by trade associations and other self-regulatory organizations, to promote the capacity of fulfilling their duties. The Company promptly provides the Directors, Supervisors and senior management with the latest information on, among others, the laws, regulations, guidelines, notices, special material issued by the regulatory authorities for their timely understanding of the latest statutory requirements of the regulatory authorities and the stock exchange of the places where the Company is listed and the development of the securities industry. The Company provides the Newsletter of Directors and Supervisors, which is prepared monthly, as well as special training materials prepared from time to time, for Directors in a timely manner, and assists them in acquiring comprehensive knowledge of the Company's operations and the implementation of resolutions, thus facilitating the performance of Directors' duties.

## CORPORATE GOVERNANCE

The new appointment of Mr. Xiao Xuesheng as executive Director and Mr. Zhang Chuang and Mr. Wang Dashu as independent non-executive Directors took effect from May 10, 2024. Pursuant to Rule 3.09D of the Hong Kong Listing Rules, the three new Directors had obtained the legal advice under Rule 3.09D of the Hong Kong Listing Rules from the Company's Hong Kong legal advisers, Latham & Watkins LLP, on May 7, 2024, and each of the Directors confirmed that he understood all the responsibilities under the Hong Kong Listing Rules that applicable to them as a director of a listed issuer and the consequences of making a false declaration or giving false information to the Hong Kong Stock Exchange.

The Directors' major trainings in 2024 are as follows:

Name	Position	Training content
Lin Chuanhui	Executive Director, Chairman	<ol style="list-style-type: none"> <li>On January 31, 2024, attended the institutional reform promotion meeting of local financial sector held by the Guangdong Provincial Local Financial Supervision and Administration Bureau to convey and implement the spirit of General Secretary Xi Jinping's important speech delivered at the opening ceremony of the special seminar for principal leading officials at the provincial and ministerial levels on promoting high-quality financial development;</li> <li>On February 18, 2024, attended the High-quality Development Conference of Guangdong Province;</li> <li>On February 19, 2024, attended the High-quality Development Conference of Guangzhou City;</li> <li>On March 28, 2024, attended the training on impact analysis of new regulatory developments on the securities industry;</li> <li>On June 7, 2024, attended the financial work conference organized by the General Office of the Guangdong Provincial Committee of the CPC;</li> <li>On July 5, 2024, attended the conference on implementing the "Five External Linkages" strategy (i.e. foreign trade, foreign investment, outsourcing, foreign economic cooperation and foreign intelligence) to advance high-level opening-up;</li> <li>July 25, 2024, attended the special lecture given by the Office of the Financial Committee of the Guangdong Provincial Committee of the CPC on studying and implementing the spirit of the Central Financial Work Conference;</li> <li>On September 13, 2024, attended the third training session of the Securities Association of China on the interpretation of the new "Nine Guidelines for Capital Market" and supporting policies;</li> <li>On September 26, 2024, attended the meeting held by the Office of the Financial Committee of the Guangdong Provincial Committee of the CPC on studying and implementing the spirit of the press conference of the State Council Information Office regarding the financial support for high-quality economic development on September 24, 2024;</li> <li>On October 11, 2024, attended the special work conference of the Guangdong Provincial Local Monetary Administration Bureau on implementation of the New Financial Policy on September 24;</li> <li>On November 1, 2024, participated in the special training on "Frontier Analysis Framework and Investment Strategies of Exchange Rate and Interest Rate Market" of the Company.</li> </ol>
Qin Li	Executive Director, General Manager	<ol style="list-style-type: none"> <li>On March 28, 2024, participated in the Company's training on impact analysis of the new regulatory development on the securities industry;</li> <li>On June 27, 2024, attended the training session on interpretation of the new "Nine Guidelines for Capital Market" and supporting policies of the Securities Association of China;</li> <li>On August 23, 2024, attended the Company's first session of "Dialogue with Industry Pioneers" forum – special training on cutting-edge technologies and industrial applications of synthetic biology;</li> <li>On October 22, 2024, attended the Company's third session of "Dialogue with Industry Pioneers" Wisdom Forum – special training on "Building a Secure Digital Foundation in the Era of Intelligent Connectivity of All Things";</li> <li>On November 5, 2024, participated in the training on the current development situation and trend of the domestic robotics industry under the Company's key sector development initiatives;</li> <li>On November 8, 2024, attended the Company's fourth session of "Dialogue with Industry Pioneers" Wisdom Forum – special training on the application of AI big models in protein structure design.</li> </ol>

# CORPORATE GOVERNANCE

Name	Position	Training content
Sun Xiaoyan	Executive Director, executive Deputy General Manager, Chief Financial Officer	<ol style="list-style-type: none"> <li>1. On March 13, 2024, attended the bond financing business symposium in the jurisdiction of the Guangdong Bureau of the CSRC;</li> <li>2. On March 28, 2024, participated in a training session on the impact analysis of the new regulatory development on the securities industry;</li> <li>3. On October 13, 2024, enrolled in the Harvard Business School 2024 Global Executive Leadership Program.</li> </ol>
Xiao Xuesheng	Executive Director, Deputy General Manager,	<ol style="list-style-type: none"> <li>1. On July 5, 2024, attended the Guangzhou Low-Altitude Economy Conference organized by the Office of the Financial Committee of the Guangzhou Municipal Committee of the CPC;</li> <li>2. On August 23, 2024, participated in the Company's first session of "Dialogue with Industry Pioneers" forum – special training on frontier technologies and industrial applications of synthetic biology;</li> <li>3. On October 11, 2024, attended the market capitalization management symposium held by the Guangdong Bureau of the CSRC;</li> <li>4. On October 22, 2024, attended the Company's third session of "Dialogue with Industry Pioneers" Wisdom Forum – special training on "Building a Secure Digital Foundation in the Era of Intelligent Connectivity of All Things";</li> <li>5. On November 8, 2024, attended the Company's fourth session of "Dialogue with Industry Pioneers" Wisdom Forum – special training on the application of AI big models in protein structure design;</li> <li>6. On December 2, 2024, participated in the special seminar on promoting the high-quality development of financial services organized by the Office of the Financial Committee of the Guangzhou Municipal Committee of the CPC;</li> <li>7. From December 2 to December 6, 2024, participated in the special seminar on promoting the high-quality development of financial services organized by the Office of the Financial Committee of the Guangdong Provincial Committee of the CPC.</li> </ol>



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Name	Position	Training content
Li Xiulin	Non-executive Director	<ol style="list-style-type: none"><li>1. On January 4, 2024, participated in the training session on “The Interpretation of New Policies on Share Repurchases and Cash Dividends for Listed Companies” organized by the China Association for Public Companies;</li><li>2. On February 28, 2024, participated in the training session on “The Macroeconomic Outlook: Three Forces Driving Recovery” organized by the China Association for Public Companies;</li><li>3. On February 29, 2024, participated in the training session on “The Interpretation of New Policies on 2023 Annual Report Information Disclosure” organized by the China Association for Public Companies;</li><li>4. On March 28, 2024, participated in the training session on the impact analysis of the new regulatory development on the securities industry;</li><li>5. On April 24, 2024, participated in the training session on “The Impact of the Company Law Revision on Listed Companies and the Corresponding Strategies” organized by the China Association for Public Companies;</li><li>6. On April 24, 2024, participated in the training session on “The Development of the Securities Market and the General Provision of the Securities Law” organized by the China Association for Public Companies;</li><li>7. On April 24, 2024, participated in the training session on “The Introduction to the Securities Law Series Courses” organized by the China Association for Public Companies;</li><li>8. On April 24, 2024, participated in the training session on “The Securities Issuance and Listing System and the Multi-tier Equity Market” organized by the China Association for Public Companies;</li><li>9. On April 24, 2024, participated in the training session on “The Securities Trading System and the Restricted and Prohibited Securities Transactions” organized by the China Association for Public Companies;</li><li>10. On April 24, 2024, participated in the training session on “The Market for Listed Company Control Rights and Mergers &amp; Acquisitions” organized by the China Association for Public Companies;</li><li>11. On September 25, 2024, participated in the training session on “The Interpretation of the Reform of the Independent Director System for Listed Companies” organized by the China Association for Public Companies;</li><li>12. On September 25, 2024, participated in the training session on “The Securities Information Disclosure and the Investor Protection System” organized by the China Association for Public Companies;</li><li>13. On September 25, 2024, attended the training session on “The Key Points and Case Studies of Mergers and Acquisitions Valuation in Listed Companies” organized by the China Association for Public Companies;</li><li>14. On September 25, 2024, participated in the training session on “The Administrative Responsibilities and Typical Cases of Information Disclosure Violations by Listed Companies” organized by the China Association for Public Companies;</li><li>15. On September 25, 2024, participated in the training session on “The Interpretation of the Latest Regulatory Policies for Listed Companies (Part II)” organized by the China Association for Public Companies;</li><li>16. On November 14, 2024, participated in the training session on “China’s Big Consumption: Recovery and Sustainable Growth” organized by the China Association for Public Companies;</li><li>17. On November 14, 2024, participated in the training session on “The Identification and Litigation Response of Securities Misrepresentation” organized by the China Association for Public Companies;</li><li>18. On November 21, 2024, participated in the training session on “The Interpretation of the Guidelines for the Supervision and Administration of Listed Companies No. 10 – Market Value Management” organized by the China Association for Public Companies.</li></ol>

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Name	Position	Training content
Shang Shuzhi	Non-executive Director	<ol style="list-style-type: none"> <li>On March 28, 2024, participated in the training session on the impact analysis of the new regulatory development on the securities industry;</li> <li>On October 28, 2024, participated in the special training for directors and senior executives of listed companies in the Dalian region organized by the Dalian Association for Public Companies in 2024;</li> <li>On November 18, 2024, participated in the special training on financial fraud and illegal reduction of shareholdings for directors and senior executives of listed companies in the Dalian region organized by the Dalian Association for Public Companies in 2024.</li> </ol>
Guo Jingyi	Non-executive Director	<ol style="list-style-type: none"> <li>On January 12, 2024, participated in the training on solid waste investment analysis;</li> <li>On February 29, 2024, participated in the E20 training session on “Exploring New Quality Productivity in the Water Sector to Promote High-Quality Development”;</li> <li>On March 1, 2024, participated in the Hejun Consulting training session on “Exploring New Quality Productivity to Promote High-Quality Development”;</li> <li>From March 6 to March 7, 2024, participated in the GF Securities 2024 Spring Capital Forum;</li> <li>On March 28, 2024, participated in the training session on the impact analysis of the new regulatory development on the securities industry;</li> <li>On April 30, 2024, participated in the special training on the theory and practice of the new Company Law;</li> <li>On May 6, 2024, participated in the shared monthly and blueprint reporting, along with the training on essential financial thinking for business leaders;</li> <li>On May 24, 2024, participated in the special lecture on enterprise value management and investment and financing decision-making;</li> <li>On May 31, 2024, participated in the 2024 Special Training Class on Leading High-Quality Development of State-Owned Enterprises;</li> <li>From August 28 to August 29, 2024, participated in the GF Securities 2024 Autumn Capital Forum;</li> <li>On September 12, 2024, participated in the special training on investor protection organized by the Guangdong Bureau of the CSRC;</li> <li>On November 29, 2024, attended the founding conference of the Guangdong Capital Market Mergers and Acquisitions Alliance and the New Quality Mergers and Acquisitions Forum;</li> <li>On December 19, 2024, attended the GF Securities closed-door exchange meeting for listed companies.</li> </ol>
Leung Shek Ling Olivia	Independent Non-executive Director	<ol style="list-style-type: none"> <li>On January 11, 2024, participated in the anti-corruption training for senior executives and independent directors of listed companies organized by the Hong Kong ICAC;</li> <li>On January 22, 2024, participated in the forensic accounting learning club organized by the Hong Kong ICAC;</li> <li>On March 28, 2024, participated in the training session on the impact analysis of the new regulatory development on the securities industry;</li> <li>In September 2024, participated in the 142nd training program for independent directors of listed companies organized by the Shenzhen Stock Exchange;</li> <li>On December 16, 2024, hosted and attended the Anti-Money Laundering Learning Club.</li> </ol>



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Name	Position	Training content
Li Wenjing	Independent Non-executive Director	<ol style="list-style-type: none"> <li>On January 23, 2024, participated in the special training session on the preparation of 2023 annual reports and the new Company Law for listed companies organized by the Guangdong Association for Public Companies;</li> <li>On January 12, 2024, participated in the live-streamed learning session on “The Impact of the Company Law Revision on Listed Companies and the Corresponding Strategies” organized by the China Association for Public Companies;</li> <li>On March 28, 2024, participated in the training session on the impact analysis of the new regulatory development on the securities industry;</li> <li>On April 30, 2024, participated in the second training session on capacity building for independent directors of listed companies organized by the China Association for Public Companies;</li> <li>On June 18, 2024, participated in the online training course of national confidentiality education organized by Jinan University;</li> <li>From August 5 to September 30, 2024, participated in the 142nd training program (follow-up training) for independent directors of listed companies organized by the Shenzhen Stock Exchange;</li> <li>On August 17, 2024, participated in the online special training on ethnic and religious topics organized by Jinan University;</li> <li>On September 23 to September 29, 2024, participated in the third training session on capacity building for independent directors of listed companies organized by the China Association for Public Companies;</li> <li>On October 14, 2024, attended and delivered a speech at the “Forum on Chinese Entrepreneurs Research and High-Quality Development”;</li> <li>On October 30, 2024, participated in the online training course for graduate supervisors organized by Jinan University;</li> <li>From November 24 to November 27, 2024, attended the AMBA &amp; BGA Asia-Pacific Annual Conference;</li> <li>On December 5, 2024, attended and delivered a speech at the conference on “Sustainable Finance and Development in the Digital Era”;</li> <li>On December 26, 2024, delivered a lecture on professional ideological and political affairs in the new era of “High-quality Economic Development and Innovation”.</li> </ol>
Zhang Chuang	Independent Non-executive Director	<ol style="list-style-type: none"> <li>On May 31, 2024, attended and delivered a keynote speech at the “International Seminar on Difficult Legal Issues between China and South Korea” in Jeonbuk, South Korea;</li> <li>From June 19 to June 20, 2024, participated in the 141st training program (follow-up training) for independent directors of listed companies organized by the Shenzhen Stock Exchange;</li> <li>From August 3 to August 4, 2024, attended the Annual Jurisprudence Conference of the China Law Society and the academic symposium titled “In-depth Research and Interpretation of Xi Jinping Thought on the Rule of Law: Comprehensively Deepening Reform and Advancing Chinese Modernization under the Rule of Law”, and presided over a sub-forum;</li> <li>On November 12, 2024, participated in the Provincial Capacity-Building Training Program on Rule of Law Construction for the Development and Reform System organized by the Jilin Provincial Development and Reform Commission;</li> <li>On November 26, 2024, participated in the second 2024 training session for directors, supervisors and senior executives of listed companies in the Guangdong region organized by the Guangdong Association for Public Companies;</li> <li>On December 7, 2024, attended the National Conference on the Cultivation of Legal Professional Degree Postgraduates;</li> <li>On December 8, 2024, attended and delivered a speech at the “Legal Symposium between China and South Korea on AI-Empowered Building in an Innovation-Oriented Province” held in Changchun, and conducted a lecture on the content analysis and practical application of the Fair Competition Review Regulations;</li> <li>On December 11, 2024, delivered a lecture titled “Business Environment under the Rule of Law” for the Political and Legal Affairs Commission of Baicheng City, Jilin Province.</li> </ol>
Wang Dashu	Independent Non-executive Director	<ol style="list-style-type: none"> <li>From August 1 to September 30, 2024, participated in the 142nd training program (follow-up training) for independent directors of listed companies organized by the Shenzhen Stock Exchange.</li> </ol>

# CORPORATE GOVERNANCE

## VII. THE SPECIAL COMMITTEES UNDER THE BOARD DURING THE REPORTING PERIOD

The Board consists of several special committees, namely the Strategy Committee, the Nomination Committee, the Remuneration and Appraisal Committee, the Audit Committee and the Risk Management Committee. The clear division of power and responsibility of the Committees guarantees effective operation and makes the decision division of the Board more refined. The special committees play an effective role in the Company's major decisions.

Currently, the constitution of all special committees under the Board is as follows:

Name of Committee	Constitution
Strategy Committee	Lin Chuanhui (Chairman), Li Xiulin, Shang Shuzhi, Guo Jingyi and Qin Li
Nomination Committee	Zhang Chuang (Chairman), Li Wenjing, Wang Dashu, Lin Chuanhui and Sun Xiaoyan
Remuneration and Appraisal Committee	Wang Dashu (Chairman), Leung Shek Ling Olivia, Li Wenjing, Sun Xiaoyan and Xiao Xuesheng
Audit Committee	Li Wenjing (Chairman), Leung Shek Ling Olivia and Zhang Chuang
Risk Management Committee	Lin Chuanhui (Chairman), Zhang Chuang, Wang Dashu, Qin Li and Sun Xiaoyan

During the Reporting Period, details of meetings convened by the special committees are as follows:

### 1. The Strategy Committee

The Strategy Committee is mainly responsible for formulating the mid to long-term strategic goals and development plans of the Company, reviewing the mid to long-term strategic goals and development plans of each business and management segment of the Company, supervising and guiding the implementation of the Company's strategies, etc. The duties that the Strategy Committee shall perform are set forth in the Rules of Procedure for the Strategy Committee of the Board of Directors published on the websites of the SZSE, Hong Kong Stock Exchange and the Company.

In 2024, the major achievements of the Strategy Committee included: the Strategy Committee of the Board reviewed the Company's financial budget reports to obtain a comprehensive understanding of the Company's financial conditions and the implementation of the relevant strategies; it also reviewed the relevant information in relation to the Company's business operations, including the Company's regular reports, financial reports, the materials of shareholders' meetings, the board meetings and other relevant meetings, to obtain information on the Company's business operations and the progress of the implementation of strategic planning, effectively fulfilling the responsibilities of the Strategy Committee of the Board. During the Reporting Period, the Strategy Committee raised no objections on the relevant matters.

# CORPORATE GOVERNANCE

- (1) During the Reporting Period, the Strategy Committee held one meeting:

Session of meeting	Convening date	Content of meeting	Status of resolutions
2024 First Meeting of the Strategy Committee of the Tenth Session of the Board of Directors	March 27, 2024	The meeting considered the Resolution on the Work Report of the Strategy Committee of the Board of Directors of GF Securities for the Year of 2023	The resolution was passed

- (2) During the Reporting Period, the details of attendance of the Strategy Committee members are as follows:

Name of member	Position	Attendance/number of meetings
Lin Chuanhui	Executive Director and Chairman of Strategy Committee	1/1
Li Xiulin	Non-executive Director	1/1
Shang Shuzhi	Non-executive Director	1/1
Guo Jingyi	Non-executive Director	1/1
Qin Li	Executive Director	0/0
Ge Changwei	Executive Director	1/1

## 2. The Nomination Committee

The Nomination Committee of the Board is mainly responsible for reviewing the structure, size and composition of the Board and making recommendations or advice to the Board, improving the system for the selection, qualification review, nomination and appointment of the Company's Directors and senior management and monitoring its implementation, and the assessment of the independence of independent directors. The duties that the Nomination Committee shall perform are set forth in the Rules of Procedure for the Nomination Committee of the Board of Directors published by the Company on the websites of the SZSE, Hong Kong Stock Exchange and the Company.

The list of director candidates shall be submitted to the Company's general meeting of shareholders for voting in the form of a proposal. Shareholder(s) severally or jointly holding 1% or above shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting is convened. When the Company's general meeting elects two or more independent directors, a cumulative voting system shall be implemented. By acting as the adviser of the Board as to the director nomination, the Nomination Committee reviews and makes recommendations on candidates for directors and advises the Board on such persons as directors, and the Board will make decision on proposing to the general meeting for election or not. The Nomination Committee and the Board shall consider major factors including the operating activities, asset scale and future development needs of the Company, as well as the gender, age, cultural and educational background and professional experience of the relevant candidates.

# CORPORATE GOVERNANCE

In 2024, the Company's Board of Directors underwent a re-election process, and the director candidates were reviewed by the Nomination Committee before being nominated to the Board of Directors. The Nomination Committee actively performed its duties, fully assessed the composition and diversity of the Board, and had an in-depth understanding of the candidates' gender, age, occupation, education background, professional title, detailed work experience and all concurrent positions, etc., and was of the opinion that the candidates were qualified to serve as a Director of the Company, who possess the relevant professional knowledge and relevant decision-making, supervision and coordination capabilities required to performing relevant duties. It was agreed to nominate the relevant director candidates to be elected at the shareholders' general meeting.

The diversity policy on the Board's composition of the Company includes: in designing the Board's composition, Board diversity will be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The final decision will be made on the merits of the candidates and the contribution that could be brought to the Board. The Board reviews the implementation and the effectiveness of the diversity policy of the Board of the Company on an annual basis. During the Reporting Period, the Board considered that the diversity policy on the Board was effectively implemented with (1) at least one Director being female; (2) at least one-third of the Board members being independent non-executive Directors; (3) at least one Director has accounting or other professional qualifications; and (4) at least one Director is under the age of 50. As of the date of this report, there are two female Directors in the Board. The Company considered the Board achieved the goal of diversity in terms of gender.

As of the date of this report, the diversity of the Board is demonstrated as follows:

Item	Category	Number	Percentage of the Board members
Gender	Male	9	82%
	Female	2	18%
Age	40 to 50	3	27%
	51 to 60	4	36%
	Over 61	4	36%
Title	Executive director	4	36%
	Non-executive director	3	27%
	Independent non-executive director	4	36%
Term of office as a member of the Board	5 years or less (5 years inclusive)	4	36%
	5 to 10 years (5 years exclusive, but 10 years inclusive)	3	27%
	Over 10 years (10 years exclusive)	4	36%
Years in securities and financial industry	20 years or less (20 years inclusive)	4	36%
	20 to 30 years (20 years exclusive, but 30 years inclusive)	4	36%
	Over 30 years (30 years exclusive)	3	27%
Profession or expertise in economics/finance/financial accounting	N/A	10	91%

# CORPORATE GOVERNANCE

- (1) During the Reporting Period, the Nomination Committee convened three meetings:

Session of meeting	Convening date	Content of meeting	Status of resolutions
2024 First Meeting of the Nomination Committee of the Tenth Session of the Board of Directors	March 27, 2024	The meeting considered the Resolution on the Work Report of the Nomination Committee of the Board of Directors of GF Securities for the Year of 2023	The resolution was passed
2024 Second Meeting of the Nomination Committee of the Tenth Session of the Board of Directors	April 15, 2024	The meeting considered the Resolution on the Nomination of Candidates for the Non-independent Directors of the Eleventh Session of the Board of the Company and the resolution on the Nomination of Candidates for Independent Directors of the Eleventh Session of the Board of the Company	The resolutions were passed
2024 First Meeting of the Nomination Committee of the Eleventh Session of the Board of Directors	May 10, 2024	The meeting considered the Resolution on the Election and Nomination of Chairman of the Nomination Committee, the Resolution on the Election of Chairman of the Eleventh Session of the Board of the Company, the Resolution on the Appointment of General Manager of the Company and the Resolution on the Agreement on the Nomination of Other Senior Management Member of the Company	The resolutions were passed

- (2) During the Reporting Period, the details of attendance of the Nomination Committee members are as follows:

Name of member	Position	Attendance /number of meetings
Zhang Chuang	Independent Non-Executive Director and Chairman of Nomination Committee of the 11 <sup>th</sup> Session of the Board of Directors	1/1
Li Wenjing	Independent Non-Executive Director	3/3
Wang Dashu	Independent Non-Executive Director	1/1
Lin Chuanhui	Executive Director	3/3
Sun Xiaoyan	Executive Director	3/3
Hu Bin	Independent Non-Executive Director and Chairman of Nomination Committee of the 10 <sup>th</sup> Session of the Board of Directors	2/2
Fan Lifu	Independent Non-Executive Director	2/2

# CORPORATE GOVERNANCE

### 3. The Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee of the Board is mainly responsible for the appraisal and evaluation of the Company's Directors and senior management members, improving the Company's performance evaluation system, and improving the soundness of the Company's overall remuneration system and monitoring its implementation; making recommendations to the Board on the remuneration of non-executive Directors; assessing and making recommendations on the performance of Directors and senior management members according to the Company's performance assessment scheme, and determining the rewards and incentives/punishments of senior management members accordingly. The duties that the Remuneration and Appraisal Committee shall perform are set forth in the Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors published by the Company on the websites of the SZSE, Hong Kong Stock Exchange and the Company.

In 2024, the major achievements of the Remuneration and Appraisal Committee included: reviewing the performance of Directors and senior management, and making their annual performance assessment; making special description on the assessment of Directors and senior management and the remuneration management system as well as the assessment procedures.

(1) During the Reporting Period, the Remuneration and Appraisal Committee convened two meetings:

Session of meeting	Convening date	Content of meeting	Status of resolutions
2024 First Meeting of the Remuneration and Appraisal Committee of the Tenth Session of the Board of Directors	March 27, 2024	The meeting considered the Resolution on the Work Report of the Remuneration and Appraisal Committee of the Board of Directors of GF Securities for the Year of 2023, the Resolution of Performance Assessment on Directors for the Year of 2023, the Resolution on the Special Description of Performance Assessment and Remuneration of GF Securities Directors for the Year of 2023 and the Resolution on the Special Description of Duty Performance, Performance Assessment and Remuneration of GF Securities Operating Management for the Year of 2023	The resolutions were passed
2024 First Meeting of the Remuneration and Appraisal Committee of the Eleventh Session of the Board of Directors	May 10, 2024	The meeting considered the Resolution on the Election of the Chairman of Remuneration and Appraisal Committee and the Resolution on the Performance of Service Contracts for Executive Directors	The resolutions were passed



# CORPORATE GOVERNANCE

- (2) During the Reporting Period, the details of attendance of the Remuneration and Appraisal Committee members are as follows:

Name of member	Position	Attendance/ number of meetings
Wang Dashu	Independent Non-Executive Director and Chairman of Remuneration and Appraisal Committee of the Eleventh Session of the Board of Directors	1/1
Leung Shek Ling Olivia	Independent Non-Executive Director	2/2
Li Wenjing	Independent Non-Executive Director	1/1
Sun Xiaoyan	Executive Director	2/2
Xiao Xuesheng	Executive Director	1/1
Hu Bin	Independent Non-Executive Director and Chairman of Remuneration and Appraisal Committee of the Tenth Session of the Board of Directors	1/1
Fan Lifu	Independent Non-Executive Director	1/1
Qin Li	Executive Director	1/1

#### 4. The Audit Committee

The Audit Committee is mainly responsible for reviewing the Company's financial information and disclosure thereof, overseeing and assessing the Company's internal control and effectiveness of its implementation and coordinating, overseeing and inspecting the internal and external audits of the Company. The duties of the Audit Committee are set forth in the Rules of Procedure for the Audit Committee of the Board of Directors published by the Company on the websites of the SZSE, Hong Kong Stock Exchange and the Company.

During the Reporting Period, the Audit Committee and its members fulfilled their responsibilities and worked diligently in accordance with the relevant legal and regulatory requirements, promoted the audit and supervisory role into full play, and played an important role in further improving corporate governance and enhancing the audit quality. The Audit Committee plays full role in the working of the annual report and financial statements in accordance with the Measures for the Administration of Independent Directors of Listed Companies, the Company's Annual Report Working Rules of the Audit Committee of the Board of Directors, and positively 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, annual 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 connected/related transactions, and reviewed the effectiveness of the Company's internal control. The Audit Committee eventually concluded that the Company's financial system operated solidly, the financial status was satisfactory, and the internal control system was sound and its implementation was effective.

# CORPORATE GOVERNANCE

In 2024, the major achievements of the Audit Committee included: supervising the annual audits, reviewing the Company's periodic financial statements; reviewing the Company's internal audit report and annual working plan; reviewing the Company's special audit report on anti-money laundering; making recommendations to the Board on the appointment, reappointment or change of external auditors, approving the compensation and terms of engagement for external auditors; examining and supervising related party/connected transactions and assessing the appropriateness of related party/connected transactions; reviewing the resolution on the appointment of chief financial officer; formulating the Administrative Measures for the Selection and Appointment of Accounting Firms of GF Securities; monitoring and assessing the independence and objectivity of work conducted by external auditors of the Company and the effectiveness of the auditing procedures; reviewing the efficiency of the internal control system and the adequacy of accounting and financial reporting functions; being responsible for the communications between internal auditors and external auditors.

(1) During the Reporting Period, the Audit Committee convened five meetings:

Session of meeting	Convening date	Content of meeting	Status of resolutions
2024 First Meeting of the Audit Committee of the Tenth Session of the Board of Directors	March 27, 2024	The meeting considered the Resolution on the Work Report of the Audit Committee of the Board of Directors of GF Securities for the Year of 2023, the Resolution on the 2023 Annual Report of GF Securities, the Resolution on the Formulation of the Administrative Measures for the Selection and Appointment of Accounting Firms of GF Securities, the Resolution on the Assessment Report and Report on the Performance of Supervision Duties of the Audit Committee of the Board on the Performance of the Accounting Firm for the Year of 2023, the Resolution Regarding Engaging Auditors in 2024, the Resolution on Expected Daily Related Party/Connected Transactions of the Company for the Year of 2024, the Resolution on the Internal Control and Evaluation Report of GF Securities for the Year of 2023, the Resolution on the Audit Work Report of GF Securities for the Year of 2023, the Resolution on the Specific Audit Report on Major Issues of GF Securities for the Year of 2023, the Resolution on the Special Audit Report on Anti-money Laundering of GF Securities for the year of 2023 and the Resolution on the Specific Audit Report on Related Party Transactions of the Company for the Year of 2023	The resolutions were passed



# CORPORATE GOVERNANCE

Session of meeting	Convening date	Content of meeting	Status of resolutions
2024 Second Meeting of the Audit Committee of the Tenth Session of the Board of Directors	April 29, 2024	The meeting considered the Resolution on the 2024 First Quarterly Report of GF Securities and the Resolution on the 2024 First Quarterly Audit Work Report of GF Securities	The resolutions were passed
2024 First Meeting of the Audit Committee of the Eleventh Session of the Board of Directors	May 10, 2024	The meeting considered the Resolution on the Election of the Chairman of Audit Committee and the Resolution on the Appointment of the Chief Financial Officer of the Company	The resolutions were passed
2024 Second Meeting of the Audit Committee of the Eleventh Session of the Board of Directors	August 30, 2024	The meeting considered the Resolution on the 2024 Interim Report of GF Securities, the Resolution on the Interim Audit Work Report of GF Securities of 2024 and the Resolution on the Interim Special Audit Work Report on Major Issues of GF Securities of 2024	The resolutions were passed
2024 Third Meeting of the Audit Committee of the Eleventh Session of the Board of Directors	October 30, 2024	The meeting considered the Resolution on the 2024 Third Quarterly Report of GF Securities and the Resolution on the 2024 Third Quarterly Audit Work Report of GF Securities	The resolutions were passed

- (2) During the Reporting Period, members of the Audit Committee worked diligently and had sufficient time to carry out their duties and were able to attend the Audit Committee meetings. Prior to the meetings, they carefully reviewed the relevant documents and during the meetings, they actively expressed their opinions and performed their duties. The details of attendance of the Audit Committee members are as follows:

Name of member	Position	Attendance/ number of meetings
Li Wenjing	Independent Non-Executive Director and Chairman of Audit Committee	5/5
Leung Shek Ling Olivia	Independent Non-Executive Director	5/5
Zhang Chuang	Independent Non-Executive Director	3/3
Fan Lifu	Independent Non-Executive Director	2/2

# CORPORATE GOVERNANCE

## (3) Overview of the Company's audit

The Company's 2024 annual audit was done by Ernst & Young who mainly divided it into two phases, namely preliminary phase and year-end phase. For the preliminary phase, Ernst & Young fully carried out audit of internal control according to the relevant requirements, and tested the internal control at company level and process level (including business processes of headquarters, subsidiaries and branches) to evaluate the effectiveness of the internal control design and whether the control is effectively implemented during 2024. Ernst & Young also comprehended and analyzed and performed pre-testing on major matters and major items during the audit of financial statements; tested major information systems used by the Company and communicated on preliminary audit. For the year-end audit phase, Ernst & Young followed up on the work of the preliminary phase and performed detailed auditing procedures for all major items and communicated with the management team and governance team on year-end audit.

To prepare for the 2024 annual audit and issue relevant audit reports on a timely basis, the Audit Committee held a communication meeting on the audit plan with Ernst & Young on December 19, 2024, communicated with Ernst & Young on matters such as audit plans, audit processes and key audit issues, and made suggestions on matters of concern. In addition, the Audit Committee also arranged the Company's relevant departments to supervise and follow up the matters of concern of the Audit Committee, and conducted detailed communication with Ernst & Young on matters such as preliminary and year-end audits as well as major accounting and audit issues.

On March 21, 2025, the Audit Committee heard the reporting of Ernst & Young on the 2024 annual audit.

The Audit Committee assessed the independence and objectivity of Ernst & Young and the effectiveness of the auditing procedure to ensure that the audit reports Ernst & Young issued can provide objective and honest opinions. Before auditing the 2024 annual financial statements of the Company, the Audit Committee received a written confirmation from Ernst & Young in terms of the independence of Ernst & Young as an auditor. Ernst & Young has taken necessary protective measures in accordance with the relevant requirements of professional ethics in order to prevent possible threats to independence.



# CORPORATE GOVERNANCE

The Audit Committee considered that Ernst & Young has, in accordance with the relevant requirements of the Standards on Auditing for Certified Public Accountants, implemented appropriate audit procedures, obtained sufficient, appropriate and effective audit evidence for issuing audit opinions, and adhered to independent auditing standards, ensuring smooth progression of the Company's annual audit.

On March 28, 2025, the Audit Committee reviewed the Assessment Report of GF Securities on Internal Control for the Year of 2024, and concluded that the internal control system was sound and its implementation was effective. For the assessment of the Company's internal control by the Company's Board of Directors and related information, please refer to items XIII, XV, XIX and XX in this section.

## 5. The Risk Management Committee

The Risk Management Committee is mainly responsible for the assessment of the Company's overall risk status, monitoring the overall risk management of the Company, to ensure that all kinds of risks associated with its operational activities are controlled within a reasonable range. The duties of the Risk Management Committee are set forth in the Rules of Procedure for the Risk Management Committee of the Board of Directors published by the Company on the websites of the SZSE, Hong Kong Stock Exchange and the Company.

In 2024, the major achievements of the Risk Management Committee included: reviewing the interim and the annual risk management reports, annual audit work report, compliance reports and anti-money laundering report of the Company; reviewing the Company's regular internal control assessment report; reviewing and determining the scale and risk limits for the Company's principal business segments.



# CORPORATE GOVERNANCE

(1) During the Reporting Period, the Risk Management Committee convened two meetings:

Session of meeting	Convening date	Content of meeting	Status of resolutions
2024 First Meeting of the Risk Management Committee of the Tenth Session of the Board	March 27, 2024	The meeting considered the resolution on the Work Report of the Risk Management Committee of the Board of Directors of GF Securities for the Year of 2023, the resolution on the GF Securities Report of Risk Management for the Year of 2023, the resolution on the GF Securities Report of Compliance for the Year of 2023, the resolution on the Annual Overall Review Report on the Effectiveness of the Corporate Compliance Management of GF Securities for the Year of 2023, the resolution on the Internal Control and Evaluation Report of GF Securities for the Year of 2023, the resolution on the Audit Work Report of GF Securities for the Year of 2023, the resolution on the Anti-money Laundering Report of GF Securities for the Year of 2023 and the resolution on 2024 Annual Quota for Proprietary Funding Investment	The resolutions were passed
2024 First Meeting of the Risk Management Committee of the Eleventh Session of the Board	August 30, 2024	The meeting considered the resolution on the GF Securities Interim Report of Risk Management for the Year of 2024	The resolution was passed

(2) During the Reporting Period, the attendance of members of the Risk Management Committee is as follows:

Name of member	Position	Attendance/number of meetings
Lin Chuanhui	Executive Director and chairman of the Risk Management Committee	2/2
Zhang Chuang	Independent non-executive Director	1/1
Wang Dashu	Independent non-executive Director	1/1
Qin Li	Executive Director	2/2
Sun Xiaoyan	Executive Director	2/2
Leung Shek Ling Olivia	Independent non-executive Director	1/1
Li Wenjing	Independent non-executive Director	1/1

# CORPORATE GOVERNANCE

## VIII. WORK OF THE SUPERVISORY COMMITTEE

### 1. In respect of Supervisors and Supervisory Committee

The existing Articles of Association and the Rules of Procedure for the Supervisory Committee contain provisions regarding the composition, authority, the convening of meetings, notice of meetings and minutes of the Supervisory Committee, etc., which ensure the standard and effective operation of the Supervisory Committee. The Supervisory Committee of the Company currently comprises five Supervisors, among whom, three are shareholder representative supervisors and two are employee representative supervisors.

### 2. The Supervisory Committee meetings during the Reporting Period

Session of meeting	Convening date	Disclosure date	Status of resolutions
The Nineteenth Meeting of the Tenth Session of the Supervisory Committee	March 28, 2024	March 29, 2024	The meeting considered and approved the resolution on the Inspection Report on the Implementation of the Information Disclosure Management System of GF Securities in 2023, the resolution on the 2023 Social Responsibility and Environmental, Social and Governance (ESG) Report of GF Securities, the resolution on the Annual Report of GF Securities for the Year of 2023, the resolution on the 2023 Internal Control Evaluation Report of GF Securities, the resolution on the GF Securities 2023 Evaluation Report on the Effectiveness of Compliance Management, the Proposal on the Performance Appraisal of Supervisors in 2023, the resolution on the Special Explanation on Performance Appraisal and Remuneration of Supervisors of GF Securities in 2023, the resolution on the 2023 Report of the Supervisory Committee of GF Securities, the Proposal on 2023 Performance Remuneration of the Chairman of Supervisory Committee
The Twentieth Meeting of the Tenth Session of the Supervisory Committee	April 15, 2024	April 16, 2024	The meeting considered and approved the resolution on nominating candidates for supervisors of the eleventh session of the Supervisory Committee
The Twenty-first Meeting of the Tenth Session of the Supervisory Committee	April 29, 2024	April 30, 2024	The meeting considered and approved the resolution on the 2024 First Quarterly Report of GF Securities
The First Meeting of the Eleventh Session of the Supervisory Committee	May 10, 2024	May 11, 2024	The meeting considered and approved the resolution on electing the chairman of the eleventh session of the Supervisory Committee
The Second Meeting of the Eleventh Session of the Supervisory Committee	August 30, 2024	August 31, 2024	The meeting considered and approved the resolution on the 2024 Interim Report of GF Securities
The Third Meeting of the Eleventh Session of the Supervisory Committee	October 30, 2024	October 31, 2024	The meeting considered and approved the resolution on the 2024 Third Quarterly Report of GF Securities

# CORPORATE GOVERNANCE

### 3. Attendance of Supervisors at Supervisory Committee meetings

Name	Position	Required attendance at Supervisory Committee meetings during the Reporting Period	Attendance at		Times of absence from Supervisory Committee meetings
			On-site attendance at Supervisory Committee meetings	Supervisory Committee meetings by telecommunication	
Zhou Xitai	Employee representative Supervisor, chairman of the Supervisory Committee	6	4	2	0
Wang Zhenyu	Supervisor	3	1	2	0
Zheng Chunmei	Supervisor	3	1	2	0
Zhou Feimei	Supervisor	3	1	2	0
Yi Xinyu	Employee representative Supervisor	6	4	2	0
Lai Jianhuang	Supervisor	3	1	2	0
Xie Shisong	Supervisor	3	1	2	0
Lu Xin	Supervisor	3	1	2	0

Related announcements of resolutions are published in the China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and disclosed on the website of CNINFO (www.cninfo.com.cn) and the HKExnews website of Hong Kong Stock Exchange (www.hkexnews.hk) by the Company.

The Supervisory Committee had no objection to the supervision matters during the Reporting Period.

In 2024, according to the requirements of laws and regulations such as the Company Law, the Securities Law and the Rules for Governance of Securities Companies, focusing on the Company's priorities, the Supervisory Committee of the Company strictly abided by the relevant requirements of the Articles of Association and the Rules of Procedure for Supervisory Committee to lawfully perform supervision duties.



# CORPORATE GOVERNANCE

During the Reporting Period, the Supervisory Committee of the Company carried out supervision works in accordance with laws and regulations, on the basis of careful supervision and inspection, it issued opinions on the operation by law, the financial position and the effectiveness of the internal control of the Company and the implementation of the information disclosure management system of the Company according to related requirements. The Supervisory Committee is of the following views: the Company complied with the Company Law, the Securities Law, the Rules for Governance of Securities Companies and other relevant laws and regulations as well as the requirements of the Articles of Association of the Company and other systems; the decision-making process of the Company was lawful and effective, and did not impair the legitimate rights and interests of the Company and its shareholders, employees, creditors and other stakeholders; the Company's financial reports truthfully, accurately and completely reflected the Company's financial position and operating results; the Board of Directors and the management of the Company earnestly undertook its obligations under relevant resolutions of the general meetings of the Company; the Supervisory Committee had no objection to the content of the Company's Internal Control and Evaluation Report; the Company had established and effectively implemented its information disclosure management system; the Supervisory Committee did not find any insider trading, nor any damage to Shareholders' interests nor any loss of assets of the Company; and related party transactions of the Company were fair and reasonable. None of the related parties had appropriated funds of the Company (except in the course of operating business), nor any harm to the interest of the Company was caused.

## IX. INFORMATION OF THE STAFF OF THE COMPANY

### 1. Number of staff, professional structure and education level

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

Number of current staff of the parent company as of the End of the Reporting Period	11,598
Number of current staff of the major subsidiaries as of the End of the Reporting Period	2,373
<b>Total number of current staff as of the End of the Reporting Period</b>	<b>13,971</b>
<b>Total number of paid employees for the current period</b>	<b>13,971</b>

# CORPORATE GOVERNANCE

## Professional structure

	Number of Professionals	Percentage
Professions		
Primary business	10,462	74.88%
Compliance/risk control/audit/internal control	676	4.84%
Information technology	989	7.08%
Others	1,844	13.20%
<b>Total</b>	<b>13,971</b>	<b>100.00%</b>

## Education level

	Number of Employees	Percentage
Education level		
Doctoral degree	167	1.20%
Master's degree	4,819	34.49%
Bachelor's degree	8,142	58.28%
Associate degree and below	843	6.03%
<b>Total</b>	<b>13,971</b>	<b>100.00%</b>

## Age

	Number of Employees	Percentage
Age range		
30 and below	3,084	22.07%
31 to 40	6,777	48.51%
41 to 50	2,872	20.56%
51 and above	1,238	8.86%
<b>Total</b>	<b>13,971</b>	<b>100.00%</b>

## Gender

	Number of Employees	Percentage
Gender classification		
Female	6,497	46.50%
Male	7,474	53.50%
<b>Total</b>	<b>13,971</b>	<b>100.00%</b>

Note 1: The above number of employees includes labor dispatch, brokers and 710 employees for early retirement;

Note 2: In the above classification, the number of employees includes the management of the Company;

Note 3: There were no resigned and retired employees for whom the Company is required to pay additional cost.

# CORPORATE GOVERNANCE

## 2. Remuneration policies for employees

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

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

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



# CORPORATE GOVERNANCE

## 3. Training plans

The Company attaches great importance to employee training. Taking the training center as a carrier, the Company has promoted the construction of a high-caliber talent team through learning projects that stick to its strategic orientation and the need for enhancing employees' capabilities, continuously empowering employees and the organization. In 2024, the Company endeavored to strengthen the building of staff's professional capabilities in areas such as cross-border business development, trading and market-making, research and judgment on key industries, and comprehensive customer services, with a focus on nurturing the leadership of "key minority groups" to facilitate its strategic deployment. Meanwhile, the Company vigorously explored the application of artificial intelligence technologies in learning by introducing "Aiwen" and other generative intelligent companion learning tools on our Aixue platform developed in-house to improve employees' learning efficiency. Throughout the year, 4,214 training activities were held, the average online learning hours per capita were 92.6, representing a year-on-year increase of 57%, and the total learning hours per capita were 140; a total of over 20,000 employees obtained various internal professional qualification certifications through learning.

In 2024, two learning programs of the Company won the "ATD Excellence in Practice Award" in the field of talent development, namely the "program of creating a leading edge in wealth management business through empowering training for 17 consecutive years (連續17年培訓賦能, 打造財富管理業務領先優勢項目)" in professional training, and the "corporate culture learning and publicity program of GF Securities (廣發證券企業文化學習與宣貫項目)" in corporate culture training.

## 4. Contracted staff

Currently, individual departments of our corporate headquarter outsource non-core and supporting work to the labor outsourcing agents. The Company signs service agreements with them and regulates their service quality according to the requirements of laws and regulations including the Civil Code.

## X. INFORMATION ABOUT CUSTOMER SOLICITATION AND CUSTOMER SERVICE OF COMMISSION BROKERS

As of December 31, 2024, the Company had 178 securities brokerage branches which had entrusted brokers to engage in businesses including client solicitation. There were 479 brokers in total. During the Reporting Period, the Company implemented a three-tiered management system of "wealth management and brokerage headquarters – branch offices – securities brokerage branch" for the securities broker team. The operation management department, as the headquarters' functional department under the wealth management and brokerage headquarters, is responsible for establishing and improving the system for managing our securities brokers, and conducting overall coordination and standardization of compliance management, personnel management, employment management and training management of brokers through system and platform construction. The branch companies promote and supervise the business development and compliance development of the securities broker team within their respective jurisdictions. The securities brokerage branches are responsible for the specific implementation of recruitment, training, practicing registration, business development, compliance management and other daily management activities.

# CORPORATE GOVERNANCE

## XI. PROFIT DISTRIBUTION AND CONVERSION OF CAPITAL RESERVES INTO SHARE CAPITAL OF THE COMPANY

### (I) Profit Distribution Policy, in Particular, Formulation, Implementation or Adjustment of Cash Dividend Policy During the Reporting Period

The Company consistently pays attention to returns on investment to investors, the profit distribution policy is clearly stated in the Articles of Association and the Dividend Distribution Management Policies. The formulation and adjustment of the policies were compliant and transparent and have complied with the requirements of the Articles of Association of the Company and the procedure for consideration. There are clear standard and proportion of profit distribution under the Profit Distribution Policy of the Company. In the absence of the occurrence of, inter alia, any significant investment plans or significant cash expenditure, the cumulative amount of profit distributed in cash by the Company in any three consecutive years shall not be less than 30% of the average annual distributable profit realized in those three years. The Board of Directors of the Company may propose an interim cash dividend according to the operating conditions of the Company, fully protecting the legitimate interest of investors.

In strict accordance with the requirement of the Articles of Association and the Dividend Distribution Management Policies, the Company formulated dividend plans scientifically for the benefit of shareholders by considering comprehensively factors such as the interests of investors and the development of the Company. During the Reporting Period, the Company strictly executed the profit distribution policy without formulating any new profit distribution policies nor adjusting the existing profit distribution policy of the Company.

#### Specific Particulars of Cash Dividend Policy

Whether the policy complied with the provisions of the Articles of Association or the requirements of the resolutions of the Shareholders' General Meeting:	Yes
Whether the standard and proportion of dividend distribution were definite and clear:	Yes
Whether the relevant decision-making procedure and mechanism were well established:	Yes
Whether the independent directors performed their duties and responsibilities and played their roles properly:	Yes
If the Company did not distribute cash dividends, it shall disclose the specific reasons and the next steps to be taken to enhance the level of investors' returns:	N/A
Whether minority shareholders had sufficient opportunity to express their opinions and requests, whether their legitimate interests were sufficiently protected:	Yes
If the cash dividend policy underwent any adjustments or changes, whether the conditions and procedures were compliant and transparent:	N/A

### (II) Reasons that the Company Makes Profit and the Profit Available for Distribution to the Shareholders of the Parent Company is Positive, but No Proposals on Cash Dividends Distribution is Made During the Reporting Period

N/A

# CORPORATE GOVERNANCE

## (III) Profit Distribution Proposal or Conversion of Capital Reserves into Share Capital Proposal Considered by the Board During the Reporting Period

### 1. The 2024 Interim Profit Distribution Plan

On October 15, 2024, the 2024 First Extraordinary General Meeting of the Company considered and approved the resolution of the 2024 Interim Profit Distribution Plan of GF Securities to distribute cash dividends of RMB1.0 per 10 shares (inclusive of tax) to all shareholders based on the number of shares of the Company as at the record date for entitlement to dividend distribution after deducting the number of shares deposited in the Company's special securities account for repurchase. The profit distribution was completed by the Company on November 28, 2024 and the total payment of cash dividends was RMB 760,584,551.10.

### 2. The 2024 Proposed Profit Distribution Plan

Number of bonus share per 10 shares (share(s))	0
Dividend distribution per 10 shares (RMB) (tax inclusive)	4.00
Scrip shares per 10 shares (share(s))	0
Share base of the distribution proposal (shares)	7,605,845,511
Amount of cash dividend (RMB) (tax inclusive)	3,042,338,204.40
Amount of cash dividends distributed through other means (such as repurchase of shares) (RMB)	0
Total cash dividend (including cash dividends distributed through other means) (RMB)	3,042,338,204.40
Distributable profits (RMB)	31,585,221,285.67
Percentage of total cash dividends (including cash dividends distributed through other means) to total profit distribution	100%

#### Distribution of cash dividends for the period

Cash dividends of RMB3,042,338,204.40 will be distributed, representing 31.57% of the net profit attributable to owners of the Company for the year 2024 on a consolidated basis.

#### Explanations on details of the profit distribution proposal or conversion of capital reserves into share capital proposal

In 2024, the net profit attributable to owners of the Company in the consolidated statements is RMB9,636,829,949.09, the net profit of the parent company is RMB9,192,363,677.28, and the distributable profit available at the end of the period is RMB34,435,878,957.62.

# CORPORATE GOVERNANCE

Considering the relevant requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Financial Rules for Financial Enterprises, the Articles of Association of GF Securities Co., Ltd. and the Circular of the China Securities Regulatory Commission Zheng Jian Ji Gou Zi[2007]No. 320, and taking into account comprehensive factors such as interests of shareholders and corporate development, the Company's proposed profit distribution plan for 2024 is as follows:

Based on the number of shares of the Company as at the record date for entitlement to dividend distribution, it is proposed to distribute a cash dividend of RMB4.00 per 10 shares (inclusive of tax) to all shareholders. In the event of any change in the total share capital of the Company prior to the record date for entitlement to distribution, the proposed distribution ratio will remain unchanged and the total amount distributed will be adjusted accordingly. Based on the Company's existing share capital of 7,605,845,511 shares, a total amount of cash dividends of RMB3,042,338,204.40 will be distributed, and the remaining undistributed profit of RMB28,542,883,081.27 will be carried forward to the next year. The cash dividend distribution represents 31.57% of the net profit attributable to owners of the Company in the consolidated statements for 2024.

The actual amount will be calculated by the average central parity exchange rate of Renminbi to Hong Kong dollar announced by the People's Bank of China over five working days prior to the date of convening the general meeting of the Company.

The seventh meeting of the eleventh session of the Board of the Company considered and approved the Profit Distribution Plan of GF Securities for 2024. The plan complies with the provisions of the Articles of Association and the requirements of the review procedures and fully protects the legitimate rights and interests of small and medium-sized investors. After the Profit Distribution Plan of GF Securities for 2024 is reviewed and approved by 2024 annual general meeting, it will be implemented within two months from the date of review and approval by the general meeting.

After taking into account the profit distribution plan for 2024 and the 2024 interim profit distribution plan, the Company distributed a total cash dividend of RMB3,802,922,755.50 throughout the year, accounting for 39.46% of the net profit attributable to the owners of the Company in the consolidated statements for 2024.

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

During the Reporting Period, the Company had no equity incentive, employee stock ownership plan or other employee incentive and information about its implementation.

# CORPORATE GOVERNANCE

## XIII. INTERNAL CONTROL CONSTRUCTION AND IMPLEMENTATION DURING THE REPORTING PERIOD

### 1. Internal control construction and implementation

The Company has established a legal person governance structure consisting of the general meeting, the Board of Directors, the Supervisory Committee and the operation management and has clearly defined the responsibilities and power, rules of procedure and working procedures of the general meeting, the Board of Directors, the Supervisory Committee and the operation management, thereby ensuring the clearly divided power and responsibilities, regulated operation and effective checks and balances among the authority organization, decision-making organization, implementation organization and supervisory organization. The Company has established three defense lines of comprehensive risk management, under which business units, branches and subsidiaries, as the first defense line of comprehensive risk management, are responsible for timely identifying, evaluating, tackling and reporting relevant risks; functional departments such as the risk management department and compliance management department, as the second defense line of comprehensive risk management, are responsible for event risk management; the auditing department, as the third defense line, is responsible for independent and objective review and assessment. The Company continued to improve various rules and systems according to the internal and external requirements and incorporated various risk control measures into its rules and procedures and strengthened the implementation of risk control measures. The Company established the internal communication, reporting and feedback mechanism. The Company has also clearly defined the responsibilities and power of the Board of Directors, the Supervisory Committee, the internal control department and business management departments in respect of internal supervision, inspection and assessment.

The Company highly emphasizes the construction of internal control system and relevant mechanism. The Company comprehensively considered internal environment, risk evaluation, controlling activities, information and communication and internal supervision according to relevant stipulations under the Company Law, the Securities Law, the Regulations on Supervision and Administration of Securities Companies, the Guidelines on Internal Control of Securities Firms, the Self-regulatory Guidelines for Companies Listed on the Shenzhen Stock Exchange No. 1 – Standard Operation of Listed Companies on the Main Board, the Hong Kong Listing Rules, and the Basic Standards for Enterprise Internal Control and its supporting guidelines, and kept improving its internal control system and further established and completed one set of internal control system which matches with the business nature, scale and complexity of the Company according to the actual condition of the Company.

In light of changes in the internal and external environment and the operation policy, the Company has continuously optimized its internal control system in key business sectors. The digital and intelligent transformation was promoted through adjustment of business organizational structure and continuous improvement of relevant supporting systems, which, along with simultaneous optimization of internal accountability system and enhancement of restraint mechanism, would secure stable operation and high-quality development of the Company.

### 2. Significant defects in internal control during the Reporting Period

During the Reporting Period, there are no significant defects in internal control.

# CORPORATE GOVERNANCE

## XIV. THE COMPANY'S MANAGEMENT AND CONTROL OVER SUBSIDIARIES DURING THE REPORTING PERIOD

As an A+H dual-listed company, the Company strictly adheres to relevant laws and regulations, self-disciplinary rules and regulatory requirements, for instance, the Company Law, the Securities Law, the SZSE Listing Rules, the Self-regulatory Guidelines for Companies Listed on the Shenzhen Stock Exchange No. 1 – Standard Operation of Listed Companies on the Main Board, as well as the Hong Kong Listing Rules, and continues to establish and improve its management systems for subsidiaries. Relevant functional departments of the Company conscientiously perform their relevant functions, including management and supporting functions, at our subsidiaries within their respective responsibilities, enabling us to manage and control our subsidiaries in an effective manner.

## XV. ASSESSMENT REPORT ON INTERNAL CONTROL OR AUDIT REPORT ON INTERNAL CONTROL

### 1. Assessment report on internal control

Date of disclosure of the full text of Internal Control and Evaluation Report	March 28, 2025
	For details, please see the website of CNINFO ( <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> ) and the HKEXnews website of the Hong Kong Stock Exchange ( <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> ) on March 28, 2025.
Disclosure index of full text of Internal Control and Evaluation Report	
The percentage of total assets of units included in the evaluation scope to the total assets in the Company's consolidated financial statements	100%
The percentage of total operating income of units included in the evaluation scope to the operating income in the Company's consolidated financial statements	100%

# CORPORATE GOVERNANCE

## Defect identification criteria

Category	Financial Report	Non-financial Report
Qualitative criteria	<p>The existing significant defects or symptoms of significant defects in internal control in the financial report of the Company, which include: malpractices are conducted by the Directors, Supervisors and senior management; to modify the financial statements that have been published; in the current financial statements, certified public accountants find material misstatements that are not discovered in the process of internal control; non-standard unqualified opinions for financial report are issued by certified public accountants; monitoring of internal control by the Company's Audit Committee and internal auditors is vitiating.</p> <p>Defects in internal control, alone or in conjunction with other defects, in the financial report fail to be prevented or detected and corrected, though not significant deficiencies but aroused close attention from the Board and management and recognized as significant deficiencies.</p> <p>The defects which do not constitute substantial defects or defects of internal control from substantial defects are considered as general defects.</p>	<p>It is likely that sign of significant defects in internal control might exist in the non-financial report of the Company, which include: "three important and one substantial" matters fail to pass through the collective decision procedure; severe departure of management personnel and technicians in key positions, which affects normal course of business; systematic failure in internal control of important business; internal control defects are subject to serious legal risks; internal control defects significantly affect the Company's goodwill; internal control defects are subject to serious administrative punishment; except for the losses due to policies, the Company suffers losses for years and the continuation of business is being challenged, does not meet requirements as a listed company, and may face the risk of delisting or merger in the secondary market; failure of substantial merger or reorganization, or newly expanded affiliate with substantial impact is unable to sustain.</p> <p>Defects in internal control, alone or in conjunction with other defects, though not significant deficiencies but aroused close attention from the Board and management and recognized as significant deficiencies.</p> <p>General defects are those excluding substantial defects and important defects as mentioned above.</p>



# CORPORATE GOVERNANCE

Quantitative criteria	1. Substantial defect: misstated amount as a result of internal control weaknesses is greater than 5% (inclusive) of annual net profit.	1. Substantial defect: misstated amount as a result of internal control weaknesses is greater than 5% (inclusive) of annual net profit.
	2. Important defect: misstated amount as a result of internal control weaknesses is greater than 1% (inclusive) but less than 5% of annual net profit.	2. Important defect: misstated amount as a result of internal control weaknesses is greater than 1% (inclusive) but less than 5% of annual net profit.
	3. General defect: misstated amount as a result of internal control weaknesses is less than 1% of annual net profit.	3. General defect: misstated amount as a result of internal control weaknesses is less than 1% of annual net profit.

The number of substantial defects in financial reports (unit: piece)	0
The number of substantial defects in non-financial reports (unit: piece)	0
The number of important defects in financial reports (unit: piece)	0
The number of important defects in non-financial reports (unit: piece)	0

## 2. Internal control audit report

### Review of the internal control audit report

As at December 31, 2024, GF Securities maintained effective internal control over financial reports in accordance with the Basic Standards for Enterprise Internal Control and related requirements in all material respects.

Disclosure of internal control audit report	Disclosed
Disclosure date of full text of internal control audit report	March 28, 2025
Disclosure index of full text of internal control audit report	For details, please see the website of CNINFO (www.cninfo.com.cn) and the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) on March 28, 2025.
Opinion of the internal control audit report	Standard and unqualified opinion
Whether there is any substantial defect in the non-financial report	No
Has the accounting firm issued non-standard opinions with regard to the internal control audit report?	No

# CORPORATE GOVERNANCE

Is the internal control audit report issued by the accounting firm consistent with the self-assessment report of the Board of Directors?

Yes

## XVI. ESTABLISHMENT OF DYNAMIC RISK CONTROL INDICATOR MONITORING AND COMPLEMENT MECHANISM

### 1. Establishment of the Company's dynamic risk control indicator monitoring mechanism during the Reporting Period

The Company has established and implemented risk control index dynamic monitoring mechanism, and has continuously upgraded and optimized risk control indicators monitoring system as per adjustment of regulatory standard and implementation situation of innovative business. The risk control indicators system of the Company is able to cover the business activities that affect the net capital and other risk control indicators. The Company calculates various risk control indicators daily and prepares full-set calculation form for relevant risk control indicators according to the supervision rules. The Company also sets up automatic warning for risk control indicators according to the pre-set thresholds and monitoring standards. The risk management department of the Company is responsible for monitoring and reporting daily operation situation of each risk control indicator and timely remind the Company of risks. Risk control indicators data and compliance situation will be regularly reported to the regulatory department in accordance with regulatory requirements; as for situation of early warning and non-conformance in respect of risk control indicators, basic situation, causes and solutions in written will be timely reported to the regulatory authority in accordance with requirements of the Administrative Measures for Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》).

### 2. Establishment of sensitivity analysis and stress test mechanism during the Reporting Period

The Company regards stress test tools as significant tools of risk assessment and management of the Company and regularly and from time to time carries out comprehensive and special stress test evaluations to provide support for business decision making and operation management in accordance with requirements of the Guidelines for Stress Test of Securities Companies (《證券公司壓力測試指引》) and in combination with business development situation and risk management demand. In 2024, the Company carried out comprehensive stress test and submitted reports on time in accordance with requirements of the Securities Association of China; timely conducted special assessment and analysis based on the mechanism of triggering a stress test, and continuously improved risk factor and scenario design, optimized model and method of parameter setting to optimize the effectiveness of stress test results.

# CORPORATE GOVERNANCE

## 3. Establishment of net capital complement mechanism during the Reporting Period

The Company has established dynamic net capital complement mechanism in accordance with the Guidelines for Capital Replenishment by Securities Companies (《證券公司資本補充指引》) issued by the Securities Association of China, to broaden capital complement channels, improve capital quality and strengthen capital constraints on an ongoing basis. The Company formulated the Group's capital management plan which specifies five core elements of capital management, capital complement triggering conditions, capital adequacy evaluation mechanism, capital plan implementation and promotion mechanism. The Company continuously monitors the net capital and related risk control indicators. When the capital complement early-warning indicators related to net capital hit the threshold, the Company will comprehensively evaluate the necessity, feasibility and specific plans of complementing capital to ensure that the Company's net capital matches the needs of business development.

## 4. Compliance with risk control indicators during the Reporting Period

In 2024, the Company's core risk control indicators were in good operation and major risk control indicators were in compliance with regulatory requirements. There was no violation of regulatory alarm criteria or non-compliance with regulatory standards. As of December 31, 2024, the net assets of the parent company were RMB131,524 million, and net capital was RMB95,860 million, of which supplementary net capital was RMB26,400 million and core net capital was RMB69,460 million.

## XVII. RISK MANAGEMENT

### (I) Implementation of comprehensive risk management by the Company

The Company has always attached importance to risk management and regarded risk management as its lifeline. Under the guidance of the Group's overall development strategy planning, the Company takes comprehensive risk management as its supporting system strategy and adheres to the Three Ideas about Risk Management, "to manage risks cautiously; the three defense lines cooperate with each other and each focus on specific aspects; be people-oriented", and follow the Five Basic Principles, "comprehensive management; objectiveness and fairness; checks and balance; separate and clear duties and power; openness and transparency". The Company continuously constructs and implements powerful, independent, and precise management and control system, constructs effective overall risk management strategy, organization, system, technology and personnel system, promotes the effective utilization of group risk resources, controls the risks within the scope which matches with the Group's risk preferences, and supports steady development of the Group's business. The Company's comprehensive risk management can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

# CORPORATE GOVERNANCE

The Company reports its risk management in various areas to the Board twice a year through half-year risk management report and annual risk management report, respectively. In 2024, the Company strengthened the prevention and control of high-risk and key business risks, enhanced the risk early warning capability, and continued to improve the risk management system and control mechanism to build a safety barrier for the steady development of the Company's various businesses.

## (II) The Company's investment in compliance and risk control and information technology during the Reporting Period

The Company attaches great importance to the investment in compliance and risk control and information technology. The investment in compliance and risk control and information technology in 2024 is as follows: the investment in compliance and risk control in 2024 was RMB439 million, and the investment in information technology in 2024 was RMB1,377 million<sup>3</sup>.

## XVIII. COMPLIANCE MANAGEMENT SYSTEM CONSTRUCTION AND AUDIT OF AUDITING DEPARTMENT

### 1. Compliance management system construction

The Company has established the four-level compliance management organization system of "board of directors (risk management committee) — operating management (chief compliance officer) — compliance management department — compliance management personnel of various departments and branches". The Board of Directors of the Company assumes ultimate responsibility for the effective compliance management and internal control. The Board of Directors reviews and comments on the overall objectives, basic policies, settings of the compliance department and responsibilities thereof, and compliance reports of compliance management. Operating management is responsible for implementing the compliance management objectives, and assumes the leadership for the compliance of the Company's operation and management activities and employee practices. As the person who is responsible for compliance works of the Company, the chief compliance officer reviews, supervises and inspects the compliance of the operation management and practices of the Company and its staff. The Company has established the compliance and legal affairs department to assist the chief compliance officer in his/her works, and has established full-time and concurrent compliance management personnel in various departments, compliance officers in various subsidiaries, compliance managers in various branches, and full-time and concurrent compliance management personnel at all business departments to ensure full coverage of compliance management.

3 Compliance and risk control investment includes compensation of compliance and risk control staff, investment in the construction of relevant compliance and risk control system, day-to-day operation expenses for compliance and risk control work; IT investment includes compensation of IT staff, capital expenditure and IT expenses. Such amount excludes the overlapping investment in compliance and risk control and IT. Such statistics are based on the parent company's data.

# CORPORATE GOVERNANCE

## 2. Main work of compliance management during the Reporting Period

In 2024, the Company's compliance management work closely focused on new regulations and new policies, the Company's strategic deployment and business development needs. On the basis of basically achieving full coverage of compliance management, the Company continued to improve the level of risk research, judgment and control, and strengthen compliance control over key business lines such as investment banking and over-the-counter derivatives to build a safety barrier for the steady development of the Company's various businesses. Under the leadership of the Board, the compliance director of the Company organized the compliance and legal affairs department to earnestly perform various responsibilities such as the establishment of compliance management system, the promotion of compliance culture, compliance supervision and inspection, compliance review and consultation, and anti-money laundering management in strict compliance with internal and external regulations such as the Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies, the Implementation Guidelines for Compliance Management of Securities Companies and the Compliance Management System of the Company.

## 3. Audit of auditing department

During the Reporting Period, the auditing department played a unique supervision role in the key tasks and business layout of the Company and escorted the business development of the Company with high-quality audit and supervision with a focus on main responsibilities and principal businesses through deepening reform and innovation and strengthening self-development. All businesses and subsidiaries were covered through regular audits, special audits, resignation audits, follow-up audits and other methods. Stringent auditing and supervision were implemented to further strengthen the auditing on key business and management areas and key positions. Meanwhile, as an important part of organizational governance, the auditing department put emphasis on the operation and management measures of the Company's key business in combination with the industrial features, adopted research-based auditing methods to effectively identify, predict and resolve various risks, and improved a long-term mechanism for rectification, escorting the high-quality business development of the Company. In 2024, the auditing department completed 201 audit reports of various types.

## XIX. STATEMENT OF THE BOARD OF DIRECTORS ON RESPONSIBILITY OF INTERNAL CONTROL

It is the responsibility of the Board of Directors to establish, complete and effectively implement internal control according to the stipulations in the internal control standard system of the Company, evaluate its effectiveness and reveal assessment report of internal control. The Board of Directors monitored, reviewed and evaluated the establishment, the implementation and the effectiveness of various risk management and internal control systems of the Company through the consideration of the Work Report of Risk Management Committee of the Company for the Year, the Work Report of Audit Committee for the Year, Annual Compliance Report, Internal Control and Evaluation Report for the Year and the Report of Risk Management for the Year. In conclusion of the reports above, the Board of Directors has conducted an overall review on the internal control of the Company for the year according to requirements of the Basic Standards of Enterprise Internal Control. It is of the view that the internal control of the Company was effective and adequate as of December 31, 2024. The Supervisory Committee supervises the Board of Directors on its establishment and implementation of internal control. Operation management level is responsible for the daily functioning of internal control.

# CORPORATE GOVERNANCE

The objectives of the internal control are to reasonably ensure validity and compliance of the operation management, assets safety, authenticity and completeness of financial reports and the relevant information and thus to enhance operation efficiency and effects so as to promote realization of the development strategy. Due to the inherent limitations of the internal control, it can only provide reasonable assurance for the realization of the above targets. The Company has established supervision and examination mechanism on internal control. Once defect in internal control is recognized, the Company will immediately adopt rectification measures. Besides, changes in the situation will cause the internal control to become inappropriate or its degree on compliance with the controlling policy and procedures will be lowered, there will be certain risks to the effectiveness of the internal control in the future as inferred by the result of the evaluation of the internal control.

In 2025, the Company will continue improving its internal control system, standardizing implementation of its internal control system, reinforcing supervision and examination of internal control according to the provisions and requirements of the Basic Standards of Enterprise Internal Control and the CG Code in view of the changes in the external operation environment and actual demands of the Company's development so that the Company can secure stable operation.

## XX. BASIS FOR ESTABLISHING INTERNAL CONTROL FOR FINANCIAL REPORTS

The Company emphasizes the establishment and improvement of internal control system concerning financial reports and has established relevant regulations and systems in business calculation, cost expenditure, financial management and accounting information system management according to the requirements in accounting laws, accounting principles and relevant financial systems. According to the requirements in the Basic Standards of Enterprise Internal Control and the Application Guidelines for Enterprise Internal Control, the Company sets scientific financial accounting organization structure, equips with qualified financial accountants, uses standard and rigorous financial accounting management system, and chooses appropriate accounting policies and reasonable accounting evaluation to ensure that the financial reports compiled by the Company conform to the requirements in the accounting principles and can genuinely, accurately and entirely reflect the financial status, operation results and cash flow of the Company. The Company's Supervisory Committee and external auditors conduct effective inspection and supervision over the Company's financial affairs in accordance with the Articles of Association and relevant requirements, and express professional audit opinions on the Company's financial reports.

During the Reporting Period, the relevant internal control systems relating to the financial reports of the Company were sound; the smooth operation could guarantee the quality of financial reports and ensure high reliability of financial information. During the Reporting Period, there were no significant defects in the internal control relating to the financial reports of the Company and the annual financial reports of the Company are truthful, accurate and complete.

## XXI. RECTIFICATION OF PROBLEMS FOUND BY SELF-EXAMINATION IN THE SPECIAL ACTIONS ON CORPORATE GOVERNANCE OF LISTED COMPANIES

No relevant self-examination and rectification were involved during the Reporting Period.

# CORPORATE GOVERNANCE

## XXII. ACCOUNT STANDARDIZATION

Standardization of the accounts in the Company was launched in July 2006. It is one of the securities companies working on this issue at the earliest time in the industry. The Company had established an account standardization leadership group and an account standardization working group with relevant chief employees as the group members to entirely arrange the work of account standardization on the principle of “overall arrangement, scattering implementation and stable promotion”. Through measures including organizing structure, system arrangement, training communication and supervision and audit, it has powerfully guaranteed the launching of account standardization. The Company had checked all accounts in the system and completed account information through contacting customers by all means, and restricted the transactions and placed into other databases for the remaining unqualified accounts according to the requirements of the regulatory authorities and finally the standardization was stably completed. On April 16, 2008, the Company officially passed the review of Guangdong Bureau of the CSRC and became one of the securities companies that first completed the account standardization in advance.

As of December 31, 2024, there were 6,086 unqualified accounts, 2,093,129 dormant accounts, 31,289 risk handling accounts, and 2,681 judicially frozen accounts maintained with the Company.

Account standardization is a long-term fundamental construction project. On the basis of standardizing historical accounts, the Company began constructing and improving long-term accounts management mechanism. According to the relevant arrangement of China Securities Depository and Clearing Corporation Limited on accounts consolidation, the Company had established an accounts consolidation project team, which actively coordinated all the relevant departments and branch offices to entirely sort out and improve business process revision, business training, system testing and the organization of supervision after consolidating the accounts and successfully completed the relevant work on account consolidation.

## XXIII. OTHER ISSUES ON CORPORATE GOVERNANCE

### (I) Responsibility to be borne by Directors for the financial statement

The responsibility statement of the Directors on financial statements below shall be read in conjunction with that of the certified public accountants contained in the audit report of this report, while both statements shall be comprehended separately.

The Company's Directors shall compile genuine and fair consolidated financial statements according to the disclosure requirements under the China Accounting Standards, IFRS Accounting Standards issued by the International Accounting Standards Board and the Hong Kong Companies Ordinance. The Company's Directors are also responsible for the necessary internal monitoring of the consolidated financial statements so that there will not be any material misstatements as a result of fraud or errors. The Company is not subject to any event or circumstance of material uncertainty, as a result of which significant doubt may be cast upon the ability of the on-going operation of the Company.

# CORPORATE GOVERNANCE

## (II) Appointment and remuneration of the auditor

Upon approval by the general meeting of Shareholders in 2023, the Company appointed Ernst & Young as its external auditor for 2024, which is responsible for providing relevant auditing services and reviewing services in accordance with the China Accounting Standards and the IFRS Accounting Standards. The Company appointed Ernst & Young as the accounting firm for internal control audit. Please see details of its employment and remuneration in “VI. Appointment and Removal of Accounting Firms” in “Section 8 Significant Events” in this report.

## (III) Securities trading by Directors, Supervisors and relevant employees

The Company has formulated the Management Rule on Shares Held by Directors, Supervisors and Senior Management and Relevant Changes to intensify management of declaration, disclosure and supervision of the holding and trading of the Company’s shares by Directors, Supervisors and senior management personnel. Meanwhile, the Company adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules as the code of conduct for all Directors, Supervisors and relevant employees (as defined in the CG Code) at the meeting of the Board on March 19, 2015. After specific enquiry of the Directors and Supervisors of the Company, all Directors and Supervisors have strictly followed the standards and code of conducts in the Model Code during the Reporting Period.

## (IV) Company secretary

Mr. Xu Youjun was appointed as the secretary to the Board and a joint company secretary of the Company at the 19th meeting of the Ninth session of the Board of the Company. Ms. Mok Ming Wai (a then executive director of the Corporate Services Division of Tricor Services Limited) was appointed as a joint company secretary and an authorized representative of the Company at the 16th meeting of the Tenth session of the Board of Directors of the Company.



## CORPORATE GOVERNANCE

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On May 10, 2024, Mr. Yin Zhongxing was appointed as the secretary to the Board and a joint company secretary of the Company at the first meeting of the eleventh session of the Board of Directors of the Company. Mr. Yin Zhongxing is required to pass the qualification test for senior management of securities companies and obtain the waiver in relation to the qualification of company secretary from the Hong Kong Stock Exchange to formally perform the above duties. In July 2024, the Company received Mr. Yin Zhongxing's certificate of passing qualification test for senior management of securities companies and obtained the waiver from the Hong Kong Stock Exchange in relation to the qualification of company secretary. Since July 12, 2024, Mr. Yin Zhongxing has formally performed duties as secretary to the Board, joint company secretary and securities affairs representative of the Company. In October 2024, Ms. Mok Ming Wai, the former joint company secretary of the Company, tendered her resignation from the above duties due to change of work arrangement. On October 30, 2024, Ms. Ho Wing Tsz Wendy (an executive director of the Company Secretarial Services Division of Tricor Services Limited) was appointed as a joint company secretary and an authorized representative of the Company at the fourth meeting of the eleventh session of the Board of Directors of the Company. Mr. Yin Zhongxing (the secretary to the Board) and Ms. Ho Wing Tsz Wendy (a joint company secretary) are the main contact persons of the Company with the Hong Kong Stock Exchange.

During the Reporting Period, in order to better perform their duties and according to the requirements of the Hong Kong Listing Rules, Mr. Yin Zhongxing, the secretary to the Board and a joint company secretary, received professional trainings for more than 15 hours, including: training courses on the fundamentals of information disclosure, corporate governance and capital operation of Hong Kong listed companies (the second phase), training courses on changes in the regulatory rules and the latest regulatory requirements and practices of connected transactions of the Stock Exchange in recent years. Ms. Ho Wing Tsz Wendy, a joint company secretary of the Company, had received professional trainings for more than 15 hours, including: the 25th Annual Corporate and Regulatory Update held by The Hong Kong Chartered Governance Institute.

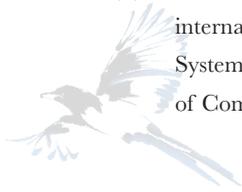


# CORPORATE GOVERNANCE

## (V) Investor relations

### 1. Amendments to the Company's internal rules during the Reporting Period

- (1) In accordance with Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》), the Listed Companies Regulatory Guidance No. 3 – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第 3 號 – 上市公司現金分紅》), the Rules for the Shareholders' Meetings of Listed Companies (《上市公司股東大會規則》) and the SZSE Listing Rules, the Self-regulatory Guideline No. 1 for Companies Listed on the Shenzhen Stock Exchange – the Standardized Operation of Companies Listed on the Main Board (《深圳證券交易所上市公司自律監管指引第 1 號 – 主板上市公司規範運作》), and other laws and regulations as well as the Hong Kong Listing Rules and other relevant provisions, and in consideration of its actual situation, the Company has revised the Articles of Association, the Rules of Procedure for the Strategic Committee of the Board of Directors, the Rules of Procedure for the Nomination Committee of the Board of Directors, the Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors, the Rules of Procedure for the Audit Committee of the Board of Directors, the Rules of Procedure for the Risk Management Committee of the Board of Directors and the Connected Transaction Management System (《關聯交易管理制度》), and has formulated the Working System of Independent Directors (《獨立董事工作制度》).
- (2) In accordance with the Administrative Measures on the Selection and Recruitment of Accounting Firms by State-owned Enterprises and Listed Companies (《國有企業、上市公司選聘會計師事務所管理辦法》) jointly issued by the Ministry of Finance, the State-owned Assets Supervision and Administration Commission of the State Council and the CSRC, and in combination with the provisions of the Articles of Association and the actual situation of the Company, the Company has formulated the Administrative Measures on the Selection and Recruitment of Accounting Firms by GF Securities (《廣發證券選聘會計師事務所管理辦法》).
- (3) In order to implement external regulatory requirements and in combination with the Company's internal management practice experience, the Company has formulated the Internal Accountability System of GF Securities (《廣發證券內部問責制度》) and revised the Measures for the Administration of Compliance Accountability of GF Securities (《廣發證券合規問責辦法》).



# CORPORATE GOVERNANCE

## 2. *Investor relation activities during the Reporting Period*

The Company attaches great importance to and takes the initiative to do a good job in investor relations, and focuses on the establishment of a multi-channel communication mechanism to ensure smooth and effective communication between the Company and its shareholders or investors. The Company has formulated the Measures for Management of Information Disclosure (《信息披露事務管理制度》) and the Measures for Management of Investor Relations (《投資者關係管理制度》), which set out the Company's communication policy with shareholders and others. The Company strengthens communication with shareholders and public investors through various channels including the Shenzhen Stock Exchange Interactive Easy Platform, the website of the Hong Kong Stock Exchange, the website of the Company, hotlines for investors and emails, and by adopting various forms including general meetings, results briefings, results presentations, investor activity months, analyst meetings and on-site surveys, so as to ensure that shareholders and public investors are provided with ready, equal and timely access to data from the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, and listen to and respond to their opinions and suggestions in an all-round way.

In 2024, after its annual and interim results presentations were issued, the Company facilitated its communication with investors and analysts by way of telephone or online method. During the year, the Company held one annual results briefing, one annual results presentation and one interim results briefing. The Chairman and the General Manager of the Company attended the above meetings. In 2024, the Company's management team and investor relation team held 18 meetings in various forms with domestic and overseas institutional investors and analysts, met about 200 institutional investors; actively replied to more than 70 questions from investors through the Shenzhen Stock Exchange Interactive Easy Platform; and opened two investor hotlines to maintain smooth and effective communication with investors. The Company reviewed the shareholder communication policy annually based on the comments and feedbacks on investors relations from the investors and the capital market, and believed that it is still effective.

The Company will continuously make investors understand the Company's development in a convenient, fast, prompt and all-round way through the website for the Company's investors relations, investor hotlines and mailbox and other channels. The Company will actively communicate with investors through results briefings, results presentations and other means to further enrich investor relation activities and provide better services to investors and analysts.

# CORPORATE GOVERNANCE

## (VI) Establishment and implementation of information disclosure system and insider information system of the Company

The Company has formulated the Measures for Management of Information Disclosure (《信息披露事務管理制度》) and the Accountability System for Material Mistakes in Information Disclosure in Annual Report (《年報信息披露重大差錯責任追究制度》), clearly stipulating the accountability of various departments for information disclosure, the basic principles for information disclosure, the contents for information disclosure, the procedures for information disclosure, the accountability for mistakes in information disclosure and improving the quality of information disclosure of the Company. During the Reporting Period, the Company discharged its obligation on information disclosure in strict accordance with the requirements of the systems. The Board of Directors of the Company confirmed the effective implementation of the Measures for Management of Information Disclosure, ensuring the timeliness and fairness of the Company's relevant information disclosure, as well as the truthfulness, accuracy and completeness of such information disclosure.

The Company has formulated the Administrative Measures for Insiders of Inside Information (《內幕信息知情人管理辦法》) and the Administrative Measures for Users of External Information (《外部信息使用人管理辦法》) to regulate the management of inside information and the approval procedures for external reporting of information to further strengthen the confidentiality of inside information. During the Reporting Period, the Company conducted the management of inside information and the registration of insiders of inside information in strict accordance with the requirements of the systems, and was able to truthfully and completely record the list of insiders of inside information during all stages such as the preparation, transmission, examination and disclosure of inside information before their disclosure, and keep relevant records for the contents and time of inside information which are known by insiders.

During the Reporting Period, the Supervisory Committee and independent directors organized daily and special supervision and inspections on the implementation of the Company's the Measures for Management of Information Disclosure. According to the inspection results, the Measures for Management of Information Disclosure of the Company has been established and implemented effectively.







## SECTION 7

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# ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

## I. MATERIAL ENVIRONMENTAL PROBLEMS

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

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

### 1. Energy Conservation and Carbon Reduction

During the Reporting Period, the Company fully implemented energy conservation and carbon reduction by organizing the refined energy consumption monitoring and management and effectively reducing energy consumption rate and the waste of materials through various means such as formulating relevant operational requirements and standards, fixing positions and responsibilities, implementing onsite management signs and carrying out personnel training; energy conservation measures were taken in respect of heavy load facilities such as elevators, lighting and air-conditioning, and the equipment utilization process was optimized and controlled. During the Reporting Period, the Company achieved further improvement in energy conservation and waste management compared with last year, and an improvement in environmental key performance indicator management.

### 2. Green Office

The Company advocated the concept of green office through regular green office publicity and training activities among employees. The Company established a sound electronic equipment life cycle management system and its implementation mechanism to ensure the rational use of equipment and minimize electronic waste; waste sorting was implemented in GF Securities Tower with approximately 54 tons of recyclable waste (including paper, metal and plastic products) processed during the Reporting Period; the non-essential use of vehicles was reduced, a reasonable adjustment was made to the use of employee shuttle buses, and employees were encouraged to adopt low-carbon travel; the Company consolidated similar projects for centralized procurement based on the procurement plan to save resources and improve procurement efficiency.

# ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

## II. SOCIAL RESPONSIBILITIES

During the Reporting Period, the Group thoroughly implemented the major strategies on carbon peaking and carbon neutrality, actively responded to climate change, and practiced the new development concept of “innovation, coordination, greenness, openness and sharing” to support the construction of ecological civilization and green and low-carbon industries. The Group focused on doing a good job in the “five major areas” of finance, actively exerted the function of the capital market, improved the quality and efficiency of serving the real economy, and promoted the gathering of factor resources in the fields of scientific and technological innovation, advanced manufacturing, green and low-carbon, and inclusive people’s livelihood. The Group anchored the goal of building a financial superpower, adhered to the practice of responsible investment and green finance, comprehensively enhanced its business competitiveness and comprehensive service capabilities, and achieved the common growth of the Company and its customers. The Group valued the health and safety of employees, established and improved the protection system for employees’ rights and interests and a long-term mechanism for talent development to facilitate employee development. The Group adhered to the functional positioning of finance for the country and finance for the people, consciously implemented the political and people-oriented nature and the professionalism of its financial work, and proactively integrated into and served the overall national strategy. The Group focused on rural revitalization, education promoting, financial empowerment and medical assistance, and actively responded to the concerns of stakeholders, achieving the mutual coordination between the Company’s economic and social benefits, as well as its own development and social development to ensure the Company’s stability and long-term development. The Group attached great importance to investor protection and shareholder return, strengthened its comprehensive risk management, stuck to the bottom line of compliance operation, and continuously improved the level of ESG governance. The Company has complied with the mandatory disclosure requirements and the “comply or explain” provisions as set out in the Environmental, Social and Governance Reporting Code during the year.

During the Reporting Period, the Group’s social welfare expenses amounted to a total of RMB22.6760 million (including the donation to the GF Charity Foundation by the Company and the social welfare expenses of wholly-owned and holding subsidiaries). The GF Charity Foundation established by the Group had been actively participating in rural revitalization, education promoting and other activities, and incurred social welfare expenses of RMB22.7821 million during the Reporting Period.

Focusing on rural revitalization, education promoting, financial empowerment and medical assistance, the GF Charity Foundation has undertaken the Small-scale Start-up Support for University Students of GF Securities, GF Securities’ Talent Empowerment Program to Support Rural Revitalization and High-quality Development of Social Organizations, GF Securities Rural Children’s Reading Improvement Program • STARS, the “Moss Blossom” Love Empowerment and Growth Plan, the Medical and Humanities Mingzhu Forum and the “GF Jucai” Yat-sen Postdoctoral Science Fund and other public welfare programs, and continued to operate special public welfare funds such as Xinjiang Cotton Public Welfare Fund and Teaching and Research Fund.

Please refer to the 2024 Corporate Sustainability and Environmental, Social and Governance (ESG) Report of GF Securities Co., Ltd. concurrently disclosed with this Annual Report on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the HKEXnews website of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for details.

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

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

During the Reporting Period, the Company actively carried out paired assistance under the policy of “One Company, One County”. In addition to providing assistance to the former national-level poverty-stricken counties such as Antu and Longjing in Jilin and Nankang in Jiangxi, the Company also paired up with Maigaiti County in Xinjiang and Xinghe County in Inner Mongolia; carried out work in the areas of industry, consumption and public welfare; supported the grain and rice processing industry in Antu County and the shared high-altitude farm project in Nankang District to help the industry improve quality and efficiency; carried out consumer assistance to purchase Longjing rice, Antu corns, Nankang navel oranges, etc., to help expand sales channels for local agricultural products; donated a football field for a special school in Nankang District, established a scholarship project in Xinghe County, donated office computers to Yingyeer Village in Maigaiti County, and expressed concern and support to the low-income and needy people in Antu County.

During the Reporting Period, the Company earnestly performed the tasks of rural revitalization in Guangdong Province, such as the vertical assistance of the “Hundreds of Counties, Thousands of Towns and Ten Thousands Villages Project” and the town-based assistance, and continuously deepened and expanded the effectiveness of assistance. The Company participated in the June 30th Rural Revitalization Activity in Guangdong Province by donating RMB5 million to support rural revitalization and development in Guangdong Province. The Company actively undertook the task of providing vertical assistance to Guangning County, Zhaoqing City under the “Hundreds of Counties, Thousands of Towns and Ten Thousands Villages Project”, leveraged its financial expertise and organized investment banks, industrial research institutes and other business departments to conduct multiple rounds of research on key industrial projects in Guangning County, and formulated assistance measures and promoted work around industrial development research, state-owned enterprise platform integration and key enterprise guidance; assisted Guangning County in the development and sales of carbon inclusive benefits, completed the bidding for the first batch of 145,800 tons of emission reductions, driving 107 villages achieve a village-level collective economic income of RMB5.3 million; provided consumption assistance to Guangning for sweet potatoes, tea and other local agricultural products, and promoted Guangning’s characteristic brands in the light show on the facade of the Company’s headquarters building, and related reports were broadcast on CCTV-2, Nanfang Plus (南方+) and other publicity platforms; and raised a donation of RMB300,000 to support flood control, disaster relief and post-disaster reconstruction work in Guangning County. The Company completed the first phase of town-based assistance in Zhen’an Town, Yun’an District, and the second phase of town-based assistance was rotated to Zhouzai Town, Guangning County, and the town-based work focused on the “five improvements” and “nine key tasks”, and continued to invest resources; supported the renovation and remediation of typical villages such as Huangsan Village, launched the “Regain Sight” campaign to help cataract patients and donated to the construction of STARS libraries in Zhen’an Town Central Primary School and Zhouzai Town Central Primary School, etc. and continuously improved the people’s sense of fulfillment and happiness.

## ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

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During the Reporting Period, in recognition of its social responsibility and contributions in the field of rural revitalization, the Company won awards such as Silver Cup in the Guangdong Poverty Alleviation Red Cotton Cup, the Recommended Case of Zhen'an Town Becoming a Typical Town of the Hundreds of Counties, Thousands of Towns and Ten Thousand Villages Project and Ganzhou Charitable Donation Entity, and the "United Nations Sustainable Development Demonstration Village" project was selected as the Best Poverty Alleviation Case in the Fifth Global Poverty Reduction Case Collection Activity, and its rural revitalization practice was selected as the Recommended Case for Guangdong Financial Institutions to Empower the "Hundreds of Counties, Thousands of Towns and Ten Thousands Villages Project" in 2024 by the Xinhua News Agency and was awarded the Best Classic Case of Rural Revitalization in 2024 at the Jinding Award by the National Business Daily.







**SECTION 8**

**SIGNIFICANT EVENTS**

# SIGNIFICANT EVENTS

## I. IMPLEMENTATION OF COMMITMENTS

### 1. Commitments performed during the Reporting Period or not yet performed as of the end of the Reporting Period by the Undertaking Parties including the de facto controller of the Company, Shareholders, related parties, purchasers and the Company

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

# SIGNIFICANT EVENTS

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

Whether the commitments were performed timely? Yes

2. **If there are profit forecasts for the assets or projects of the Company and the Reporting Period is within the period of the profit forecasts, particulars of the Company's assets or projects reaching the original profit forecasts and the reasons**

N/A



## SIGNIFICANT EVENTS

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

The Company did not have a controlling shareholder nor a de facto controller. During the Reporting Period, there was not any misappropriation of the Company's fund by the largest shareholder and its related parties for non-operating purposes.

### III. NON-COMPLIANCE IN EXTERNAL GUARANTEES

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

### IV. STATEMENT ON THE LATEST "NON-STANDARD AUDIT REPORT" BY THE BOARD OF DIRECTORS

N/A

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

N/A

### VI. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRMS

#### 1. Currently appointed accounting firms

PRC Accounting Firm	Ernst & Young Hua Ming LLP
Audit remuneration of PRC Accounting Firm (RMB million)	2.3720
Continuous term of audit service of PRC Accounting Firm	7 years
Name(s) of certified public accountant(s) of the PRC Accounting Firm	Chang Hua (昌華), He Mingzhi (何明智)
Continuous term of audit service of certified public accountant(s) of PRC Accounting Firm	5 years for Chang Hua, 2 years for He Mingzhi
International Accounting Firm	Ernst & Young
Audit remuneration of International Accounting Firm (RMB million)	1.4200
Continuous term of auditing service of the International Accounting Firm	7 years
Name(s) of certified public accountant(s) of the International Accounting Firm	Cheung Bing Yin Benny (張秉賢)
Continuous term of auditing service of certified public accountant(s) of the International Accounting Firm	2 years

Note: The above is the audit/review fees for the regular report of the Company, which does not include the audit fees for consolidated subsidiaries. During the Reporting Period, the Company did not appoint any accounting firm to provide the Company with material non-audit services.

## SIGNIFICANT EVENTS

Whether there is any change in accounting firm in the current period

No

Whether there is any change in accounting firm during the audit period

No

### 2. Appointment of accounting firm for internal control audit, financial advisor or sponsor

In 2024, the Company appointed Ernst & Young Hua Ming LLP as accounting firm for internal control audit with audit fee at RMB350,000.

### 3. Changes in accounting firm during the past three years

There is no change in the accounting firm of the Company during the past three years.

## VII. SUSPENSION AND TERMINATION OF LISTING AFTER THE DISCLOSURE OF ANNUAL REPORT

N/A

## VIII. SIGNIFICANT ISSUES OF THE COMPANY ABOUT BANKRUPTCY REORGANIZATION, MERGER, SEPARATION, ESTABLISHMENT AND DISPOSAL OF SUBSIDIARIES, BRANCH COMPANIES AND BUSINESS DEPARTMENTS, ETC.

### 1. Relevant matters about bankruptcy reorganization

There were no relevant matters about bankruptcy reorganization during the Reporting Period.

### 2. Merger or separation of the Company

N/A



## SIGNIFICANT EVENTS

### 3. Establishment and disposal of subsidiaries, branch companies and business departments

#### (1) Relocation and change of name of branch companies and business departments

As of the end of December 2024, the Company has a total of 356 branches, including 26 branch companies and 330 securities business departments, covering 31 provinces, municipalities directly under the Central Government and autonomous regions in Mainland China. During the Reporting Period, a total of 22 branches of the Company were relocated and renamed:

No.	Name after relocation	Name before relocation
1	Securities Business Department of GF Securities Co., Ltd. at Xingyun West Road, Yunfu	Securities Business Department of GF Securities Co., Ltd. at Haolin East Road, Yunfu
2	Securities Business Department of GF Securities Co., Ltd. at Hubin South Road, Xiamen	Relocation with name unchanged
3	Hunan Branch of GF Securities Co., Ltd.	Relocation with name unchanged
4	Securities Business Department of GF Securities Co., Ltd. at Jinqian Road, Shanghai	Securities Business Department of GF Securities Co., Ltd. at Nanfeng Road, Shanghai
5	Chengdu Branch of GF Securities Co., Ltd.	Relocation with name unchanged
6	Securities Business Department of GF Securities Co., Ltd. at Tingxueyuan Road, Jiading District, Shanghai	Securities Business Department of GF Securities Co., Ltd. at Cao'an Road, Shanghai
7	Securities Business Department of GF Securities Co., Ltd. at Dongfang Road, Pudong New Area, Shanghai	Securities Business Department of GF Securities Co., Ltd. at Dongfang Road, Shanghai
8	Securities Business Department of GF Securities Co., Ltd. at Foshan New Town	Securities Business Department of GF Securities Co., Ltd. at Sanle Road, Shunde, Foshan
9	Securities Business Department of GF Securities Co., Ltd. at Guanghui New World, Zengcheng, Guangzhou	Securities Business Department of GF Securities Co., Ltd. at Lixing Avenue, Zengcheng, Guangzhou
10	Securities Business Department of GF Securities Co., Ltd. at Science City, Guangzhou	Securities Business Department of GF Securities Co., Ltd. at Huangpu East Road, Guangzhou
11	Securities Business Department of GF Securities Co., Ltd. at Long'ao West Road, Jinan	Securities Business Department of GF Securities Co., Ltd. at Luoyuan Street, Jinan
12	Shandong Branch of GF Securities Co., Ltd.	Relocation with name unchanged
13	Securities Business Department of GF Securities Co., Ltd. at Huanshi East Road, Guangzhou	Relocation with name unchanged
14	Securities Business Department of GF Securities Co., Ltd. at Huahu Avenue, Huangshi	Securities Business Department of GF Securities Co., Ltd. at Yi Yang Road, Huangshi
15	Securities Business Department of GF Securities Co., Ltd. at Jianwai Street, Beijing	Relocation with name unchanged
16	Securities Business Department of GF Securities Co., Ltd. at Zhufeng Science and Technology Center, Doumen, Zhuhai	Securities Business Department of GF Securities Co., Ltd. at Doumen, Zhuhai

## SIGNIFICANT EVENTS

No.	Name after relocation	Name before relocation
17	Securities Business Department of GF Securities Co., Ltd. at Guoxing Avenue, Haikou	Securities Business Department of GF Securities Co., Ltd. at Nanhai Avenue, Haikou
18	Securities Business Department of GF Securities Co., Ltd. at Fudi Building, Shuangshan 7th Road, Maoming	Securities Business Department of GF Securities Co., Ltd. at Gaoliang Middle Road, Maoming
19	Securities Business Department of GF Securities Co., Ltd. at Wantou Road, Ningbo	Securities Business Department of GF Securities Co., Ltd. at Liyuan North Road, Ningbo
20	Hebei Branch of GF Securities Co., Ltd.	Relocation with name unchanged
21	Securities Business Department of GF Securities Co., Ltd. at Jinsha Road, Shantou	Securities Business Department of GF Securities Co., Ltd. at Zhuchi Road, Shantou
22	Securities Business Department of GF Securities Co., Ltd. at Shanchang Road, Zhuhai	Securities Business Department of GF Securities Co., Ltd. at Qinglv Middle Road, Zhuhai



## SIGNIFICANT EVENTS

### **(2) *New branch companies and securities business departments***

During the Reporting Period, the Company newly established 8 securities business departments, namely Securities Business Department at Taishan Road, Nanjing, Securities Business Department at Boya Times Center, Hangzhou, Securities Business Department at Tianfu Avenue North Section, Chengdu, Securities Business Department at Taihe Plaza, Hangzhou, Securities Business Department at Dengfeng Avenue, Ganzhou, Securities Business Department at Wangjing, Beijing, Securities Business Department at Shunfu Business Center, Hangzhou and Securities Business Department at Daning Road, Jing'an District, Shanghai.

### **(3) *Changes in subsidiaries***

For the changes of subsidiaries, please refer to “III. Analysis on Financial Statements — 4. Explanation of Changes in the Consolidation Scope of Financial Statements” of Section 5.

The above establishment, revocation and disposal activities have no material impact on the Company's performance.

## **4. Major asset disposal, acquisition, replacement and divestment**

During the Reporting Period, there was no material disposal, acquisition, replacement or divestment of assets or equity by the Company.

During the Reporting Period, GFHK, a wholly-owned subsidiary of the Company, intended to acquire no more than 369,000,000 ordinary shares of Value Partners Group, representing approximately 20.20% of the total issued shares of Value Partners Group as of June 1, 2023, at a total consideration of less than RMB1 billion. The counterparties of the transaction are Cheah Capital Management Limited (hereinafter referred to as “CCML”) and Mr. YEH V-Nee, both being shareholders of Value Partners Group. CCML is a limited liability company wholly owned by a trust established by Mr. CHEAH Cheng Hye. Meanwhile, Mr. CHEAH Cheng Hye is the guarantor of CCML for the transaction.

As of January 4, 2024, the parties to the transaction have completed the equity transfer pursuant to the equity purchase agreement. GFHK holds 366,000,000 ordinary shares of Value Partners Group, which represented approximately 20.04% of the total issued shares of Value Partners Group as of the date of disclosure of the announcement. For details, please refer to the announcements dated June 2, 2023 and January 5, 2024 of the Company published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and disclosed on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) and the HKEXnews website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

## SIGNIFICANT EVENTS

### 5. Restructuring of other companies

N/A

## IX. SIGNIFICANT LITIGATION AND ARBITRATION

Basic information on litigation (arbitration)	Amount involved (RMB' 0,000)	Whether estimated liabilities will be generated	Progress of litigation (arbitration)
<p><b>Plaintiffs:</b> Chen Weifu (陳衛福), Xu Xilong (徐習龍) and others</p> <p><b>Litigation representative:</b> China Securities Investor Services Center</p> <p><b>Defendants:</b> Wang Yingyan (王迎燕), Xu Jing (徐晶), Misho Ecology &amp; Landscape Co., Ltd. (美尚生態景觀股份有限公司), GF Securities, Dongxing Securities Co., Ltd. (東興證券股份有限公司), Tianheng Certified Public Accountants (Special General Partnership) (天衡會計師事務所(特殊普通合夥)), Jonten Certified Public Accountants (Limited Liability Partnership) (中天運會計師事務所(特殊普通合夥)), AllBright Law Offices (上海市錦天城律師事務所), Jincheng Tongda &amp; Neal Law Firm (北京金誠同達律師事務所), Qian Renyong (錢仁勇), Wu Yundi (吳運娣), Ji Bin (季斌), Zhou Fangrong (周芳蓉), Hui Feng (惠峰), Long Jun (龍俊), Shi Chenghua (石成華), Jiang Renli (江仁利), Chen Xiaolong (陳曉龍), Yu Xiaojun (俞嘯軍) and Xu Zhonghua (許中華)</p> <p><b>Cause of Action:</b> Disputes of securities misrepresentation liability</p> <p><b>Litigation method:</b> Special representative litigation</p> <p><b>Plaintiffs' Claims:</b> An order for Wang Yingyan to compensate for the investment losses and compensate the litigation representatives for notification fees, and an order for the other defendants to bear joint and several liability for the above claims.</p>	<p>The litigation case has not yet been heard in court, and the amount involved in the litigation case for the Company remains uncertain</p>	<p>Given that the representative action procedure will be applied to the trial of the litigation case, which has not yet been heard in court, the final amount involved in the litigation case for the Company remains uncertain. It is currently not possible to assess the impact on the Company's profits for the current period or future periods.</p>	<p>On December 31, 2024, the Intermediate People's Court of Shenzhen City issued the Notice for the Registration of Rights in the Special Representative Litigation of the Intermediate People's Court of Shenzhen City of Guangdong Province (《廣東省深圳市中級人民法院特別代表人訴訟權利登記公告》). The notice stated that on December 30, 2024, China Securities Investor Services Center accepted special authorization from 60 rights holders to apply to the Intermediate People's Court of Shenzhen City to participate in the litigation case as a representative. The Intermediate People's Court of Shenzhen City will apply the special representative litigation procedure to hear the litigation case and has issued a notice for the registration of rights in the special representative litigation.</p>

## SIGNIFICANT EVENTS

For details and progress of the above material litigation, please refer to the Announcement on Material Litigation of GF Securities Co., Ltd. (Announcement No. 2024-058), the Announcement on Material Litigation of GF Securities Co., Ltd. (Announcement No. 2024-059), the Announcement on Progress on a Material Litigation of GF Securities Co., Ltd. (Announcement No. 2024-062) and the Announcement on Progress on a Material Litigation of GF Securities Co., Ltd. (Announcement No. 2024-063) disclosed by the Company on the website of Shenzhen Stock Exchange (www.szse.cn) and the website of CNINFO (www.cninfo.com.cn) on December 17, December 21 and December 31, 2024 and January 1, 2025, respectively, as well as the announcements on material litigation and the announcements on progress on a material litigation disclosed by the Company on the website of the Hong Kong Stock Exchange on December 17, December 20, December 30 and December 31, 2024, respectively.

Except for the above material litigation, as of December 31, 2024, the Group was involved in 1,161 litigation and arbitration cases (including those initiated against and by the Group) pending final judgment or ruling and completed execution, involving a total amount of claims at approximately RMB15.175 billion. Among which, 89 cases were initiated by the Group, involving a total amount of claims at approximately RMB11.042 billion; and 1,072 cases were initiated against the Group, involving a total amount of claims at approximately RMB4.133 billion.

The Group has made a provision of approximately RMB11 million in relation to the above litigation or arbitration as of December 31, 2024.

### X. PENALTY AND RECTIFICATION

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

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

2. In September 2024, a person surnamed Wei and a person surnamed Li received the Letter of Supervision on Sponsor Representatives Wei and Li (Shen Zheng Han [2024] No. 568) (《關於對保薦代表人魏某某、李某某的監管函》深證函[2024]568號) from SZSE, and SZSE imposed a written warning on them as self-regulatory measures. The letter stated that these two persons, as sponsor representatives for the initial public offering and listing on the Growth Enterprise Market of Sichuan Credit Pharmaceutical Co., Ltd. (四川科瑞德製藥股份有限公司), failed to fully verify the standardization and effectiveness of implementation of the issuer's internal control over sales expenses in strict accordance with the requirements taking into account the characteristics of the issuer's business, failed to identify the irregularities in the issuer's internal control over sales expenses and urged the issuer to make rectification and regulation in a timely manner, and that certain verification opinions expressed in the replies to the first round of review did not conform to actual situation of the issuer.

## SIGNIFICANT EVENTS

In this regard, the Company earnestly learned lessons, continued to standardize due diligence procedures, strengthened the promotion of compliance and risk control, continuously improved the quality of investment banking practice, and took internal accountability measures for relevant responsible persons.

- In October 2024, Securities Business Department of the Company at Wenling Road, Quanzhou received the Decision on Taking Measures for Issuing a Warning Letter to Securities Business Department of GF Securities Co., Ltd. at Wenling Road, Quanzhou (Decision on Administrative Regulatory Measures of Fujian Bureau of the CSRC [2024] No. 86) (《關於對廣發証券股份有限公司泉州溫陵路証券營業部採取出具警示函措施的決定》(福建證監局行政監管措施決定書[2024]86 號)) and the Decision on Taking Measures for Issuing a Warning Letter to Xiao (Decision on Administrative Regulatory Measures of Fujian Bureau of the CSRC [2024] No. 85) (《關於對肖某某採取出具警示函措施的決定》(福建證監局行政監管措施決定書[2024]85 號)) from Fujian Bureau of the CSRC, pointing out that a person surnamed Xiao, a former employee of the securities business department, had attracted clients to open securities accounts for margin trading by paying remuneration during his employment, reflecting that the securities business department did not adequately monitor and manage employees' behaviors.

In this regard, the business department learned from the lesson and conscientiously organized rectification, and continued to implement compliance training and inspection on employees' professional behaviors.

- In November 2024, GF Asset Management, a wholly-owned subsidiary of the Company, received the Administrative Penalty Decision (Yue Hui Chu [2024] No. 16) from the Guangdong Branch of the SAFE, stating that GF Asset Management was suspected of violating foreign exchange regulations.

In this regard, GF Asset Management attached great importance to it, made timely rectifications, and continuously standardized the internal control system and business process of its asset management business to improve the standard operation level of the business.

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

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

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

# SIGNIFICANT EVENTS

## XII. MAJOR RELATED/CONNECTED TRANSACTIONS

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

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

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

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

The investment banking, wealth management, trading, institutional and investment management services in respect of day-to-day operations provided by the Group to related/connected persons were conducted in the ordinary and usual course of business and on normal commercial terms, and they were exempt continuing connected transactions under the Hong Kong Listing Rules, namely the de minimis transactions, and such transactions were exempt from the requirements of reporting, announcement and approval by independent shareholders under Chapter 14A of the Hong Kong Listing Rules. There is no related party transaction or continuing related party transaction set out in Note 66 of the Notes to the Consolidated Financial Statements that falls into the category of connected transactions or continuing connected transactions that need to be disclosed under the Hong Kong Listing Rules.

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

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

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

## SIGNIFICANT EVENTS

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

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

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

Amount due to or from Related Parties under the SZSE Listing Rules

Unit: RMB

Item Name	Related Party	Amount as of the end of the period	Amount as of the beginning of the period
Seats commission, trailing commission and custodian fee receivables	E Fund Management Co., Ltd.	12,968,107.23	19,150,467.05
Short-term structured notes payable	Shenzhen Chengda Biological Investment Co., Ltd.	70,483,345.58	90,377,426.51
Short-term structured notes payable	Liaoning Chengda Biotechnology Co., Ltd.	100,522,871.65	—

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

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

### 5. Transactions with Related Financial Companies

N/A

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

N/A

### 7. Other Material Related-Party Transactions

No other material related transactions occurred during the Reporting Period.

# SIGNIFICANT EVENTS

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## XIII. MAJOR CONTRACTS AND THEIR PERFORMANCE

### 1. Custody, Contracting and Leases

#### (1) *Custody*

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

#### (2) *Contracting*

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

#### (3) *Leases*

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



## SIGNIFICANT EVENTS

### 2. Material Guarantees

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

Unit: RMB '0000

#### External Guarantees Provided by the Company and Its Subsidiaries (Excluding Guarantees Provided to Subsidiaries)

Name of the Guaranteed Party	Date of Disclosure of Guarantee		Actual					Performance Fulfilled or Not	Guarantee Provided to Related Parties or Not
	Amount on the Relevant Announcement	Amount of Guarantee	Date of Occurrence	Amount of Guarantee	Type of Guarantee	Counter Collaterals	Term of Guarantee		
Nil	-	-	-	-	-	-	-	-	-
Total amount of external guarantees approved during the Reporting Period (A1)	0								Total actual amount of external guarantees provided during the Reporting Period (A2) 0
Total amount of external guarantees approved as at the end of the Reporting Period (A3)	0								Total actual balance of external guarantees as at the end of the Reporting Period (A4) 0



## SIGNIFICANT EVENTS

### Guarantees Provided to Subsidiaries by the Company

Name of the Guaranteed Party	Date of Disclosure of Guarantee	Amount on the Relevant Announcement	Actual Date of Occurrence	Actual Amount of Guarantee	Type of Guarantee	Collaterals	Counter Guarantee	Term of Guarantee	Performance Fulfilled or Not	Guarantee Provided to Related Parties or Not
										Not
GF Financial Markets (UK) Limited (the Company undertook guarantee liabilities to the extent of the amount of the letter of guarantee ultimately and actually signed)	March 30, 2021	A cumulative balance of not more than US\$140 million	September 13, 2021	US\$7,000	Joint and several guarantee	–	–	Until September 1, 2025	No	No
			August 25, 2023	US\$3,050				Until August 25, 2024	Yes	No
			August 22, 2024	US\$2,500				Until August 22, 2025	No	No
			November 25, 2024	US\$4,500				Until November 25, 2025	No	No
GF Financial Holdings BVI Ltd.	September 13, 2024	The Company provided unconditional and irrevocable guarantee for the repayment obligations under the Offshore Bonds of US\$300 million, and the scope of guarantee included the principal of the bonds, the corresponding interest, the Offshore Bonds and other payment obligations under the trust deed.	September 12, 2024	US\$30,000	Joint and several guarantee	–	–	Until September 12, 2027	No	No
<b>Total amount of guarantees provided to subsidiaries approved during the Reporting Period (B1)</b>			0	<b>Total actual amount of guarantees provided to subsidiaries during the Reporting Period (B2)</b>					338,214.22	
<b>Total amount of guarantees provided to subsidiaries approved as at the end of the Reporting Period (B3)</b>			316,289.60	<b>Total actual balance of guarantees provided to subsidiaries as at the end of the Reporting Period (B4)</b>					316,289.60	

# SIGNIFICANT EVENTS

## Guarantees among Subsidiaries

Name of the Guaranteed Party	Date of Disclosure of Guarantee Amount on the Relevant Announcement	Amount of Guarantee	Actual Date of Occurrence	Actual			Counter Guarantee	Term of Guarantee	Performance Fulfilled or Not	Guarantee Provided to Related Parties or Not
				Amount of Guarantee	Type of Guarantee	Collaterals				
GF Global Capital Limited (GFHK provided guarantee to it)	May 6, 2024	Provide performance guarantee to the guaranteed party in respect of the issue of structured notes with a total size of no more than US\$4 billion (or its equivalent in other currencies), subject to a guarantee amount of no more than US\$4 billion (or its equivalent in other currencies)	May 6, 2024	2,929,239.81	Joint and several guarantee	—	—	According to provisions of agreement	No	No
Total amount of guarantees provided to subsidiaries approved during the Reporting Period (C1)			2,875,360.00	Total actual amount of guarantees provided to subsidiaries during the Reporting Period (C2)					2,929,239.81	
Total amount of guarantees provided to subsidiaries approved as at the end of the Reporting Period (C3)			2,875,360.00	Total actual balance of guarantee provided to subsidiaries as at the end of the Reporting Period (C4)					841,565.44	



## SIGNIFICANT EVENTS

### Total Amount of Guarantees Provided by the Company (i.e. the total of the first three major items)

Total amount of guarantees approved during the Reporting Period (A1+B1+C1)	2,875,360.00	Total actual amount of guarantees provided during the Reporting Period (A2+B2+C2)	3,267,454.03
Total amount of guarantees approved as at the end of the Reporting Period (A3+B3+C3)	3,191,649.60	Total actual balance of guarantees provided as at the end of the Reporting Period (A4+B4+C4)	1,157,855.04
Total actual amount of guarantees (i.e. A4+B4+C4) as a percentage of the net assets of the Company			7.84%
Including:			
Balance of guarantees provided to shareholders, de facto controller and their related parties (D)			0
Balance of debt guarantees provided directly or indirectly to the guaranteed parties with a gearing ratio over 70% (E)			1,057,217.44
Amount of total guarantees above 50% of net assets (F)			0
Total amount of the above three guarantees (D+E+F)			1,057,217.44
For outstanding guarantees, description on the guarantee liabilities occurred or possible joint and several liabilities of repayment demonstrated during the Reporting Period (if any)			No
Description on the provision of external guarantee with non-compliance in required procedures (if any)			No
Other descriptions		In February 2018, the board of directors of GFHK resolved that it agreed to provide guarantees for its wholly-owned subsidiary, GF Global Capital Limited, to the counterparties under the agreements such as ISDA and GMRA. As of December 31, 2024, the amount of such guarantee was approximately US\$23.162 million.	

Note 1: Calculated by the central parity exchange rates of Hong Kong dollar to Renminbi at 1: 0.92604, US dollar to Renminbi at 1: 7.1884 and Singapore dollar to Renminbi at 1:5.3214 published by the People's Bank of China on December 31, 2024.

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



## SIGNIFICANT EVENTS

### 3. Cash asset management conducted by other entrusted parties

#### (1) Entrusted wealth management

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

#### (2) Entrusted loans

Summary of entrusted loans during the Reporting Period

Unit: RMB' 0,000

Total amount of entrusted loans	Source of funds of entrusted loans	Outstanding balance	Unrecovered overdue amount
1,800.00	Self-owned funds	—	1,406.41

Specific particulars of entrusted loans

Unit: RMB' 0,000

Borrower	Type of borrower	Loan interest rate	Loan amount	Source of funds	Start date	End date	Expected income	Actual profit/loss amount in the Reporting Period	Actual profit/loss recovered in the Reporting Period	Impairment provision	Through legal process or not	Any future plans of entrusted loans
Pingdingshan Shunyi Farming Co., Ltd.	Agricultural, forestry, farming and fishery industries	8.00%	1,800.00	Self-owned funds	October 13, 2017	April 13, 2021	—	0.43	—	1,451.04	Yes	No for the time being
Total			1,800.00	—	—	—	—	0.43	—	1,451.04	—	—

Note: The amount of impairment provision in the above table was the balance of impairment provision for entrusted loans as at the end of the Reporting Period.

## SIGNIFICANT EVENTS

### *Circumstances where expected non-recovery of principal amount or other possible causes of impairment in entrusted loans may arise*

Entrusted loans were overdue, and impairment provision was made accordingly.

#### **4. Other major contracts**

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

### **XIV. PARTICULARS OF OTHER SIGNIFICANT ISSUES**

- (I) On January 19, 2024, the Company received the Notification Letter on the Progress of Increasing its Shareholding in GF Securities Co., Ltd. from its largest shareholder Jilin Aodong. Based on its confidence in the Company's sustainable and stable development in the future, from December 13, 2023 to January 19, 2024, Jilin Aodong used its own funds to increase its shareholding of 2,086,600 H shares of the Company via the Shenzhen-Hong Kong Stock Connect trading system. After the increase, Jilin Aodong and the parties acting in concert with it held a total of 1,526,304,167 A shares and H shares of the Company, accounting for 20.0274% of the total share capital of the Company.
- (II) On February 7, 2024, the Company published the Announcement on New Borrowings Accumulated in the Year Exceeding 40% of Net Assets at the End of the Previous Year. As of December 31, 2023, the Company's borrowings balance was RMB357.675 billion. As of January 31, 2024, the Company's borrowings balance was RMB421.381 billion, and the cumulative amount of additional borrowings was RMB63.706 billion, accounting for approximately 45.29% of the net assets at the end of the previous year, i.e. exceeding 40%. The above-mentioned new borrowings are in compliance with the relevant laws and regulations and are within the scope of the Company's normal business activities. Investors are advised to pay attention that the above financial data has not been audited.
- (III) On September 19, 2024, the Company published the Announcement on Obtaining Approval from the CSRC for the Registration of Public Issuance of Subordinated Corporate Bonds to Professional Investors, which approved the application for the registration of the Company's public issuance of subordinated corporate bonds to professional investors with a total nominal value of no more than RMB20 billion.
- (IV) On October 12, 2024, the Company published the Announcement on New Borrowings Accumulated in the Year Exceeding 20% of Net Assets at the End of the Previous Year. As of September 30, 2024, the Company's borrowings balance was RMB399.856 billion, and the cumulative amount of new borrowings was RMB42.182 billion, accounting for 29.99% of the net assets at the end of the previous year, i.e. exceeding 20%. The above-mentioned new borrowings were in compliance with relevant laws and regulations and fell within the scope of the normal business activities of the Company.
- (V) On December 26, 2024, the Proposal on Adjusting the Organizational Structure of the Fixed Income Business of the Company was considered and approved at the 5th Meeting of the 11th Session of the Board of Directors, whereby the Board of Directors agreed: to cancel the Headquarters of Securities Investment Business Management and its subordinate Fixed Income Investment Department and Financial Intermediary Business Department; to establish Fixed Income Business Committee to conduct overall management of fixed income business.

## SIGNIFICANT EVENTS

(VI) Administrative license decisions made by regulatory authorities or business license notices by self-regulatory organizations during the Reporting Period

No.	Regulatory Authority	Administrative license decisions or business license notices by self-regulatory organisations
1	CSRC	Reply Letter of Relevant Opinions on GF Securities Co., Ltd.'s Participation in Carbon Emission Trading (Ji Gou Si Han [2024] No. 2250) (關於廣發證券股份有限公司參與碳排放權交易有關意見的覆函(機構司函[2024]2250 號))
2	CSRC	Reply on the Approval of the Qualification for Market Making Business for Listed Securities of GF Securities Co., Ltd. (Zheng Jian Xu Ke [2024] No. 1628) (關於核准廣發證券股份有限公司上市證券做市交易業務資格的批覆(證監許可[2024]1628 號))
3	SZSE	No Comment Letter on the Non-public Issuance of Short-term Corporate Bonds to Professional Investors by GF Securities Co., Ltd. in Compliance with the Conditions for Listing on the Shenzhen Stock Exchange (Shen Zheng Han [2024] No. 741) (關於廣發證券股份有限公司面向專業投資者非公開發行短期公司債券符合深交所掛牌條件的無異議函(深證函[2024]741 號))
4	CSRC	Reply Letter on Matters related to GF Securities Co., Ltd.'s Participation in the Swap Facility (Ji Gou Si Han [2024] No. 1872) (關於廣發證券股份有限公司參與互換便利有關事項的覆函(機構司函[2024]1872 號))
5	CSRC	Approval for the Registration of Public Issuance of Subordinated Corporate Bonds to Professional Investors by GF Securities Co., Ltd. (Zheng Jian Xu Ke [2024] No. 1258) (關於同意廣發證券股份有限公司向專業投資者公開發行次級公司債券註冊的批覆(證監許可[2024]1258 號))
6	CSRC	Approval for the Registration of Public Issuance of Corporate Bonds to Professional Investors by GF Securities Co., Ltd. (Zheng Jian Xu Ke [2024] No. 1010) (關於同意廣發證券股份有限公司向專業投資者公開發行公司債券註冊的批覆(證監許可[2024]1010 號))
7	SZSE	No Comment Letter on the Non-public Issuance of Short-term Corporate Bonds by GF Securities Co., Ltd. in Compliance with the Conditions for Listing on the Shenzhen Stock Exchange (Shen Zheng Han [2024] No. 157) (關於廣發證券股份有限公司非公開發行短期公司債券符合深交所掛牌條件的無異議函(深證函[2024]157 號))
8	SSE	Notice on the Results of the Assessment Test for the Market-Making Business of Bonds of GF Securities Co., Ltd. (Shang Zheng Han [2024] 539) (關於廣發證券股份有限公司債券做市交易業務評估測試結果的通知(上證函[2024]539))



## SIGNIFICANT EVENTS

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

- (I) On January 5, 2024, the Company published the Voluntary Announcement on the Completion of Acquisition of Certain Equity Interest in Value Partners Group Limited by Our Wholly-owned Subsidiary, GF Holdings (Hong Kong) Corporation Limited. As of the date of the said announcement, the parties to the transaction have completed the transfer of equity interest pursuant to the equity purchase agreement. GFHK, a wholly-owned subsidiary of the Company, holds 366,000,000 ordinary shares of Value Partners Group Limited, which represent approximately 20.04% of the total issued shares of Value Partners Group Limited as of the date of the said announcement.
- (II) On May 6, 2024, the Company published the Announcement on the Guarantee Provided by GF Holdings (Hong Kong) Corporation Limited for GF Global Capital Limited, its Wholly-owned Subsidiary, in Respect of the Issue of Structured Notes. GFHK, a wholly-owned subsidiary of the Company, provided performance guarantee to its wholly-owned subsidiary, GF Global Capital, in respect of the issue of structured notes with a total size of no more than US\$4 billion (or its equivalent in other currencies) to ensure the performance of the notes contract by GF Global Capital in accordance with the terms of the notes, subject to a guarantee amount of no more than US\$4 billion (or its equivalent in other currencies). This guarantee does not involve any counter-guarantee.
- (III) On May 15, July 27, 2024 and January 9, 2025, the Company published the Announcement on Increasing the Paid-up Capital of GF Holdings (Hong Kong) Co., Ltd. to HK\$7.1 billion, the Announcement on Increasing the Paid-up Capital of GF Holdings (Hong Kong) Co., Ltd. to HK\$8.2 billion, and the Announcement on Increasing the Paid-up Capital of GF Holdings (Hong Kong) Co., Ltd. to HK\$10.337 billion, respectively, in which the Company has increased the capital of HK\$1.5 billion, HK\$1.1 billion and HK\$2.137 billion to GFHK, respectively. After the capital increase, the paid-up capital of GFHK increased to HK\$10.337 billion.
- (IV) In October 2024, the Company resolved to increase capital of RMB150 million in GF Futures, its wholly-owned subsidiary. In October 2024, the Company completed the aforesaid capital increase in accordance with the resolution; GF Futures obtained a new business license with a registered capital of RMB2.05 billion.
- (V) On September 12, 2024, GF Financial Holdings BVI Ltd. (hereinafter referred to as “GF Financial Holdings”), a wholly-owned subsidiary of GFHK, which is in turn an overseas wholly-owned subsidiary of the Company, completed the issuance of 3-year floating-rate offshore bonds in an amount of USD300 million. On March 13, 2025, GF Financial Holdings completed the issuance of 3-year floating-rate offshore bonds in an amount of US\$380 million and 3-year fixed-rate offshore bonds in an amount of RMB800 million. The above offshore bonds were listed and traded on the Hong Kong Stock Exchange by way of debt securities issued to professional investors only. The Company (as the guarantor) and CMB WING LUNG (TRUSTEE) LIMITED (as the trustee) entered into a guarantee agreement in respect of the above offshore bonds to provide unconditional and irrevocable guarantee for the Issuer’s repayment obligations under the above offshore bonds, and the scope of guarantee included the principal of the bonds, the corresponding interest, the above offshore bonds and other payment obligations under the trust deed.
- (VI) On March 21, 2025, GF Futures, a wholly-owned subsidiary of the Company, incorporated GF Futures (Singapore) Pte. Ltd., a wholly-owned subsidiary of GF Futures, in Singapore. The business scope of GF Futures (Singapore) Pte. Ltd. is: brokers and dealers of commodities (excluding gold) and futures, and foreign exchange brokers and dealers.

## SIGNIFICANT EVENTS

### XVI. CHANGES OF QUALIFICATIONS FOR INDIVIDUAL BUSINESSES DURING THE REPORTING PERIOD

For details, please refer to “V. Qualifications of Individual Businesses” of Section 1 in this report.

### XVII. INDEX OF INFORMATION DISCLOSURE

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

No.	Matters of Announcement	Date of Publication
1	Voluntary Announcement on the Completion of Acquisition of Certain Equity Interest in Value Partners Group Limited by Our Wholly-owned Subsidiary, GF Holdings (Hong Kong) Corporation Limited	January 5, 2024
2	Announcement on the Progress of Shareholders Increasing Shareholdings in the Company	January 20, 2024
3	Announcement on New Borrowings Accumulated in the Year Exceeding 40% of Net Assets at the End of the Previous Year	February 7, 2024
4	Announcement on the Action Plan for Enhancement in Both Quality and Return	February 29, 2024
5	Announcement in Relation to 2023 Annual Results Presentation	March 27, 2024
6	Pre-approval Opinions and Independent Opinions of Independent Directors on Relevant Matters at the 33rd Meeting of the 10th Session the Board of Director of the Company	March 29, 2024
7	Announcement on the Proposed Re-appointment of Accounting Firm	March 29, 2024
8	Duty Report of Independent Directors for the Year of 2023 (Hu Bin)	March 29, 2024
9	Announcement on the Resolutions of the 33rd Meeting of the 10th Session of the Board of Director	March 29, 2024
10	Assessment Report and Report on the Performance of Supervision Duties of the Audit Committee of the Board on the Performance of the Accounting Firm for the Year of 2023	March 29, 2024
11	2023 Annual Report	March 29, 2024
12	Internal Control Self-evaluation Report	March 29, 2024
13	Special Opinion of the Board on the Assessment of the Independence of Independent Directors	March 29, 2024
14	Announcement on the Resolutions of the 19th Meeting of the 10th Session of the Supervisory Committee	March 29, 2024
15	2023 Corporate Social Responsibility Report	March 29, 2024

## SIGNIFICANT EVENTS

No.	Matters of Announcement	Date of Publication
16	Duty Report of Independent Directors for the Year of 2023 (Li Wenjing)	March 29, 2024
17	Annual Specific Audit Report on Capital Occupation of Related Party Transactions	March 29, 2024
18	Annual Duty Report of Independent Directors	March 29, 2024
19	Articles of Association (Draft)	March 29, 2024
20	Duty Report of Independent Directors for the Year of 2023 (Fan Lifu)	March 29, 2024
21	Duty Report of Independent Directors for the Year of 2023 (Leung Shek Ling Olivia)	March 29, 2024
22	Audit Report for the Year of 2023	March 29, 2024
23	Announcement on the Estimates of Daily Related/Connected Transactions of the Company for 2024	March 29, 2024
24	Work System of Independent Directors of GF Securities (Draft)	March 29, 2024
25	Summary of the 2023 Annual Report	March 29, 2024
26	Internal Control Audit Report	March 29, 2024
27	Declaration and Undertaking by the Nominees and Candidates of Independent Directors (Li Wenjing)	April 16, 2024
28	Announcement on the Resolutions of the 20th Meeting of the 10th Session of the Supervisory Committee	April 16, 2024
29	Announcement on the Resolutions of the 34th Meeting of the 10th Session of the Board of Director	April 16, 2024
30	Declaration and Undertaking by the Nominees and Candidates of Independent Directors (Zhang Chuang)	April 16, 2024
31	Independent Opinions of Independent Directors on Relevant Matters at the 34th Meeting of the 10th Session of the Board of Director of the Company	April 16, 2024
32	Declaration and Undertaking by the Nominees and Candidates of Independent Directors (Wang Dashu)	April 16, 2024
33	Declaration and Undertaking by the Nominees and Candidates of Independent Directors (Leung Shek Ling Olivia)	April 16, 2024
34	Appendix to Notice of the 2023 Annual General Meeting	April 19, 2024
35	Notice of the 2023 Annual General Meeting	April 19, 2024
36	Announcement on the Resolutions of the 21st Meeting of the 10th Session of the Supervisory Committee	April 30, 2024
37	2024 First Quarterly Report	April 30, 2024
38	Announcement on the Resolutions of the 35th Meeting of the 10th Session of the Board of Director	April 30, 2024
39	Announcement on the Guarantee Provided by GF Holdings (Hong Kong) Corporation Limited for GF Global Capital Limited, its Wholly-owned Subsidiary, in Respect of the Issue of Structured Notes	May 6, 2024
40	Announcement on Reminder Notice of the 2023 Annual General Meeting	May 7, 2024

## SIGNIFICANT EVENTS

No.	Matters of Announcement	Date of Publication
41	Announcement on the Results of Election of Employee Representative Supervisor	May 11, 2024
42	Work System of Independent Directors of GF Securities	May 11, 2024
43	Articles of Association of GF Securities Co., Ltd.	May 11, 2024
44	Announcement on the Resolutions of the 2023 Annual General Meeting	May 11, 2024
45	Announcement on Appointment of Secretary to the Board and Securities Affairs Representative	May 11, 2024
46	Announcement on the Resolutions of the 1st Meeting of the 11th Session of the Board of Director	May 11, 2024
47	Legal Opinion of Jia Yuan Law Offices, Beijing on the 2023 Annual General Meeting of GF Securities Co., Ltd.	May 11, 2024
48	Announcement on the Resolutions of the 1st Meeting of the 11th Session of the Supervisory Committee	May 11, 2024
49	Announcement of GF Securities on Increasing the Paid-up Capital of GFHK to HK\$7.1 billion	May 15, 2024
50	Report of Ping An Securities Co., Ltd. on Provisional Entrusted Management Affairs on Change of General manager, Secretary to the Board and Securities Affairs Representative of GF Securities Co., Ltd.	May 17, 2024
51	Report of Orient Securities Investment Banking Co., Ltd. on Provisional Entrusted Management Affairs on Change of General manager, Secretary to the Board and Securities Affairs Representative of GF Securities Co., Ltd.	May 17, 2024
52	Report of China Merchants Securities Co., Ltd. on the First Provisional Entrusted Management Affairs of GF Securities Co., Ltd. in 2024	May 17, 2024
53	Announcement on the Resolutions of the 2nd Meeting of the 11th Session of the Board of Director	June 26, 2024
54	Announcement on the Implementation of A Share Profit Distribution for 2023	June 27, 2024
55	Announcement on Obtaining Approval from the CSRC for the Registration of Public Issuance of Corporate Bonds to Professional Investors	July 10, 2024
56	Announcement on the Formal Performance of Duties by the Secretary to the Board of Directors, Joint Company Secretaries and Securities Affairs Representative	July 13, 2024
57	Announcement of GF Securities on Increasing the Paid-up Capital of GFHK to HK\$8.2 billion	July 27, 2024
58	Announcement on the Results of Non-public Issuance of Short-term Corporate Bonds	July 27, 2024
59	2024 Interim Financial Report	August 31, 2024
60	Announcement on the Resolutions of the 3rd Meeting of the 11th Session of the Board of Director	August 31, 2024

## SIGNIFICANT EVENTS

No.	Matters of Announcement	Date of Publication
61	Summary of the Interim Report for 2024	August 31, 2024
62	Rules of Procedure for the Strategic Committee of the Board of Directors of GF Securities	August 31, 2024
63	2024 Interim Report	August 31, 2024
64	Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors of GF Securities	August 31, 2024
65	Announcement on the Resolutions of the 2nd Meeting of the 11th Session of the Supervisory Committee	August 31, 2024
66	Rules of Procedure for the Audit Committee of the Board of Directors of GF Securities	August 31, 2024
67	Interim Statement of Occupation of Non-operating Funds and Fund Transactions with Other Related Parties	August 31, 2024
68	Rules of Procedure for the Risk Management Committee of the Board of Directors of GF Securities	August 31, 2024
69	Rules of Procedure for the Nomination Committee of the Board of Directors of GF Securities	August 31, 2024
70	Announcement on Participating in the Online Collective Reception Day for Investors in Guangdong for 2024	September 11, 2024
71	Announcement of GF Securities Co., Ltd. on Providing Guarantee for the Issuance of Offshore Bonds by Overseas Wholly-owned Subsidiary	September 13, 2024
72	Announcement on Obtaining Approval from the CSRC for the Registration of Public Issuance of Subordinated Corporate Bonds to Professional Investors	September 19, 2024
73	Notice of the 2024 First EGM	September 24, 2024
74	Announcement on Reminder Notice of the 2024 First EGM	October 11, 2024
75	Announcement on New Borrowings Accumulated in the Year Exceeding 20% of Net Assets at the End of the Previous Year	October 12, 2024
76	Announcement on the Resolutions of the 2024 First EGM	October 16, 2024
77	GF Securities Management System for Related Party Transactions	October 16, 2024
78	Legal Opinion of Jia Yuan Law Offices, Beijing on the 2024 First EGM of GF Securities Co., Ltd.	October 16, 2024
79	Announcement of GF Securities Co., Ltd. on Obtaining Reply Letter from the CSRC on Participation in the Swap Facility	October 19, 2024

## SIGNIFICANT EVENTS

No.	Matters of Announcement	Date of Publication
80	2024 Third Quarterly Report	October 31, 2024
81	Announcement on the Resolutions of the 3rd Meeting of the 11th Session of the Supervisory Committee	October 31, 2024
82	Announcement on the Resolutions of the 4th Meeting of the 11th Session of the Board of Directors	October 31, 2024
83	Announcement of GF Securities Co., Ltd. on Short-term Trading by Relatives of Independent Directors and Apology	November 13, 2024
84	Announcement on the Implementation of A Share Profit Distribution for 2024	November 22, 2024
85	Announcement of GF Securities Co., Ltd. on the Approval of the Qualification for the Market-Making Business of Listed Securities	November 27, 2024
86	Announcement on Material Litigation of GF Securities Co., Ltd.	December 17, 2024
87	Announcement of GF Securities Co., Ltd. on Involving Material Litigation	December 21, 2024
88	Announcement on Obtaining Reply Letter of Relevant Opinions on GF Securities Co., Ltd.'s Participation in Carbon Emission Trading from the CSRC	December 25, 2024
89	Announcement on the Resolutions of the 5th Meeting of the 11th Session of the Board of Directors of GF Securities Co., Ltd.	December 27, 2024
90	Announcement on Progress of a Material Litigation of GF Securities Co., Ltd.	December 31, 2024
91	Announcement on Progress of a Material Litigation of GF Securities Co., Ltd.	January 1, 2025



## SIGNIFICANT EVENTS

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

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

## SIGNIFICANT EVENTS

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



## SIGNIFICANT EVENTS

No.	Matters of Announcement	Date of Publication
30	Monthly Return of Equity Issuer on Movements in Securities for the month ended 31 May 2024	June 3, 2024
31	Monthly Return of Equity Issuer on Movements in Securities for the month ended 30 June 2024	July 2, 2024
32	Announcement on Development of Appointment of Secretary to the Board and Joint Company Secretary	July 12, 2024
33	Monthly Return of Equity Issuer on Movements in Securities for the month ended 31 July 2024	August 1, 2024
34	Date of Board Meeting	August 14, 2024
35	Rules of Procedure for the Risk Management Committee of the Board of Directors	August 30, 2024
36	Rules of Procedure for the Strategic Committee of the Board of Directors	August 30, 2024
37	Rules of Procedure for the Nomination Committee of the Board of Directors	August 30, 2024
38	Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors	August 30, 2024
39	Rules of Procedure for the Audit Committee of the Board of Directors	August 30, 2024
40	Interim Dividend for the Six Months Ended 30 June 2024	August 30, 2024
41	Interim Results Announcement for the Six Months Ended June 30, 2024	August 30, 2024
42	Monthly Return of Equity Issuer on Movements in Securities for the month ended 31 August 2024	September 2, 2024
43	Notice of Listing on the The Stock Exchange of Hong Kong Limited – GF Financial Holdings BVI Ltd. - US\$300,000,000 Floating Rate Guaranteed Bonds due 2027 unconditionally and irrevocably guaranteed by GF Securities Co., Ltd.	September 12, 2024
44	2024 Interim Report	September 23, 2024
45	Interim Dividend for The Six Months Ended 30 June 2024 (Updated)	September 23, 2024
46	Notification Letter and Reply Form to Non-Registered Shareholders	September 23, 2024
47	Notification Letter and Reply Form to Registered Shareholders	September 23, 2024
48	Proxy Form For the 2024 First Extraordinary General Meeting	September 23, 2024
49	Notice of the EGM	September 23, 2024

## SIGNIFICANT EVENTS

No.	Matters of Announcement	Date of Publication
50	(1) Resolution Regarding the Amendments to the Connected Transaction Management System of GF Securities (2) Resolution Regarding the 2024 Interim Profit Distribution Plan of GF Securities and (3) Notice of the 2024 First EGM	September 23, 2024
51	Monthly Return of Equity Issuer on Movements in Securities for the month ended 30 September 2024	October 7, 2024
52	Date of Board Meeting	October 14, 2024
53	Interim Dividend for the Six Months Ended 30 June 2024 (Updated)	October 15, 2024
54	Poll Results of the 2024 First EGM and Interim Dividend for 2024	October 15, 2024
55	Change Of Joint Company Secretary, Authorized Representative and Process Agent	October 30, 2024
56	2024 Third Quarterly Report	October 30, 2024
57	Monthly Return of Equity Issuer on Movements in Securities for the month ended 31 October 2024	November 1, 2024
58	Monthly Return of Equity Issuer on Movements in Securities for the month ended 30 November 2024	December 2, 2024
59	Announcement on Material Litigation	December 17, 2024
60	Announcement on Progress on a Material Litigation	December 20, 2024
61	Announcement on Progress on a Material Litigation	December 30, 2024
62	Announcement on Progress of a Material Litigation	December 31, 2024







## SECTION 9

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# CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

# CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

## I. CHANGES IN SHAREHOLDINGS

### 1. Changes in shareholdings

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

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

### 2. Changes in shares with selling restrictions

N/A

## II. SECURITIES ISSUANCE AND LISTING

### 1. Issuance of securities (exclusive of preference shares) during the Reporting Period

For details about the issuance of corporate bonds, subordinated bonds, short-term corporate bonds, short-term financing bills, please refer to “Section 11 Bonds” of this report.

### 2. Changes in the total number of shares and the shareholding structure of the Company, and changes in the assets and liabilities structure of the Company

N/A

### 3. Existing employees' shares

N/A

# CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

## III. SHAREHOLDERS AND DE FACTO CONTROLLERS

### 1. Number of shareholders and their shareholdings in the Company

Unit: Share

Total number of ordinary shareholders at the end of the Reporting Period	208,769 (of which, 207,424 were holders of A Shares, 1,345 were registered holders of H Shares)	Total number of ordinary shareholders as at the end of the last month before the date of disclosure of the annual report	209,934 (of which, 208,601 were holders of A Shares, 1,333 were registered holders of H Shares)	Total number of preferred shareholders whose voting rights were resumed at the end of the Reporting Period	Nil	Total number of preferred shareholders whose voting rights were resumed as at the end of the last month before the date of disclosure of the annual report	Nil
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Shareholdings of shareholders who hold more than 5% of the shares or shareholdings of the top ten shareholders (Excluding shares lending through re-financing)

Name of shareholder	Capacity of shareholder	Percentage of shareholding	Number of shares held as at the end of the Reporting Period	Increase or decrease during the Reporting Period	Number of shares held with selling restrictions	Number of shares held without selling restrictions	Pledged, marked or frozen shares	Number of shares
HKSCC Nominees Limited	Overseas legal entity	22.31%	1,700,286,660	118,420	—	1,700,286,660	—	—
Jilin Aodong Pharmaceutical Group Co., Ltd.	Domestic general legal entity	16.44%	1,252,768,767	0	—	1,252,768,767	—	—
Liaoning Cheng Da Co., Ltd.	State-owned legal entity	16.40%	1,250,154,088	0	—	1,250,154,088	—	—
Zhongshan Public Utilities Group Co., Ltd.	State-owned legal entity	9.01%	686,754,216	0	—	686,754,216	—	—
Hong Kong Securities Clearing Company Limited	Overseas legal entity	3.10%	236,069,231	169,574,093	—	236,069,231	—	—
China Securities Finance Corporation Limited	Domestic general legal entity	2.99%	227,870,638	0	—	227,870,638	—	—
Industrial and Commercial Bank of China Limited – Huatai-PB SHSZ CSI 300 Index Investment Banking & Brokerage Index Exchange-traded Fund	Fund, wealth management products, etc.	0.67%	51,132,136	29,204,400	—	51,132,136	—	—
China Construction Bank Corporation – Guotai CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	Fund, wealth management products, etc.	0.57%	43,123,153	-20,749,260	—	43,123,153	—	—
China Construction Bank Corporation – Huabao CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	Fund, wealth management products, etc.	0.47%	35,983,234	-6,998,900	—	35,983,234	—	—
China Construction Bank Corporation – E Fund CSI 300 Exchange traded Open-ended Index Initiating Fund (中國建設銀行股份有限公司－易方達滬深300交易型開放式指數發起式證券投資基金)	Fund, wealth management products, etc.	0.46%	35,250,572	26,971,000	—	35,250,572	—	—

## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

### Shareholdings of the top ten shareholders without selling restrictions

Name of shareholder	Number of shares held without selling restrictions as at the end of the Reporting Period	Type of shares	
		Number of shares	Type of shares
HKSCC Nominees Limited	1,700,286,660	Overseas listed foreign shares	1,700,286,660
Jilin Aodong Pharmaceutical Group Co., Ltd.	1,252,768,767	RMB-denominated ordinary shares	1,252,768,767
Liaoning Cheng Da Co., Ltd	1,250,154,088	RMB-denominated ordinary shares	1,250,154,088
Zhongshan Public Utilities Group Co., Ltd	686,754,216	RMB-denominated ordinary shares	686,754,216
Hong Kong Securities Clearing Company Limited	236,069,231	RMB-denominated ordinary shares	236,069,231
China Securities Finance Corporation Limited	227,870,638	RMB-denominated ordinary shares	227,870,638
Industrial and Commercial Bank of China Limited – Huatai-PB SHSZ CSI 300 Index Investment Banking & Brokerage Index Exchange-traded Fund	51,132,136	RMB-denominated ordinary shares	51,132,136
China Construction Bank Corporation – Guotai CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	43,123,153	RMB-denominated ordinary shares	43,123,153
China Construction Bank Corporation – Huabao CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	35,983,234	RMB-denominated ordinary shares	35,983,234
China Construction Bank Corporation – E Fund CSI 300 Exchange traded Open-ended Index Initiating Fund (中國建設銀行股份有限公司 – 易方達滬深 300 交易型開放式指數發起式證券投資基金)	35,250,572	RMB-denominated ordinary shares	35,250,572

## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

- Note 1: Among the holders of H Shares of the Company, shares of non-registered shareholders are held by HKSCC Nominees Limited;
- Note 2: In the table above, shares held by HKSCC Nominees Limited are overseas listed foreign shares (H Shares) and shares held by other shareholders are RMB-denominated ordinary shares (A Shares);
- Note 3: According to the information provided by Jilin Aodong, Liaoning Cheng Da and Zhongshan Public Utilities, as of December 31, 2024, Jilin Aodong held 238,450,200 H Shares of the Company and held 36,868,800 H Shares of the Company through its wholly-owned subsidiary, Aodong International (Hong Kong) Industrials Co., Limited (敖東國際(香港)實業有限公司), a total of 275,319,000 H Shares, representing 3.61% of the total share capital of the Company; Liaoning Cheng Da held 115,300,000 H Shares of the Company and held 1,473,600 H Shares of the Company through Chengda Steel Hongkong Co., Limited (成大鋼鐵香港有限公司), which is a wholly-owned subsidiary of Liaoning Chengda Steel Co., Ltd. (遼寧成大鋼鐵貿易有限公司) (a wholly-owned subsidiary of Liaoning Cheng Da), a total of 116,773,600 H Shares, representing 1.53% of the total share capital of the Company; Zhongshan Public Utilities held 116,918,400 H Shares of the Company through its wholly-owned subsidiary, Public Utilities International (Hong Kong) Investment Company Ltd. (公用國際(香港)投資有限公司), representing 1.53% of the total share capital of the Company. As of December 31, 2024, the percentages of A Shares and H Shares of the Company held in aggregate by Jilin Aodong and its concert parties, Liaoning Cheng Da and its concert parties, and Zhongshan Public Utilities and its concert parties in the total share capital of the Company were 20.05%, 17.94% and 10.55%, respectively;
- Note 4: According to the public information disclosed on the HKEXnews website of the Hong Kong Stock Exchange, as of December 31, 2024, other than those as set out in Note 3, shareholders holding 5% or more of the H Shares of the Company are as follows: on January 31, 2020, the labor union committee of GF Securities Co., Ltd. held a total of 272,500,600 long-position H Shares of the Company, representing 16.01% of the H Share capital of the Company. The above shares are held by HKSCC Nominees Limited on their behalf;
- Note 5: At the end of the Reporting Period, no shares of the Company were held by the holders of A Shares as mentioned above through credit-based securities accounts;
- Note 6: At the end of the Reporting Period, no holders of A Shares as mentioned above conducted Securities Transactions with Repurchase Agreement.



## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

### *Shares lending through refinancing business of the top ten participating shareholders*

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

Name of shareholders (full name)	Shareholding of ordinary account and credit account at the beginning of the period		Outstanding shares of refinancing and securities lending business at the beginning of the Reporting Period		Shareholding of ordinary account and credit account at the end of the period		Outstanding shares of refinancing and securities lending business at the beginning of the Reporting Period	
	Percentage of		Percentage of		Percentage of		Percentage of	
	Total number of shares	total share capital	Total number of shares	total share capital	Total number of shares	total share capital	Total number of shares	total share capital
Industrial and Commercial Bank of China Limited – Huatai-PB SHSZ CSI 300 Index Investment Banking & Brokerage Index Exchange- traded Fund	21,927,736	0.29%	37,700	0.00%	51,132,136	0.67%	0	0.00%
China Construction Bank Corporation – Guotai CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	63,872,413	0.84%	409,000	0.01%	43,123,153	0.57%	0	0.00%
China Construction Bank Corporation – Huabao CSI All Share Investment Banking & Brokerage Index Exchange-traded Fund	42,982,134	0.56%	235,000	0.00%	35,983,234	0.47%	0	0.00%
China Construction Bank Corporation – E Fund CSI 300 Exchange traded Open-ended Index Initiating Fund (中國建設銀行股份有限公 司 – 易方達滬深 300 交易型開放 式指數發起式證券投資基金)	8,279,572	0.11%	31,200	0.00%	35,250,572	0.46%	0	0.00%

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

N/A

## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

### 2. Shareholdings of top 5 shareholders who hold more than 10% (including 10%) shares

Name of shareholder	Legal representative	General manager	Date of establishment	Code of organization	Registered capital (RMB)	Principal business
Jilin Aodong	Li Xiulin	Guo Shuqin	March 20, 1993	United social credit code: 91222400243805786K	1,195,895,387	Planting and breeding, business (except for special projects controlled by the State and franchise); machinery repair, warehousing; import of raw and auxiliary materials, mechanical equipment, instruments, spare parts (except for the 12 imported items which are operated by the specified companies approved by the State) required for the production of the enterprise and by scientific research; pharmaceutical industry, pharmaceutical business, pharmaceutical research and development; vehicle rental service; self-owned real estate operating activities. (Projects required to be approved by law shall be operated only after the approval is granted by relevant authorities)
Liaoning Cheng Da	Xu Biao	Zhang Shanwei	September 2, 1993	United social credit code: 91210000117590366A	1,529,709,816	Engaging in and acting as an agent for import and export of goods and technology (except for those restricted by the State, and operation related to restricted items may only commence after obtaining licenses), engaging in the processing of imported materials and the "Three Forms of Processing/Assembly Operations and Compensatory Trade", conducting counter trade and entrepot trade, contracting overseas projects and international bidding projects within China for the industry, exporting equipment and materials required for the above overseas projects; dispatching abroad any laborers in engineering, manufacturing and service sectors of the industry, acquiring subsidiary agricultural products (except for foods), chain operation of fertilizers, planting of Chinese herbs, leasing of houses, warehousing services, coal wholesale business. (Projects required to be approved by law shall be operated only after the approval is granted by relevant authorities)
Zhongshan Public Utilities	Guo Jingyi	Guo Jingyi (acting)	December 26, 1992	United social credit code: 914420001935372689	1,475,111,351	Investment and management of public utilities, market operation and management, investments and investment planning, consultancy and management, etc. (Projects required to be approved by law shall be operated only after the approval is granted by relevant authorities)



## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

### 3. Substantial Shareholders' and Other Persons' interests and Short Positions in Shares and Underlying Shares

As of December 31, 2024, as far as the Directors of the Company are aware after having made all reasonable enquiries, the following persons (other than the Directors, Supervisors and chief executive of the Company) held interests or short positions in the shares or underlying shares which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and were recorded in the register required to be kept by the Company under section 336 of the SFO:

No.	Name of substantial shareholders	Class of shares	Nature of interests	Number of shares held (share)	Long position (Note 1)/ short position (Note 2)	Percentage of total issued shares of the Company (%) (Note 8)	Percentage of total issued A Shares/ H Shares of the Company (%) (Note 8)
1	Jilin Aodong	A Shares	Beneficial owner	1,252,768,767	Long position	16.44	21.16
		H Shares	Beneficial owner and interest in a controlled corporation	275,319,000 (Note 3)	Long position	3.61	16.18
2	Liaoning Cheng Da	A Shares	Beneficial owner	1,250,154,088	Long position	16.40	21.12
		H Shares	Beneficial owner and interest in a controlled corporation	116,773,600 (Note 4)	Long position	1.53	6.86
3	Zhongshan Investment Holdings Group Company Limited	A Shares	Interest in a controlled corporation	686,754,216	Long position	9.01	11.60
		H Shares	Interest in a controlled corporation	116,918,400 (Note 5)	Long position	1.53	6.87
4	Zhongshan Public Utilities	A Shares	Beneficial owner	686,754,216	Long position	9.01	11.60
		H Shares	Interest in a controlled corporation	116,918,400 (Note 5)	Long position	1.53	6.87
5	Public Utilities International (Hong Kong) Investment Company Ltd.	H Shares	Beneficial owner	116,918,400 (Note 5)	Long position	1.53	6.87
6	The labor union committee of GF Securities Co., Ltd.	H Shares	Trustee of a trust	272,500,600 (Note 6)	Long position	3.58	16.01

## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

Note 1: A shareholder has a “long position” if such shareholder has an interest in shares, including interests through holding, writing or issuing financial instruments (including derivatives) under which: (i) such shareholder has a right to take the underlying shares; (ii) such shareholder is under an obligation to take the underlying shares; (iii) such shareholder has a right to receive money if the price of the underlying shares increases; or (iv) such shareholder has a right to avoid or reduce a loss if the price of the underlying shares increases;

Note 2: A shareholder has a “short position” if such shareholder borrows shares under a securities borrowing and lending agreement, or holds, writes or issues financial instruments (including derivatives) under which: (i) such shareholder has a right to require another person to take the underlying shares; (ii) such shareholder is under an obligation to deliver the underlying shares; (iii) such shareholder has a right to receive money if the price of the underlying shares declines; or (iv) such shareholder has a right to avoid or reduce a loss if the price of the underlying shares declines.

Note 3: Jilin Aodong held 238,450,200 H Shares of the Company and held 36,868,800 H Shares of the Company through its wholly-owned subsidiary, Aodong International (Hong Kong) Industrials Co., Limited (敖東國際(香港)實業有限公司), a total of 275,319,000 H Shares, representing 3.61% of the total share capital of the Company.

Note 4: Liaoning Cheng Da held 115,300,000 H Shares of the Company and held 1,473,600 H Shares of the Company through Chengda Steel Hongkong Co., Limited (成大鋼鐵香港有限公司), which is a wholly-owned subsidiary of Liaoning Chengda Steel Co., Ltd. (遼寧成大鋼鐵貿易有限公司) (a wholly-owned subsidiary of Liaoning Cheng Da), a total of 116,773,600 H Shares, representing 1.53% of the total share capital of the Company. Therefore, Liaoning Cheng Da and Liaoning Chengda Steel Co., Ltd. were deemed to have interests in the shares held by Chengda Steel Hongkong Co., Limited.

Note 5: Zhongshan Public Utilities held 116,918,400 H Shares of the Company through its wholly-owned subsidiary, Public Utilities International (Hong Kong) Investment Company Ltd. (公用國際(香港)投資有限公司), representing 1.53% of the total share capital of the Company. Zhongshan Investment Holdings Group Company Limited held 48.73% of the issued shares of Zhongshan Public Utilities. Therefore, Zhongshan Investment Holdings Group Company Limited and Zhongshan Public Utilities were deemed to have interests in the shares held by Public Utilities International (Hong Kong) Investment Company Ltd.

Note 6: The labor union committee of GF Securities Co., Ltd. held a total of 272,500,600 H Shares of the Company, representing 16.01% of the H Share capital of the Company.

Note 7: Under Part XV of the SFO, forms for disclosure of interests shall be submitted by shareholders of the Company upon satisfaction of certain conditions. Changes of Shareholders' shareholdings in the Company are not required to inform the Company and the Hong Kong Stock Exchange, except for the satisfaction of certain conditions. Therefore, there could be differences between substantial Shareholders' latest shareholdings in the Company and the shareholding information as reported to the Hong Kong Stock Exchange.

Note 8: The relevant percentages are calculated based on 1,701,796,200 H Shares and/or 5,919,291,464 A Shares of the Company in issue as of December 31, 2024.

Save as disclosed above, the Company is not aware of any other person (other than the Directors, Supervisors and chief executive of the Company) having any interests or short positions in the shares or underlying shares of the Company as at December 31, 2024 required to be recorded in the register pursuant to section 336 of the SFO.

## CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

### 3. Controlling Shareholders of the Company

There was no controlling shareholder in the Company.

### 4. De facto Controllers and their Concert Parties of the Company

There was no de facto controller in the Company. Shareholders who hold more than 5% of shares in the Company are Jilin Aodong, Liaoning Cheng Da and Zhongshan Public Utilities (exclusive of HKSCC Nominees Limited who holds H Shares on behalf of non-registered shareholders). As of December 31, 2024, the percentages of A Shares and H Shares of the Company held in aggregate by Jilin Aodong and its concert parties, Liaoning Cheng Da and its concert parties, and Zhongshan Public Utilities and its concert parties in the total share capital of the Company were 20.05%, 17.94% and 10.55%, respectively.

### 5. The Company's Controlling Shareholder or the Largest Shareholder and its Concert Parties whose Cumulative Pledged Shares Account for 80% of the Company's Shares Held by them

N/A

### 6. Legal Entity Shareholders who Hold More Than 10% of the Shares of the Company

N/A

### 7. Restrictions to Reduction in Shareholdings to Controlling Shareholders, De facto Controllers, Re-organization Parties and Other Commitment Bodies

N/A

### 8. Restrictions to Reduction in Shareholdings to Controlling Shareholders, De facto Controllers, Re-organization Parties and Other Commitment Bodies

N/A

### 9. Directors, Supervisors and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company and its Associated Corporations

As of December 31, 2024, none of the Directors, Supervisors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would be required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company; or which would be required, pursuant to the Model Code, to be notified to the Company and the Hong Kong Stock Exchange. As of December 31, 2024, none of the Company, its holding company, any of subsidiaries or fellow subsidiaries was a party to any arrangements during the year to enable the Directors of the Company, including their spouses and children under 18 years of age, to acquire any interests by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

# CHANGES IN SHAREHOLDINGS AND PARTICULARS ABOUT SHAREHOLDERS

## IV. IMPLEMENTATION OF THE SHARE REPURCHASE DURING THE REPORTING PERIOD

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

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

To safeguard the interests of investors of the Company, enhance their confidence and improve the long-term investment value of the Company, as well as to reflect the high recognition of the Company's future development prospects and the value of its Shares, the Resolution Regarding Change of Use and Cancellation of Repurchased A Shares (《關於變更回購 A 股股份用途並註銷的議案》) was considered and approved at the 6th meeting of the 11th session of the Board of Directors of the Company held on 20 January 2025 and the 2025 first extraordinary general meeting, the 2025 first class meeting of A Shareholders and the 2025 first class meeting of H Shareholders held on 13 February 2025, pursuant to which it is agreed that the above-mentioned use of repurchased A Shares shall be changed to "the shares actually repurchased are used for cancellation and reduction in registered capital." It means that all 15,242,153 A Shares deposited in the securities account designated for share repurchase of the Company shall be cancelled and the registered capital of the Company shall be reduced accordingly. As verified and confirmed by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, the Company completed the cancellation on February 25, 2025. Following the completion of the cancellation, the Company no longer holds any treasury shares, and the total share capital of the Company was changed from 7,621,087,664 shares to 7,605,845,511 shares.





## **SECTION 10**

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# **PREFERENCE SHARES**

# PREFERENCE SHARES

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







**SECTION 11**

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**BONDS**



# BONDS

## I. ENTERPRISE BONDS

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

## II. CORPORATE BONDS

### (I) Basic Information of Corporate Bond

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

Unit: RMB ' 0000

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

# BONDS

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Fourth Tranche) (Type II)	21 GF 11	149634	2021-09-15	2021-09-16	2026-09-16	200,000	3.50%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Fourth Tranche) (Type III)	21 GF 12	149635	2021-09-15	2021-09-16	2031-09-16	200,000	3.90%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Seventh Tranche) (Type II)	21 GF 20	149703	2021-11-16	2021-11-17	2026-11-17	350,000	3.50%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2021 (Seventh Tranche) (Type III)	21 GF 21	149704	2021-11-16	2021-11-17	2031-11-17	100,000	3.85%		

Suitability arrangement of investors (if any)

Target investors are professional investors who comply with the Management Measures on Corporate Bond Issuance and Trading and open an eligible securities account with China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).

Applicable trading system

Listed and traded on Call Auction Mechanism and the integrated agreement trading platform of SZSE simultaneously.

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

N/A

# BONDS

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

Unit: RMB ' 0000

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

## 3. Public Issuance of Corporate Bonds in 2022

Unit: RMB ' 0000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (First Tranche) (Type I)	22 GF 01	149989	2022-07-14	2022-07-15	2025-07-15	340,000	2.85%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE

# BONDS

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (First Tranche) (Type II)	22 GF 02	149990	2022-07-14	2022-07-15	2027-07-15	200,000	3.24%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (First Tranche) (Type III)	22 GF 03	149991	2022-07-14	2022-07-15	2032-07-15	60,000	3.70%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Second Tranche) (Type I)	22 GF 04	148009	2022-08-03	2022-08-04	2025-08-04	250,000	2.59%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Second Tranche) (Type II)	22 GF 05	148010	2022-08-03	2022-08-04	2027-08-04	300,000	3.03%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Second Tranche) (Type III)	22 GF 06	148011	2022-08-03	2022-08-04	2032-08-04	150,000	3.59%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Third Tranche) (Type I)	22 GF 07	148026	2022-08-15	2022-08-16	2025-08-16	80,000	2.68%		

# BONDS

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Third Tranche) (Type II)	22 GF 08	148027	2022-08-15	2022-08-16	2027-08-16	250,000	3.12%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Third Tranche) (Type III)	22 GF 09	148028	2022-08-15	2022-08-16	2032-08-16	120,000	3.60%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Fourth Tranche)	22 GF 10	148041	2022-08-26	2022-08-29	2025-08-29	100,000	2.60%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Fifth Tranche) (Type I)	22 GF 11	148066	2022-09-16	2022-09-19	2025-09-19	100,000	2.55%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Fifth Tranche) (Type II)	22 GF 12	148067	2022-09-16	2022-09-19	2027-09-19	50,000	2.95%		

Suitability arrangement of investors (if any)

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

Applicable trading system

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

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

N/A

# BONDS

## 4. Public Issuance of Subordinated Bonds in 2022

Unit: RMB ' 0000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (First Tranche) (Type I)	22 GF C1	148085	2022-10-14	2022-10-17	2025-10-17	300,000	2.85%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (First Tranche) (Type II)	22 GF C2	148086	2022-10-14	2022-10-17	2027-10-17	50,000	3.20%		
Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Second Tranche) (Type I)	22 GF C3	148121	2022-11-11	2022-11-14	2025-11-14	200,000	2.86%		
Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2022 (Second Tranche) (Type II)	22 GF C4	148122	2022-11-11	2022-11-14	2027-11-14	50,000	3.20%		

Suitability arrangement of investors (if any)

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

Applicable trading system

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

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

N/A

# BONDS

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

Unit: RMB ' 0000

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

Suitability arrangement of investors (if any)

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

Applicable trading system

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

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

# BONDS

## 6. Public Issuance of Corporate Bonds in 2023

Unit: RMB ' 0000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (First Tranche) (Type I)	23 GF 04	148270	2023-04-21	2023-04-24	2026-04-24	350,000	3.06%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (First Tranche) (Type II)	23 GF 05	148271	2023-04-21	2023-04-24	2028-04-24	100,000	3.21%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (Second Tranche)	23 GF 06	148376	2023-07-14	2023-07-17	2026-07-17	150,000	2.75%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2023 (Third Tranche)	23 GF 09	148484	2023-10-23	2023-10-24	2026-10-24	210,000	3.00%		

Suitability arrangement of investors (if any)

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

Applicable trading system

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

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

N/A

# BONDS

## 7. Non-public Issuance of Corporate Bonds in 2023

Unit: RMB ' 0000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Non-publicly Issued Corporate Bonds of GF Securities Co., Ltd. in 2023 (Second Tranche) (Type II)	23 GF 03	133443	2023-03-10	2023-03-13	2026-03-13	200,000	3.30%	Interest shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (unless otherwise provided by laws and regulations).								
Applicable trading system	Listed and transferred on the SZSE, and the transaction methods include click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								

## 8. Public Issuance of Subordinated Bonds in 2023

Unit: RMB ' 0000

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

# BONDS

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

Unit: RMB ' 0000

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

Suitability arrangement of investors (if any)

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

Applicable trading system

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

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

N/A

# BONDS

## 10. Public Issuance of Corporate Bonds in 2024

Unit: RMB ' 0000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (First Tranche) (Type I)	24 GF 01	148583	2024-01-18	2024-01-19	2027-01-19	260,000	2.75%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (First Tranche) (Type II)	24 GF 02	148584	2024-01-18	2024-01-19	2029-01-19	200,000	2.93%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (First Tranche) (Type III)	24 GF 03	148585	2024-01-18	2024-01-19	2034-01-19	140,000	3.07%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Second Tranche) (Type I)	24 GF 04	148603	2024-02-23	2024-02-26	2027-02-26	170,000	2.56%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Second Tranche) (Type II)	24 GF 05	148604	2024-02-23	2024-02-26	2029-02-26	130,000	2.70%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Third Tranche)	24 GF 06	148711	2024-04-22	2024-04-23	2027-04-23	290,000	2.30%		

# BONDS

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Fourth Tranche) (Type I)	24 GF 08	148988	2024-11-07	2024-11-08	2026-11-08	240,000	2.14%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Fourth Tranche) (Type II)	24 GF 09	148989	2024-11-07	2024-11-08	2027-11-08	120,000	2.20%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Fifth Tranche) (Type I)	24 GF 12	524029	2024-11-25	2024-11-26	2026-11-26	280,000	2.07%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Fifth Tranche) (Type II)	24 GF 13	524030	2024-11-25	2024-11-26	2027-11-26	220,000	2.14%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Sixth Tranche)	24 GF 14	524084	2024-12-23	2024-12-24	2026-06-28	500,000	1.80%	The principal and interest shall be fully repaid upon maturity.	

Suitability arrangement of investors (if any)

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

Applicable trading system

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

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

N/A

# BONDS

## 11. Non-Public Issuance of Corporate Bonds in 2024

Unit: RMB ' 0000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Corporate Bonds Non-Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (First Tranche)	24 GF 07	134062	2024-10-25	2024-10-28	2025-11-13	300,000	2.05%	Interests and the principal shall be fully repaid upon maturity.	SZSE
Corporate Bonds Non-Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Second Tranche) (Type I)	24 GF 10	134079	2024-11-15	2024-11-18	2025-12-03	330,000	1.98%		
Corporate Bonds Non-Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Second Tranche) (Type II)	24 GF 11	134080	2024-11-15	2024-11-18	2026-04-10	80,000	2.09%		

Suitability arrangement of investors (if any)

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

Applicable trading system

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

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

N/A

# BONDS

## 12. Public Issuance of Subordinated Bonds in 2024

Unit: RMB ' 0000

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



# BONDS

## 13. Public Issuance of Perpetual Subordinated Bonds in 2024

Unit: RMB ' 0000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Perpetual Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (First Tranche)	24 GF Y1	148591	2024-01-25	2024-01-26	The issuer has an option to redeem the bonds at principal amounts plus any accrued interest (including all deferred interest and its yield) on the fifth interest payment date or any interest payment date afterwards.	200,000	3.15%	Interest will be paid annually if the issuer does not exercise the right to defer interest payment.	SZSE
Perpetual Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Second Tranche)	24 GF Y2	148942	2024-11-13	2024-11-14		210,000	2.50%		
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).								
Applicable trading system	Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								

# BONDS

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

Unit: RMB ' 0000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Short-term Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Sixth Tranche) (Type I)	24 G D12	148950	2024-10-18	2024-10-21	2025-05-19	250,000	1.95%	Interests and the principal shall be fully repaid upon maturity.	SZSE
Short-term Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Sixth Tranche) (Type II)	24 G D13	148951	2024-10-18	2024-10-21	2025-06-16	400,000	1.95%		
Short-term Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Seventh Tranche)	24 G D14	524020	2024-11-20	2024-11-21	2025-05-14	450,000	1.88%		

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

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

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

# BONDS

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

Unit: RMB ' 0000

Name of bond	Abbreviation of bond		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	Code of bond								
Short-term Corporate Bonds Non-Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Fourth Tranche)	24 G D11	134045	2024-10-11	2024-10-14	2025-04-10	200,000	2.09%	Interests and the principal shall be fully repaid upon maturity.	SZSE
Short-term Corporate Bonds Non-Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2024 (Fifth Tranche)	24 G D15	134102	2024-11-28	2024-11-29	2025-06-19	500,000	1.90%		
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (unless otherwise provided by laws and regulations).								
Applicable trading system	Listed and transferred on the SZSE, and the transaction methods include click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								



# BONDS

## 16. Public Issuance of Corporate Bonds in 2025

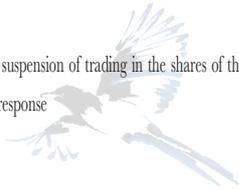
Unit: RMB ' 0000

Name of bond	Abbreviation		Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
	of bond	Code of bond							
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2025 (First Tranche) (Type I)	25 GF 01	524121	2025-01-20	2025-01-21	2028-01-21	160,000	1.83%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2025 (First Tranche) (Type II)	25 GF 02	524122	2025-01-20	2025-01-21	2030-01-21	150,000	1.90%		
Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2025 (Second Tranche) (Type I)	25 GF 03	524149	2025-02-26	2025-02-27	2028-02-27	330,000	2.10%		

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

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

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



# BONDS

## 17. Public Issuance of Subordinated Bonds in 2025

Unit: RMB ' 0000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Subordinated Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2025 (First Tranche) (Type I)	25 GF C1	524181	2025-03-18	2025-03-19	2026-04-17	350,000	2.10%	Interests shall be paid annually while the principal shall be fully repaid upon maturity.	SZSE
Suitability arrangement of investors (if any)	Target investors are professional institutional investors who hold an A-share security account in China Securities Depository and Clearing Corporation Limited, Shenzhen Branch (excluding purchasers prohibited by laws and regulations).								
Applicable trading system	Listed on the SZSE, and the transaction methods include matching transaction, click transaction, inquiry transaction, bidding transaction and negotiation transaction.								
Any risk of suspension of trading in the shares of the listed company and the response	N/A								



# BONDS

## 18. Public Issuance of Short-term Corporate Bonds in 2025

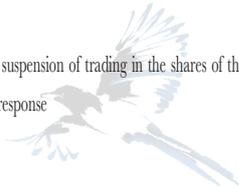
Unit: RMB ' 0000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Short-term Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2025 (First Tranche)	25 GF D2	524124	2025-02-12	2025-02-13	2025-08-13	250,000	1.79%	Interests and the principal shall be fully repaid upon maturity.	SZSE
Short-term Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2025 (Second Tranche)	25 GF D3	524135	2025-02-20	2025-02-21	2025-09-07	350,000	1.95%		
Short-term Corporate Bonds Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2025 (Third Tranche)	25 GF D4	524159	2025-03-06	2025-03-07	2025-09-10	300,000	2.02%		

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

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

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



# BONDS

## 19. Non-Public Issuance of Short-term Corporate Bonds in 2025

Unit: RMB ' 0000

Name of bond	Abbreviation of bond	Code of bond	Issue date	Value date	Maturity date	Balance of Bond	Coupon rate	Debt service	Trading place
Short-term Corporate Bonds Non-Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2025 (First Tranche)	25 GF D1	134166	2025-01-10	2025-01-13	2025-08-13	420,000	1.68%	Interests and the principal shall be fully repaid upon maturity.	SZSE
Short-term Corporate Bonds Non-Publicly Issued by GF Securities Co., Ltd. to Professional Investors in 2025 (Second Tranche)	25 GF D5	133962	2025-03-10	2025-03-11	2025-11-06	446,000	2.10%		

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

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

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

### Outstanding Overdue Bonds

N/A.

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

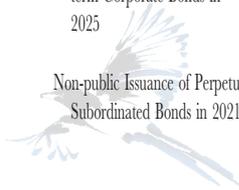
The “21GF Y1”, “22GFY1”, “22GFY2”, “22GFY3”, “23GFY1”, “23GFY2”, “23GFY3”, “23GFY4”, “24GFY1” and “24GFY2” Perpetual Subordinated Bonds issued by the Company include issuer’s option to renew, issuer’s option to defer interest payment and issuer’s option to redemption. These options had not been triggered and there were no renewal, interest hike and deferred interest during the Reporting Period. The Company had fully paid the interest for the current period in a timely manner.

# BONDS

The resolution regarding the change of use and cancellation of the repurchased A shares was considered and approved at the 6th meeting of the 11th session of the Board of the Company held on January 20, 2025, at the 2025 first extraordinary general meeting, the 2025 first class meeting of A Shareholders and the 2025 first class meeting of H Shareholders of the Company held on February 13, 2025, respectively, which agreed to change the use of the repurchased A Shares as follows: the repurchased Shares shall be cancelled and the registered capital shall be reduced accordingly. All 15,242,153 A Shares held in the Company's designated securities account for repurchase shall be cancelled and the registered capital of the Company shall be reduced accordingly. Notice to Creditors Regarding the Cancellation of Repurchased A Shares and Reduction of Registered Capital was disclosed by the Company on February 14, 2025 to inform creditors of the above matters.

### (III) Information on Intermediaries

Name of bond	Name of intermediary	Business address	Name of signing accountant	Contact person of intermediary	Contact number
<b>Principal underwriters or trustee managers</b>					
Public Issuance of Corporate Bonds in 2021	China Merchants Securities Co., Ltd.	China Merchants Securities Tower, No. 111 Fuhua 1st Road, Futian Subdistrict, Futian District, Shenzhen	-	Guo Lin	0755-83081492
Public Issuance of Short-term Corporate Bonds in 2024					
Public Issuance of Subordinated Bonds in 2025					
Public Issuance of Short-term Corporate Bonds in 2025					
Non-public Issuance of Corporate Bonds in 2023	SDIC Securities Co., Ltd.	26/F, Essence Financial Building, No. 119 Fuhua 1st Road, Futian Subdistrict, Futian District, Shenzhen, Guangdong Province	-	Xu Yingjie	0755-81682808
Non-public Issuance of Corporate Bonds in 2024					
Non-public Issuance of Short-term Corporate Bonds in 2024					
Non-public Issuance of Short-term Corporate Bonds in 2025					
Non-public Issuance of Perpetual Subordinated Bonds in 2021	Guosen Securities Co., Ltd.	29/F, Guosen Financial Building, No.125 Fuhua 1st Road, Futian District, Shenzhen	-	Guo Rui	0755-81983098



# BONDS

Name of bond	Name of intermediary	Business address	Name of signing accountant	Contact person of intermediary	Contact number
Public Issuance of Corporate Bonds in 2022	Orient Securities Co., Ltd.	24/F, No. 318 Zhongshan South Road, Huangpu District, Shanghai	—	Song Yanwei, Wang Yibin, Zhang Zhixiao	021-23153888
Public Issuance of Perpetual Subordinated Bonds in 2022					
Public Issuance of Perpetual Subordinated Bonds in 2023					
Public Issuance of Corporate Bonds in 2023					
Public Issuance of Corporate Bonds in 2024					
Public Issuance of Perpetual Subordinated Bonds in 2024					
Public Issuance of Corporate Bonds in 2025					
Public Issuance of Subordinated Bonds in 2025					
Public Issuance of Corporate Bonds in 2023	Haitong Securities Co., Ltd.	15/F, Anon Building No. 5, No. 5 Anding Road, Chaoyang District, Beijing	—	Guo Shi, Liu Peirong, He Hongxiang, Meng Xue	010-88027267
Public Issuance of Perpetual Subordinated Bonds in 2023					
Public Issuance of Corporate Bonds in 2024					
Public Issuance of Perpetual Subordinated Bonds in 2024					
Public Issuance of Short-term Corporate Bonds in 2024					
Public Issuance of Short-term Corporate Bonds in 2025					
Public Issuance of Corporate Bonds in 2023	China Galaxy Securities Co., Ltd.	Room 101, 7-18/F, Building No.1, No. 8 Xiyiing Street, Fengtai District, Beijing	—	Chen Qu, Deng Xiaoxia, Liu Jiahui	010-80927268
Public Issuance of Corporate Bonds in 2024					
Public Issuance of Short-term Corporate Bonds in 2024	Shenwan Hongyuan Securities Co., Ltd.	45/F, No. 989 Changle Road, Xuhui District, Shanghai	—	Qiu Yuan, Yang Lindai, Liu Zhen, Feng Haoran	010-88013859
Public Issuance of Short-term Corporate Bonds in 2025					
Public Issuance of Corporate Bonds in 2023	Kaiyuan Securities Co., Ltd.	5/F, Block B, City Gate, No. 1 Jinye Road, Hightech Zone, Xi'an, Shaanxi Province	—	Zhao Xin, Xu Mengyuan	029-88365801
Public Issuance of Corporate Bonds in 2024					
Public Issuance of Corporate Bonds in 2023	Huaying Securities Co., Ltd.	Building F12, China IoT International Innovation Park, No. 200 Linghu Avenue, Xinwu District, Wuxi	—	Xu Rui, Yang Hui, Sun Zheng	0510-85200510
Public Issuance of Corporate Bonds in 2024					
Public Issuance of Short-term Corporate Bonds in 2025					

# BONDS

Name of bond	Name of intermediary	Business address	Name of signing accountant	Contact person of intermediary	Contact number
Public Issuance of Corporate Bonds in 2022	Ping An Securities Co., Ltd.	22-25/F, Tower B, Pingan Finance Tower, No. 5023 Yitian Road, Futian Subdistrict, Futian District, Shenzhen	—	Zhou Shunqiang, Guo Jinzhi, Liu Haowen	0755-22101049
Public Issuance of Subordinated Bonds in 2022					
Public Issuance of Subordinated Bonds in 2023					
Public Issuance of Subordinated Bonds in 2024					
Public Issuance of Short-term Corporate Bonds in 2024					
Public Issuance of Short-term Corporate Bonds in 2025					
Public Issuance of Corporate Bonds in 2022	Great Wall Securities Co., Ltd.	10-19/F, South Tower, Shenzhen Energy Mansion, No. 2026 Jintian Road, Futian Subdistrict, Futian District, Shenzhen	—	Jiang Tingyu, Hu Hairen, Jia Zhizhong	010-88366060
Public Issuance of Corporate Bonds in 2024	BOC International (China) Co., Ltd.	7/F, No. 110 Xidan North Avenue, Xicheng District, Beijing	—	Wangrui, Wang Qingyun, Zhang Zhengqin	010-83949531
Public Issuance of Corporate Bonds in 2025					
Public Issuance of Subordinated Bonds in 2025	Sealand Securities Co., Ltd.	Guohai Building, No. 46 Binhu Road, Nanning, Guangxi	—	Li Chenyang	0755-83703148
<b>Accounting Offices</b>					
Public Issuance of Corporate Bonds in 2021	Ernst & Young Hua Ming LLP	16th Floor, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Dongcheng District, Beijing, China	Changhua, Zhao Ya, He Yanyi	He Mingzhi	020-28812888
Non-public Issuance of Perpetual Subordinated Bonds in 2021					
Public Issuance of Corporate Bonds in 2022					
Public Issuance of Subordinated Bonds in 2022					
Public Issuance of Perpetual Subordinated Bonds in 2022					
Non-public Issuance of Corporate Bonds in 2023					

# BONDS

Name of bond	Name of intermediary	Business address	Name of signing accountant	Contact person of intermediary	Contact number
Public Issuance of Corporate Bonds in 2023	Ernst & Young Hua Ming LLP	16th Floor, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Dongcheng District, Beijing, China	Changhua, He Yanyi	He Mingzhi	020-28812888
Public Issuance of Subordinated Bonds in 2023					
Public Issuance of Perpetual Subordinated Bonds in 2023					
Public Issuance of Corporate Bonds in 2024 (24 GF 01, 24 GF 02, 24 GF 03, 24 GF 04, 24 GF 05, 24 GF 06)					
Public Issuance of Subordinated Bonds in 2024					
Public Issuance of Perpetual Subordinated Bonds in 2024 (24 GF Y1)					
Public Issuance of Corporate Bonds in 2024 (24 GF 08, 24 GF 09, 24 GF 12, 24 GF 13, 24 GF 14)	Ernst & Young Hua Ming LLP	16th Floor, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Dongcheng District, Beijing, China	Changhua, He Mingzhi	He Mingzhi	020-28812888
Non-public Issuance of Corporate Bonds in 2024					
Public Issuance of Perpetual Subordinated Bonds in 2024 (24 GF Y2)					
Public Issuance of Short-term Corporate Bonds in 2024					
Non-public Issuance of Short-term Corporate Bonds in 2024					
Public Issuance of Corporate Bonds in 2025					
Non-public Issuance of Short-term Corporate Bonds in 2025					
Public Issuance of Subordinated Bonds in 2025					
Public Issuance of Short-term Corporate Bonds in 2025					
Public Issuance of Short-term Corporate Bonds in 2025					

# BONDS

Name of bond	Name of intermediary	Business address	Name of signing accountant	Contact person of intermediary	Contact number
<b>Law Offices</b>					
Public Issuance of Corporate Bonds in 2021	Jia Yuan Law Offices	F408 Ocean Plaza, No. 158 Fuxingmennei Avenue, Xicheng District, Beijing	—	Wang Hao	010-66413377
Non-public Issuance of Perpetual Subordinated Bonds in 2021					
Public Issuance of Corporate Bonds in 2022					
Public Issuance of Subordinated Bonds in 2022					
Public Issuance of Perpetual Subordinated Bonds in 2022					
Public Issuance of Corporate Bonds in 2023					
Non-public Issuance of Corporate Bonds in 2023					
Public Issuance of Subordinated Bonds in 2023					
Public Issuance of Perpetual Subordinated Bonds in 2023					
Public Issuance of Corporate Bonds in 2024					
Non-public Issuance of Corporate Bonds in 2024					
Public Issuance of Subordinated Bonds in 2024					
Public Issuance of Perpetual Subordinated Bonds in 2024					
Public Issuance of Short-term Corporate Bonds in 2024					
Non-public Issuance of Short-term Corporate Bonds in 2024					
Public Issuance of Corporate Bonds in 2025					
Public Issuance of Subordinated Bonds in 2025					
Public Issuance of Short-term Corporate Bonds in 2025					
Non-public Issuance of Short-term Corporate Bonds in 2025					

# BONDS

Name of bond	Name of intermediary	Business address	Name of signing accountant	Contact person of intermediary	Contact number
<b>Rating Agencies</b>					
Public Issuance of Corporate Bonds in 2021	China Cheng Xin International Credit Rating Co. Ltd.	Building 5, Galaxy SOHO, Chaoyangmennei Avenue, Dongcheng District, Beijing	—	Jiao Binbin	010-66428877-344
Non-public Issuance of Perpetual Subordinated Bonds in 2021					
Public Issuance of Corporate Bonds in 2022					
Public Issuance of Subordinated Bonds in 2022					
Public Issuance of Perpetual Subordinated Bonds in 2022					
Public Issuance of Corporate Bonds in 2023					
Non-public Issuance of Corporate Bonds in 2023					
Public Issuance of Subordinated Bonds in 2023					
Public Issuance of Perpetual Subordinated Bonds in 2023					
Public Issuance of Corporate Bonds in 2024					
Non-public Issuance of Corporate Bonds in 2024					
Public Issuance of Subordinated Bonds in 2024					
Public Issuance of Perpetual Subordinated Bonds in 2024					
Public Issuance of Short-term Corporate Bonds in 2024					
Non-public Issuance of Short-term Corporate Bonds in 2024					
Public Issuance of Corporate Bonds in 2025					
Public Issuance of Subordinated Bonds in 2025					
Public Issuance of Short-term Corporate Bonds in 2025					
Non-public Issuance of Short-term Corporate Bonds in 2025					

## Change of the above organizations during the Reporting Period

No

# BONDS

## (IV) Use of Proceeds

Unit: RMB ' 0000

Name of bond	Total amount of proceeds	Amount of proceeds utilized	Amount of proceeds not utilized	Operation of special account for the proceeds (if any)	Rectification of non-compliant use of proceeds (if any)	Consistency of the use of proceeds with the commitments, the planned use and other agreements in the prospectus
21 GF 04	100,000	100,000	—	The Company designated a special account for the collection of the proceeds according to the requirements in the prospectus; as of the date of this report, the proceeds have been used according to the plan set forth in the prospectus.	There was no noncompliant use of proceeds.	Yes
21 GF 06	450,000	450,000	—			
21 GF 07	150,000	150,000	—			
21 GF 11	200,000	200,000	—			
21 GF 12	200,000	200,000	—			
21 GF 20	350,000	350,000	—			
21 GF 21	100,000	100,000	—			
21 GF Y1	100,000	100,000	—			
22 GF 01	340,000	340,000	—			
22 GF 02	200,000	200,000	—			
22 GF 03	60,000	60,000	—			
22 GF 04	250,000	250,000	—			
22 GF 05	300,000	300,000	—			
22 GF 06	150,000	150,000	—			
22 GF 07	80,000	80,000	—			
22 GF 08	250,000	250,000	—			
22 GF 09	120,000	120,000	—			
22 GF 10	100,000	100,000	—			
22 GF 11	100,000	100,000	—			
22 GF 12	50,000	50,000	—			

# BONDS

Name of bond	Total amount of proceeds	Amount of proceeds utilized	Amount of proceeds not utilized	Operation of special account for the proceeds (if any)	Rectification of non-compliant use of proceeds (if any)	Consistency of the use of proceeds with the commitments, the planned use and other agreements in the prospectus
22 GF C1	300,000	300,000	-			
22 GF C2	50,000	50,000	-			
22 GF C3	200,000	200,000	-			
22 GF C4	50,000	50,000	-			
22 GF Y1	270,000	270,000	-			
22 GF Y2	500,000	500,000	-			
22 GF Y3	230,000	230,000	-			
23 GF 03	200,000	200,000	-			
23 GF 04	350,000	350,000	-			
23 GF 05	100,000	100,000	-			
23 GF 06	150,000	150,000	-			
23 GF 09	210,000	210,000	-			
23 GF C1	100,000	100,000	-			
23 GF Y1	50,000	50,000	-			
23 GF Y2	300,000	300,000	-			
23 GF Y3	500,000	500,000	-			
23 GF Y4	300,000	300,000	-			
24 G D11	200,000	200,000	-			
24 G D12	250,000	250,000	-			
24 G D13	400,000	400,000	-			
24 G D14	450,000	450,000	-			
24 G D15	500,000	500,000	-			
24 GF 01	260,000	260,000	-			
24 GF 02	200,000	200,000	-			
24 GF 03	140,000	140,000	-			
24 GF 04	170,000	170,000	-			
24 GF 05	130,000	130,000	-			

# BONDS

Name of bond	Total amount of proceeds	Amount of proceeds utilized	Amount of proceeds not utilized	Operation of special account for the proceeds (if any)	Rectification of non-compliant use of proceeds (if any)	Consistency of the use of proceeds with the commitments, the planned use and other agreements in the prospectus
24 GF 06	290,000	290,000	-			
24 GF 07	300,000	300,000	-			
24 GF 08	240,000	240,000	-			
24 GF 09	120,000	120,000	-			
24 GF 10	330,000	330,000	-			
24 GF 11	80,000	80,000	-			
24 GF 12	280,000	280,000	-			
24 GF 13	220,000	220,000	-			
24 GF 14	500,000	500,000	-			
24 GF C1	300,000	300,000	-			
24 GF Y1	200,000	200,000	-			
24 GF Y2	210,000	210,000	-			
25 GF 01	160,000	160,000	-			
25 GF 02	150,000	150,000	-			
25 GF 03	330,000	330,000	-			
25 GF D1	420,000	420,000	-			
25 GF D2	250,000	250,000	-			
25 GF D3	350,000	350,000	-			
25 GF D4	300,000	300,000	-			
25 GF D5	446,000	446,000	-			
25 GF C1	350,000	350,000	-			

The proceeds from the above bonds, after deducting issuance costs, were used to replenish liquidity or repay matured debt.

## Use of proceeds for construction projects

N/A

## Change by the Company of the use of proceeds from issuance of bonds as mentioned above during the Reporting Period

N/A

## BONDS

### (V) Adjustments to Credit Rating during the Reporting Period

N/A

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

The above corporate bonds bear no warranties.

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

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

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

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

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

## BONDS

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### IV. CONVERTIBLE CORPORATE BONDS

As of the approval date of this report, the Company had no convertible corporate bonds.

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

N/A

### VI. INTEREST-BEARING DEBTS OTHER THAN BONDS OVERDUE AT THE END OF THE REPORTING PERIOD

N/A

### VII. BUSINESS OF INCOME CERTIFICATES DURING THE REPORTING PERIOD

As of December 31, 2024, the scale of existing income certificates of the Company was RMB31.015 billion. During the Reporting Period, all income certificates issued by the Company were redeemed in accordance with the redemption date agreed in the contract, and there was no delay in redemption. The Company has sufficient liquidity to meet the needs of daily operations and repayment of due debts. During the Reporting Period, there was no significant change in the liquidity risk and credit risk of the income certificates.

### VIII. WHETHER THERE WAS ANY NON-COMPLIANCE OF RULES AND REGULATIONS DURING THE REPORTING PERIOD

No





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**DOCUMENTS AVAILABLE  
FOR INSPECTION**

## DOCUMENTS AVAILABLE FOR INSPECTION

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- (1) Text of the annual financial report (H Share).
- (2) The original text of the auditor's report issued by Ernst & Young.
- (3) The original copies of all corporate documents and announcements publicly disclosed during the Reporting Period.
- (4) Annual reports published at other securities markets.







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**INDEPENDENT  
AUDITOR'S  
REPORT,  
CONSOLIDATED  
FINANCIAL  
STATEMENTS  
AND NOTES**

# INDEPENDENT AUDITOR'S REPORT



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## To the Shareholders of GF Securities Co., Ltd.

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

## OPINION

We have audited the consolidated financial statements of GF Securities Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 281 to 452, which comprise the consolidated statement of financial position as at 31 December 2024, and 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 policy 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 as 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") as issued by the International Auditing and Assurance Standards Board. 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 *Code of Ethics for Professional Accountants* (the "Code") as issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS – *continued*

### Key audit matters

#### Valuation of financial instruments

The Group has applied valuation techniques to determine the fair value of financial instruments that do not have quoted prices in active markets, such as unlisted equity investments, private equity fund investments, over-the-counter derivatives and certain debt instruments. These valuation techniques may involve the use of significant unobservable inputs requiring assumptions and estimates based on management's subjective judgements. The valuation results can vary significantly under different valuation techniques and assumptions.

As at 31 December 2024, the carrying amounts of the Group's financial assets and financial liabilities measured at fair value totalled RMB373.36 billion and RMB16.12 billion, respectively, accounting for 49.21% and 2.66% of total assets and total liabilities, respectively. Given the higher uncertainty in valuation results, financial instruments whose fair value measurement involves significant unobservable inputs are categorised as Level 3 within the fair value hierarchy. As at 31 December 2024, RMB11.94 billion or 3.20% of financial assets and RMB3.66 billion or 22.71% of financial liabilities measured at fair value were categorised as Level 3. Given the materiality of the balances and the significant judgements involved in the valuation measurement of Level 3 financial instruments, we consider the valuation of financial instruments a key audit matter.

Relevant disclosures are included in notes 4 and 70 to the consolidated financial statements.

### How our audit addressed the key audit matter

We evaluated and tested the design and operating effectiveness of key controls over the valuation of financial instruments.

We performed audit procedures to evaluate the appropriateness of valuation techniques, inputs and assumptions, including comparison with the valuation techniques commonly used in the markets by industry peers, assessment of observable inputs using external market data, and comparison with valuation results calculated using various pricing sources.

For financial instruments whose valuations were calculated using significant unobservable inputs, such as unlisted equity investments, private equity fund investments, over-the-counter derivatives and certain debt instruments, we evaluated the competency of valuation experts used by the Group, and involved our internal valuation specialists to assess valuation models for such financial instruments, performed independent valuations on selected samples with reference to relevant market data, contracts and other documents, and compared the valuation results with those of the Group.

We evaluated and tested the design and operating effectiveness of internal controls related to the disclosures of fair value.



# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS – *continued*

### Key audit matters

### How our audit addressed the key audit matter

#### **Impairment assessment of debt instruments at amortised cost, debt instruments at fair value through other comprehensive income, advances to customers, financial assets held under resale agreements and lease receivables**

The Group applied the expected credit loss (“ECL”) model to determine and measure the impairment allowance for certain financial assets, in accordance with IFRS 9 *Financial instruments*.

Such financial assets mainly include debt instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income, advances to customers, financial assets held under resale agreements and lease receivables, which amounted to RMB233.89 billion as at 31 December 2024, accounting for 30.83% of total assets. Allowance for impairment losses of the above financial assets amounted to RMB2.33 billion. As the measurement of expected credit losses involves significant judgements and assumptions, in view of the materiality of the balances, we consider the impairment assessment of the above financial instruments a key audit matter.

Relevant disclosures are included in notes 4, 27, 28, 30, 32(ii), 33 and 35 to the consolidated financial statements.

We evaluated and tested the design and operating effectiveness of the key internal controls over investment approval, post approval management, credit rating, collateral management, impairment assessment and model governance, including relevant data quality and information systems.

We involved our internal specialists to evaluate and test the ECL model, key parameters, assumptions and the reasonableness of relevant key management judgements, including staging, possibility of default, loss given default, exposure at default and forward-looking information, etc., and reviewed the accuracy of the calculation of ECL.

We evaluated and tested the design and operating effectiveness of internal controls related to disclosures of expected credit losses.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS – *continued*

### Key audit matters

### How our audit addressed the key audit matter

#### Consolidation assessment of structured entities

The Group holds interests in various structured entities as a result of its business activities in financial investment and asset management. Such interests in structured entities include wealth management products, funds and trust plans. The Group comprehensively considers the power it possesses, its exposure to variable returns, and the link between such power and returns to determine whether it has control over such structured entities, and therefore whether it should include them in the scope of consolidation.

We evaluated and tested the design and operating effectiveness of the key controls over the Group's assessment of whether it controls a structured entity.

The assessment of the Group's control over structured entities involves significant judgement on factors such as the purpose and relevant activities and decision-making process of structured entities, the Group's ability to direct the relevant activities, direct and indirect beneficial interests and returns, performance fee and remuneration. Comprehensive analysis of these factors and concluding on whether the Group has control involve significant management judgements and estimates. In view of the materiality and the complexity of management judgements, we consider the consolidation assessment of structured entities a key audit matter.

We assessed the Group's analysis and conclusions on whether it controls the structured entities based on the Group's analysis on its power over these structured entities, and the magnitude and variability of variable returns from its involvement with structured entities. Through review of contractual documents on a sampling basis, we analyzed whether the Group has legal or constructive obligation to absorb losses of the structured entities, the fairness of transactions between the Group and the structured entities, and the Group's substantive power to direct relevant activities of the structured entities.

We evaluated and tested the design and operating effectiveness of internal controls related to the disclosures of unconsolidated structured entities.

Relevant disclosures are included in notes 4, 26 and 71.3 to the consolidated financial statements.



# INDEPENDENT AUDITOR'S REPORT

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## OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises 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 of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company 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. Our 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.

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.

# INDEPENDENT AUDITOR'S REPORT

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS – *continued*

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 consolidated 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.

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 to 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.

# INDEPENDENT AUDITOR'S REPORT

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## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS – *continued*

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 the independent auditor's report is Cheung Bing Yin Benny.

### ***Ernst & Young***

Certified Public Accountants

Hong Kong

28 March 2025



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2024 RMB' 000	2023 RMB' 000
Revenue			
Commission and fee income	6	15,002,481	14,814,495
Interest income	7	12,574,359	13,546,682
Net investment gains	8	7,806,602	3,731,495
Total revenue		35,383,442	32,092,672
Other income and gains or losses	9	1,962,501	1,205,681
Total revenue and other income		37,345,943	33,298,353
Depreciation and amortisation	10	(1,022,205)	(929,475)
Staff costs	11	(9,579,778)	(8,772,983)
Commission and fee expenses	12	(292,029)	(302,152)
Interest expenses	13	(10,225,907)	(10,410,661)
Other operating expenses	14	(5,219,761)	(4,754,677)
Credit impairment losses	15	64,681	(95,485)
Other assets impairment losses	16	(4,572)	(3,627)
Total expenses		(26,279,571)	(25,269,060)
Share of results of associates and joint ventures		785,768	715,143
Profit before income tax		11,852,140	8,744,436
Income tax expense	17	(1,307,467)	(881,519)
Profit for the year		10,544,673	7,862,917
Attributable to:			
Owners of the Company		9,636,830	6,977,800
Non-controlling interests		907,843	885,117
		10,544,673	7,862,917
Earnings per share (Expressed in RMB Yuan per share)			
– Basic/Diluted	18	1.15	0.83

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2024 RMB' 000	2023 RMB' 000
Profit for the year	10,544,673	7,862,917
<b><i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i></b>		
Revaluation gains/(losses) on equity instruments at fair value through other comprehensive income	2,071,485	(39,120)
Income tax related to the above	(516,560)	9,249
Share of other comprehensive losses of an associate	(283)	(47)
Total items that will not be reclassified to profit or loss in subsequent periods	<u>1,554,642</u>	<u>(29,918)</u>
<b><i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i></b>		
Exchange differences on translation of foreign operations	<u>159,111</u>	<u>94,541</u>
Debt instruments at fair value through other comprehensive income:		
– Net fair value changes during the year	1,950,701	805,241
– Reclassification to profit or loss on disposal	(851,985)	(176,193)
– Reclassification to profit or loss on impairment	(58,674)	71,561
– Income tax related to the above	<u>(259,454)</u>	<u>(164,564)</u>
Net gains on debt instruments at fair value through other comprehensive income	<u>780,588</u>	<u>536,045</u>
Share of other comprehensive income of associates		
– Share of fair value losses on financial assets of associates	(4)	–
– Share of exchange differences arising on translation of associates	<u>1,381</u>	<u>1,236</u>
Net gains on other comprehensive income of associates	<u>1,377</u>	<u>1,236</u>
Total items that may be reclassified to profit or loss in subsequent periods	<u>941,076</u>	<u>631,822</u>
Other comprehensive income for the year, net of tax	<u>2,495,718</u>	<u>601,904</u>
Total comprehensive income for the year	<u><u>13,040,391</u></u>	<u><u>8,464,821</u></u>
Attributable to:		
Owners of the Company	12,130,399	7,577,085
Non-controlling interests	<u>909,992</u>	<u>887,736</u>
	<u><u>13,040,391</u></u>	<u><u>8,464,821</u></u>

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Non-current assets</b>			
Property and equipment	19	3,271,412	3,230,375
Right-of-use assets	20	1,999,128	2,024,845
Investment properties	21	242,977	199,157
Goodwill	22	2,403	2,352
Other intangible assets	23	515,112	520,022
Investments in associates	24	8,912,004	7,249,310
Investments in joint ventures	25	2,097,754	1,981,901
Debt instruments at amortised cost	27	5,091	101,484
Equity instruments at fair value through other comprehensive income	29	22,317,775	5,696,951
Advances to customers	30	20,240	–
Other accounts receivable, other receivables and prepayments	32	12,000	–
Financial assets held under resale agreements	35	–	19,847
Financial assets at fair value through profit or loss	36	8,844,547	10,066,050
Deferred tax assets	42	1,855,661	2,562,495
Total non-current assets		<b>50,096,104</b>	33,654,789
<b>Current assets</b>			
Debt instruments at amortised cost	27	30,554	28,227
Debt instruments at fair value through other comprehensive income	28	104,334,355	139,295,121
Advances to customers	30	108,919,686	91,107,898
Accounts receivable	31	8,604,402	11,045,443
Other accounts receivable, other receivables and prepayments	32	983,829	1,567,488
Financial leasing receivables	33	14,087	39,305
Amounts due from joint ventures and associates	34	74,691	127,511
Financial assets held under resale agreements	35	20,565,244	19,701,054
Financial assets at fair value through profit or loss	36	233,976,850	206,002,361
Derivative financial assets	37	3,879,447	5,034,081
Deposits with exchanges and non-bank financial institutions	38	22,681,989	21,252,801
Clearing settlement funds	39	35,188,242	34,510,389
Bank balances	40	169,395,629	118,815,211
Total current assets		<b>708,649,005</b>	648,526,890
Total assets		<b>758,745,109</b>	682,181,679

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31.12.2024 RMB '000	As at 31.12.2023 RMB '000
<b>Current liabilities</b>			
Borrowings	44	4,324,296	6,838,049
Short-term financing payables	45	71,983,519	45,363,288
Financial liabilities at fair value through profit or loss	46	7,661,116	15,768,777
Due to banks and other financial institutions	47	14,605,858	22,653,003
Accounts payable to brokerage clients	48	175,339,655	132,010,529
Accrued staff costs	49	4,596,514	4,285,092
Other accounts payable, other payables and accruals	50	36,675,423	43,252,310
Contract liabilities		123,280	115,859
Amounts due to joint ventures and associates		10,191	12,450
Provisions	51	33,519	446,850
Current tax liabilities		279,438	258,815
Other liabilities	52	571,210	599,972
Derivative financial liabilities	37	6,757,754	4,700,926
Financial assets sold under repurchase agreements	53	171,313,952	153,748,802
Bonds payable	54	32,688,789	39,872,687
Lease liabilities	20	311,310	307,699
Total current liabilities		<u>527,275,824</u>	<u>470,235,108</u>
Net current assets		<u>181,373,181</u>	<u>178,291,782</u>
Total assets less current liabilities		<u>231,469,285</u>	<u>211,946,571</u>
<b>Non-current liabilities</b>			
Financial liabilities at fair value through profit or loss	46	544,415	502,393
Accrued staff costs	49	5,809,278	5,211,211
Deferred tax liabilities	42	149,424	449,045
Bonds payable	54	70,602,188	63,707,808
Lease liabilities	20	688,243	662,484
Other liabilities	52	590,355	737,920
Total non-current liabilities		<u>78,383,903</u>	<u>71,270,861</u>
Net assets		<u>153,085,382</u>	<u>140,675,710</u>

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Capital and reserves</b>			
Share capital	55	7,621,088	7,621,088
Other equity instruments	56	26,600,000	22,478,500
Capital reserve		31,274,035	31,296,848
Treasury shares	57	(233,609)	(233,609)
Investment revaluation reserve	58	2,870,647	840,235
Translation reserve		656,545	498,473
General reserves	59	36,378,553	33,066,912
Retained profits	60	42,434,657	40,149,201
Equity attributable to owners of the Company		147,601,916	135,717,648
Non-controlling interests		5,483,466	4,958,062
Total equity		153,085,382	140,675,710

Approved and authorised for issue by the Board of Directors on 28 March 2025.

**Lin Chuanhui**

Executive Director, Chairman

**Qin Li**

Executive Director, General Manager



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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the Company										
	Share capital	Other equity instruments	Capital reserve	Treasury shares	Investment revaluation reserve	Translation reserve	General reserves	Retained profits	Subtotal	Non-controlling interests	Total equity
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
	(Note 55)	(Note 56)		(Note 57)	(Note 58)		(Note 59)	(Note 60)			
At 1 January 2024	7,621,088	22,478,500	31,296,848	(233,609)	840,235	498,473	33,066,912	40,149,201	135,717,648	4,958,062	140,675,710
Profit for the year	-	-	-	-	-	-	-	9,636,830	9,636,830	907,843	10,544,673
Other comprehensive income for the year	-	-	-	-	2,335,497	158,072	-	-	2,493,569	2,149	2,495,718
Total comprehensive income for the year	-	-	-	-	2,335,497	158,072	-	9,636,830	12,130,399	909,992	13,040,391
Issue of perpetual bonds	-	4,121,500	(25,600)	-	-	-	-	-	4,095,900	-	4,095,900
Appropriation to general reserves	-	-	-	-	-	-	3,311,641	(3,311,641)	-	-	-
Ordinary share dividends recognised as distribution (Note 61)	-	-	-	-	-	-	-	(3,042,338)	(3,042,338)	(384,588)	(3,426,926)
Distribution to other equity instrument holders (Note 61)	-	-	-	-	-	-	-	(1,302,480)	(1,302,480)	-	(1,302,480)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	(305,085)	-	-	305,085	-	-	-
Others	-	-	2,787	-	-	-	-	-	2,787	-	2,787
At 31 December 2024	7,621,088	26,600,000	31,274,035	(233,609)	2,870,647	656,545	36,378,553	42,434,657	147,601,916	5,483,466	153,085,382

	Equity attributable to owners of the Company										
	Share capital	Other equity instruments	Capital reserve	Treasury shares	Investment revaluation reserve	Translation reserve	General reserves	Retained profits	Subtotal	Non-controlling interests	Total equity
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
	(Note 55)	(Note 56)		(Note 57)	(Note 58)		(Note 59)	(Note 60)			
At 1 January 2023	7,621,088	10,990,000	31,286,181	(233,609)	329,599	405,336	30,480,844	39,266,193	120,145,632	4,647,208	124,792,840
Profit for the year	-	-	-	-	-	-	-	6,977,800	6,977,800	885,117	7,862,917
Other comprehensive income for the year	-	-	-	-	506,148	93,137	-	-	599,285	2,619	601,904
Total comprehensive income for the year	-	-	-	-	506,148	93,137	-	6,977,800	7,577,085	887,736	8,464,821
Issue of perpetual bonds	-	11,488,500	-	-	-	-	-	-	11,488,500	-	11,488,500
Appropriation to general reserves	-	-	-	-	-	-	2,586,068	(2,586,068)	-	-	-
Ordinary share dividends recognised as distribution (Note 61)	-	-	-	-	-	-	-	(2,662,046)	(2,662,046)	(576,882)	(3,238,928)
Distribution to other equity instrument holders (Note 61)	-	-	-	-	-	-	-	(842,190)	(842,190)	-	(842,190)
Other comprehensive income that has been reclassified to retained profits	-	-	-	-	4,488	-	-	(4,488)	-	-	-
Others	-	-	10,667	-	-	-	-	-	10,667	-	10,667
At 31 December 2023	7,621,088	22,478,500	31,296,848	(233,609)	840,235	498,473	33,066,912	40,149,201	135,717,648	4,958,062	140,675,710

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

	2024 RMB' 000	2023 RMB' 000
<b>OPERATING ACTIVITIES</b>		
Profit before income tax	<b>11,852,140</b>	8,744,436
Adjustments for:		
Interest expenses	<b>10,225,907</b>	10,410,661
Share of results of associates and joint ventures	<b>(785,768)</b>	(715,143)
Depreciation and amortisation	<b>1,022,205</b>	929,475
Other assets impairment losses	<b>4,572</b>	3,627
Credit impairment losses	<b>(64,681)</b>	95,485
Gains on disposal of property and equipment and other intangible assets	<b>(7,035)</b>	(1,291)
Gains on disposal of subsidiaries, associates and joint ventures	<b>(8,863)</b>	(5,354)
Foreign exchange (gains)/losses, net	<b>(68,627)</b>	10,184
Net realised gains from disposal of financial instruments at fair value through other comprehensive income	<b>(851,985)</b>	(176,193)
Dividend income and interest income from financial instruments at fair value through other comprehensive income	<b>(4,284,461)</b>	(4,046,590)
Interest income from debt instruments at amortised cost	<b>(7,238)</b>	(25,962)
Unrealised fair value changes in financial assets at fair value through profit or loss	<b>(1,772,146)</b>	(43,617)
Unrealised fair value changes in financial liabilities at fair value through profit or loss	<b>(476,608)</b>	698,636
Unrealised fair value changes in derivatives	<b>2,382,114</b>	9,098
Unrealised fair value changes in hedged items	<b>1,599</b>	-

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

	2024 RMB' 000	2023 RMB' 000
Operating cash flows before movements in working capital	17,161,125	15,887,452
Increase in advances to customers	(17,806,124)	(8,251,252)
Increase in financial assets held under resale agreements	(586,232)	(710,875)
Increase in financial assets at fair value through profit or loss	(24,511,161)	(57,100,424)
Increase in deposits with exchanges and non-bank financial institutions	(1,427,128)	(910,631)
Increase in restricted bank deposits	(81,109)	(633,047)
Decrease in other current assets	2,756,735	2,799,098
Decrease/(increase) in clearing settlement funds for clients	4,062,301	(6,248,051)
(Increase)/decrease in cash held on behalf of customers	(44,529,678)	12,768,412
Decrease/(increase) in financial liabilities at fair value through profit or loss	(7,725,856)	5,137,526
Increase/(decrease) in accounts payable to brokerage clients	43,274,055	(5,610,416)
Increase/(decrease) in accrued staff costs	905,832	(653,124)
(Decrease)/increase in other accounts payable, other payables and accruals and other liabilities	(4,329,552)	16,092,250
Increase in financial assets sold under repurchase agreements	17,413,499	28,420,556
(Decrease)/increase in amounts due to banks and other financial institutions	(8,080,918)	3,521,248
(Decrease)/increase in provisions	(416,065)	1,473
Cash from operations	(23,920,276)	4,510,195
Income taxes paid	(1,230,766)	(1,667,109)
Interest paid	(5,315,637)	(5,195,476)
<b>Net cash used in operating activities</b>	<b>(30,466,679)</b>	<b>(2,352,390)</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

	2024 RMB' 000	2023 RMB' 000
<b>INVESTING ACTIVITIES</b>		
Dividends and interest received from investments	5,397,283	4,728,345
Purchases of property and equipment and other intangible assets	(735,801)	(941,479)
Proceeds from disposal of property and equipment and other intangible assets	13,071	1,289
Capital injection to associates and joint ventures	(1,880,581)	(1,141,409)
Proceeds from disposal of interests in associates and joint ventures	524,566	183,717
Purchase of or proceeds from disposal of financial instruments at fair value through other comprehensive income, net	21,784,126	323,907
Purchase of or proceeds from disposal of debt instruments at amortised cost, net	76,507	188,303
<b>Net cash from investing activities</b>	<b>25,179,171</b>	<b>3,342,673</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from perpetual subordinated bonds issued	4,091,900	11,488,300
Dividends paid to shareholders and non-controlling interests	(4,269,116)	(3,636,218)
Repayment of interest on borrowings	(340,790)	(319,995)
Repayment of short-term financing payables and bond interest	(4,659,106)	(4,439,634)
Repayment of interest on long-term loans	–	(1,190)
Proceeds from short-term financing payables and bonds issued	123,701,506	86,737,992
Repayment of short-term financing payables and bonds	(99,766,409)	(91,128,134)
Proceeds from borrowings	58,455	2,457,226
Repayment of borrowings	(2,720,476)	(189,315)
Repayment of long-term loans	–	(63,827)
Payment of principal and interest on lease liabilities	(379,017)	(378,004)
Proceeds from other financing activities	–	1,191,970
Repayment of other financing activities	–	(82,783)
<b>Net cash from financing activities</b>	<b>15,716,947</b>	<b>1,636,388</b>
<b>Net increase in cash and cash equivalents</b>	<b>10,429,439</b>	<b>2,626,671</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>21,741,361</b>	<b>19,072,052</b>
Effect of foreign exchange rate changes	67,393	42,638
<b>Cash and cash equivalents at the end of the year</b>	<b>32,238,193</b>	<b>21,741,361</b>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION OF THE GROUP

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

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

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in securities business, the proxy sale of securities investment funds, the provision of futures intermediary services for futures companies, securities investment fund custodian, fund raising, fund sales, asset management, project and investment management, commodity futures brokerage, financial futures brokerage and futures investment advisory, etc.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by 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.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

For financial instruments which are transferred at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equal the transaction price.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2.2 BASIS OF CONSOLIDATION – *continued*

### **Changes in the Group’s ownership interests in existing subsidiaries**

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s relevant components of equity including reserves and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted after re-attribution of the relevant equity component, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (1) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (2) the previous carrying amount of the related assets (including goodwill), any non-controlling interests and the exchange fluctuation reserve. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The Group serves as the manager of asset management schemes and funds. These asset management schemes and funds invest mainly in equities, debt securities and monetary market instruments. The Group’s percentage ownership in these structured entities can fluctuate from day to day according to the Group’s and third-party participation in them. Where the Group is deemed to control such asset management schemes and funds, with control determined based on an analysis of the guidance in IFRS 10 Consolidated Financial Statements, they are consolidated, with the interests of parties other than the Group being classified as liabilities because there is a contractual obligation for the relevant group entity as an issuer to repurchase or redeem units in such asset management schemes and funds for cash. These are presented as “Third-party interests in consolidated structured entities” within other liabilities in the consolidated statement of financial position.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current year, the Group has applied the following revised IFRS Accounting Standards issued by the IASB that are mandatorily effective for the current year:

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

The application of the revised IFRS Accounting Standards has had no significant impact on the Group's consolidated financial statements.

## 2.4 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>3</sup></i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures<sup>3</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>2</sup></i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>4</sup></i>
Amendments to IAS 21	<i>Lack of Exchangeability<sup>1</sup></i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7<sup>2</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>4</sup> No mandatory effective date yet determined but available for adoption

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES

The principal accounting policies are set out below.

### **Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the cash-generating unit within a group of cash-generating units in which the Group monitors goodwill).

The Group's policy for goodwill arising on the acquisition of associates and joint ventures is described below.

### **Investments in associates and joint ventures**

An associate is an entity over which the Group has 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 joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Investments in associates and joint ventures – *continued***

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Changes in net assets of the associate/joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IFRS 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Investments in associates and joint ventures – *continued***

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### **Revenue recognition**

#### ***Revenue from contracts with customers***

Revenue from contracts with customers is recognised 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 recognised 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 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 with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Revenue recognition – *continued***

#### ***Revenue from contracts with customers – continued***

##### *(a) Securities brokerage business*

Income from the securities brokerage and futures brokerage is recognised on a trade date basis when the relevant transactions are executed.

##### *(b) Underwriting and sponsorship business*

Income from the underwriting business is recognised when the obligations under the contracts are fulfilled.

Depending on the contract terms, income from the sponsorship business is recognised during the process of fulfilment of the obligations or upon the completion of the obligations.

##### *(c) Asset management business*

Income from the asset management business and fund management business is recognised during the process of fulfilment of the obligations, which is calculated according to the agreed-upon methods in the contract, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

##### *(d) Other business*

Income from other business is recognised when control of goods or services is transferred to the customers.

### **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 being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised 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. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Contract liabilities**

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods and services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

### **Contract costs**

Other than the costs which are capitalised as property and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised 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 capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

### **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 recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### *Leases – continued*

#### *Group as a lessee – continued*

##### *(a) Right-of-use assets*

Right-of-use assets are recognised 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 recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. 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 terms 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.

##### *(b) Lease liabilities*

Lease liabilities are recognised 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 lease. The variable lease payments that do not depend on an index or a rate are recognised 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### *Leases – continued*

#### *Group as a lessee – continued*

##### *(c) Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., 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 lease of low-value assets recognition exemption to leases of assets that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

#### *Group as a lessor*

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### Property and equipment

Property and equipment including buildings and leasehold land (classified as finance leases) for use in the supply of services, or for administrative purposes (other than construction in progress as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress is carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property and equipment, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of the costs of the buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

The estimated residual value rates and useful lives of each class of property and equipment are as follows:

Classes	Estimated residual value rates	Useful lives
Properties and buildings	nil	30 – 50 years
Electronic and communication equipment	nil	3 – 5 years
Motor vehicles	nil	4 – 6 years
Office equipment	nil	5 – 11 years
Improvements	nil	5 – 10 years

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

### Intangible assets

#### *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of the reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Intangible assets with indefinite useful lives (i.e. trading seats) that are acquired separately are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

The estimated useful lives of each class of intangible assets with finite useful lives are as follows:

Classes	Useful lives
Computer software	5 years
Others	5 years



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Intangible assets – *continued***

#### ***Intangible assets acquired in a business combination***

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### **Impairment of tangible and intangible assets other than goodwill and financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. 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.

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Impairment of tangible and intangible assets other than goodwill and financial assets – *continued***

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss is subsequently reversed, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### **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;

or



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Related parties – *continued***

- (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; and the sponsoring employers of the post-employment benefit plan;
  - (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.

### **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

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 (i.e. RMB) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **Government grants**

Government grants are recognised 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 recognised 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 credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Employee benefits**

In the reporting period in which an employee has rendered services, the Group recognises the employee benefit expenses for those services in profit or loss.

### ***Short-term social welfare***

Short-term social welfare expenditure refers to payments for employees' social welfare system established by the government of the PRC, including, health care insurance, housing funds and other social welfare contributions. The Group contributes on a regular basis to these funds based on a certain percentage of the employees' salaries and the contributions are recognised in profit or loss for the period when employees have rendered service entitling them to the contribution. The Group's liabilities in respect of these funds are limited to the contribution payable in the reporting period.

### ***Defined contribution plans***

Payments to defined contribution plans which include the mandatory the social pension insurance plan and unemployment insurance plan managed by the mainland government, the Mandatory Provident Fund Scheme to the employees in Hong Kong and the annuity scheme for qualified employees, are recognised as expenses when employees have rendered service entitling them to the contributions.

### ***Early retirement benefits***

The Group provides early retirement benefits to those employees in Mainland China who accepted an early retirement arrangement.

The liability related to early retirement benefits is recognised when the employees voluntarily retired before the normal retirement date, as approved by management. The early retirement benefits represented the liability at the end of the reporting period with the changes recognised in profit or loss.

### ***Other long-term benefits***

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before income tax’ as reported in the consolidated statement of profit or loss because of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Taxation – *continued***

Current and deferred taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **Other equity instruments**

The perpetual subordinated bonds issued by the Group have no fixed maturity dates. The Group has the option to defer interest payment, the Group contain no contractual obligation to deliver cash or another financial asset, classified as equity instruments.

### **Dividends**

Final dividends are recognised 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Financial instruments**

#### ***Financial assets***

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised 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 accounts 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. Accounts 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 amortised 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 amortised 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.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Financial instruments – *continued***

#### ***Financial assets – continued***

##### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

##### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

##### Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value changes recognised in other comprehensive income is recycled to the statement of 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 investments 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 recognised as net investment gains when the right of payment has been established, 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 at fair value through other comprehensive income are not subject to impairment assessment.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### *Financial instruments – continued*

#### *Financial assets – continued*

#### *Subsequent measurement – continued*

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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 recognised 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 the equity investments are also recognised as net investment gains in the statement of profit or loss when the right of payment has been established.

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 recognised 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. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### *Financial instruments – continued*

#### *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 derecognised (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; 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 assumed an obligation to pay the received cash flows in full without material delay to a third party, 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 recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises 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.

#### *Impairment of financial assets*

The Group recognises an allowance for Expected Credit Loss (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 recognised 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).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### *Financial instruments – continued*

#### *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.

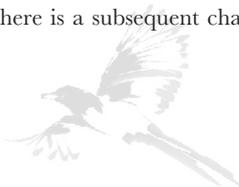
Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified 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

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 recognised based on a credit-adjusted effective interest rate. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Financial instruments – *continued***

#### ***Impairment of financial assets – continued***

##### *Simplified approach*

For accounts receivable, contract assets and other receivables and prepayments 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 recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For accounts receivable, contract assets and other receivables and prepayments 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.

### ***Financial liabilities***

#### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or other financial liabilities.

All financial liabilities are recognised 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 financing payables, amounts due to banks and 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Financial instruments – *continued***

#### ***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 recognised in the statement of profit or loss. The net fair value gain or loss recognised 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 recognised 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 recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

##### Other financial liabilities

After initial recognition, interest-bearing other financial liabilities are subsequently measured at amortised 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 recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortization process.

Amortised 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Financial instruments – *continued***

#### ***Financial liabilities – continued***

##### *Derecognition of financial liabilities*

A financial liability is derecognised 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 recognised in the statement of profit or loss.

##### ***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 recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### ***Derivative financial instruments and hedge accounting***

###### *Derivative financial instruments*

###### Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised 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 recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### *Financial instruments – continued*

#### *Derivative financial instruments and hedge accounting – continued*

##### *Hedge accounting*

The Group designates certain derivatives as hedging instruments for fair value hedges.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

##### Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e., rebalances the hedge so that it meets the qualifying criteria again).

Hedges which meet the strict criteria for hedge accounting are accounted for in accordance with the Group's accounting policy as set out below.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Financial instruments – *continued***

#### ***Derivative financial instruments and hedge accounting – continued***

#### *Hedge accounting – continued*

#### Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or unrecognised firm commitment, that is attributable to a particular risk and could affect the profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and the gains and losses from both are taken to profit or loss. For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item and the face value is amortised over the remaining term of the original hedge using the effective interest rate method.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting. If the hedged items are derecognised, the unamortised fair value is recorded in profit or loss.

#### ***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 recognised 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 is recognised as interest income or interest expense using the effective interest rate method in the reselling or repurchasing period.

#### ***Accounts payable to brokerage customers***

Accounts payable to brokerage customers are all deposited in the bank accounts designated by the Group. The Group recognises 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 the purchased securities exceeds that of the 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 the sold securities exceeds that of the purchased securities, accounts payable to brokerage customers increase by the difference after deducting the withholding stamp duty and commission.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 3. MATERIAL ACCOUNTING POLICIES – *continued*

### **Financial instruments – *continued***

#### ***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 recognises margin financing services to customers as margin accounts receivable, and recognises the commission as interest income accordingly.

The policy of provision for impairment of margin accounts receivable is determined with reference to the policy of provision for impairment of financial assets measured at amortised 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 recognised as interest income according to the margin financing agreement. The securities lending services are not derecognised. The financial assets are recognised as securities lending services in financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income, and are subsequently measured according to financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 to the consolidated financial statements, the directors of the Company are required to make estimates, judgements and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **Determination of consolidation scope**

All facts and circumstances must be taken into consideration in the assessment of whether the Group, as an investor, controls the investee. The principle of control sets out the following three elements of control: (a) power over the investee; (b) exposure, or rights, to variable returns from involvement with the investee; and (c) the ability to use power over the investee to affect the amount of the investor's returns. 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 listed above.

For collective asset management schemes and investment funds where the Group involves as investment manager and also as investor, the Group assesses whether the combination of investments it holds together with its remuneration and credit enhancement creates exposure to variability of returns from the activities of the collective asset management schemes and investment funds that is of such significance that it indicates that the Group is a principal. The collective asset management schemes and investment funds are consolidated if the Group acts in the role of principal.

### **Fair values of financial assets and derivative financial instruments determined using valuation techniques**

If the market for a financial instrument is not active, the Group estimates fair value by using valuation techniques, such as the discounted cash flow analysis model. In practice, the discounted cash flow analysis model makes the maximum use of observable inputs, but management still needs to make estimations on counterparty credit risk, the volatility of the market interest rate and correlation factors. If there is a change in any assumption of the above factors, the assessment of the fair value of financial instruments will be affected.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – *continued*

### **Impairment of financial instruments**

The Group assesses the impairment of financial instruments using the ECL model. The application of the ECL model requires significant judgement and estimation, and consideration of all reasonable and relevant information including forward-looking information. When making such judgement and estimation, the Group estimates the expected changes of the debtor's credit risk based on historical repayment data along with economic policies, macro-economic indicators, and industrial risk.

### **Income taxes**

There are certain transactions and activities for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially estimated, such differences will impact the current income tax and deferred income tax in the period during which such a determination is made.

The realisation of a deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future.

In cases where it becomes probable that sufficient profits or taxable temporary differences are expected to be generated, deferred tax assets would be recognised in profit or loss in that period. On the contrary, if sufficient profits or taxable temporary differences are not expected to be generated, deferred tax assets would be reversed in profit or loss in that period. Details of the tax losses and deductible temporary differences are disclosed in note 42.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SEGMENT REPORTING

Information reported to the chief operating decision maker (hereinafter referred to as the “CODM”), being the board of directors of the Company, for the purposes of resource allocation and assessment of segment performance focuses on the nature of services provided by the Group, which is also consistent with the Group’s basis of organisation, whereby the businesses are organised and managed separately as individual strategic business units that offer different services and serve different markets. Segment information is measured in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to the board of directors of the Company, which are consistent with the accounting and measurement criteria in the preparation of the consolidated financial statements.

Specifically, the Group’s operating segments are as follows:

- (a) Investment banking, which primarily includes underwriting commissions and sponsorship and advisory fees from equity and debt underwriting and financial advisory services;
- (b) Wealth management, which primarily includes fees and commissions earned from providing brokerage and investment advisory services to retail clients, as well as interest income earned from margin financing and securities lending activities, reverse repurchase transactions, financial leasing, cash held on behalf of clients and fees earned from selling financial products developed by the Group and other financial institutions;
- (c) Trading and institution, which primarily includes investment gains and interest income earned from investment trading of, and market-making in equity, fixed income, derivative securities and other financial products, as well as investment gains from alternative investments, and fees and commissions earned from providing investment research and prime brokerage services to institutional clients;
- (d) Investment management, which primarily includes management and advisory fees earned from providing asset management, mutual fund management, private fund management services to clients and etc;
- (e) Others, which primarily includes income from head office operations.

Inter-segment transactions, if any, are conducted with reference to the prices charged to third parties and there was no change in the basis during the year.

Segment profit or loss represents the profit earned or loss incurred by each segment without the allocation of income tax expenses as well as the share of results of associates and joint ventures. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets or liabilities are allocated to each segment, excluding deferred tax assets or liabilities. Inter-segment balances mainly resulted from branches’ operating funds injected by the head office are eliminated on consolidation. The segment results exclude income tax expense and share of results of associates and joint ventures, while the segment assets and liabilities include prepaid taxes, current tax liabilities as well as interests in associates and joint ventures, respectively.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SEGMENT REPORTING – continued

The operating and reportable segment information provided to the chief operating decision maker (“the CODM”) for the years ended 31 December 2024 and 2023 is as follows:

	Investment banking RMB' 000	Wealth management RMB' 000	Trading and institution RMB' 000	Investment management RMB' 000	Others RMB' 000	Segment total RMB' 000	Elimination RMB' 000	Consolidated total RMB' 000
<b>For the year ended 31 December 2024</b>								
<b>Segment revenue and results</b>								
Segment revenue	810,422	13,892,934	14,180,842	6,266,720	232,524	35,383,442	-	35,383,442
Segment other income and gains or losses	(33)	820,870	99,863	995,770	46,031	1,962,501	-	1,962,501
Segment revenue and other income	810,389	14,713,804	14,280,705	7,262,490	278,555	37,345,943	-	37,345,943
Segment expenses	(690,744)	(8,219,767)	(8,899,525)	(5,031,377)	(3,438,158)	(26,279,571)	-	(26,279,571)
Segment results	119,645	6,494,037	5,381,180	2,231,113	(3,159,603)	11,066,372	-	11,066,372
Share of results of associates and joint ventures	-	319	(12,807)	833,802	(35,546)	785,768	-	785,768
Profit/(loss) before income tax	119,645	6,494,356	5,368,373	3,064,915	(3,195,149)	11,852,140	-	11,852,140
<b>As at 31 December 2024</b>								
<b>Segment assets and liabilities</b>								
Segment assets	295,233	185,565,204	345,545,242	35,522,417	191,586,352	758,514,448	(1,625,000)	756,889,448
Deferred tax assets								1,855,661
Group's total assets								<u>758,745,109</u>
Segment liabilities	165,187	160,764,324	220,083,025	11,460,715	213,037,052	605,510,303	-	605,510,303
Deferred tax liabilities								149,424
Group's total liabilities								<u>605,659,727</u>
<b>Other segment information</b>								
Amounts included in the measure of segment profit or loss or segment assets:								
Depreciation and amortisation	5,657	363,903	36,290	158,292	458,063	1,022,205	-	1,022,205
Credit impairment losses	(690)	10,874	(63,389)	(1)	(11,475)	(64,681)	-	(64,681)
Other assets impairment losses	-	4,551	-	-	21	4,572	-	4,572
Capital expenditure	2,074	132,069	16,367	131,846	434,621	716,977	-	716,977

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SEGMENT REPORTING – continued

	Investment banking RMB ' 000	Wealth management RMB ' 000	Trading and institution RMB ' 000	Investment management RMB ' 000	Others RMB ' 000	Segment total RMB ' 000	Elimination RMB ' 000	Consolidated total RMB ' 000
<b>For the year ended 31 December 2023</b>								
<b>Segment revenue and results</b>								
Segment revenue	598,795	13,252,813	10,963,214	7,116,368	161,482	32,092,672	–	32,092,672
Segment other income and gains or losses	15	430,474	(12,856)	277,949	510,099	1,205,681	–	1,205,681
Segment revenue and other income	598,810	13,683,287	10,950,358	7,394,317	671,581	33,298,353	–	33,298,353
Segment expenses	(866,078)	(7,309,087)	(8,916,356)	(5,678,553)	(2,498,986)	(25,269,060)	–	(25,269,060)
Segment results	(267,268)	6,374,200	2,034,002	1,715,764	(1,827,405)	8,029,293	–	8,029,293
Share of results of associates and joint ventures	–	280	31,832	686,785	(3,754)	715,143	–	715,143
Profit/(loss) before income tax	(267,268)	6,374,480	2,065,834	2,402,549	(1,831,159)	8,744,436	–	8,744,436
<b>As at 31 December 2023</b>								
<b>Segment assets and liabilities</b>								
Segment assets	143,895	138,910,418	342,342,088	36,282,054	163,544,729	681,223,184	(1,604,000)	679,619,184
Deferred tax assets								2,562,495
Group's total assets								<u>682,181,679</u>
Segment liabilities	101,291	115,866,288	201,020,749	11,752,097	212,316,499	541,056,924	–	541,056,924
Deferred tax liabilities								449,045
Group's total liabilities								<u>541,505,969</u>
<b>Other segment information</b>								
Amounts included in the measure of segment profit or loss or segment assets:								
Depreciation and amortisation	5,376	345,726	32,912	134,549	410,912	929,475	–	929,475
Credit impairment losses	456	(78,437)	118,249	55,796	(579)	95,485	–	95,485
Other assets impairment losses	–	3,577	–	–	50	3,627	–	3,627
Capital expenditure	4,247	178,431	46,766	122,798	323,951	676,193	–	676,193

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

There are no sales to a single customer from which the revenue amounted to over 10% to the Group's revenue for the years ended 31 December 2024 and 2023.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 6. COMMISSION AND FEE INCOME

	2024 RMB' 000	2023 RMB' 000
Asset management and fund management fee income	6,885,232	7,727,649
Securities brokerage business commission and fee income	6,260,425	5,526,104
Underwriting and sponsorship fee income	705,462	532,961
Futures brokerage business commission and fee income	645,875	549,094
Consultancy and financial advisory fee income	186,508	162,179
Others	318,979	316,508
	<u>15,002,481</u>	<u>14,814,495</u>

## 7. INTEREST INCOME

	2024 RMB' 000	2023 RMB' 000
Margin financing and securities lending	5,050,124	5,596,926
Deposits with exchanges and financial institutions	3,725,081	3,514,397
Debt instruments at fair value through other comprehensive income	2,981,917	3,680,127
Financial assets held under resale agreements	783,219	702,525
Debt instruments at amortised cost	7,238	25,962
Leasing business	2,721	15,022
Others	24,059	11,723
	<u>12,574,359</u>	<u>13,546,682</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 8. NET INVESTMENT GAINS

	2024 RMB' 000	2023 RMB' 000
Net realised gains from disposal of financial instruments at fair value through other comprehensive income	851,985	176,193
Net realised gains/(losses) from disposal of financial instruments at fair value through profit or loss	1,649,108	(260,814)
Dividend income and interest income from financial instruments at fair value through profit or loss	4,803,317	4,274,546
Dividend income from financial instruments at fair value through other comprehensive income	1,302,544	366,463
Net realised (losses)/gains from derivatives	(827,262)	16,262
Unrealised fair value changes of financial instruments at fair value through profit or loss		
– Financial assets at fair value through profit or loss	1,772,146	43,617
– Financial liabilities at fair value through profit or loss	476,608	(698,636)
– Derivatives	(2,226,054)	(186,136)
Gains on fair value hedges	4,210	–
	<u>7,806,602</u>	<u>3,731,495</u>

## 9. OTHER INCOME AND GAINS OR LOSSES

	2024 RMB' 000	2023 RMB' 000
Commodity trading income	775,352	342,574
Government grants <sup>(i)</sup>	629,135	923,674
Reversal of provisions	414,702	–
Third-party profit or loss in consolidated structured entities	(58,655)	(162,352)
Commission from tax withholding and remitting	53,106	58,088
Gains on disposal of subsidiaries, associates and joint ventures	8,863	5,354
Others	139,998	38,343
	<u>1,962,501</u>	<u>1,205,681</u>

- (i) The government grants were received unconditionally by the Group from the local government to support operations in the designated locations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10. DEPRECIATION AND AMORTISATION

	2024 RMB ' 000	2023 RMB ' 000
Depreciation of property and equipment	443,091	401,382
Depreciation of right-of-use assets	388,271	371,699
Amortisation of other intangible assets	177,715	146,182
Depreciation of investment properties	13,128	10,212
	<u>1,022,205</u>	<u>929,475</u>

## 11. STAFF COSTS

	2024 RMB ' 000	2023 RMB ' 000
Salaries, bonuses and allowances and other long-term benefits	7,870,191	7,162,490
Defined contribution plans	788,914	688,507
Short-term social welfares	463,994	457,862
Others	456,679	464,124
	<u>9,579,778</u>	<u>8,772,983</u>

The domestic employees of the Group in the PRC participate in state-managed social welfare plans, including social pension insurance, unemployment insurance, health care insurance, housing funds and other social welfare plan operated by the relevant municipal and provincial governments. According to the relevant regulations, the premiums and welfare benefit contributions borne by the Group are calculated and paid to the relevant labour and social welfare authorities on a regular basis. The social pension insurance and unemployment insurance are defined contribution plans.

In addition to the above social welfare plans, the Group also provides annuity schemes for certain qualified employees in the PRC. The employees' and the Group's contributions for the annuity schemes are calculated based on a certain percentage of employees' salaries and recognised in profit or loss as expenses. These annuity schemes are defined contribution plans.

The Group also operates the Mandatory Provident Fund Scheme, also a defined contribution plan, for all qualified employees in Hong Kong. The Group contributes a certain percentage of relevant payroll costs to the scheme, and the contribution is matched by employees but subject to a maximum amount for each employee. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees.

The contributions to the defined contribution plans are expensed as incurred. The Group cannot withdraw or utilise its fund contributions made to the defined contribution plans under any circumstance.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 12. COMMISSION AND FEE EXPENSES

	2024 RMB ' 000	2023 RMB ' 000
Securities and futures brokerage business expenses	256,414	265,043
Underwriting and sponsorship fee expenses	16,585	14,572
Other service expenses	19,030	22,537
	<u>292,029</u>	<u>302,152</u>

Note: Distribution expenses for the fund and asset management business are classified under other operating expenses as described in note 14.

## 13. INTEREST EXPENSES

	2024 RMB ' 000	2023 RMB ' 000
Bonds payable	3,386,670	3,502,384
Financial assets sold under repurchase agreements	3,382,491	3,470,464
Short-term financing payables	1,289,594	1,024,204
Accounts payable to brokerage clients	565,816	580,399
Borrowings	379,339	319,479
Due to banks and other financial institutions	1,023,355	1,117,772
Lease liabilities	41,310	35,464
Long-term loans	-	736
Others	157,332	359,759
	<u>10,225,907</u>	<u>10,410,661</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 14. OTHER OPERATING EXPENSES

	2024 RMB' 000	2023 RMB' 000
Distribution expenses for fund and asset management business	1,687,718	1,836,473
Commodity trading costs	793,230	334,165
General and administrative expenses	1,167,434	1,162,899
Post and telecommunications expenses	312,680	290,793
Advertisement and business development expenses	298,377	228,674
Taxes and surcharges	180,706	165,748
Rents and utilities	165,011	160,725
Securities and futures investor protection funds	88,936	69,643
Auditors' remuneration	9,040	8,092
Sundry expenses	516,629	497,465
	<u>5,219,761</u>	<u>4,754,677</u>

## 15. CREDIT IMPAIRMENT LOSSES

	2024 RMB' 000	2023 RMB' 000
Debt instruments at amortised cost	(5,255)	34,439
Debt instruments at fair value through other comprehensive income	(58,674)	71,561
Advances to customers	(5,197)	(18,702)
Accounts receivable	25,901	59,263
Lease receivables	(27,157)	(22,447)
Financial assets held under resale agreements	6,800	(34,340)
Others	(1,099)	5,711
	<u>(64,681)</u>	<u>95,485</u>

## 16. OTHER ASSETS IMPAIRMENT LOSSES

	2024 RMB' 000	2023 RMB' 000
Other intangible assets	21	50
Others	4,551	3,577
	<u>4,572</u>	<u>3,627</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 17. INCOME TAX EXPENSE

	2024 RMB' 000	2023 RMB' 000
Current tax:		
PRC Enterprise Income Tax	1,527,575	1,100,745
Hong Kong Profits Tax and other jurisdictions	50,001	41,621
	<u>1,577,576</u>	<u>1,142,366</u>
Deferred tax (Note 42)	(270,109)	(260,847)
	<u>1,307,467</u>	<u>881,519</u>

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

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

The reconciliation between the income tax expense at the statutory tax rate of 25% and the effective tax rate is as follows:

	2024 RMB' 000	2023 RMB' 000
Profit before income tax	11,852,140	8,744,436
Tax at the statutory tax rate of 25%	2,963,035	2,186,109
Tax effect of share of profits of associates and joint ventures	(215,906)	(193,309)
Effect of non deductible costs, expenses and losses	77,567	98,239
Tax effect of non taxable income	(1,378,866)	(1,162,593)
Tax effect of tax losses and temporary differences not recognised	222,540	71,829
Tax effect of utilize deductible losses and deductible temporary differences previously not recognised	5,828	1,987
Effect of different tax rates of subsidiaries	(123,941)	(3,123)
Others	(242,790)	(117,620)
Income tax expense for the year	<u>1,307,467</u>	<u>881,519</u>

The Group has performed an assessment of its exposure to Pillar Two income taxes of the jurisdictions in which the Group operates and Pillar Two legislation has been enacted. Based on the assessment, the enactment of Pillar Two legislation in relevant jurisdictions in which the Group operates does not have a material impact on the financial position and financial performance of the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 18. EARNINGS PER SHARE

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

	2024	2023
Earnings for the purpose of basic earnings per share:		
Profit attributable to owners of the Company (RMB in thousand)	9,636,830	6,977,800
Less: Profit attributable to other equity instrument holders of the Company (RMB in thousand)	<u>907,779</u>	<u>685,882</u>
Profit attributable to ordinary shareholders of the Company (RMB in thousand)	<u><u>8,729,051</u></u>	<u><u>6,291,918</u></u>
Weighted average number of ordinary shares in issue (in thousands of shares) <sup>(i)</sup>	<u><u>7,605,846</u></u>	<u><u>7,605,846</u></u>
Earnings per share (RMB)		
- Basic	<u><u>1.15</u></u>	<u><u>0.83</u></u>
- Diluted	<u><u>1.15</u></u>	<u><u>0.83</u></u>
(i) Weighted average number of ordinary shares in issue (in thousands of shares)		
Number of issued ordinary shares as at the beginning of the year	7,621,088	7,621,088
Less: Weighted average number of ordinary shares repurchased	<u>15,242</u>	<u>15,242</u>
Weighted average number of ordinary shares as at the end of the year	<u><u>7,605,846</u></u>	<u><u>7,605,846</u></u>

There were no potential dilutive ordinary shares outstanding for 2024 and 2023.

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 19. PROPERTY AND EQUIPMENT

	Properties and buildings RMB' 000	Electronic and communication equipment RMB' 000	Motor vehicles RMB' 000	Office equipment RMB' 000	Improvements RMB' 000	Construction in progress RMB' 000	Total RMB' 000
<b>Cost</b>							
As at 1 January 2024	2,635,400	1,529,448	132,264	281,449	1,012,132	246,301	5,836,994
Additions	-	330,653	9,176	29,141	170,643	4,770	544,383
Transfers during the year	(57,165)	-	-	-	-	-	(57,165)
Disposals/write-off	(2,515)	(84,408)	(7,257)	(11,374)	(108,193)	-	(213,747)
Effect of foreign currency exchange differences and others	24,571	27,711	13,840	10,011	612	-	76,745
As at 31 December 2024	<u>2,600,291</u>	<u>1,803,404</u>	<u>148,023</u>	<u>309,227</u>	<u>1,075,194</u>	<u>251,071</u>	<u>6,187,210</u>
<b>Accumulated depreciation and impairment</b>							
As at 1 January 2024	692,351	919,217	90,861	221,086	683,104	-	2,606,619
Charge for the year	72,493	221,648	12,579	25,445	114,634	-	446,799
Transfers during the year	(4,505)	-	-	-	-	-	(4,505)
Disposals/write-off	(43)	(84,157)	(6,934)	(10,824)	(108,000)	-	(209,958)
Effect of foreign currency exchange differences and others	24,571	27,600	13,814	10,015	843	-	76,843
As at 31 December 2024	<u>784,867</u>	<u>1,084,308</u>	<u>110,320</u>	<u>245,722</u>	<u>690,581</u>	<u>-</u>	<u>2,915,798</u>
<b>Net carrying amount</b>							
As at 31 December 2024	<u>1,815,424</u>	<u>719,096</u>	<u>37,703</u>	<u>63,505</u>	<u>384,613</u>	<u>251,071</u>	<u>3,271,412</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 19. PROPERTY AND EQUIPMENT – continued

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

As at 31 December 2024, the Group's properties and buildings amounting to RMB262.92 million (31 December 2023: RMB289.26 million) included the leasehold interest in land as the leasehold payments could not be allocated reliably between the land and building elements, and therefore the entire lease is accounted for as properties and buildings.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20 LEASES

### The Group as a lessee

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

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

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

	Properties and buildings RMB ' 000	Land use rights RMB ' 000	Total RMB ' 000
<b>Cost</b>			
As at 1 January 2024	1,825,779	1,292,056	3,117,835
Additions	449,031	–	449,031
Disposals/write-off	(383,919)	–	(383,919)
Transfers during the year	–	(17,926)	(17,926)
Effect of foreign currency exchange differences	5,519	–	5,519
As at 31 December 2024	<u>1,896,410</u>	<u>1,274,130</u>	<u>3,170,540</u>
<b>Accumulated depreciation and impairment</b>			
As at 1 January 2024	877,843	215,147	1,092,990
Charge for the year	359,010	29,261	388,271
Disposals/write-off	(307,568)	–	(307,568)
Transfers during the year	–	(5,658)	(5,658)
Effect of foreign currency exchange differences	3,377	–	3,377
As at 31 December 2024	<u>932,662</u>	<u>238,750</u>	<u>1,171,412</u>
<b>Net carrying amount</b>			
As at 31 December 2024	<u><u>963,748</u></u>	<u><u>1,035,380</u></u>	<u><u>1,999,128</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20 LEASES – continued

### The Group as a lessee – continued

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

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20 LEASES – continued

### The Group as a lessee – continued

#### (2) Lease liabilities

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Properties and buildings</b>		
Current	<b>311,310</b>	307,699
Non-current	<b>688,243</b>	662,484
Total	<b>999,553</b>	970,183

Details of the maturity analysis of lease liabilities are disclosed in Note 69.

#### (3) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 RMB' 000	2023 RMB' 000
Depreciation of right-of-use assets	<b>388,271</b>	371,699
Expense relating to short-term leases (included in other operating expenses)	<b>23,745</b>	18,636
Interest on lease liabilities	<b>41,310</b>	35,464
Total amount recognised in profit or loss	<b>453,326</b>	425,799

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 21. INVESTMENT PROPERTIES

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Cost</b>		
At the beginning of the year	307,513	268,752
Additions	–	6,852
Disposals/written-off	(15,176)	–
Transfers during the year	75,091	31,909
At the end of the year	<u>367,428</u>	<u>307,513</u>
<b>Accumulated depreciation</b>		
At the beginning of the year	108,356	81,319
Charge for the year	13,128	10,211
Eliminate on disposals/written-off	(7,196)	–
Transfers during the year	10,163	16,826
At the end of the year	<u>124,451</u>	<u>108,356</u>
<b>Net carrying amount</b>		
At the end of the year	<u>242,977</u>	<u>199,157</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 22. GOODWILL

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Cost</b>		
Unit A – securities brokerage branches	76,574	76,574
Unit B – GF Financial Markets (UK) Limited	2,352	2,318
Subtotal	<u>78,926</u>	<u>78,892</u>
<b>Addition</b>		
Unit B – effect of foreign currency exchange differences	<u>51</u>	<u>34</u>
<b>Accumulated impairment losses</b>		
Unit A – securities brokerage branches	76,574	76,574
Unit B – GF Financial Markets (UK) Limited	–	–
Subtotal	<u>76,574</u>	<u>76,574</u>
<b>Net carrying amount</b>		
Unit A – securities brokerage branches	–	–
Unit B – GF Financial Markets (UK) Limited	2,403	2,352
At the end of the year	<u>2,403</u>	<u>2,352</u>

Unit A is the securities brokerage CGU acquired, the acquisition cost of which exceeds the fair value of the net identifiable assets. The commercial registration of these securities brokerage branches in the prior year was changed. As the CGU no longer generated future cash flows, Unit A was fully impaired in the prior year.

Unit B is the CGU of GF Financial Markets (UK) Limited by GF Futures (Hong Kong) Co., Limited, a wholly-owned subsidiary of the Company. As at 31 December 2024, the management of the Group determined that there was no impairment of the CGU as the recoverable amount of the CGU exceeded its carrying amount.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 23. OTHER INTANGIBLE ASSETS

	Trading seats RMB' 000	Computer software RMB' 000	Others RMB' 000	Total RMB' 000
<b>Cost</b>				
As at 1 January 2023	76,022	1,257,939	1,977	1,335,938
Additions	–	231,469	–	231,469
Disposals/write-off	(3,200)	(4,795)	–	(7,995)
Effect of foreign currency exchange differences	11	743	–	754
As at 31 December 2023	72,833	1,485,356	1,977	1,560,166
Additions	–	<b>171,995</b>	<b>599</b>	<b>172,594</b>
Disposals/write-off	–	<b>(11,330)</b>	–	<b>(11,330)</b>
Effect of foreign currency exchange differences and others	<b>17</b>	<b>28,836</b>	–	<b>28,853</b>
As at 31 December 2024	<b>72,850</b>	<b>1,674,857</b>	<b>2,576</b>	<b>1,750,283</b>
<b>Accumulated amortisation and impairment</b>				
As at 1 January 2023	73,765	823,576	769	898,110
Charge for the year	–	146,182	1	146,183
Disposals/write-off	(1,800)	(2,874)	–	(4,674)
Effect of foreign currency exchange differences	–	475	–	475
Impairment loss recognised in the year	50	–	–	50
As at 31 December 2023	72,015	967,359	770	1,040,144
Charge for the year	–	<b>176,647</b>	<b>1,068</b>	<b>177,715</b>
Disposals/write-off	–	<b>(11,200)</b>	–	<b>(11,200)</b>
Effect of foreign currency exchange differences and others	–	<b>28,491</b>	–	<b>28,491</b>
Impairment loss recognised in the year	<b>21</b>	–	–	<b>21</b>
As at 31 December 2024	<b>72,036</b>	<b>1,161,297</b>	<b>1,838</b>	<b>1,235,171</b>
<b>Net carrying amount</b>				
As at 31 December 2024	<b>814</b>	<b>513,560</b>	<b>738</b>	<b>515,112</b>
As at 31 December 2023	818	517,997	1,207	520,022

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 24. INVESTMENTS IN ASSOCIATES

	As at 31.12.2024 RMB '000	As at 31.12.2023 RMB '000
Cost of investments in associates	4,264,412	3,025,098
Share of post-acquisition profits and other comprehensive income, net of dividends received	4,644,753	4,218,273
	<u>8,909,165</u>	<u>7,243,371</u>
Investment in an associate at fair value through profit or loss (Note)	2,839	5,939
	<u>8,912,004</u>	<u>7,249,310</u>

Note: The Group elects to measure its investment in GEJIA Corporation of RMB2.84 million (31 December 2023: RMB5.94 million) held through GF Beacon Capital Management Limited, a venture capital organisation and an indirectly wholly-owned subsidiary, at fair value through profit or loss as management measured the performance of this associate on a fair value basis as at 31 December 2024. The valuation determinations, including valuation techniques, key inputs and fair value information, for the associate measured at fair value through profit or loss are set out in note 70.

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

Name of associate	Place and date of establishment	Equity interest held by the Group		Principal activities
		As at 31.12.2024	As at 31.12.2023	
易方達基金管理有限公司 E Fund Management Co., Limited ("E Fund")	PRC 17 April 2001	22.65%	22.65%	Publicly offered securities investment fund management, fund sale, asset management for specific customers

### Summarised financial information of the material associate

Summarised financial information of the Group's material associate is set out below. The summarised financial information below represents the amounts shown in the associate's financial statements prepared in accordance with IFRS Accounting Standards.

The associate is accounted for using the equity method in the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 24. INVESTMENTS IN ASSOCIATES – continued

### Summarised financial information of the material associate – continued

#### E Fund

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
Total assets	<u>29,760,116</u>	<u>25,363,554</u>
Total liabilities	<u>10,476,259</u>	<u>8,793,561</u>
Net assets	<u>19,283,857</u>	<u>16,569,993</u>
	2024 RMB' 000	2023 RMB' 000
Total revenue	<u>12,389,191</u>	12,421,592
Profit for the year	<u>3,900,483</u>	3,381,924
Other comprehensive income	<u>5,359</u>	5,254
Total comprehensive income	<u>3,905,842</u>	<u>3,387,178</u>
Dividend received from the associate during the year	<u>270,000</u>	<u>330,000</u>

The reconciliation of the above summarised financial information to the carrying amount of the interest in E Fund recognised in the consolidated financial statements:

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
Net assets attributable to equity holders of the associate	<u>19,277,632</u>	16,547,338
Proportion of the Group's ownership interest	<u>22.65%</u>	22.65%
Proportion of equity interest held by the Group	<u>4,366,384</u>	3,747,972
Other adjustments	<u>(3,967)</u>	(2,552)
Carrying amount of the Group's interest	<u>4,362,417</u>	<u>3,745,420</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 24. INVESTMENTS IN ASSOCIATES – continued

### Aggregate information of associates that are not individually material

	2024 RMB' 000	2023 RMB' 000
The Group's share of profits	(122,150)	13,574
The Group's share of other comprehensive income	(4)	–
The Group's share of total comprehensive income	<u>(122,154)</u>	<u>13,574</u>
	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
Aggregate carrying amount of the Group's interests in these associates	<u>4,549,587</u>	<u>3,503,890</u>

## 25. INVESTMENTS IN JOINT VENTURES

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
Cost of investments in joint ventures	2,409,865	2,392,504
Share of post-acquisition profits and other comprehensive income, net of dividends received	<u>(312,111)</u>	<u>(410,603)</u>
	<u>2,097,754</u>	<u>1,981,901</u>

### Aggregate information of joint ventures that are not individually material

	2024 RMB' 000	2023 RMB' 000
The Group's share of profit	22,020	(64,690)
The Group's share of total comprehensive income	<u>22,020</u>	<u>(64,690)</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 26. INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

Unconsolidated structured entities managed or held by the Group mainly include investment funds, asset management plans, etc. The objectives of the structured entities are to manage investors' assets and to collect management fees, and they are financed through the issue of investment products to investors. The interests held by the Group in these unconsolidated structured entities mainly involve the investments held by the Group or management fees and performance fees collected from managing structured entities.

At the end of 2024, the net assets of the unconsolidated structured entities which were sponsored and whose financial interest held by the Group were RMB778,313.80 million. The carrying amounts of the interests held by the Group were RMB12,067.28 million, which were classified as financial assets at fair value through profit or loss and equity instruments at fair value through other comprehensive income in the consolidated statement of financial position. The carrying amounts are approximate to the maximum loss exposure.

At the end of 2024, the carrying amounts of the interests held by the Group from unconsolidated structured entities sponsored by third parties were RMB82,041.17 million, of which RMB81,374.45 million were classified as financial assets at fair value through profit or loss, RMB664.54 million were classified as equity instruments at fair value through other comprehensive income and RMB2.18 million were classified as debt instruments at amortised cost in the consolidated statement of financial position. The carrying amounts are approximate to the maximum loss exposure.

During the year, the management fee income earned from the unconsolidated structured entities managed by the Group in which the Group held no interests was RMB4,028.66 million (2023: RMB4,907.61 million).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 27. DEBT INSTRUMENTS AT AMORTISED COST

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
<b>Non-current</b>		
Debt securities	–	74,393
Others	<b>290,657</b>	318,884
Less: Allowance for ECLs	<b>285,566</b>	291,793
	<b>5,091</b>	101,484
<b>Analysed as:</b>		
Unlisted	<b>5,091</b>	101,484
<b>Current</b>		
Debt securities	<b>15,934</b>	20,325
Entrusted loans	<b>14,510</b>	14,506
Others	<b>186,515</b>	178,827
Less: Allowance for ECLs	<b>186,405</b>	185,431
	<b>30,554</b>	28,227
<b>Analysed as:</b>		
Unlisted	<b>30,554</b>	28,227
Total	<b>35,645</b>	129,711

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 27. DEBT INSTRUMENTS AT AMORTISED COST – continued

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
At the beginning of the year	477,224	488,802
Charge for the year <sup>(i)</sup>	4,650	48,019
Reversal	(9,905)	(13,580)
Amounts written off as uncollectible	–	(46,685)
Effect of foreign currency exchange differences	2	668
At the end of the year	<u>471,971</u>	<u>477,224</u>

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

Analysis of the stages of allowance for ECLs:

	Stage 1 RMB' 000	Stage 2 RMB' 000	Stage 3 RMB' 000	Total RMB' 000
As at 31 December 2024	<u>–</u>	<u>–</u>	<u>471,971</u>	<u>471,971</u>
As at 31 December 2023	<u>316</u>	<u>–</u>	<u>476,908</u>	<u>477,224</u>

In the current year, the debt instruments at amortised cost were not transferred among stages.

Debt securities are analysed by external rating as follows:

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
External rating grade		
AAA	15,934	36,151
AA+ ~A-	–	45,515
Unrated	–	12,736
Total	<u>15,934</u>	<u>94,402</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Current</b>		
Debt securities	<b>104,334,355</b>	139,295,121
<b>Analysed as:</b>		
Listed outside Hong Kong <sup>(i)</sup>	<b>30,401,390</b>	49,359,624
Unlisted	<b>73,932,965</b>	89,935,497
	<b>104,334,355</b>	139,295,121

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

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
At the beginning of the year	<b>359,297</b>	287,164
Charge for the year <sup>(ii)</sup>	<b>90,023</b>	176,058
Reversal	<b>(148,697)</b>	(104,497)
Effect of foreign currency exchange differences	<b>961</b>	572
At the end of the year	<b>301,584</b>	359,297

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

Analysis of the stages of allowance for ECLs:

	Stage 1 RMB' 000	Stage 2 RMB' 000	Stage 3 RMB' 000	Total RMB' 000
As at 31 December 2024	<b>59,989</b>	–	<b>241,595</b>	<b>301,584</b>
As at 31 December 2023	166,302	–	192,995	359,297

In the current year, the debt instruments at fair value through other comprehensive income were not transferred among stages.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Debt securities are analysed by external rating as follows:

<b>External rating grade</b>	<b>As at 31.12.2024 RMB ' 000</b>	As at 31.12.2023 RMB ' 000
AAA	<b>41,904,629</b>	82,073,744
AA+ ~ A-	<b>2,796,995</b>	4,478,234
BBB+ ~ B-	<b>30,000</b>	85,533
Unrated <sup>(iii)</sup>	<b>59,602,731</b>	52,657,610
Total	<b>104,334,355</b>	139,295,121

(iii) Unrated bonds are mainly local government bonds, policy financial bonds and government bonds.

Fair values of the Group's debt instruments at fair value through other comprehensive income ("FVTOCI") are determined in the manner described in note 70.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
<b>Non-current</b>		
Equity securities	<b>13,223,124</b>	5,612,943
Perpetual bonds	<b>8,306,758</b>	–
Others	<b>787,893</b>	84,008
	<b><u>22,317,775</u></b>	<u>5,696,951</u>
<b>Analysed as:</b>		
Listed in Hong Kong	<b>8,825,986</b>	385,975
Listed outside Hong Kong <sup>(i)</sup>	<b>5,218,878</b>	5,228,999
Unlisted	<b>8,272,911</b>	81,977
Total	<b><u>22,317,775</u></b>	<u>5,696,951</u>

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

As at 31 December 2024, equity instruments at fair value through other comprehensive income (“FVTOCI”) included non-traded equity instruments held by the Group. As the equity instruments are not held for trading purposes, the Group has designated these investments as equity instruments at FVTOCI.

During the year ended 31 December 2024, as a result of the Group’s disposal of equity instruments at FVTOCI, the cumulative gain of RMB305.09 million was transferred from other comprehensive income to retained profits (2023: Cumulative loss of RMB4.49 million).

During the year ended 31 December 2024, the dividend income from equity instruments at fair value through other comprehensive income held by the Group is disclosed in note 8.

Fair values of the Group’s equity instruments at FVTOCI are determined in the manner described in note 70.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 30. ADVANCES TO CUSTOMERS

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Non-Current</b>		
Restricted equity incentive financing	20,389	–
Less: Allowance for ECLs	149	–
	<u>20,240</u>	<u>–</u>
<b>Current</b>		
Loans to margin clients	109,241,527	91,434,944
Restricted equity incentive financing	80,573	75,170
Less: Allowance for ECLs	402,414	402,216
	<u>108,919,686</u>	<u>91,107,898</u>
<b>Total</b>	<u>108,939,926</u>	<u>91,107,898</u>

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
At the beginning of the year	402,216	417,233
Charge for the year <sup>(i)</sup>	54,251	59,922
Reversal	(59,448)	(78,624)
Effect of foreign currency exchange differences	5,544	3,685
At the end of the year	<u>402,563</u>	<u>402,216</u>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 30. ADVANCES TO CUSTOMERS – *continued*

Analysis of the stages of allowance for ECLs:

	Stage 1	Stage 2	Stage 3	Total
	RMB' 000	RMB' 000	RMB' 000	RMB' 000
As at 31 December 2024	<u>127,438</u>	<u>6,016</u>	<u>269,109</u>	<u>402,563</u>
As at 31 December 2023	<u>129,191</u>	<u>3,510</u>	<u>269,515</u>	<u>402,216</u>

In the current year, advances to customers with gross carrying amount of RMB891.78 million was transferred from Stage 1 to Stage 2, with the corresponding impairment allowance of RMB0.65 million at the beginning of the year being transferred. Other transfers among stages were not significant.

The credit facility limits to margin clients and restricted equity incentive financing clients are determined by the discounted market value of the collateral securities accepted by the Group.

Loans to margin clients and restricted equity incentive financing clients which are secured by the underlying pledged securities and cash collateral as disclosed in note 48 are interest-bearing. The Group maintains a list of approved stocks at a specified loan-to-collateral ratio. Any excess in the lending ratio will trigger a margin call where the customers have to make up the difference.

Advances to customers as at 31 December 2024 were secured by the customers' securities and cash collateral, which were pledged to the Group as collateral with an undiscounted market value of approximately RMB298,303.07 million (31 December 2023: RMB255,867.57 million).

As at 31 December 2024 and 2023, the overall advances to customers have been assessed for impairment using a forward-looking approach in accordance with the policies as set out in note 3.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. ACCOUNTS RECEIVABLE

Accounts receivable from/related to:

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Current</b>		
Commission and fee	1,652,476	1,485,432
Brokers	1,442,527	2,325,754
Cash clients	361,862	198,142
Clearing house	32,144	6,471
Deposits for OTC business	4,221,336	5,779,612
Others	1,172,758	1,539,201
Less: Allowance for ECLs	278,701	289,169
	<b>8,604,402</b>	<b>11,045,443</b>

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Current</b>		
Within 1 year	8,421,456	10,830,266
Between 1 and 2 years	58,166	72,916
Between 2 and 3 years	24,074	17,667
More than 3 years	100,706	124,594
	<b>8,604,402</b>	<b>11,045,443</b>

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
At the beginning of the year	289,169	229,400
Charge for the year <sup>(i)</sup>	52,838	68,556
Reversal	(26,937)	(9,293)
Amounts written off as uncollectible	(40,337)	(127)
Effect of foreign currency exchange differences	3,968	633
At the end of the year	<b>278,701</b>	<b>289,169</b>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
<b>Non-Current</b>		
Investment prepayments	<u><b>12,000</b></u>	<u>-</u>
<b>Current</b>		
Investment prepayments	<b>114,641</b>	320,350
Receivables arising from sale and leaseback arrangements <sup>(i)</sup>	<b>41,641</b>	41,604
Other receivables	<b>696,993</b>	1,108,960
Others	<b>252,083</b>	221,835
Less: Allowance for impairment	<u><b>121,529</b></u>	<u>125,261</u>
	<u><b>983,829</b></u>	<u>1,567,488</u>
Total	<u><b>995,829</b></u>	<u>1,567,488</u>

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

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
At the beginning of the year	<b>125,261</b>	114,992
Charge for the year <sup>(i)</sup>	<b>36,271</b>	12,084
Reversal	<b>(31,752)</b>	(1,781)
Amounts written off as uncollectible	<b>(8,263)</b>	(40)
Effect of foreign currency exchange differences	<u><b>12</b></u>	<u>6</u>
At the end of the year	<u><b>121,529</b></u>	<u>125,261</u>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

	As at 31 December 2024		As at 31 December 2023	
	Original value	Present value	Original value	Present value
	RMB ' 000	RMB ' 000	RMB ' 000	RMB ' 000
Minimum lease payments	<b>41,674</b>	<b>41,641</b>	41,637	41,604
Total	<b>41,674</b>	<b>41,641</b>	41,637	41,604
Less: Unrealised finance income	<b>33</b>	N/A	33	N/A
Balance of receivables arising from sale and leaseback arrangements	<b>41,641</b>	<b>41,641</b>	41,604	41,604
Less: Allowance for ECLs	<b>41,410</b>	<b>41,410</b>	40,728	40,728
Receivables arising from sale and leaseback arrangements, net	<b>231</b>	<b>231</b>	876	876

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

Movements of ECLs during the year are as follows:

	As at 31.12.2024 RMB ' 000	As at 31.12.2023 RMB ' 000
At the beginning of the year	<b>40,728</b>	39,492
Charge for the year <sup>(iii)</sup>	<b>682</b>	1,280
Reversal	–	(44)
At the end of the year	<b>41,410</b>	40,728

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

Analysis of the stages of allowance for ECLs:

	Stage 1 RMB' 000	Stage 2 RMB' 000	Stage 3 RMB' 000	Total RMB' 000
As at 31 December 2024	–	–	<b>41,410</b>	<b>41,410</b>
As at 31 December 2023	–	–	40,728	40,728

In the current year, the receivables arising from sale and leaseback arrangements were not transferred between stages.

### 33. FINANCIAL LEASING RECEIVABLES

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
Analysed as:		
Current assets	<b>14,087</b>	39,305
	<b>14,087</b>	39,305

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

	As at 31 December 2024		As at 31 December 2023	
	Original value RMB' 000	Present value RMB' 000	Original value RMB' 000	Present value RMB' 000
Minimum lease payments	<b>544,575</b>	<b>543,517</b>	597,742	596,574
Total	<b>544,575</b>	<b>543,517</b>	597,742	596,574
Less: Unrealised finance income	<b>1,058</b>	N/A	1,168	N/A
Balance of financial leasing receivables	<b>543,517</b>	<b>543,517</b>	596,574	596,574
Less: Allowance for ECLs	<b>529,430</b>	<b>529,430</b>	557,269	557,269
Financial leasing receivables, net	<b>14,087</b>	<b>14,087</b>	39,305	39,305

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 33. FINANCIAL LEASING RECEIVABLES – continued

Movements of ECLs during the year are as follows:

	<b>As at 31.12.2024 RMB' 000</b>	As at 31.12.2023 RMB' 000
At the beginning of the year	557,269	580,952
Charge for the year <sup>(i)</sup>	146	29,262
Reversal	<u>(27,985)</u>	<u>(52,945)</u>
At the end of the year	<u><b>529,430</b></u>	<u>557,269</u>

(i) Charge for the year comprises the impairment losses from new and existing financial leasing receivables, model/risk parameter adjustments, etc.

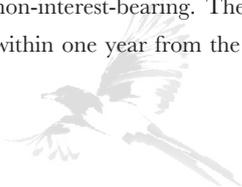
Analysis of the stages of allowance for ECLs:

	<b>Stage 1</b> RMB' 000	<b>Stage 2</b> RMB' 000	<b>Stage 3</b> RMB' 000	<b>Total</b> RMB' 000
As at 31 December 2024	<u>–</u>	<u>–</u>	<u><b>529,430</b></u>	<u><b>529,430</b></u>
As at 31 December 2023	<u>–</u>	<u>–</u>	<u>557,269</u>	<u>557,269</u>

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

## 34. AMOUNTS DUE FROM JOINT VENTURES AND ASSOCIATES

As at 31 December 2024, amounts due from joint ventures and associates are unsecured, repayable on demand, and non-interest-bearing. The Group expected that the amounts due from joint ventures and associates can be recovered within one year from the end of the year.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 35. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

	As at <b>31.12.2024</b> <b>RMB' 000</b>	As at 31.12.2023 RMB' 000
<b>Non-current</b>		
Analysed by collateral type:		
Stocks <sup>(ii)</sup>	–	20,000
Less: Allowance for ECLs	–	153
	<u>–</u>	<u>19,847</u>
Analysed by market:		
Stock exchanges	–	19,847
	<u>–</u>	<u>19,847</u>
<b>Current</b>		
Analysed by collateral type:		
Bonds <sup>(i)</sup>	<b>11,605,744</b>	7,906,700
Stocks <sup>(ii)</sup>	<b>9,543,113</b>	12,371,014
Less: Allowance for ECLs	<b>583,613</b>	576,660
	<u><b>20,565,244</b></u>	<u>19,701,054</u>
Analysed by market:		
Stock exchanges	<b>9,052,231</b>	11,809,285
Over the counter	<b>7,548,956</b>	2,425,831
Interbank bond market	<b>3,964,057</b>	5,465,938
	<u><b>20,565,244</b></u>	<u>19,701,054</u>
<b>Total</b>	<u><b>20,565,244</b></u>	<u>19,720,901</u>

(i) The financial assets (pledged by bonds) held under resale agreements are mainly for inter-bank pledged resale agreements and inter-bank outright resale agreements, and the fair value of collateral collected and underlying assets transferred to Group amounted to RMB20,865.12 million as at 31 December 2024 (31 December 2023: RMB11,148.02 million).

(ii) The financial assets (pledged by stocks) held under resale agreements are those resale agreements which qualified investors entered into with the Group with a commitment to purchase the specified securities at a future date with an agreed price. The fair value of the stock collateral amounted to RMB28,876.79 million as at 31 December 2024 (31 December 2023: RMB32,156.97 million).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
At the beginning of the year	576,813	611,153
Charge for the year <sup>(iii)</sup>	134,906	142,541
Reversal	<u>(128,106)</u>	<u>(176,881)</u>
At the end of the year	<u>583,613</u>	<u>576,813</u>

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

Analysis of the stages of allowance for ECLs:

	Stage 1 RMB' 000	Stage 2 RMB' 000	Stage 3 RMB' 000	Total RMB' 000
As at 31 December 2024	<u>131,832</u>	<u>8,173</u>	<u>443,608</u>	<u>583,613</u>
As at 31 December 2023	<u>171,364</u>	<u>–</u>	<u>405,449</u>	<u>576,813</u>

In the current year, the carrying value at original cost transferred from Stage 1 to Stage 2 is RMB242.34 million, with the corresponding impairment provision of RMB1.86 million at the beginning of the year being transferred. The carrying value at original cost transferred from Stage 1 to Stage 3 is RMB450.65 million, with the corresponding impairment provision of RMB3.46 million at the beginning of the year being transferred. There are no other stage transfers.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Non-current</b>		
At fair value through profit or loss <sup>(i)</sup> :		
Equity securities	8,491,893	9,693,808
Mutual funds	–	168,606
Asset management schemes launched by securities companies <sup>(ii),(iii)</sup>	67,689	165,039
Other investments <sup>(iii)</sup>	284,965	38,597
	<u>8,844,547</u>	<u>10,066,050</u>
Analysed as:		
Unlisted <sup>(v)</sup>	<u>8,844,547</u>	<u>10,066,050</u>
	<u>8,844,547</u>	<u>10,066,050</u>
<b>Current</b>		
At fair value through profit or loss <sup>(i)</sup> :		
Debt securities	110,399,056	68,954,833
Equity securities	30,024,550	37,444,390
Mutual funds	56,774,373	66,396,379
Asset management schemes launched by securities companies <sup>(ii),(iii)</sup>	1,592,483	2,407,375
Collective trusts	8,584	6,933
Wealth management products launched by banks <sup>(iii)</sup>	6,797,337	4,055,580
Other investments <sup>(iii)</sup>	28,380,467	26,736,871
	<u>233,976,850</u>	<u>206,002,361</u>
Analysed as:		
Listed in Hong Kong	5,396,213	2,642,033
Listed outside Hong Kong <sup>(iv)</sup>	54,560,484	65,501,070
Unlisted <sup>(v)</sup>	<u>174,020,153</u>	<u>137,859,258</u>
	<u>233,976,850</u>	<u>206,002,361</u>
Total	<u>242,821,397</u>	<u>216,068,411</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

- (i) During the year, the Group classified the following financial assets at fair value through profit or loss: debt instruments that do not qualify for measurement at either amortised cost or FVTOCI; equity instruments that are held for trading, and equity instruments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income.
- (ii) The Group has committed to hold some of its investments in asset management schemes managed by the Group for specified periods due to contractual or regulatory requirements, the amount of which was RMB26.40 million as at 31 December 2024 (31 December 2023: RMB15.24 million).
- (iii) These investments include asset management schemes and other products launched and managed by the Group and other financial institutions. The Group's interests in these asset management schemes managed by the Group are not individually significant.
- (iv) Securities and funds traded on the Shanghai Stock Exchange and the Shenzhen Stock Exchange are included in the "Listed outside Hong Kong" category.
- (v) Unlisted securities mainly comprise unlisted funds, debt securities traded on the Interbank Bond Market, unlisted equity instruments, convertible debt instruments, convertible preference shares and asset management schemes and other products launched by financial institutions.

As at 31 December 2024, the equity securities of the Group included restricted shares of approximately RMB316.42 million (31 December 2023: RMB1,410.06 million). The restricted shares are listed with a legally enforceable restriction on these securities that prevents the Group to dispose of them within the specified period.

As at 31 December 2024, the Group has entered into securities lending arrangements with clients that resulted in the transfer of financial assets at fair value through profit or loss ("FVTPL") (including equity securities and exchange traded funds) to clients, with a fair value amounted to RMB257.13 million (31 December 2023: RMB831.93 million) to clients. The Group continued to recognize these financial assets.

Fair value of the Group's financial assets at fair value through profit or loss is determined in the manner described in note 70.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 37. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31.12.2024			As at 31.12.2023		
	Notional	Assets	Liabilities	Notional	Assets	Liabilities
	amounts			amounts		
	RMB ' 000	RMB ' 000	RMB ' 000	RMB ' 000	RMB ' 000	RMB ' 000
<b>Non-hedging instruments</b>						
– Interest rate derivatives						
– Interest rate swaps <sup>(i)</sup>	1,633,924,533	13,421	9,747	845,454,270	12,625	15,457
– Interest rate options	8,000,000	–	156	1,000,000	–	9,990
– Treasury bond futures <sup>(i)</sup>	9,255,512	–	16,105	13,708,410	8,528	–
– Currency derivatives						
– Currency swaps	232,240	217	–	85,397	2,206	–
– Currency forward	18,732,263	196,530	202,158	5,357,132	19,052	42,445
– Currency futures	222,699	1,153	–	1,610,042	1,725	324
– Equity derivatives						
– Stock index futures <sup>(i)</sup>	31,934,059	16,120	39,508	30,144,347	82,050	2,753
– Exchange-traded options	25,960,373	476,734	694,922	20,606,691	149,240	484,916
– Over-the-counter equity derivatives transactions	120,224,914	2,935,442	4,324,144	135,436,561	3,810,493	3,822,956
– Credit derivatives						
– Credit risk mitigation warrants	50,000	–	2,857	50,000	–	533
– Credit default swaps	1,100,000	881	2	–	–	–
– Others						
– Commodity futures <sup>(i)</sup>	12,641,812	18,311	11,332	10,791,364	259	22,972
– Others	47,896,832	220,638	1,456,823	44,744,605	947,903	298,580
<b>Hedging instruments<sup>(ii)</sup></b>						
– Others						
– Commodity futures <sup>(i)</sup>	107,440	–	–	–	–	–
<b>Total</b>	<b>1,910,282,677</b>	<b>3,879,447</b>	<b>6,757,754</b>	<b>1,108,988,819</b>	<b>5,034,081</b>	<b>4,700,926</b>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 37. DERIVATIVE FINANCIAL INSTRUMENTS – continued

(ii) Hedging instruments

(a) Fair value hedges

Fair value hedges are used by the Group to protect against changes in the fair value of spot commodities due to fluctuations in market prices. Commodity futures are used to hedge the price risk of certain spot commodities.

The Group's net gains/(losses) on fair value hedges are as follows:

	2024 RMB' 000
Net gains/(losses)	
– Hedging instruments	5,809
– Hedged item	<u>(1,599)</u>

The gain arising from the ineffective portion of hedging recognised in net investment gains were RMB4.21 million in 2024 (2023: Nil).

The analysis on the notional amounts of the items designated as hedging instruments in fair value hedges by tenure is presented as follows:

	Less than 6 months RMB' 000	6 months to 1 year RMB' 000	More than 1 year RMB' 000	Total RMB' 000
As at 31.12.2024	<u>107,440</u>	–	–	<u>107,440</u>

In 2023, the Group had no hedging instruments in fair value hedges.

The following table sets out the details of the hedged items covered by the Group's fair value hedging strategies:

	As at 31.12.2024				Line item in the statement of financial position
	Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items		
	Assets RMB' 000	Liabilities RMB' 000	Assets RMB' 000	Liabilities RMB' 000	
Spot commodities	<u>107,400</u>	–	<u>(4,993)</u>	–	Other accounts receivable, other receivables and prepayments

In 2023, the Group had no hedged items in fair value hedges.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
Trading deposits	<b>21,710,233</b>	20,038,797
Credit deposits	<b>77,188</b>	69,385
Performance deposits	<b>894,568</b>	1,144,619
Total	<b><u>22,681,989</u></b>	<u>21,252,801</u>

## 39. CLEARING SETTLEMENT FUNDS

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
Clearing settlement funds held with clearing houses for:		
House accounts	<b>9,603,467</b>	4,862,681
Clients	<b>25,584,775</b>	29,647,708
	<b><u>35,188,242</u></b>	<u>34,510,389</u>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 40. BANK BALANCES

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
Bank balances:		
House accounts	30,027,200	23,976,538
Cash held on behalf of customers <sup>(i)</sup>	139,368,429	94,838,673
	<u>169,395,629</u>	<u>118,815,211</u>

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

As at 31 December 2024, the Group's bank balances with restricted rights of use is detailed in Note 43.

- (i) The Group maintains accounts with banks to hold customers' deposits arising from normal business transactions. The Group had recognised the corresponding amount in accounts payable to brokerage clients (note 48).

## 41. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
Bank balances – house accounts	22,638,911	16,882,222
Clearing settlement funds – house accounts	9,599,282	4,859,139
	<u>32,238,193</u>	<u>21,741,361</u>

## 42. DEFERRED TAX

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
Deferred tax assets	1,855,661	2,562,495
Deferred tax liabilities	(149,424)	(449,045)
	<u>1,706,237</u>	<u>2,113,450</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 42. DEFERRED TAX – *continued*

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the current and prior years:

	Financial instruments at fair value through profit or loss/ derivatives RMB ' 000	Financial instruments at fair value through other comprehensive income RMB ' 000	Accrued staff costs RMB ' 000	Allowance for impairment losses RMB ' 000	Property and equipment RMB ' 000	Others RMB ' 000	Total RMB ' 000
At 1 January 2023	59,537	(54,337)	1,579,801	523,870	(14,214)	(86,539)	2,008,118
Charge/(credit) to profit or loss (Note 17)	146,316	16,624	(65,348)	5,141	984	157,130	260,847
Charge/(credit) to other comprehensive income	(477)	(155,315)	—	2	—	275	(155,515)
At 31 December 2023	<u>205,376</u>	<u>(193,028)</u>	<u>1,514,453</u>	<u>529,013</u>	<u>(13,230)</u>	<u>70,866</u>	<u>2,113,450</u>
Charge/(credit) to profit or loss (Note 17)	<b>(93,750)</b>	<b>(14,943)</b>	<b>154,869</b>	<b>(9,467)</b>	<b>984</b>	<b>232,416</b>	<b>270,109</b>
Charge/(credit) to other comprehensive income	<b>(5,135)</b>	<b>(776,014)</b>	<b>—</b>	<b>5</b>	<b>—</b>	<b>3,623</b>	<b>(777,521)</b>
Other additions	<b>—</b>	<b>100,199</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>100,199</b>
At 31 December 2024	<u><b>106,491</b></u>	<u><b>(883,786)</b></u>	<u><b>1,669,322</b></u>	<u><b>519,551</b></u>	<u><b>(12,246)</b></u>	<u><b>306,905</b></u>	<u><b>1,706,237</b></u>

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes, if any, and the taxes are to be levied by the same tax authority, and of the same taxable entity.

As at 31 December 2024, the Group has unused tax losses of approximately RMB4,459.85 million (31 December 2023: RMB2,211.27 million) available for offset against future profits. No deferred tax asset has been recognised in respect of estimated tax losses due to the unpredictability of future profit streams. Most of these tax losses may be carried forward indefinitely.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 43. RESTRICTED ASSET RIGHTS

	As at 31.12.2024 RMB' 000	Reason of restrictions
Bank balances	6,791,110	Risk reserves, etc
Financial assets at fair value through profit or loss	85,100,357	Security for repurchase, margin financing and securities lending, bond lending, due to banks and other financial institutions and deposits for futures business
Equity instruments at fair value through other comprehensive income	100,929	Deposits for refinancing business
Debt instruments at fair value through other comprehensive income	84,428,098	Security for repurchase, bond lending, due to banks and other financial institutions and deposits for refinancing business and futures business
Others	<u>300,000</u>	Frozen for litigation
Total	<u><u>176,720,494</u></u>	

## 44. BORROWINGS

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
Secured short-term loans	—	629,628
Unsecured short-term loans <sup>(i)</sup>	<u>4,324,296</u>	<u>6,208,421</u>
Total	<u><u>4,324,296</u></u>	<u><u>6,838,049</u></u>

- (i) As at 31 December 2024, the Group's unsecured short-term bank loans bear interest rates ranging from 3.00% to 5.96% (31 December 2023: 6.00% to 7.17%) per annum.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 45. SHORT-TERM FINANCING PAYABLES

	As at <b>31.12.2024</b> <b>RMB' 000</b>	As at 31.12.2023 RMB' 000
Short-term financing bills	–	10,138,526
Corporate bonds (Note 1)	<b>41,189,718</b>	18,203,447
Structured notes (Note 2)	<b>30,793,801</b>	17,021,315
Total	<b>71,983,519</b>	45,363,288

Note 1: Corporate bonds

The details of corporate bonds as at 31 December 2024 are as follows:

Name	Par Value RMB' 000	Value date	Maturity date	Coupon rate
24GFD5	2,000,000	2024/06/18	2025/01/16	2.00%
24GFD6	4,000,000	2024/06/24	2025/01/14	1.98%
24GFD7	3,000,000	2024/07/11	2025/02/27	1.99%
24GFD8	3,000,000	2024/07/26	2025/03/13	1.95%
24GFD9	3,500,000	2024/09/27	2025/01/22	1.84%
24GFD10	1,500,000	2024/09/27	2025/02/26	1.85%
24GFD11	2,000,000	2024/10/14	2025/04/10	2.09%
24GFD12	2,500,000	2024/10/21	2025/05/19	1.95%
24GFD13	4,000,000	2024/10/21	2025/06/16	1.95%
24GFD14	4,500,000	2024/11/21	2025/05/14	1.88%
24GFD15	5,000,000	2024/11/29	2025/06/19	1.90%
24GFD16	6,000,000	2024/12/12	2025/03/12	1.74%

Note 2: Structured notes

The amount represents principals received from investors for subscription of structured notes issued by the Group and accrued interest. As at 31 December 2024, the undue structured notes bear interest at fixed rates ranging from 1.60% to 6.10% per annum (31 December 2023: 2.05% to 6.80%) or variable rates linked to certain underlying assets. The structured notes with variable rates contain non-closely related embedded derivatives linked to the fluctuation of underlying assets. Those embedded derivatives are presented as derivative financial instruments separately.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Non-current</b>		
Financial liabilities designated at fair value through profit or loss:		
Structured notes	462,946	502,393
Others	81,469	–
	<u>544,415</u>	<u>502,393</u>
<b>Current</b>		
Financial liabilities at fair value through profit or loss:		
Bonds	4,046,908	233,749
Stocks	472,857	176,412
Funds	550	–
Financial liabilities designated at fair value through profit or loss:		
Structured notes	3,140,801	15,358,616
	<u>7,661,116</u>	<u>15,768,777</u>
Total	<u>8,205,531</u>	<u>16,271,170</u>

As at 31 December 2024, the fair value of the Group's financial liabilities designated at fair value through profit or loss had no significant change related to the changes in the credit risk of the Group.

Fair values of the Group's financial liabilities at fair value through profit or loss are determined in the manner described in note 70.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 47. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at <b>31.12.2024</b> RMB '000	As at 31.12.2023 RMB '000
Due to banks and other financial institutions	<b><u>14,605,858</u></b>	<u>22,653,003</u>

As at 31 December 2024, the effective interest rates on amounts due to banks ranged from 1.00% to 2.12% (31 December 2023: 2.02% to 3.20%) per annum.

## 48. ACCOUNTS PAYABLE TO BROKERAGE CLIENTS

The majority of the accounts payable to brokerage clients are repayable on demand except where certain balances represent margin deposits and cash collateral received from clients for their trading activities under the normal course of business. Only the excessive amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

The directors of the Company are of the opinion that the ageing analysis does not give additional value in view of the nature of these businesses. As a result, no ageing analysis is disclosed.

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

As at 31 December 2024, accounts payable to brokerage clients of approximately RMB13,408.16 million (31 December 2023: RMB7,961.35 million) were related to cash collateral received from clients for margin financing and securities lending arrangements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 49. ACCRUED STAFF COSTS

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Non-current</b>		
Other long-term benefits	<u>5,809,278</u>	<u>5,211,211</u>
<b>Current</b>		
Salaries, bonuses and allowances	4,265,359	4,001,154
Defined contribution plans <sup>(i)</sup>	210,942	166,494
Short-term social welfares	301	170
Others	<u>119,912</u>	<u>117,274</u>
	<u>4,596,514</u>	<u>4,285,092</u>
Total	<u><u>10,405,792</u></u>	<u><u>9,496,303</u></u>

- (i) The defined contribution plans refer to the social pension insurance plan and the unemployment insurance plan required by the government, and the annuity schemes launched by the Group. The Group participates in the social pension insurance plan and unemployment insurance plan pursuant to pertinent regulations and contributes to the funds set up by the Government on a monthly basis. Besides, the Group sets up the annuity schemes and Mandatory Provident Fund Scheme for qualified employees in Mainland China and Hong Kong and contributes to the schemes which are managed by third parties on an annual basis or on a monthly basis. Except for the amounts contributed, the Group will assume no further payment obligations. The amounts accrued have been paid in subsequent periods.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Current</b>		
Business margin payable to clients	<b>29,031,838</b>	33,420,817
Payables for open-ended fund clearing and other clearing	<b>1,571,766</b>	3,313,291
Commission payable and related accrued expenses for the the sale of products	<b>939,980</b>	856,369
Interest payables for the perpetual subordinated bonds	<b>905,190</b>	444,900
Other taxes	<b>516,377</b>	296,763
Accrued expenses	<b>454,846</b>	433,683
Futures risk reserve	<b>241,020</b>	216,868
Fund risk reserve	<b>136,030</b>	126,261
Payable for property and equipment purchases	<b>75,597</b>	139,767
Payables for securities investor protection fund and futures investor protection fund	<b>49,527</b>	26,610
Interest payable	<b>33,390</b>	64,616
Others <sup>(i)</sup>	<b>2,719,862</b>	3,912,365
Total	<b>36,675,423</b>	43,252,310

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 51. PROVISIONS

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
At the beginning of the year	446,850	439,511
Addition	753	19,162
Reduction	414,084	11,823
At the end of the year (Note)	<u>33,519</u>	<u>446,850</u>

Note: The Group has assessed provisions arising from legal litigations regularly. Based on advice of internal and external counsel, coupled with management's reassessment of the financial implications of these matters, the carrying amounts of related provisions were adjusted during the reporting period.

## 52. OTHER LIABILITIES

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Non-current</b>		
Third-party interests in consolidated structured entities	<u>590,355</u>	<u>737,920</u>
<b>Current</b>		
Third-party interests in consolidated structured entities	<u>571,210</u>	<u>599,972</u>
Total	<u>1,161,565</u>	<u>1,337,892</u>

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 53. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Current</b>		
Analysed by collateral type:		
Bonds <sup>(i)</sup>	156,930,833	135,812,969
Gold <sup>(ii)</sup>	4,531,837	11,285,719
Others	9,851,282	6,650,114
	<u>171,313,952</u>	<u>153,748,802</u>
Analysed by market:		
Stock exchanges	33,314,729	38,725,129
Interbank bond market	117,582,975	97,950,736
Shanghai gold exchange	4,582,775	11,285,719
Over the counter	15,833,473	5,787,218
	<u>171,313,952</u>	<u>153,748,802</u>
Total	<u>171,313,952</u>	<u>153,748,802</u>

(i) As at 31 December 2024, included in the balance was an amount of RMB10,066.95 million (31 December 2023: RMB31,915.32 million), which was secured by the bonds borrowed, which were not recognised in the consolidated financial statements as the Group was not subject to any risk or return of the bonds, and the fair value of such bonds was RMB11,320.93 million (31 December 2023: RMB34,949.21 million).

(ii) As at 31 December 2024, the fair value of gold transferred, which was from leasing and was not recognised in the consolidated financial statements, was RMB5,262.69 million (31 December 2023: RMB11,893.83 million).

Repurchase agreements are transactions in which the Group sells a security and simultaneously agrees to repurchase it (or an asset that is substantially the same) at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of those securities sold. These securities are not derecognised from the consolidated financial statements but regarded as “collateral” for the liabilities because the Group retains substantially all the risks and rewards of these securities, and the carrying amount of assets transferred is disclosed in note 62.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 54. BONDS PAYABLE

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Non-current</b>		
Corporate bonds (Note 1)	65,283,986	49,863,816
Subordinated bonds (Note 1)	4,996,851	9,495,315
Structured notes (Note 2)	321,351	4,348,677
	<u>70,602,188</u>	<u>63,707,808</u>
<b>Current</b>		
Corporate bonds (Note 1)	20,349,834	31,998,483
Subordinated bonds (Note 1)	7,703,313	120,310
Structured notes (Note 2)	4,635,642	7,753,894
	<u>32,688,789</u>	<u>39,872,687</u>
Total	<u>103,290,977</u>	<u>103,580,495</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 54. BONDS PAYABLE – *continued*

Note 1: Details of the bonds as of 31 December 2024 are as follows:

Name	Par Value RMB ' 000	Value date	Maturity date	Coupon rate
<b>Corporate bonds</b>				
21GF04	1,000,000	2021/06/08	2026/06/08	3.68%
21GF06	4,500,000	2021/07/23	2026/07/23	3.45%
21GF07	1,500,000	2021/07/23	2031/07/23	3.77%
21GF11	2,000,000	2021/09/16	2026/09/16	3.50%
21GF12	2,000,000	2021/09/16	2031/09/16	3.90%
21GF20	3,500,000	2021/11/17	2026/11/17	3.50%
21GF21	1,000,000	2021/11/17	2031/11/17	3.85%
22GF01	3,400,000	2022/07/15	2025/07/15	2.85%
22GF02	2,000,000	2022/07/15	2027/07/15	3.24%
22GF03	600,000	2022/07/15	2032/07/15	3.70%
22GF04	2,500,000	2022/08/04	2025/08/04	2.59%
22GF05	3,000,000	2022/08/04	2027/08/04	3.03%
22GF06	1,500,000	2022/08/04	2032/08/04	3.59%
22GF07	800,000	2022/08/16	2025/08/16	2.68%
22GF08	2,500,000	2022/08/16	2027/08/16	3.12%
22GF09	1,200,000	2022/08/16	2032/08/16	3.60%
22GF10	1,000,000	2022/08/29	2025/08/29	2.60%
22GF11	1,000,000	2022/09/19	2025/09/19	2.55%
22GF12	500,000	2022/09/19	2027/09/19	2.95%
23GF01	3,800,000	2023/02/16	2025/02/16	3.20%
23GF02	500,000	2023/03/13	2025/03/13	3.23%
23GF03	2,000,000	2023/03/13	2026/03/13	3.30%
23GF04	3,500,000	2023/04/24	2026/04/24	3.06%
23GF05	1,000,000	2023/04/24	2028/04/24	3.21%
23GF06	1,500,000	2023/07/17	2026/07/17	2.75%
23GF09	2,100,000	2023/10/24	2026/10/24	3.00%
24GF01	2,600,000	2024/01/19	2027/01/19	2.75%
24GF02	2,000,000	2024/01/19	2029/01/19	2.93%
24GF03	1,400,000	2024/01/19	2034/01/19	3.07%
24GF04	1,700,000	2024/02/26	2027/02/26	2.56%
24GF05	1,300,000	2024/02/26	2029/02/26	2.70%
24GF06	2,900,000	2024/04/23	2027/04/23	2.30%
24GF07	3,000,000	2024/10/28	2025/11/13	2.05%
24GF08	2,400,000	2024/11/08	2026/11/08	2.14%
24GF09	1,200,000	2024/11/08	2027/11/08	2.20%
24GF10	3,300,000	2024/11/18	2025/12/03	1.98%
24GF11	800,000	2024/11/18	2026/04/10	2.09%
24GF12	2,800,000	2024/11/26	2026/11/26	2.07%
24GF13	2,200,000	2024/11/26	2027/11/26	2.14%
24GF14	5,000,000	2024/12/24	2026/06/28	1.80%
GF FH B2709	USD 300,000	2024/09/12	2027/09/12	SOFR+0.67%
<b>Subordinated bonds</b>				
20GFC2	2,500,000	2020/03/03	2025/03/03	3.80%
22GFC1	3,000,000	2022/10/17	2025/10/17	2.85%
22GFC2	500,000	2022/10/17	2027/10/17	3.20%
22GFC3	2,000,000	2022/11/14	2025/11/14	2.86%
22GFC4	500,000	2022/11/14	2027/11/14	3.20%
23GFC1	1,000,000	2023/08/25	2026/08/25	2.95%
24GFC1	3,000,000	2024/01/12	2027/01/12	2.90%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 54. BONDS PAYABLE – continued

Note 2: Structured notes

The amount represents principals received from investors for subscription of structured notes issued by the Group and accrued interest. As at 31 December 2024, the undue structured notes bear interest at fixed rates ranging from 1.95% to 3.40% per annum (31 December 2023: 2.38% to 3.40%) or variable rates linked to underlying assets. The structured notes with variable rates contain non-closely related embedded derivatives linked to the fluctuation of underlying assets. Those embedded derivatives are presented as derivative financial instruments separately.

## 55. SHARE CAPITAL

All shares issued by the Company are fully paid common shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

	As at 31.12.2024	As at 31.12.2023
Number of registered, issued and fully paid ordinary shares of RMB1 each (in thousands):		
Domestic shares	5,919,291	5,919,291
H shares	1,701,797	1,701,797
	<u>7,621,088</u>	<u>7,621,088</u>
Share capital (in RMB' 000)		
Domestic shares	5,919,291	5,919,291
H shares	1,701,797	1,701,797
Total	<u>7,621,088</u>	<u>7,621,088</u>

## 56. OTHER EQUITY INSTRUMENTS

  
Perpetual subordinated bonds

	As at 31.12.2024	As at 31.12.2023
	RMB' 000	RMB' 000
Perpetual subordinated bonds	<u>26,600,000</u>	<u>22,478,500</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 56. OTHER EQUITY INSTRUMENTS – *continued*

The details of perpetual subordinated bonds as at 31 December 2024 are as follows:

Issue date	Name	Par Value RMB' 000	Coupon rate
2021/09	21 GF Y1	1,000,000	3.95%
2022/06	22 GF Y1	2,700,000	3.75%
2022/07	22 GF Y2	5,000,000	3.53%
2022/08	22 GF Y3	2,300,000	3.48%
2023/03	23 GF Y1	500,000	4.20%
2023/04	23 GF Y2	3,000,000	4.10%
2023/05	23 GF Y3	5,000,000	3.78%
2023/06	23 GF Y4	3,000,000	3.73%
2024/01	24 GF Y1	2,000,000	3.15%
2024/11	24 GF Y2	2,100,000	2.50%

As approved by the CSRC, the Company issued ten batches of perpetual subordinated bonds. The Company has options to redeem the bonds at principal amounts plus any accrued interest (all deferred interest payments and accreted interest thereon included) on the fifth interest payment date or any interest payment date afterwards. The coupon rates for the perpetual subordinated bonds are fixed in the first 5 years. If the Company does not use the right of redemption, the coupon rates will be repriced every 5 years from the 6th year. The perpetual bonds “21 GF Y1”, “22 GF Y1”, “22 GF Y2”, “22 GF Y3”, “23 GF Y1”, “23 GF Y2”, “23 GF Y3”, “23 GF Y4”, and “24 GF Y1” shall reset their coupon rates based on the current benchmark rate plus the initial spread plus 300 basis points; and the perpetual bond “24 GF Y2” shall reset its coupon rate based on the current benchmark rate plus the initial spread plus 200 basis points. The current basis rate is defined as the average yields of 5 years treasury bonds from the interbank fixed rate bond yield curve published on the China Bond website 5 working days before the interest repricing date.

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 57. TREASURY SHARES

	As at 31.12.2023	Increase	Decrease	As at 31.12.2024
	RMB ' 000	RMB ' 000	RMB ' 000	RMB ' 000
Treasury shares	<u>233,609</u>	<u>–</u>	<u>–</u>	<u>233,609</u>

On 30 March 2022, the 23<sup>rd</sup> meeting of the 10<sup>th</sup> session of the Board of Directors of the Company approved the Resolution on the Company's Proposed Repurchase of A Shares by Way of Centralised Price Bidding. Up to 31 December 2024, a total of 15,242,153 of A shares had been repurchased from the Shenzhen Stock Exchange by centralised price bidding for the restricted share incentive scheme. The total repurchasing cost was RMB233.61 million (transaction expenses included).

## 58. INVESTMENT REVALUATION RESERVE

The movements of the investment revaluation reserve of the Group are set out below:

	As at 31.12.2024	As at 31.12.2023
	RMB ' 000	RMB ' 000
At the beginning of the year	<b>840,235</b>	329,599
Equity instruments at fair value through other comprehensive income		
Net fair value changes during the year	<b>2,071,848</b>	(39,093)
Income tax impact	<b>(516,652)</b>	9,243
Debt instruments at fair value through other comprehensive income		
Net fair value changes during the year	<b>1,950,701</b>	805,241
Reclassification to profit or loss	<b>(851,985)</b>	(176,193)
Changes in allowance for expected credit losses	<b>(58,674)</b>	71,561
Income tax impact	<b>(259,454)</b>	(164,564)
Share of fair value losses on financial assets of associates	<b>(287)</b>	(47)
Other comprehensive income reclassified to retained profits	<b>(305,085)</b>	4,488
At the end of the year	<u><b>2,870,647</b></u>	<u>840,235</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 59. GENERAL RESERVES

General reserves comprise the statutory reserve, discretionary reserve, reserve for general risk and transaction risk reserve.

Pursuant to the Company Law of the PRC, in accordance with the Company's articles of association, 10% of the net profit of the Company, determined in accordance with the relevant accounting rules and financial regulations applicable to enterprises in the PRC ("PRC GAAP"), is required to be transferred to the statutory reserve until such time when this reserve reaches 50% of the share capital of the Company. The reserve appropriated can be used for expansion of business scale and capitalisation. If the statutory reserve is capitalised into share capital, the remaining reserve is required to be no less than 25% of the Company's registered capital before capitalisation.

The Company may also make appropriations from its net profit to the discretionary reserve provided the appropriation is approved by a resolution of the shareholders.

In accordance with the Financial Rules for Financial Enterprises, the Company is required to appropriate 10% of net profit before distribution, determined in accordance with PRC GAAP, to the reserve for general risk; and in accordance with *Interim Measures for the Supervision and Administration of Risk Reserve of the Public Offering of Securities Investment Fund*, the Company, as a custodian of securities investment fund, is required to appropriate no less than 2.5% of fund custodian revenue as reserve for general risk.

Pursuant to the Securities Law of the PRC, the Company is required to appropriate 10% of the net profit before distribution, determined in accordance with PRC GAAP, to the transaction risk reserve.

The Company's PRC subsidiaries are also subject to the statutory requirements to appropriate their earnings to the statutory reserve, the reserve for general risk and the transaction risk reserve.

The movements of general reserves of the Group are set out below:

### As at 31 December 2024

	Opening RMB' 000	Addition RMB' 000	Closing RMB' 000
Statutory reserve	9,261,834	949,745	10,211,579
Discretionary reserve	169,428	–	169,428
Reserve for general risk	13,517,944	1,401,276	14,919,220
Transaction risk reserve	10,117,706	960,620	11,078,326
	<b>33,066,912</b>	<b>3,311,641</b>	<b>36,378,553</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 59. GENERAL RESERVES – continued

As at 31 December 2023

	Opening RMB' 000	Addition RMB' 000	Closing RMB' 000
Statutory reserve	8,563,350	698,484	9,261,834
Discretionary reserve	169,428	–	169,428
Reserve for general risk	12,339,396	1,178,548	13,517,944
Transaction risk reserve	9,408,670	709,036	10,117,706
	<u>30,480,844</u>	<u>2,586,068</u>	<u>33,066,912</u>

## 60. RETAINED PROFITS

The movements of retained profits of the Group are set out below:

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
At the beginning of the year	40,149,201	39,266,193
Profit for the year	9,636,830	6,977,800
Appropriation to general reserve	(3,311,641)	(2,586,068)
Ordinary shares' dividends recognised as distribution	(3,042,338)	(2,662,046)
Distribution to other equity instrument holders	(1,302,480)	(842,190)
Other comprehensive income reclassified to retained profits	305,085	(4,488)
At the end of the year	<u>42,434,657</u>	<u>40,149,201</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 61. DIVIDENDS

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
Ordinary share dividends recognised as distribution <sup>(i)</sup>	<b>3,042,338</b>	2,662,046
Distribution to other equity instrument holders <sup>(ii)</sup>	<b>1,302,480</b>	842,190
Total	<b>4,344,818</b>	3,504,236

(i) Pursuant to the resolution the shareholders' meeting held on 10 May 2024, the Company distributed cash dividends of RMB3.00 for every 10 shares (tax included) based on 7.61 billion shares held amounting to RMB2.28 billion in total for the year ended 31 December 2023.

Pursuant to the resolution the shareholders' meeting held on 15 October 2024, the Company distributed cash dividends of RMB1.00 for every 10 shares (tax included) based on 7.61 billion shares held amounting to RMB0.76 billion in total for the period ended 30 June 2024.

(ii) The dividend distributions by the Company triggered the mandatory interest payments event for perpetual subordinated bonds. The Company recognised dividends to other equity instrument holders of RMB1,302.48 million during the year ended 31 December 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 62. TRANSFER OF FINANCIAL ASSETS

### Repurchase agreements

Sales and repurchase agreements are transactions in which the Group sells securities (collectively as “the transferred assets”) and simultaneously agrees to repurchase them (or an asset that is substantially the same) at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of the transferred assets. The transferred assets are not derecognised from the financial statements but regarded as “collateral” for the liabilities because the Group retains substantially all the risks and rewards of the transferred assets.

The proceeds from selling the transferred assets are presented as financial assets sold under repurchase agreements. Because the Group sells the contractual rights of the cash flows of the transferred assets, it does not have the ability to use the transferred assets during the term of the arrangements.

The following tables provide a summary of carrying amounts and fair values related to transferred financial assets that are not derecognised in their entirety and the associated liabilities:

	As at 31 December 2024			As at 31 December 2023		
	Carrying amount of transferred assets RMB' 000	Carrying amount of associated liabilities RMB' 000	Net position RMB' 000	Carrying amount of transferred assets RMB' 000	Carrying amount of associated liabilities RMB' 000	Net position RMB' 000
Repurchase agreements	<u>158,000,153</u>	<u>145,621,881</u>	<u>12,378,272</u>	<u>120,209,495</u>	<u>107,407,113</u>	<u>12,802,382</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 62. TRANSFER OF FINANCIAL ASSETS – *continued*

### Securities lending arrangements

The Group entered into securities lending agreements with clients to lend out its equity securities and exchange-traded funds classified as financial assets at fair value through profit or loss with a carrying amount totalling RMB257.13 million as at 31 December 2024 (31 December 2023: RMB831.93 million), which are secured by client's securities and deposits held as collateral. As stipulated in the securities lending agreements, the legal ownership of these equity securities and exchange-traded funds is transferred to the clients. Although the clients are allowed to sell these securities during the covered period, they have obligations to return these securities to the Group at specified future dates and the maximum covered period is 182 days. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised these securities in the consolidated financial statements.

### Securities borrowing

As at 31 December 2024 and 2023, the type and fair values of securities borrowed through the inter-bank securities market trading platform and the Shanghai Stock Exchange fixed income trading platform are as follows:

<b>Type of securities</b>	<b>As at 31.12.2024 RMB' 000</b>	<b>As at 31.12.2023 RMB' 000</b>
Government bonds	<b>9,917,095</b>	23,290,971
Financial bond	<b>2,302,891</b>	11,778,591
	<b><u>12,219,986</u></b>	<u>35,069,562</u>

## 63. CAPITAL COMMITMENTS

	<b>As at 31.12.2024 RMB' 000</b>	<b>As at 31.12.2023 RMB' 000</b>
Capital expenditure in respect of acquisition of property and equipment:		
– Contracted but not provided for	<b><u>159,509</u></b>	<u>182,007</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 64. DIRECTORS' AND SUPERVISORS' EMOLUMENTS

The remuneration of directors and supervisors for current year is as follows:

For the year ended 31 December 2024

Name	Fee RMB' 000	Salaries and allowances RMB' 000	Employer's contribution to pension schemes RMB' 000	Bonuses RMB' 000	Total <sup>(i)</sup> RMB' 000
<b>A) EXECUTIVE DIRECTORS</b>					
Lin Chuanhui	–	2,321	61	–	2,382
Qin Li	–	2,090	61	–	2,151
Sun Xiaoyan	–	2,257	61	–	2,318
Xiao Xuesheng <sup>(ii)</sup>	–	1,108	2	–	1,110
Ge Changwei <sup>(v)</sup>	–	918	41	–	959
<b>B) NON-EXECUTIVE DIRECTORS:</b>					
Li Xiulin	180	–	–	–	180
Shang Shuzhi	180	–	–	–	180
Guo Jingyi	–	–	–	–	–
<b>C) INDEPENDENT NON-EXECUTIVE DIRECTORS:</b>					
Leung Shek Ling Olivia	270	–	–	–	270
Li Wenjing	270	–	–	–	270
Zhang Chuang <sup>(iii)</sup>	158	–	–	–	158
Wang Dashu <sup>(iii)</sup>	158	–	–	–	158
Fan Lifu <sup>(vi)</sup>	135	–	–	–	135
Hu Bin <sup>(vi)</sup>	135	–	–	–	135
<b>D) SUPERVISORS:</b>					
Zhou Xitai	–	2,350	43	–	2,393
Wang Zhenyu <sup>(iv)</sup>	88	–	–	–	88
Zheng Chunmei <sup>(iv)</sup>	88	–	–	–	88
Zhou Feimei <sup>(iv)</sup>	–	–	–	–	–
Yi Xinyu	–	819	34	–	853
Lai Jianhuang <sup>(vii)</sup>	75	–	–	–	75
Xie Shisong <sup>(vii)</sup>	75	–	–	–	75
Lu Xin <sup>(vii)</sup>	75	–	–	–	75
<b>Total</b>	<b>1,887</b>	<b>11,863</b>	<b>303</b>	<b>–</b>	<b>14,053</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 64. DIRECTORS' AND SUPERVISORS' EMOLUMENTS – *continued*

The remuneration of directors and supervisors for current year is as follows: – *continued*

For the year ended 31 December 2023

Name	Fee RMB' 000	Salaries and allowances RMB' 000	Employer's contribution to pension schemes RMB' 000	Bonuses RMB' 000	Total <sup>(i)</sup> RMB' 000
<b>A) EXECUTIVE DIRECTORS</b>					
Lin Chuanhui	–	2,198	50	–	2,248
Ge Changwei <sup>(v)</sup>	–	2,066	33	–	2,099
Sun Xiaoyan	–	2,181	50	–	2,231
Qin Li	–	2,018	50	–	2,068
<b>B) NON-EXECUTIVE DIRECTORS:</b>					
Li Xiulin	180	–	–	–	180
Shang Shuzhi	180	–	–	–	180
Guo Jingyi	–	–	–	–	–
<b>C) INDEPENDENT NON-EXECUTIVE DIRECTORS:</b>					
Fan Lifu <sup>(vi)</sup>	270	–	–	–	270
Hu Bin <sup>(vi)</sup>	270	–	–	–	270
Leung Shek Ling Olivia	270	–	–	–	270
Li Wenjing	270	–	–	–	270
<b>D) SUPERVISORS:</b>					
Zhou Xitai	–	2,102	34	–	2,136
Lai Jianhuang <sup>(vii)</sup>	150	–	–	–	150
Xie Shisong <sup>(vii)</sup>	150	–	–	–	150
Lu Xin <sup>(vii)</sup>	150	–	–	–	150
Yi Xinyu	–	805	28	–	833
<b>Total</b>	<b>1,890</b>	<b>11,370</b>	<b>245</b>	<b>–</b>	<b>13,505</b>

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' emoluments and the independent non-executive directors' emoluments shown above were for their services as directors of the Company.

The supervisors' emoluments shown above were for their services as supervisors of the Company.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 64. DIRECTORS' AND SUPERVISORS' EMOLUMENTS – *continued*

The final remuneration of executive directors and employee representative supervisors is still in the process of being determined, and the remaining part of the remuneration will be disclosed separately after being confirmed.

During the year ended 31 December 2024 and 31 December 2023, no directors or supervisors of the Company waived any emoluments.

During the years ended 31 December 2024 and 31 December 2023, no emoluments were paid by the Company to any of the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office.

- (i) The Company did not have any share option scheme during the years ended 31 December 2024 and 31 December 2023.
- (ii) Xiao Xuesheng was appointed as an executive director in May 2024.
- (iii) Zhang Chuang and Wang Dashu were appointed as independent non-executive directors in May 2024.
- (iv) Wang Zhenyu, Zheng Chunmei and Zhou Feimei were appointed as supervisors in May 2024.
- (v) Ge Changwei resigned upon expiration of term of office in May 2024.
- (vi) Fan Lifu and Hu Bin resigned upon expiration of term of office in May 2024.
- (vii) Lai Jianhuang, Xie Shisong and Lu Xin resigned upon expiration of term of office in May 2024.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 65. FIVE HIGHEST PAID EMPLOYEES

No directors or supervisors (2023: No directors or supervisors) are included in the five highest paid employees during the year and the details of directors' and supervisors' remuneration are set out in note 64 above. Details of the remuneration for the year of the five (2023: five) highest paid employees are as follows:

	<b>2024</b>	2023
	<b>RMB '000</b>	RMB '000
Basic salaries and allowances	<b>8,719</b>	8,756
Bonuses	<b>38,410</b>	39,980
Employer's contribution to pension schemes	<b>274</b>	207
	<b><u>47,403</u></b>	<u>48,943</u>

Bonuses are discretionary and determined with reference to the Group's and the individuals' performance. No emoluments have been paid to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 December 2024 and 31 December 2023.

During the year, the remuneration of the five (2023: five) highest paid employees: five are between RMB5 million to RMB10 million (2023: five are between RMB5 million to RMB10 million).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 66. RELATED PARTY TRANSACTIONS

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

#### *Holding interest in shareholders and their subsidiaries*

	As at 31.12.2024		As at 31.12.2023	
	Number of shares/bonds ' 000	Carrying amount RMB ' 000	Number of shares/bonds ' 000	Carrying amount RMB ' 000
<b>Financial assets at FVTPL – stocks</b>				
遼寧成大生物股份有限公司				
– Liaoning Cheng Da Biotechnology Co., Ltd.* (Note)	21	536	3,932	127,819
遼寧成大股份有限公司				
– Liaoning Cheng Da Co., Ltd.*	95	984	61	722
中山公用事業集團股份有限公司				
– Zhongshan Public Utilities Group Co., Ltd.*	123	1,139	50	363
吉林敖東藥業集團股份有限公司				
– Jilin Aodong Pharmaceutical Group Co., Ltd.*	4	72	16	249
	<u>4</u>	<u>72</u>	<u>16</u>	<u>249</u>
<b>Financial assets at FVTPL – bonds</b>				
吉林敖東藥業集團股份有限公司				
– Jilin Aodong Pharmaceutical Group Co., Ltd.*	–	–	899	98,148
	<u>–</u>	<u>–</u>	<u>899</u>	<u>98,148</u>
<b>Financial assets at FVTOCI – stocks</b>				
吉林敖東藥業集團股份有限公司				
– Jilin Aodong Pharmaceutical Group Co., Ltd.*	43,312	748,007	43,312	655,751
	<u>43,312</u>	<u>748,007</u>	<u>43,312</u>	<u>655,751</u>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 66. RELATED PARTY TRANSACTIONS – *continued*

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

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

	2024 RMB' 000	2023 RMB' 000
吉林敖東藥業集團股份有限公司 – Jilin Aodong Pharmaceutical Group Co., Ltd.*	34,661	12,994
遼寧成大生物股份有限公司 – Liaoning Cheng Da Biotechnology Co., Ltd.*	1,381	3,996
遼寧成大股份有限公司 – Liaoning Cheng Da Co., Ltd.*	5	14
中山公用事業集團股份有限公司 – Zhongshan Public Utilities Group Co., Ltd.*	22	10
	<u>22</u>	<u>10</u>

\* English names are translated for identification purposes only.

### *Transaction with shareholders and their subsidiaries*

	2024 RMB' 000	2023 RMB' 000
Commission and fee income	<u>6,355</u>	<u>1,396</u>
Other income	<u>730</u>	<u>730</u>
Expenses on structured notes	<u>2,081</u>	<u>377</u>
Other operating expenses	<u>209</u>	<u>366</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 66. RELATED PARTY TRANSACTIONS – continued

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

#### Balances with shareholders and their subsidiaries

	2024 RMB' 000	2023 RMB' 000
Other payables	129	129
Short-term structured notes	171,006	90,377
Contract liability	151	–

### (2) Other related parties

#### Transactions with associates/joint ventures

	2024 RMB' 000	2023 RMB' 000
<b>Commission and fee income</b>		
易方達基金管理有限公司及其子公司		
– E Fund Management Co., Ltd. and its subsidiaries	75,281	86,158
珠海格金廣發信德三期科技創業投資基金(有限合夥)		
– Zhuhai Gejin GF Xinde Phase III Technology Venture Capital Fund L.P.*	17,501	17,415
廣發信德嵐湖二期(蘇州)健康產業創業投資合夥企業(有限合夥)		
– GF Xinde Lanhu Phase II (Suzhou) Health Industry Venture Capital Partnership L.P.*	13,504	13,467
中山公用廣發信德新能源產業投資基金(有限合夥)		
– Zhongshan Public GF Xinde New Energy Industry Investment Fund L.P.*	13,457	6,439
廣發信德皖能(含山)股權投資基金合夥企業(有限合夥)		
– GF Xinde Wanneng (Hanshan) Equity Investment Fund Partnership L.P.*	9,956	6,391
廣州廣發信德健康創業投資基金合夥企業(有限合夥)		
– Guangzhou GF Xinde Health Venture Capital Fund Partnership L.P.*	9,460	9,434
安徽省新一代信創產業基金合夥企業(有限合夥)		
– Anhui New Generation Information and Innovation Industry Fund Partnership L.P.*	8,530	2,518

\* English names are translated for identification purposes only.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 66. RELATED PARTY TRANSACTIONS – *continued*

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

#### *Transactions with associates/joint ventures – continued*

	2024 RMB' 000	2023 RMB' 000
<b>Commission and fee income – <i>continued</i></b>		
廣州南沙區信德厚威創業投資基金合夥企業 (有限合夥) – Guangzhou Nansha District Xinde Houwei Venture Capital Fund Partnership L.P.*	<b>8,072</b>	8,050
珠海格金廣發信德智能製造產業投資基金 (有限合夥) – Zhuhai Gejin GF Xinde Intelligent Manufacturing Industry Investment Fund L.P.*	<b>6,832</b>	9,318
廣發信德 (蘇州) 健康產業創業投資合夥企業 (有限合夥) – GF Xinde (Suzhou) Health Industry Venture Capital Partnership L.P. *	<b>6,586</b>	6,608
中山廣發信德致遠科技創業投資合夥企業 (有限合夥) – Zhongshan GF Xinde Zhiyuan Technology Venture Capital Partnership L.P.*	<b>6,289</b>	8,114
廣州廣發信德戰新創業投資合夥企業 (有限合夥) – Guangzhou GF Xinde Zhanxin Venture Capital Partnership L.P.*	<b>5,750</b>	872
廣州廣發信德二期創業投資合夥企業 (有限合夥) – Guangzhou GF Xinde Phase II Venture Capital Partnership L.P.*	<b>5,139</b>	5,162
中山中匯廣發信德股權投資基金 (有限合夥) – Zhongshan Zhonghui GF Xinde Equity Investment Fund L.P.*	<b>5,101</b>	6,821
珠海廣發信德環保產業投資基金合夥企業 (有限合夥) – Zhuhai GF Xinde Environment Protection Industry Investment Fund Partnership L.P.*	<b>4,891</b>	25,100
廣發信德 (漳州薌城區) 數字產業投資發展合夥企業 (有限合夥) – GF Xinde (Zhangzhou Xiangcheng District) Digital Industry Investment Development Partnership L.P.*	<b>4,730</b>	4,717
珠海廣發信德瑞騰創業投資基金合夥企業 (有限合夥) – Zhuhai GF Xinde Ruiteng Venture Capital Fund Partnership L.P.*	<b>3,916</b>	5,660
廣發信德中恒匯金 (龍岩) 股權投資合夥企業 (有限合夥) – GF Xinde Zhongheng Huijin (Longyan) Equity Investment Partnership L.P.*	<b>3,741</b>	12,475
珠海廣發信德智能創新升級股權投資基金 (有限合夥) – Zhuhai GF Xinde Upgraded Intelligent Innovation Equity Fund L.P.*	<b>2,921</b>	3,158

\* English names are translated for identification purposes only.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 66. RELATED PARTY TRANSACTIONS – *continued*

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

#### *Transactions with associates/joint ventures – continued*

	2024 RMB' 000	2023 RMB' 000
<b>Commission and fee income – <i>continued</i></b>		
珠海廣發信德中鼎創業投資基金(有限合夥)		
– Zhuhai GF Xinde Zhongding Venture Capital Fund L.P.*	2,876	2,868
潮州市廣發信德創業投資基金合夥企業(有限合夥)		
– Chaozhou GF Xinde Venture Capital Fund Partnership L.P.*	2,270	2,264
廣州南鑫珠海港股權投資合夥企業(有限合夥)		
– Guangzhou Nanxin Zhuhai Port Equity Investment Partnership L.P.*	2,046	2,256
廣發信德(開平)創業投資基金合夥企業(有限合夥)		
– GF Xinde (Kaiping) Venture Capital Fund Partnership L.P.*	1,995	496
珠海廣發信德新州一號創業投資基金(有限合夥)		
– Zhuhai GF Xinde Xinzhou No.1 Venture Capital Fund L.P.*	1,876	1,871
廣州信德創業營股權投資合夥企業(有限合夥)		
– Guangzhou Xinde Venture Camp Equity Investment Partnership L.P.*	1,823	3,571
廣發信德(安徽)創業投資基金合夥企業(有限合夥)		
– GF Xinde (Anhui) Venture Capital Fund Partnership L.P.*	1,780	–
東莞廣發信德水鄉創業投資基金合夥企業(有限合夥)		
– Dongguan GF Xinde Water Township Venture Capital Fund Partnership L.P.*	1,593	–
杭州廣發信德乒乓鴻鵠股權投資基金合夥企業(有限合夥)		
– Hangzhou GF Xinde Pingpang Honghu Equity Investment Fund Partnership L.P.*	1,449	1,555
廣州市廣投壹號基礎設施股權投資基金合夥企業(有限合夥)		
– Guangzhou Guangtou No.1 Infrastructure Equity Investment Fund Partnership L.P.*	1,321	–
佛山市廣發信德粵盈新產業股權投資合夥企業(有限合夥)		
– Foshan GF Xinde Yueying New Industry Equity Investment Partnership L.P.*	1,277	656
珠海廣發信德厚疆創業投資基金(有限合夥)		
– Zhuhai GF Xinde Houjiang Venture Capital Fund L.P.*	1,233	1,229
廣州廣發信德廣顧投創業投資基金合夥企業(有限合夥)		
– Guangzhou GF Xinde Guanggu Investment Venture Capital Fund Partnership L.P.*	1,171	–

\* English names are translated for identification purposes only.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 66. RELATED PARTY TRANSACTIONS – *continued*

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

#### *Transactions with associates/joint ventures – continued*

	<b>2024</b>	2023
	<b>RMB '000</b>	RMB '000
<b>Commission and fee income – <i>continued</i></b>		
珠海盈米基金銷售有限公司		
– Zhuhai Yingmi Fund Selling Co., Ltd.*	<b>156</b>	529
珠海廣發信德科文創業投資基金(有限合伙)		
– Zhuhai GF Xinde Technology Cultural Industry Investment Fund L.P.*	–	2,867
– Other associates and joint ventures	<b>1,627</b>	10,799
	<u>          </u>	<u>          </u>
<b>Interest income</b>		
– GHS Investment Management (Cayman) Company Limited	<b>390</b>	493
	<u>          </u>	<u>          </u>
<b>Other income</b>		
– GHS Investment Management (Hong Kong) Company Limited	<b>1,094</b>	–
	<u>          </u>	<u>          </u>
<b>Other operating expenses</b>		
珠海盈米基金銷售有限公司		
– Zhuhai Yingmi Fund Selling Co., Ltd.*	<b>17,259</b>	20,433
– Other associates and joint ventures	<b>123</b>	–
	<u>          </u>	<u>          </u>

\* English names are translated for identification purposes only.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 66. RELATED PARTY TRANSACTIONS – *continued*

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

#### *Balances with associates/joint ventures*

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Commission receivable from exchange trading units, distributing financial products and custodian fee</b>		
易方達基金管理有限公司		
– E Fund Management Co., Ltd.	<u>12,968</u>	<u>19,150</u>
<b>Receivables for asset and fund management fee income</b>		
安徽省新一代信創產業基金合夥企業(有限合夥)		
– Anhui New Generation Information and Innovation Industry Fund Partnership L.P.*	8,423	2,670
珠海廣發信德高成長現代服務業股權投資企業(有限合夥)		
– Zhuhai GF Xinde High-growth Modern Service Industry Equity Investment Enterprise L.P.*	6,369	5,458
廣州廣發信德二期創業投資合夥企業(有限合夥)		
– Guangzhou GF Xinde Phase II Venture Capital Partnership L.P.*	5,447	-
中山廣發信德致遠科技創業投資合夥企業(有限合夥)		
– Zhongshan GF Xinde Zhiyuan Technology Venture Capital Partnership L.P.*	3,253	-
珠海廣發信德厚合股權投資合夥企業(有限合夥)		
– Zhuhai GF Xinde Houhe Equity Investment Partnership L.P.*	2,803	2,051
珠海格金廣發信德智能製造產業投資基金(有限合夥)		
– Zhuhai Gejin GF Xinde Intelligent Manufacturing Industry Investment Fund L.P.*	2,169	9,877
廣發信德(漳州薌城區)數字產業投資發展合夥企業(有限合夥)		
– GF Xinde (Zhangzhou Xiangcheng District) Digital Industry Investment Development Partnership L.P.*	2,027	-
廣州信德創業營股權投資合夥企業(有限合夥)		
– Guangzhou Xinde Venture Camp Equity Investment Partnership L.P.*	1,932	25,844
廣發信德(蘇州)健康產業創業投資合夥企業(有限合夥)		
– GF Xinde (Suzhou) Health Industry Venture Capital Partnership L.P.*	1,724	7,005

\* English names are translated for identification purposes only.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 66. RELATED PARTY TRANSACTIONS – *continued*

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

#### *Balances with associates/joint ventures – continued*

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Receivables for asset and fund management fee income – <i>continued</i></b>		
廣州廣發信德一期互聯網改造傳統產業投資企業 (有限合夥) – Guangzhou GF Xinde Phase I Internet Transformation of Traditional Industry Investment Enterprise L.P.*	1,668	1,668
珠海廣發信德瑞騰創業投資基金合夥企業 (有限合夥) – Zhuhai GF Xinde Ruiteng Venture Capital Fund Partnership L.P.*	1,512	–
廣州市廣投壹號基礎設施股權投資基金合夥企業 (有限合夥) – Guangzhou Guangtou No.1 Infrastructure Equity Investment Fund Partnership L.P.*	1,400	–
宿遷智能制造產業投資基金 (有限合夥) – Suqian Intelligent Manufacturing Industry Investment Fund L.P.*	1,279	493
廣州知城琶洲信德產業投資基金合夥企業 (有限合夥) – Guangzhou Zhicheng Pazhou Xinde Industry Investment Fund Partnership L.P.*	609	–
珠海廣發信德厚澤創業投資合夥企業 (有限合夥) – Zhuhai GF Xinde Houze Venture Capital Partnership L.P.*	576	175
江門市新控信德碳科創業投資基金合夥企業 (有限合夥) – Jiangmen Xin Kong Xinde Tan Ke Venture Capital Fund Partnership L.P.*	197	–
珠海廣發信德康延創業投資基金 (有限合夥) – Zhuhai GF Xinde Kangyan Venture Capital Fund L.P.*	163	–
廣州南沙區信德厚湃創業投資基金合夥企業 (有限合夥) – Guangzhou Nansha District Xinde Houpai Venture Capital Fund Partnership L.P.*	89	60
珠海廣發信德東盈創業投資基金合夥企業 (有限合夥) – Zhuhai GF Xinde Dongying Venture Capital Fund Partnership L.P.*	13	–
珠海廣發信德智能創新升級股權投資基金 (有限合夥) – Zhuhai GF Xinde Upgraded Intelligent Innovation Equity Fund L.P.*	8	6,723

\* English names are translated for identification purposes only.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 66. RELATED PARTY TRANSACTIONS – *continued*

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

#### *Balances with associates/joint ventures – continued*

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
<b>Receivables for asset and fund management fee income – <i>continued</i></b>		
廣發信德中恆匯金(龍巖)股權投資合夥企業(有限合夥) – GF Xinde Zhongheng Huijin (Longyan) Equity Investment Partnership L.P.*	–	12,555
廣發信德皖能(含山)股權投資基金合夥企業(有限合夥) – GF Xinde Wanneng (Hanshan) Equity Investment Fund Partnership L.P.*	–	5,293
廣州南沙區信德厚威創業投資基金合夥企業(有限合夥) – Guangzhou Nansha District Xinde Houwei Venture Capital Fund Partnership L.P. *	–	4,302
杭州廣發信德乒乓鴻鵠股權投資基金合夥企業(有限合夥) – Hangzhou GF Xinde Pingpang Honghu Equity Investment Fund Partnership L.P.*	–	118
中山公用廣發信德基礎設施投資基金(有限合夥) – Zhongshan Public Guangfa Xinde Infrastructure Investment Fund L.P.*	–	9
	<u>–</u>	<u>9</u>
<b>Amounts due from joint ventures and associates-other receivables</b>		
– Global Health Science Fund II, L.P.	<b>11,858</b>	11,684
– GHS Investment Management (Cayman) Company Limited	<b>8,197</b>	12,376
– Other associates and joint ventures	<b>7</b>	–
	<u>7</u>	<u>–</u>

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 66. RELATED PARTY TRANSACTIONS – *continued*

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

#### *Balances with associates/joint ventures – continued*

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Amounts due to joint ventures and associates-advance from customers and other payables</b>		
珠海盈米基金銷售有限公司		
– Zhuhai Yingmi Fund Selling Co., Ltd.	4,621	4,627
珠海廣發信德厚疆創業投資基金(有限合伙)		
– Zhuhai GF Xinde Houjiang Venture Capital Fund L.P.*	4,281	5,588
珠海廣發信德賽德創業投資合夥企業(有限合伙)		
– Zhuhai GF Xinde Saide Venture Capital Partnership L.P.*	1,289	1,944
高投信德(廣東)創新創業投資基金合夥企業(有限合伙)		
– Gaotou Xinde (Guangdong) Innovation and Entrepreneurship Investment Fund Partnership L.P.*	–	291
	<u>–</u>	<u>291</u>

### (3) Key management personnel

During the year, the paid remuneration attributable to the reporting period for key management personnel was RMB27.41 million, among which, salaries, allowance and bonuses were RMB26.71 million, the employer's contribution to pension schemes and annuity schemes were RMB0.70 million. The final remuneration of several key management personnel is still in the process of being determined, and the remaining part of the remuneration will be disclosed separately after being confirmed.

\* English names are translated for identification purposes only.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 67. FINANCIAL INSTRUMENTS

### Categories of financial instruments

Financial assets	As at 31 December 2024			
	Financial assets at amortised cost RMB' 000	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss RMB' 000
		Debt investments RMB' 000	Equity investments RMB' 000	
Bank balances	169,395,629			
Clearing settlement funds	35,188,242	—	—	—
Advances to customers	108,939,926	—	—	—
Financial assets at fair value through profit or loss	—	—	—	242,821,397
Derivative financial assets	—	—	—	3,879,447
Financial assets held under resale agreements	20,565,244	—	—	—
Accounts receivable	8,604,402	—	—	—
Deposits with exchanges and non-bank financial institutions	22,681,989	—	—	—
Debt instruments at amortised cost	35,645	—	—	—
Debt instruments at fair value through other comprehensive income	—	104,334,355	—	—
Equity instruments at fair value through other comprehensive income	—	—	22,317,775	—
Financial leasing receivables	14,087	—	—	—
Other financial assets	402,729	—	—	—
<b>Total</b>	<b>365,827,893</b>	<b>104,334,355</b>	<b>22,317,775</b>	<b>246,700,844</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 67. FINANCIAL INSTRUMENTS – continued

### Categories of financial instruments – continued

Financial liabilities	As at 31 December 2024		
	Financial liabilities at amortised cost RMB' 000	Financial liabilities at fair value through profit or loss	
		Classified at	Designated at
		fair value through profit or loss RMB' 000	fair value through profit or loss RMB' 000
Borrowings	4,324,296	–	–
Short-term financing payables	71,983,519	–	–
Due to banks and other financial institutions	14,605,858	–	–
Financial liabilities at fair value through profit or loss	–	4,520,315	3,685,216
Derivative financial liabilities	–	6,757,754	–
Financial assets sold under repurchase agreements	171,313,952	–	–
Accounts payable to brokerage clients	175,339,655	–	–
Other liabilities	–	1,161,565	–
Bonds payable	103,290,977	–	–
Lease liabilities	999,553	–	–
Other financial liabilities	35,714,392	–	–
<b>Total</b>	<b>577,572,202</b>	<b>12,439,634</b>	<b>3,685,216</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 67. FINANCIAL INSTRUMENTS – *continued*

### Categories of financial instruments – *continued*

	As at 31 December 2023			
	Financial assets at amortised cost RMB' 000	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss RMB' 000
		Debt investments RMB' 000	Equity investments RMB' 000	
Bank balances	118,815,211	–	–	–
Clearing settlement funds	34,510,389	–	–	–
Advances to customers	91,107,898	–	–	–
Financial assets at fair value through profit or loss	–	–	–	216,068,411
Derivative financial assets	–	–	–	5,034,081
Financial assets held under resale agreements	19,720,901	–	–	–
Accounts receivable	11,045,443	–	–	–
Deposits with exchanges and non-bank financial institutions	21,252,801	–	–	–
Debt instruments at amortised cost	129,711	–	–	–
Debt instruments at fair value through other comprehensive income	–	139,295,121	–	–
Equity instruments at fair value through other comprehensive income	–	–	5,696,951	–
Financial leasing receivables	39,305	–	–	–
Other financial assets	643,526	–	–	–
<b>Total</b>	<b>297,265,185</b>	<b>139,295,121</b>	<b>5,696,951</b>	<b>221,102,492</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 67. FINANCIAL INSTRUMENTS – *continued*

### Categories of financial instruments – *continued*

Financial liabilities	As at 31 December 2023		
	Financial liabilities at amortised cost RMB ' 000	Financial liabilities at fair value through profit or loss	
		Classified at fair value through profit or loss RMB ' 000	Designated at fair value through profit or loss RMB ' 000
Borrowings	6,838,049	–	–
Short-term financing payables	45,363,288	–	–
Due to banks and other financial institutions	22,653,003	–	–
Financial liabilities at fair value through profit or loss	–	410,161	15,861,009
Derivative financial liabilities	–	4,700,926	–
Financial assets sold under repurchase agreements	153,748,802	–	–
Accounts payable to brokerage clients	132,010,529	–	–
Other liabilities	–	1,337,892	–
Bonds payable	103,580,495	–	–
Lease liabilities	970,183	–	–
Other financial liabilities	42,534,312	–	–
<b>Total</b>	<b>507,698,661</b>	<b>6,448,979</b>	<b>15,861,009</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 68. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group offsets the following financial assets and financial liabilities since the Group currently has a legally enforceable right to set off the balances, and intends either to settle on a net basis, or to realise the balances simultaneously.

Under the agreement signed between the Group and the customers, money obligations receivable and payable with the same customers on the same settlement date are settled on a net basis.

Under the continuous net settlement, money obligations receivable and payable with Hong Kong Securities Clearing Company Limited and other brokers on the same settlement date are settled on a net basis.

### Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements

	As at 31 December 2024					
	Gross amounts of financial assets	Gross amounts of financial liabilities	Net amounts of financial assets presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position	Collateral received	Net amount
Type of financial assets	RMB' 000	RMB' 000	RMB' 000	Financial instruments	RMB' 000	RMB' 000
Advances to customers	1,179,648	(340,851)	838,797	—	—	838,797
Accounts receivable from clearing houses, brokers and cash clients	3,533,541	(498,752)	3,034,789	—	—	3,034,789
Deposits with exchanges and non-bank financial institutions	22,541,277	(21,032,261)	1,509,016	(45,557)	(9,853)	1,453,606
<b>Total</b>	<b>27,254,466</b>	<b>(21,871,864)</b>	<b>5,382,602</b>	<b>(45,557)</b>	<b>(9,853)</b>	<b>5,327,192</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 68. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES – continued

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements – continued

	As at 31 December 2024						
	Gross amounts of financial liabilities set off in the consolidated statement of financial liabilities RMB' 000	Gross amounts of financial assets set off in the consolidated statement of financial position RMB' 000	Net amounts of financial liabilities presented in the consolidated statement of financial position RMB' 000	Related amounts not set off in the consolidated statement of financial position	Financial instruments RMB' 000	Collateral received RMB' 000	Net amount RMB' 000
Type of financial liabilities							
Accounts payable to brokerage clients	27,536,791	(21,373,112)	6,163,679	(47,377)	(8,033)	6,108,269	
Payables for open-ended fund clearing and other clearing	1,170,147	(498,752)	671,395	–	–	671,395	
Total	<u>28,706,938</u>	<u>(21,871,864)</u>	<u>6,835,074</u>	<u>(47,377)</u>	<u>(8,033)</u>	<u>6,779,664</u>	

	As at 31 December 2023						
	Gross amounts of financial liabilities set off in the consolidated statement of financial assets RMB' 000	Gross amounts of financial assets set off in the consolidated statement of financial position RMB' 000	Net amounts of financial assets presented in the consolidated statement of financial position RMB' 000	Related amounts not set off in the consolidated statement of financial position	Financial instruments RMB' 000	Collateral received RMB' 000	Net amount RMB' 000
Type of financial assets							
Advances to customers	1,354,633	(115,289)	1,239,344	–	–	1,239,344	
Accounts receivable from clearing houses, brokers and cash clients	2,821,263	(225,002)	2,596,261	–	–	2,596,261	
Deposits with exchanges and non-bank financial institutions	16,870,799	(15,629,008)	1,241,791	(184,074)	(6,796)	1,050,921	
Total	<u>21,046,695</u>	<u>(15,969,299)</u>	<u>5,077,396</u>	<u>(184,074)</u>	<u>(6,796)</u>	<u>4,886,526</u>	

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 68. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES – continued

### Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements – continued

	As at 31 December 2023					
	Gross amounts of financial assets set off in the consolidated statement of financial liabilities position		Net amounts of financial liabilities presented in the consolidated statement of financial position		Related amounts not set off in the consolidated statement of financial position	
	Gross amounts of financial liabilities	Gross amounts of financial position	Net amounts of financial position	Financial instruments	Collateral received	Net amount
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Accounts payable to brokerage clients	20,147,707	(15,744,297)	4,403,410	(190,870)	–	4,212,540
Payables for open-ended fund clearing and other clearing	789,697	(225,002)	564,695	–	–	564,695
<b>Total</b>	<b>20,937,404</b>	<b>(15,969,299)</b>	<b>4,968,105</b>	<b>(190,870)</b>	<b>–</b>	<b>4,777,235</b>

The tables below reconcile the “Net amount of financial assets and financial liabilities presented in the consolidated statement of financial position” as set out above, to the line items presented in the consolidated statement of financial position:

#### Advances to customers

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
Net amount of advances to customers as stated above	838,797	1,239,344
Amount not in the scope of offsetting disclosures	108,101,129	89,868,554
<b>Total amount of advances to customers as stated in note 30</b>	<b>108,939,926</b>	<b>91,107,898</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 68. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES – *continued*

### Accounts receivable

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
Net amount of accounts receivable as stated above	<b>3,034,789</b>	2,596,261
Amount not in the scope of offsetting disclosures	<b>5,569,613</b>	8,449,182
Total amount of accounts receivable as stated in note 31	<b>8,604,402</b>	11,045,443

### Deposits with exchanges and non-bank financial institutions

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
Net amount of deposits with exchanges and non-bank financial institutions as stated above	<b>1,509,016</b>	1,241,791
Amount not in the scope of offsetting disclosures	<b>21,172,973</b>	20,011,010
Total amount of deposits with exchanges and non-bank financial institutions as stated in note 38	<b>22,681,989</b>	21,252,801

### Accounts payable to brokerage clients

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
Net amount of accounts payable to brokerage clients as stated above	<b>6,163,679</b>	4,403,410
Amount not in the scope of offsetting disclosures	<b>169,175,976</b>	127,607,119
Total amount of accounts payable to brokerage clients as stated in note 48	<b>175,339,655</b>	132,010,529

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 68. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES – *continued*

### Other accounts payable, other payables and accruals

	As at <b>31.12.2024</b> RMB' 000	As at 31.12.2023 RMB' 000
Net amount of payables for open-ended fund clearing and other clearing as stated above	<b>671,395</b>	564,695
Amount not in the scope of offsetting disclosures	<b>900,371</b>	2,748,596
Total amount of payables for open-ended fund clearing and other clearing as stated in note 50	<b>1,571,766</b>	3,313,291

## 69. FINANCIAL INSTRUMENTS RISK MANAGEMENT

### 69.1 Risk management policies and organisation structure

#### (1) *Risk management policies*

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.1 Risk management policies and organisation structure – *continued*

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.2 Credit risk

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

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

In terms of the financing business, the credit risk exposure of margin financing and securities lending, securities transactions with repurchase agreements and stock-pledged repos is derived from the default risk of counterparties due to their failure to repay the principal and interest of debts when due. As at 31 December 2024, the average ratios of guarantee maintained for all the clients who have liabilities in margin financing and securities lending of the Group was 254.28% (31 December 2023: 247.73%), the average coverage ratios of contract performance for clients of security transactions with repurchase agreements was 343.23% (31 December 2023: 244.67%), the average coverage ratios of contract performance for clients of the stock-pledged repos business (the fund lender was the securities company) was 284.97% (31 December 2023: 237.11%). The collaterals provided are sufficient and the credit risk of the financing business is managed at an acceptable level.

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.2 Credit risk – *continued*

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.2 Credit risk – *continued*

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

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

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.2 Credit risk – *continued*

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

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.2 Credit risk – *continued*

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

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

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

#### *Parameters of ECL measurement*

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

Relative definitions are listed as follows:

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.2 Credit risk – *continued*

#### ***Forward-looking information***

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

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

During the reporting period, the Group adjusted the forecasts of forward-looking economic indicators based on statistical analysis and expert judgement, also considering the range of possible outcomes represented by each scenario, and determined the final macroeconomic scenarios and weights.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.2 Credit risk – *continued*

Taking no account of collateral or other credit enhancements, the maximum credit exposure is the carrying amount of financial assets, which is net of impairment allowance. The maximum credit risk exposure of the Group is as follows:

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
Advances to customers	<b>108,939,926</b>	91,107,898
Accounts receivable	<b>8,604,402</b>	11,045,443
Other accounts receivable and other receivables	<b>328,038</b>	516,015
Financial leasing receivables	<b>14,087</b>	39,305
Amounts due from joint ventures and associates	<b>74,691</b>	127,511
Financial assets held under resale agreements	<b>20,565,244</b>	19,720,901
Financial assets at fair value through profit or loss <sup>(i)</sup>	<b>167,274,197</b>	127,695,487
Including: Monetary funds	<b>38,817,716</b>	45,185,278
Including: Securities lent to customers	<b>257,132</b>	831,931
Debt instruments at fair value through other comprehensive income	<b>104,334,355</b>	139,295,121
Debt instruments at amortised cost	<b>35,645</b>	129,711
Derivative financial assets <sup>(ii)</sup>	<b>18,229,471</b>	15,006,695
Deposits with exchanges and non-bank financial institutions	<b>22,681,989</b>	21,252,801
Clearing settlement funds	<b>35,188,242</b>	34,510,389
Bank balances	<b>169,395,629</b>	118,815,211
	<b>655,665,916</b>	579,262,488

(i) Financial assets at fair value through profit or loss contain only debt securities, monetary funds, bond fund, bond-type wealth management products and securities lent to customers. Securities lent to customers are mainly equity securities, and are therefore listed above separately to show the credit risk exposure.

(ii) Maximum exposure for credit derivatives in extreme cases excluding collaterals and other credit enhancements.

Overall, the Group monitors and manages credit risk at all times, and takes every possible measure to mitigate and control credit risk exposure to an acceptable level.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.2 Credit risk – *continued*

Analysis of the stages of significant credit risk exposure of the Group is as follows:

	As at 31 December 2024			
	Stage 1 RMB ' 000	Stage 2 RMB ' 000	Stage 3 RMB ' 000	Total RMB ' 000
Advances to customers	108,140,640	798,711	575	108,939,926
Financial assets held under resale agreements	20,106,652	227,126	231,466	20,565,244
Debt instruments at amortised cost	15,934	–	19,711	35,645
Debt instruments at fair value through other comprehensive income	104,304,355	–	30,000	104,334,355
Lease receivables	–	–	14,317	14,317

	As at 31 December 2023			
	Stage 1 RMB ' 000	Stage 2 RMB ' 000	Stage 3 RMB ' 000	Total RMB ' 000
Advances to customers	91,050,636	56,633	629	91,107,898
Financial assets held under resale agreements	19,684,755	–	36,146	19,720,901
Debt instruments at amortised cost	94,402	–	35,309	129,711
Debt instruments at fair value through other comprehensive income	139,208,870	–	86,251	139,295,121
Lease receivables	–	–	40,180	40,180

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.3 Market risks

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

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

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

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

#### ***Interest rate risk***

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 69. FINANCIAL INSTRUMENTS RISK MANAGEMENT – continued

### 69.3 Market risks – continued

#### *Interest rate risk – continued*

The tables below summarise the Group's interest-bearing financial assets and liabilities by their remaining terms to repricing or contractual maturity date, whichever is earlier. Other financial assets and liabilities not included below are not exposed to significant interest rate risk.

	As at 31 December 2024						Total RMB' 000
	Less than 1 month RMB' 000	More than 1 month but less than 3 months RMB' 000	More than 3 months but less than 1 year RMB' 000	More than 1 year but less than 5 years RMB' 000	More than 5 years RMB' 000	Non- interest- bearing RMB' 000	
<b>Financial assets</b>							
Advances to customers	8,711,660	14,928,579	84,283,344	19,306	–	997,037	108,939,926
Investment in an associate at fair value through profit or loss	–	–	–	–	–	2,839	2,839
Amounts due from joint ventures and associates	–	–	–	–	–	74,691	74,691
Accounts receivable	1,446,651	–	–	–	–	7,157,751	8,604,402
Debt instruments at fair value through other comprehensive income	254,023	2,949,580	32,976,115	46,995,481	20,086,530	1,072,626	104,334,355
Financial leasing receivables	–	–	–	–	–	14,087	14,087
Debt instruments at amortised cost	–	–	17,268	–	–	18,377	35,645
Equity instruments at fair value through other comprehensive income	–	–	–	–	–	22,317,775	22,317,775
Other accounts receivable, other receivables and prepayments	–	–	–	–	–	328,038	328,038
Financial assets held under resale agreements	12,374,437	1,142,505	6,572,138	–	–	476,164	20,565,244
Financial assets at fair value through profit or loss	18,326,616	29,192,720	62,316,600	38,171,333	14,456,478	80,357,650	242,821,397
Derivative financial assets	–	–	–	–	–	3,879,447	3,879,447
Deposits with exchanges and non-bank financial institutions	2,833,212	–	–	–	–	19,848,777	22,681,989
Clearing settlement funds	34,760,869	–	–	–	–	427,373	35,188,242
Bank balances	145,003,364	7,874,006	16,000,914	–	–	517,345	169,395,629
<b>Total</b>	<b>223,710,832</b>	<b>56,087,390</b>	<b>202,166,379</b>	<b>85,186,120</b>	<b>34,543,008</b>	<b>137,489,977</b>	<b>739,183,706</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 69. FINANCIAL INSTRUMENTS RISK MANAGEMENT – continued

### 69.3 Market risks – continued

#### Interest rate risk – continued

	As at 31 December 2024						Total RMB' 000
	Less than 1 month RMB' 000	More than 1 month but less than 3 months RMB' 000	More than 3 months but less than 1 year RMB' 000	More than 1 year but less than 5 years RMB' 000	More than 5 years RMB' 000	Non- interest- bearing RMB' 000	
<b>Financial liabilities</b>							
Borrowings	3,048,262	1,222,146	–	–	–	53,888	4,324,296
Short-term financing payables	14,871,970	22,736,230	33,908,249	–	–	467,070	71,983,519
Due to banks and other financial institutions	12,064,732	2,500,000	–	–	–	41,126	14,605,858
Accounts payable to brokerage clients	157,511,680	–	–	–	–	17,827,975	175,339,655
Other payables and accruals	–	–	–	–	–	35,704,201	35,704,201
Amounts due to joint ventures and associates	–	–	–	–	–	10,191	10,191
Other liabilities	–	–	–	–	–	1,161,565	1,161,565
Financial liabilities at fair value through profit or loss	7,142,668	–	–	61,323	130,704	870,836	8,205,531
Derivative financial liabilities	–	–	–	–	–	6,757,754	6,757,754
Financial assets sold under repurchase agreements	162,095,851	1,666,373	7,272,902	–	–	278,826	171,313,952
Lease liabilities	–	1,455	45,226	643,767	306,610	2,495	999,553
Bonds payable	1,154,550	7,971,470	21,991,818	61,408,633	9,191,945	1,572,561	103,290,977
<b>Total</b>	<b>357,889,713</b>	<b>36,097,674</b>	<b>63,218,195</b>	<b>62,113,723</b>	<b>9,629,259</b>	<b>64,748,488</b>	<b>593,697,052</b>
Net exposure	(134,178,881)	19,989,716	138,948,184	23,072,397	24,913,749	72,741,489	145,486,654



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.3 Market risks – *continued*

#### *Interest rate risk – continued*

	As at 31 December 2023						Total RMB' 000
	Less than 1 month RMB' 000	More than 1 month but less than 3 months RMB' 000	More than 3 months but less than 1 year RMB' 000	More than 1 year but less than 5 years RMB' 000	More than 5 years RMB' 000	Non- interest- bearing RMB' 000	
<b>Financial assets</b>							
Advances to customers	11,172,706	24,175,741	54,544,088	–	–	1,215,363	91,107,898
Investment in an associate at fair value through profit or loss	–	–	–	–	–	5,939	5,939
Amounts due from joint ventures and associates	–	–	–	–	–	127,511	127,511
Accounts receivable	2,278,449	–	–	–	–	8,766,994	11,045,443
Debt instruments at fair value through other comprehensive income	394,239	3,055,492	27,542,267	102,437,098	4,033,751	1,832,274	139,295,121
Financial leasing receivables	–	–	–	–	–	39,305	39,305
Debt instruments at amortised cost	–	–	20,135	74,392	–	35,184	129,711
Equity instruments at fair value through other comprehensive income	–	–	–	–	–	5,696,951	5,696,951
Other accounts receivable, other receivables and prepayments	–	–	–	–	–	516,015	516,015
Financial assets held under resale agreements	8,250,099	1,497,107	9,868,722	19,847	–	85,126	19,720,901
Financial assets at fair value through profit or loss	21,284,206	33,546,980	15,853,495	33,564,119	17,928,348	93,891,263	216,068,411
Derivative financial assets	–	–	–	–	–	5,034,081	5,034,081
Deposits with exchanges and non-bank financial institutions	2,872,892	–	–	–	–	18,379,909	21,252,801
Clearing settlement funds	34,508,309	–	–	–	–	2,080	34,510,389
Bank balances	93,544,464	8,324,103	16,459,164	–	–	487,480	118,815,211
<b>Total</b>	<b>174,305,364</b>	<b>70,599,423</b>	<b>124,287,871</b>	<b>136,095,456</b>	<b>21,962,099</b>	<b>136,115,475</b>	<b>663,365,688</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.3 Market risks – *continued*

#### *Interest rate risk – continued*

	As at 31 December 2023						Total RMB ' 000
	Less than 1 month RMB ' 000	More than 1 month but less than 3 months RMB ' 000	More than 3 months but less than 1 year RMB ' 000	More than 1 year but less than 5 years RMB ' 000	More than 5 years RMB ' 000	Non- interest- bearing RMB ' 000	
<b>Financial liabilities</b>							
Borrowings	6,778,299	-	45,310	-	-	14,440	6,838,049
Short-term financing payables	4,862,520	10,797,691	29,254,229	-	-	448,848	45,363,288
Due to banks and other financial institutions	12,809,259	4,000,000	5,740,000	-	-	103,744	22,653,003
Accounts payable to brokerage clients	111,454,886	-	-	-	-	20,555,643	132,010,529
Other payables and accruals	76,088	815,298	1,480,598	-	-	40,149,878	42,521,862
Amounts due to joint ventures and associates	-	-	-	-	-	12,450	12,450
Other liabilities	-	-	-	-	-	1,337,892	1,337,892
Financial liabilities at fair value through profit or loss	607,483	30,782	3,436,240	60,423	128,786	12,007,456	16,271,170
Derivative financial liabilities	-	-	-	-	-	4,700,925	4,700,925
Financial assets sold under repurchase agreements	138,758,483	1,272,194	13,346,703	-	-	371,422	153,748,802
Lease liabilities	142	1,928	30,109	726,993	207,535	3,477	970,184
Bonds payable	41,700	82,690	38,310,843	55,741,941	7,793,699	1,609,622	103,580,495
<b>Total</b>	<u>275,388,860</u>	<u>17,000,583</u>	<u>91,644,032</u>	<u>56,529,357</u>	<u>8,130,020</u>	<u>81,315,797</u>	<u>530,008,649</u>
Net exposure	<u>(101,483,495)</u>	<u>53,598,840</u>	<u>33,043,839</u>	<u>79,566,099</u>	<u>13,832,079</u>	<u>54,799,677</u>	<u>133,357,039</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.3 Market risks – *continued*

#### *Sensitivity analysis*

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

	<b>2024</b>	2023
	<b>RMB' 000</b>	RMB' 000
<b>Profit before income tax for the year</b>		
Increase by 100bps	<b>(2,725,819)</b>	(1,615,669)
Decrease by 100bps	<b>2,811,692</b>	1,678,475
	<b>2024</b>	2023
	<b>RMB' 000</b>	RMB' 000
<b>Other comprehensive income before income tax</b>		
Increase by 100bps	<b>(2,789,871)</b>	(2,477,835)
Decrease by 100bps	<b>3,018,526</b>	2,604,851

#### *Currency risk*

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.3 Market risks – *continued*

#### *Price risk*

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

#### *Sensitivity analysis*

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

	<b>2024</b>	2023
	<b>RMB ' 000</b>	RMB ' 000
<b>Profit before income tax for the year</b>		
Increase by 10%	<b>815,879</b>	1,491,041
Decrease by 10%	<b>(788,035)</b>	(1,188,490)
	<b>2024</b>	2023
	<b>RMB ' 000</b>	RMB ' 000
<b>Other comprehensive income before income tax</b>		
Increase by 10%	<b>2,225,931</b>	563,423
Decrease by 10%	<b>(2,225,931)</b>	(563,423)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.4 Liquidity risk

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

As at 31 December 2024 and 31 December 2023, cash and bank deposits and clearing settlement funds held by the Group amounted to RMB161.82 billion and RMB111.50 billion, respectively; and financial assets such as monetary funds, government bonds and short-term financing bills amounted to RMB95.22 billion and RMB100.45 billion, respectively, providing a strong capability of quick liquidation to meet the foreseeable demands on financing liabilities and businesses. Therefore, the Group considers the exposure to liquidity risk to be insignificant.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.4 Liquidity risk – *continued*

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

#### ***Undiscounted cash flows by contractual maturities***

The tables below present the cash flows payable by the Group within the remaining contractual maturities as at 31 December 2024 and 31 December 2023. The amounts disclosed in the tables are the contractual undiscounted cash flows. The tables include both interest and principal cash flows. To the extent that interest rates are floating, the undiscounted amount is based on the interest rate at the end of the year.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.4 Liquidity risk – *continued*

#### *Undiscounted cash flows by contractual maturities – continued*

As at 31 December 2024

	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
Borrowings	–	4,340,577	–	–	–	4,340,577	4,324,296
Short-term financing payables	–	37,988,975	34,423,245	–	–	72,412,220	71,983,519
Due to banks and other financial institutions	4,099,779	10,517,221	–	–	–	14,617,000	14,605,858
Accounts payable to brokerage clients	175,108,950	230,705	–	–	–	175,339,655	175,339,655
Other financial liabilities	31,850,692	2,794,930	1,058,579	–	–	35,704,201	35,704,201
Amounts due to joint ventures and associates	10,191	–	–	–	–	10,191	10,191
Financial liabilities at fair value through profit or loss	7,989,862	–	–	71,252	144,417	8,205,531	8,205,531
Other liabilities	908,462	–	111,517	141,586	–	1,161,565	1,161,565
Financial assets sold under repurchase agreements	–	164,019,225	7,427,723	–	–	171,446,948	171,313,952
Bonds payable	–	9,967,916	24,290,861	65,654,580	10,118,750	110,032,107	103,290,977
Lease liabilities	–	119,935	295,172	592,144	72,714	1,079,965	999,553
<b>Total</b>	<b>219,967,936</b>	<b>229,979,484</b>	<b>67,607,097</b>	<b>66,459,562</b>	<b>10,335,881</b>	<b>594,349,960</b>	<b>586,939,298</b>
Derivative financial liabilities net settlement	–	1,502,344	4,102,816	1,152,638	–	6,757,798	6,757,754

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 69. FINANCIAL INSTRUMENTS RISK MANAGEMENT – continued

### 69.4 Liquidity risk – continued

#### Undiscounted cash flows by contractual maturities – continued

As at 31 December 2023

	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	RMB ' 000	RMB ' 000	RMB ' 000	RMB ' 000	RMB ' 000	RMB ' 000	RMB ' 000
Borrowings	-	6,811,899	47,251	-	-	6,859,150	6,838,049
Short-term financing payables	-	15,926,900	29,891,900	-	-	45,818,800	45,363,288
Due to banks and other financial institutions	5,435,014	11,485,065	5,813,836	-	-	22,733,915	22,653,003
Accounts payable to brokerage clients	131,995,778	14,751	-	-	-	132,010,529	132,010,529
Other financial liabilities	35,555,563	5,004,471	2,035,720	-	-	42,595,754	42,521,862
Amounts due to joint ventures and associates	12,450	-	-	-	-	12,450	12,450
Financial liabilities at fair value through profit or loss	12,788,163	234,298	3,084,327	62,813	101,569	16,271,170	16,271,170
Other liabilities	863,261	-	256,419	218,212	-	1,337,892	1,337,892
Financial assets sold under repurchase agreements	5,358,688	134,994,141	13,601,783	-	-	153,954,612	153,748,802
Bonds payable	-	2,578,973	39,211,592	60,255,643	8,796,150	110,842,358	103,580,495
Lease liabilities	-	89,938	254,545	657,050	55,477	1,057,010	970,183
<b>Total</b>	<b>192,008,917</b>	<b>177,140,436</b>	<b>94,197,373</b>	<b>61,193,718</b>	<b>8,953,196</b>	<b>533,493,640</b>	<b>525,307,723</b>
Derivative financial liabilities net settlement	-	1,468,069	2,998,590	234,420	-	4,701,079	4,700,926



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 69.4 Liquidity risk – *continued* – *continued*

#### ***Capital management***

The Group's objectives of 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.

In accordance with the Administrative Measures for Risk Control Indicators of Securities Companies (Revised in 2020) (the "Administrative Measures") issued by the China Securities Regulatory Commission ("CSRC"), the Company is required to meet the following standards for risk indicators on a continual basis:

1. Risk coverage ratio (net capital divided by the total risk capital reserves) shall be no less than 100%;
2. Capital leverage ratio (core net capital divided by total on-and-off-balance sheet and off-balance-sheet assets) shall be no less than 8%;
3. Liquidity coverage ratio (high quality liquidity assets divided by net cash outflow in 30 days) shall be no less than 100%;
4. Net stable funding ratio (the available amount of stable funding divided by the required amount of stable funding) shall be no less than 100%;
5. The ratio of net capital divided by net assets shall be no less than 20%;
6. The ratio of net capital divided by liabilities shall be no less than 8%;
7. The ratio of net assets divided by liabilities shall be no less than 10%;
8. The ratio of the value of proprietary equity securities and securities derivatives held divided by net capital shall not exceed 100% "equity concentration ratio"); and
9. The ratio of the value of proprietary non-equity securities and securities derivatives divided by net capital shall not exceed 500% "non-equity concentration ratio").

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 69. FINANCIAL INSTRUMENTS RISK MANAGEMENT – continued

### 69.4 Liquidity risk – continued

#### *Capital management – continued*

Net capital refers to net assets minus risk adjustments on certain types of assets and liabilities, and add supplemented capital and other adjustments as defined in the Administrative Measures.

As at 31 December 2024 and 2023, the Company maintained the above ratios as follows:

	As at <b>31.12.2024</b>	As at 31.12.2023
Net capital (RMB' 000)	<b>95,860,234</b>	93,165,503
Risk coverage ratio	<b>240.64%</b>	233.36%
Capital leverage ratio	<b>11.98%</b>	12.03%
Liquidity coverage ratio	<b>161.14%</b>	222.43%
Net stable funding ratio	<b>135.25%</b>	129.57%
The ratio of net capital divided by net assets	<b>72.88%</b>	77.48%
The ratio of net capital divided by liabilities	<b>25.06%</b>	24.99%
The ratio of net assets divided by liabilities	<b>34.38%</b>	32.25%
Equity concentration ratio	<b>31.55%</b>	31.10%
Non-equity concentration ratio	<b>296.51%</b>	294.25%

The above ratios are calculated based on the financial statements prepared in accordance with the relevant accounting rules and financial regulations applicable to enterprises in the PRC.

Certain subsidiaries of the Group 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.

The capital of the Group mainly comprises its total equity.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 70. FAIR VALUES OF FINANCIAL INSTRUMENTS

### 70.1 Fair value hierarchy

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

- Level 1: Inputs are quoted prices (unadjusted) in active market for identical assets or liabilities than the entity can access at the measurement date
- Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Inputs are unobservable inputs for the asset or liability

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 70. FAIR VALUES OF FINANCIAL INSTRUMENTS – *continued*

### 70.1 Fair value hierarchy – *continued*

As at 31 December 2024

	Level 1 RMB' 000	Level 2 RMB' 000	Level 3 RMB' 000	Total RMB' 000
<b>Financial assets:</b>				
Debt instruments at fair value through other comprehensive income:				
– Debt securities	–	104,334,355	–	104,334,355
Equity instruments at fair value through other comprehensive income:				
– Equity instruments	13,212,436	–	69,151	13,281,587
– Mutual funds	720,106	–	–	720,106
– Perpetual bonds	–	8,306,758	–	8,306,758
– Other investments	–	9,324	–	9,324
Financial assets at fair value through profit or loss				
– Equity instruments	28,905,077	2,074,861	7,536,505	38,516,443
– Debt instruments	625,539	108,156,684	1,616,833	110,399,056
– Mutual funds	56,774,373	–	–	56,774,373
– Other investments	–	35,645,693	1,485,832	37,131,525
Other investment:				
– Investment in an associate	–	–	2,839	2,839
Derivative financial assets	516,475	2,132,964	1,230,008	3,879,447
<b>Total</b>	<b>100,754,006</b>	<b>260,660,639</b>	<b>11,941,168</b>	<b>373,355,813</b>
<b>Financial liabilities:</b>				
Financial liabilities at fair value through profit or loss				
	473,407	4,046,908	–	4,520,315
Financial liabilities designated at fair value through profit or loss				
	–	2,683,067	1,002,149	3,685,216
Derivative financial liabilities	768,103	3,845,361	2,144,290	6,757,754
Other liabilities	514,654	132,149	514,762	1,161,565
<b>Total</b>	<b>1,756,164</b>	<b>10,707,485</b>	<b>3,661,201</b>	<b>16,124,850</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 70. FAIR VALUES OF FINANCIAL INSTRUMENTS – *continued*

### 70.1 Fair value hierarchy – *continued*

As at 31 December 2023

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 70. FAIR VALUES OF FINANCIAL INSTRUMENTS – *continued*

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

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

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

	As at 31 December 2024		
	Carrying amount RMB' 000	Fair value RMB' 000	Fair value hierarchy
Bonds payable - corporate bonds	85,633,820	87,544,890	Level 1
Bonds payable - subordinated bonds	12,700,164	12,864,628	Level 1

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

### 70.3 Basis for recurring fair value measurement categorise within Level 1

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 70. FAIR VALUES OF FINANCIAL INSTRUMENTS – *continued*

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

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

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

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

During the year ended 31 December 2024, there were no significant changes of valuation techniques for Level 2.

### 70.5 Valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorized within Level 3

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

During the year ended 31 December 2024, there were no significant changes of valuation techniques for Level 3.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 70. FAIR VALUES OF FINANCIAL INSTRUMENTS – *continued*

### 70.5 Valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorized within Level 3 – *continued*

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

Financial assets/ financial liabilities	Fair value as at		Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input to fair value
	31 December 2024 RMB '000	31 December 2023 RMB '000			
<b>1) Financial assets</b>					
Debt instruments	<b>1,616,833</b>	3,100,835	Discounted cash flows	Future cash flow	The higher the future cash flow, the higher the fair value
Equity instruments	<b>316,424</b>	1,410,055	The fair value is determined with reference to the quoted market prices with an adjustment of discount for lack of marketability	Discount for lack of marketability	The higher the discount, the lower the fair value
Equity instruments	<b>4,954,600</b>	5,025,391	Market multiples	Discount for lack of marketability	The higher the discount, the lower the fair value
Equity instruments	<b>2,316,755</b>	2,064,644	Net Value Model. Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value
Equity instruments	<b>17,877</b>	88,646	Recent transaction price	Discount for lack of marketability	The higher the discount, the lower the fair value
Equity options	<b>1,192,262</b>	2,097,436	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Equity return swaps	<b>24,004</b>	271,257	Net Value Return Model, Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value
Commodity options	<b>9,620</b>	13,528	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Structured notes	<b>3,905</b>	9,064	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Other investments	<b>1,145</b>	—	Discounted cash flows	Future cash flow	The higher the future cash flow, the higher the fair value
Other investments	<b>1,484,687</b>	4,766,388	Net Value Model. Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value
Currency swaps	<b>217</b>	2,206	Quotation price	Quotation price	The higher the quotation price, the higher the fair value
Investment in an associate	<b>2,839</b>	5,939	Market multiples	Discount for lack of marketability	The higher the discount, the lower the fair value
	<b>11,941,168</b>	<b>18,855,389</b>			

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 70. FAIR VALUES OF FINANCIAL INSTRUMENTS – *continued*

### 70.5 Valuation techniques used and the qualitative and quantitative information of key parameters for recurring fair value measurements categorized within Level 3 – *continued*

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

Financial assets/ financial liabilities	Fair value as at		Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input to fair value
	31 December 2024 RMB' 000	31 December 2023 RMB' 000			
2) Financial liabilities					
Equity options	935,687	1,310,873	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Equity return swaps	188,617	227,608	Net Value Return Model, Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value
Structured notes	834,752	2,529,453	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Structured notes	215,668	49,625	Net Value Model. Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value
Commodity options	971,715	35,322	Black Scholes Model. Market price and volatility of the underlying investment	The volatility of the underlying investment	The higher the volatility of the underlying investment, the greater impact on the fair value
Third-party interests	514,762	856,162	Net Value Model. Net value of the underlying investment	The net value of the underlying investment	The higher the net value of the underlying investment, the higher the fair value
	<b>3,661,201</b>	<b>5,009,043</b>			

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 70. FAIR VALUES OF FINANCIAL INSTRUMENTS – *continued*

### 70.6 Reconciliation of Level 3 fair value measurements

For the year ended 31 December 2024

	Financial assets at fair value through profit or loss RMB '000	Financial assets at fair value through other comprehensive income RMB '000	Financial liabilities at fair value through profit or loss RMB '000	Derivative financial assets RMB '000	Derivative financial liabilities RMB '000	Other liabilities RMB '000
At 1 January 2024	16,382,510	73,449	(2,561,791)	2,393,491	(1,591,090)	(856,162)
Total gains/losses	(2,368,108)	(4,935)	(298,606)	(943,575)	173,891	(14,465)
– Profit or loss	(2,368,108)	–	(298,606)	(943,575)	173,891	(14,465)
– Other comprehensive income	–	(4,935)	–	–	–	–
Additions	287,611	637	(51,825)	26,134	(1,046,176)	–
Settlements/disposals	(2,778,321)	–	2,125,741	(246,042)	319,085	355,865
Transfers into Level 3	1,923,046	–	(215,668)	–	–	–
Transfers out of Level 3	(2,807,568)	–	–	–	–	–
As at 31 December 2024	<u>10,639,170</u>	<u>69,151</u>	<u>(1,002,149)</u>	<u>1,230,008</u>	<u>(2,144,290)</u>	<u>(514,762)</u>
Total unrealised gains/losses for the year for assets/ liabilities held as at 31 December 2024						
– Included in profit or loss	<u>(1,819,524)</u>	–	<u>(158,661)</u>	<u>(943,575)</u>	<u>173,891</u>	<u>(30,903)</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 70. FAIR VALUES OF FINANCIAL INSTRUMENTS – *continued*

### 70.6 Reconciliation of Level 3 fair value measurements – *continued*

For the year ended 31 December 2023

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 71. SCOPE OF CONSOLIDATION

### 71.1 General information of subsidiaries

Details of the Group's principal subsidiaries at the end of the year are set out below:

Name of principal subsidiary	Type of legal entity registered	Place and date of incorporation/ establishment	Effective equity interest held by the Group as		Share capital/ registered and paid-up capital as at 31 December 2024	Principal activities	Countries of principal activities
			at 31 December 2024	2023			
廣發期貨有限公司 GF Futures Co., Ltd.* <sup>(1)</sup>	有限責任公司 Limited liability company	PRC 23 March 1993	100%	100%	RMB2,050,000,000	Commodity futures brokerage, financial futures brokerage, investment consulting and asset management	PRC
廣發商貿有限公司 GF Commodities Co., Ltd.*	有限責任公司 Limited liability company	PRC 3 April 2013	100%	100%	RMB550,000,000	Trading and trading agent	PRC
廣發期貨(香港)有限公司 GF Futures (Hong Kong) Co., Limited	有限責任公司 Limited liability company	Hong Kong 8 May 2006	100%	100%	HKD1,021,000,000	Futures brokerage	Hong Kong
GF Financial Markets (UK) Limited	有限責任公司 Limited liability company	United Kingdom 2 February 1976	100%	100%	GBP55,969,014	Commodities and futures brokerage	United Kingdom
廣發乾和投資有限公司 GF Qianhe Investment Co., Ltd.* <sup>(1)</sup>	有限責任公司 Limited liability company	PRC 11 May 2012	100%	100%	RMB7,103,500,000	Project investment, investment management	PRC
廣發融資租賃(廣東)有限公司 Guangfa Financial Leasing (Guangdong) Co., Ltd.* <sup>(1)</sup>	有限責任公司 Limited liability company	PRC 5 June 2015	100%	100%	RMB800,000,000	Financial leasing	PRC
廣發基金管理有限公司 GF Fund Management Co., Ltd.* <sup>(1)</sup>	有限責任公司 Limited liability company	PRC 5 August 2003	54.53%	54.53%	RMB140,978,000	Fund raising, fund sales and assets management	PRC
廣發國際資產管理有限公司 GF International Investment Management Limited	有限責任公司 Limited liability company	Hong Kong 10 December 2010	54.53%	54.53%	HKD500,000,000	Asset management	Hong Kong
瑞元資本管理有限公司 Ruiyuan Capital Management Co., Ltd.*	有限責任公司 Limited liability company	PRC 14 June 2013	54.53%	54.53%	RMB75,000,000	Project investment, investment management and investment advisory	PRC

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 71. SCOPE OF CONSOLIDATION – continued

### 71.1 General information of subsidiaries – continued

Name of principal subsidiary	Type of legal entity registered	Place and date of incorporation/ establishment	Effective equity interest held by the Group as at		Share capital/ registered and paid-up capital as at 31 December 2024	Principal activities	Countries of principal activities
			2024	2023			
廣發控股(香港)有限公司 GF Holdings (Hong Kong) Corporation Limited <sup>(1)</sup>	有限責任公司 Limited liability company	Hong Kong 14 June 2006	100%	100%	HKD8,200,000,000	Investment holding	Hong Kong
廣發投資(香港)有限公司 GF Investments (Hong Kong) Company Limited	有限責任公司 Limited liability company	Hong Kong 21 September 2011	100%	100%	HKD5,000,000	Investment holding	Hong Kong
廣發融資(香港)有限公司 GF Capital (Hong Kong) Limited	有限責任公司 Limited liability company	Hong Kong 14 July 2006	100%	100%	HKD130,000,000	Advisory services	Hong Kong
廣發資產管理(香港)有限公司 GF Asset Management (Hong Kong) Limited	有限責任公司 Limited liability company	Hong Kong 14 July 2006	100%	100%	HKD475,000,000	Asset management	Hong Kong
廣發證券(香港)經紀有限公司 GF Securities (Hong Kong) Brokerage Limited	有限責任公司 Limited liability company	Hong Kong 14 July 2006	100%	100%	HKD3,100,000,000	Securities brokerage	Hong Kong
廣發財富管理(香港)有限公司 GF Wealth Management (Hong Kong) Limited	有限責任公司 Limited liability company	Hong Kong 20 November 2014	100%	100%	HKD25,000,000	Financial management	Hong Kong
廣發證券(加拿大)有限公司 GF Securities (Canada) Company Limited	有限責任公司 Limited liability company	Canada 10 March 2014	100%	100%	CAD16,400,000	Financial management	Canada
廣發信息諮詢服務(深圳)有限公司 GF Information Consulting Services (Shenzhen) Co., Ltd.	有限責任公司 Limited liability company	PRC 1 April 2014	100%	100%	RMB10,000,000	Advisory services	PRC
GF Beacon Capital Management Ltd.	有限責任公司 Limited liability company	British Virgin Islands 3 September 2014	100%	100%	USD100	Equity Investment	Hong Kong
廣發投資(開曼)有限公司 GF Investments (Cayman) Company Limited	有限責任公司 Limited liability company	Cayman Islands 8 September 2011	100%	100%	USD600,000	Investment advisor	Hong Kong

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 71. SCOPE OF CONSOLIDATION – continued

### 71.1 General information of subsidiaries – continued

Name of principal subsidiary	Type of legal entity registered	Place and date of incorporation/ establishment	Effective equity interest held by the Group		Share capital/ registered and paid-up capital as at 31 December 2024	Principal activities	Countries of principal activities
			as at 31 December 2024	2023			
廣發全球資本有限公司 GF Global Capital Limited	有限責任公司 Limited liability company	Hong Kong 26 November 2015	100%	100%	HKD2,600,000,000	Investment trading	Hong Kong
Canton Fortune Limited	有限責任公司 Limited liability company	Hong Kong 3 December 2015	100%	100%	USD6,510,410	Investment holding	Hong Kong
GF GTEC INVESTMENT MANAGEMENT LIMITED	有限責任公司 Limited liability company	Cayman Islands 13 May 2016	100%	100%	USD100	Asset management	Hong Kong
GF Optimus Ltd. <sup>(2)</sup>	有限責任公司 Limited liability company	British Virgin Islands 26 February 2016	100%	100%	USD0	Equity Investment	Hong Kong
GF Global Partners Ltd	有限責任公司 Limited liability company	Cayman Islands 31 August 2015	100%	100%	USD0.01	Investment holding	Hong Kong
GFGI Limited	有限責任公司 Limited liability company	Cayman Islands 23 December 2016	100%	100%	USD0.01	Equity investment	Hong Kong
GF Global Investment Fund I, L.P. (Note 1)	有限合夥 Limited partnership	Cayman Islands 25 September 2015	50.50%	50.50%	USD40,678,424	Equity investment	Hong Kong
廣發信德投資管理有限公司 GF Xinde Investment Management Co., Ltd.* <sup>(1)</sup>	有限責任公司 Limited liability company	PRC 3 December 2008	100%	100%	RMB2,800,000,000	Equity investment, provide financial advisory services of equity investment to customers	PRC
珠海廣發信德新界泵業產業投資基金(有限合夥) GFXD Shimage Pump Industry Fund L.P.* (Note 1)	有限合夥 Limited partnership	PRC 11 July 2015	40%	40%	RMB30,604,137.73	Equity investment	PRC
珠海廣發信德放東醫藥產業股權投資中心(有限合夥) Zhuhai GF Xinde Aodong Medical Industry Equity Investment Centre L.P.* (Note 1)	有限合夥 Limited partnership	PRC 28 October 2015	60%	60%	RMB177,298,067.22	Equity investment	PRC

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 71. SCOPE OF CONSOLIDATION – *continued*

### 71.1 General information of subsidiaries – *continued*

Name of principal subsidiary	Type of legal entity registered	Place and date of incorporation/ establishment	Effective equity interest held by the Group		Share capital/ registered and paid-up capital as at 31 December 2024	Principal activities	Countries of principal activities
			as at 31 December 2024	2023			
中山廣發信德公用環保夾層投資企業(有限合夥) Zhongshan GF Xinde Public Utilities Environment Protection Mezzanine Investment Partnership L.P.* (Note 1)	有限合夥 Limited partnership	PRC 30 September 2015	60%	60%	RMB178,463,409.87	Equity investment	PRC
珠海廣發信德今緣股權投資基金(有限合夥) Zhuhai GF Xinde Jinyuan Equity Investment Fund L.P.* (Note 1)	有限合夥 Limited partnership	PRC 13 June 2016	50%	50%	RMB109,188,169.25	Equity investment	PRC
廣發証券資產管理(廣東)有限公司 GF Securities Asset Management (Guangdong) Co., Ltd.* <sup>(1)</sup>	有限責任公司 Limited liability company	PRC 2 January 2014	100%	100%	RMB1,000,000,000	Asset management	PRC
GF Canada Holdings Company Limited	Limited liability company	Canada 26 February 2018	100%	100%	CAD4,560,266	Investment holding	Canada
Ever Glory Limited	Limited liability company	Cayman Islands 23 January 2018	100%	100%	USD1	Investment trading	Hong Kong
Ever Alpha Fund L.P. (Note 1)	Limited partnership	Cayman Islands 23 January 2018	21.43%	21.43%	USD70,000,000	Equity Investment	Hong Kong
GF Financial Holdings BVI Ltd.	Limited liability company	British Virgin Islands 21 January 2021	100%	100%	USD1	Financing	Hong Kong

\* These subsidiaries do not have official English names. English names are translated for identification purposes only.

(1) These subsidiaries are directly held by the Company.

(2) As at 31 December 2024, the capital of GF Optimus Ltd. is nil.

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group.

Note 1: The Group holds certain financial interests in such limited partnership and acts as its general partner to exercise control over its operations according to the partnership agreement. The Group's financial interests in the limited partnership expose the Group to significant variable return and such partnership is regarded as a consolidated structured entity of the Group. The effective equity interest in the subsidiary represents the equity interest held directly or indirectly by the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 71. SCOPE OF CONSOLIDATION – continued

### 71.2 Details of a non-wholly owned subsidiary that has material non-controlling interests

The table below shows the details of a non-wholly-owned subsidiary, GF Fund, which was acquired in 2014, and has material non-controlling interests before certain intragroup adjustments:

Name of subsidiary	Place of establishment and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Non-controlling interests as at	
		2024	2023	2024	2023	31.12.2024	31.12.2023
				RMB' 000	RMB' 000	RMB' 000	RMB' 000
GF Fund	PRC/Mainland China	<u>45.47%</u>	<u>45.47%</u>	<u>909,185</u>	<u>886,459</u>	<u>5,466,457</u>	<u>4,939,711</u>

Summarised financial information in respect of GF Fund that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup adjustments.

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
Total assets	<u>18,450,494</u>	<u>17,010,867</u>
Total liabilities	<u>6,427,496</u>	<u>6,146,401</u>
Equity attributable to owners of GF Fund	<u>12,022,998</u>	<u>10,864,466</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 71. SCOPE OF CONSOLIDATION – *continued*

### 71.2 Details of a non-wholly owned subsidiary that has material non-controlling interests – *continued*

	Year ended 31 December 2024 RMB' 000	Year ended 31 December 2023 RMB' 000
Total revenue and other income	<u>7,267,976</u>	<u>7,648,069</u>
Total expenses	<u>4,632,498</u>	<u>5,085,270</u>
Profit for the year	<u>1,999,673</u>	<u>1,949,691</u>
Profit attributable to owners of GF Fund	1,999,673	1,949,691
Profit attributable to the non-controlling interests of GF Fund	–	–
Profit for the year	<u>1,999,673</u>	<u>1,949,691</u>
Other comprehensive income attributable to owners of GF Fund	4,727	5,760
Other comprehensive income for the year	<u>4,727</u>	<u>5,760</u>
Total comprehensive income attributable to owners of GF Fund	2,004,400	1,955,451
Total comprehensive income attributable to the non-controlling interests of GF Fund	–	–
Total comprehensive income for the year	<u>2,004,400</u>	<u>1,955,451</u>
Dividends paid to non-controlling interests of GF Fund	<u>384,588</u>	<u>576,882</u>
Net cash inflow from operating activities	985,903	1,389,465
Net cash outflow from investing activities	(129,951)	(49,250)
Net cash outflow from financing activities	(906,837)	(1,331,462)
Effect of foreign exchange rate changes	96	2,052
Net cash inflow	<u>(50,789)</u>	<u>10,805</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 71. SCOPE OF CONSOLIDATION – *continued*

### 71.3 Consolidated structured entities

As at 31 December 2024, except for structured entities mentioned in note 71.1, the Group consolidated 82 structured entities (31 December 2023: 62). For those structured entities where the Group is involved as manager or as investor, the Group has significant variable interests in them and the Group is able to exercise control over their operations.

As at 31 December 2024, the total net assets of the consolidated structured entities were RMB33,071.57 million (31 December 2023: RMB34,502.93 million), the carrying amounts of the interests held by the Group in these consolidated structured entities were RMB31,910.01 million (31 December 2023: RMB33,165.03 million), the carrying amounts of the interests held by third parties in these consolidated structured entities were RMB1,161.56 million (31 December 2023: RMB1,337.89 million). Interests held by third parties in these consolidated structured entities were classified as other liabilities in consolidated financial statements.

### 71.4 Deconsolidated subsidiaries

During the year, the Group has liquidated Horizon Holdings, which was a subsidiary of GF Holdings (Hong Kong) Corporation Limited.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 72. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Borrowings	Short-term financing payables	Bonds payable	Long-term loans	Dividends payables and interests payables for the perpetual subordinated bonds	Lease liabilities
	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
	(Note 44)	(Note 45)	(Note 54)		(Note 50)	(Note 20)
At 1 January 2024	6,838,049	45,363,288	103,580,495	64,670	444,900	970,183
Financing cash flows	(3,002,811)	22,948,673	(3,672,682)	(65,017)	(4,269,116)	(379,017)
Foreign exchange	109,719	77,736	31,694	–	–	2,653
Interest expenses	379,339	1,289,594	3,386,670	736	–	41,310
Other non-cash movements	–	2,304,228	(35,200)	(389)	–	364,424
Dividend declared	–	–	–	–	4,729,406	–
At 31 December 2024	<u>4,324,296</u>	<u>71,983,519</u>	<u>103,290,977</u>	–	<u>905,190</u>	<u>999,553</u>
At 1 January 2023	4,491,782	37,308,357	115,887,029	64,670	–	788,716
Financing cash flows	1,947,916	7,041,727	(15,871,503)	(65,017)	(3,636,218)	(378,004)
Foreign exchange	78,872	–	35,785	–	–	1,179
Interest expenses	319,479	1,024,204	3,502,384	736	–	35,464
Other non-cash movements	–	(11,000)	26,800	(389)	–	522,828
Dividend declared	–	–	–	–	4,081,118	–
At 31 December 2023	<u>6,838,049</u>	<u>45,363,288</u>	<u>103,580,495</u>	–	<u>444,900</u>	<u>970,183</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 73. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

### Statement of financial position

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Non-current assets</b>		
Property and equipment	2,640,271	2,700,123
Right-of-use assets	887,819	977,625
Investment properties	222,628	170,709
Other intangible assets	380,066	397,224
Investments in subsidiaries	23,115,831	20,556,611
Investments in associates	998,948	998,948
Investments in joint ventures	139,861	164,491
Equity instruments at fair value through other comprehensive income	22,274,964	5,653,300
Advances to customers	20,240	–
Financial assets held under resale agreements	–	19,847
Financial assets at fair value through profit or loss	1,157,046	1,983,977
Deferred tax assets	448,375	1,126,937
Total non-current assets	<u>52,286,049</u>	<u>34,749,792</u>
<b>Current assets</b>		
Debt instruments at amortised cost	12,441	7,918
Debt instruments at fair value through other comprehensive income	101,897,060	137,590,703
Advances to customers	108,080,889	89,868,555
Accounts receivable	5,639,480	7,433,464
Other accounts receivable, other receivables and prepayments	415,131	1,004,507
Amounts due from subsidiaries	10,211,317	9,205,075
Amounts due from associates	12,975	19,150
Financial assets held under resale agreements	12,990,873	17,267,303
Financial assets at fair value through profit or loss	188,790,086	168,387,802
Derivative financial assets	2,708,133	4,357,156
Deposits with exchanges and non-bank financial institutions	1,520,540	1,904,695
Clearing settlement funds	31,415,043	30,920,156
Bank balances	119,795,881	78,406,386
Total current assets	<u>583,489,849</u>	<u>546,372,870</u>
Total assets	<u>635,775,898</u>	<u>581,122,662</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 73. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY – *continued*

### Statement of financial position – *continued*

	As at 31.12.2024 RMB' 000	As at 31.12.2023 RMB' 000
<b>Current liabilities</b>		
Short-term financing payables	66,767,345	45,363,288
Financial liabilities at fair value through profit or loss	539,203	11,815,489
Due to banks and other financial institutions	10,506,079	17,217,989
Accounts payable to brokerage clients	125,761,799	91,511,757
Accrued staff costs	2,889,171	2,504,009
Other accounts payable, other payables and accruals	28,977,925	35,612,676
Contract liabilities	44,054	39,072
Amounts due to subsidiaries	4,480,761	3,759,556
Provisions	33,519	34,062
Current tax liabilities	165,870	–
Derivative financial liabilities	5,652,253	3,735,696
Financial assets sold under repurchase agreements	157,350,945	147,908,599
Bonds payable	32,682,851	37,743,268
Lease liabilities	188,109	208,841
Total current liabilities	<u>436,039,884</u>	<u>397,454,302</u>
Net current assets	<u>147,449,965</u>	<u>148,918,568</u>
Total assets less current liabilities	<u>199,736,014</u>	<u>183,668,360</u>
<b>Non-current liabilities</b>		
Financial liabilities at fair value through profit or loss	328,747	306,093
Accrued staff costs	3,112,710	2,421,442
Bonds payable	68,451,769	63,707,808
Lease liabilities	421,907	472,891
Total non-current liabilities	<u>72,315,133</u>	<u>66,908,234</u>
Net assets	<u>127,420,881</u>	<u>116,760,126</u>
<b>Capital and reserves</b>		
Share capital	7,621,088	7,621,088
Other equity instruments	26,600,000	22,478,500
Capital reserve	31,655,495	31,681,095
Treasury shares	(233,609)	(233,609)
Investment revaluation reserve	2,932,937	904,536
General reserves	31,350,659	28,500,001
Retained profits	27,494,311	25,808,515
Total equity	<u>127,420,881</u>	<u>116,760,126</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 73. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY – *continued*

### Movements in the Company's reserves

#### *Capital reserve*

#### As at 31 December 2024

	Opening RMB ' 000	Addition RMB ' 000	Closing RMB ' 000
Share premium	31,679,003	(25,600)	31,653,403
Others	2,092	–	2,092
	<u>31,681,095</u>	<u>(25,600)</u>	<u>31,655,495</u>

#### As at 31 December 2023

	Opening RMB ' 000	Addition RMB ' 000	Closing RMB ' 000
Share premium	31,679,003	–	31,679,003
Others	2,092	–	2,092
	<u>31,681,095</u>	<u>–</u>	<u>31,681,095</u>

#### *Investment revaluation reserve*

	As at 31.12.2024 RMB ' 000	As at 31.12.2023 RMB ' 000
At the beginning of the year	904,536	421,961
Equity instruments at fair value through other comprehensive income:		
Net fair value changes during the year	2,072,324	(41,367)
Income tax impact	(516,959)	9,220
Debt instruments at fair value through other comprehensive income:		
Net fair value changes during the year	1,921,783	783,085
Reclassification adjustment to profit or loss on disposal	(824,514)	(169,270)
Changes in allowance for expected credit losses	(59,774)	66,497
Income tax impact	(259,374)	(170,078)
Other comprehensive income reclassified to retained profits	<u>(305,085)</u>	<u>4,488</u>
At the end of the year	<u>2,932,937</u>	<u>904,536</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 73. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY – *continued*

### Movements in the Company's reserves – *continued*

#### *General reserves*

#### As at 31 December 2024

	Opening RMB ' 000	Addition RMB ' 000	Closing RMB ' 000
Statutory reserve	9,246,504	949,745	10,196,249
Discretionary reserve	169,428	–	169,428
Reserve for general risk	9,645,039	951,168	10,596,207
Transaction risk reserve	9,439,030	949,745	10,388,775
	<u>28,500,001</u>	<u>2,850,658</u>	<u>31,350,659</u>

#### As at 31 December 2023

	Opening RMB ' 000	Addition RMB ' 000	Closing RMB ' 000
Statutory reserve	8,548,020	698,484	9,246,504
Discretionary reserve	169,428	–	169,428
Reserve for general risk	8,945,052	699,987	9,645,039
Transaction risk reserve	8,740,546	698,484	9,439,030
	<u>26,403,046</u>	<u>2,096,955</u>	<u>28,500,001</u>

#### *Retained profits*

	As at 31.12.2024 RMB ' 000	As at 31.12.2023 RMB ' 000
At the beginning of the year	25,808,515	24,857,297
Profit for the year	8,881,272	6,552,409
Appropriation to general reserves	(2,850,658)	(2,096,955)
Ordinary shares' dividends recognised as distribution	(3,042,338)	(2,662,046)
Distribution to other equity instrument holders	(1,302,480)	(842,190)
At the end of the year	<u>27,494,311</u>	<u>25,808,515</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 74. OUTSTANDING LITIGATIONS

As at 31 December 2024, the Group was involved as a defendant in certain lawsuits and arbitration with claim amounts of approximately RMB4,065.18 million (31 December 2023: RMB2,423.12 million) and certain listed company shares for distribution in-kind. Additionally, the Group was involved in a special representative litigation, where the ultimate claim amount remained uncertain. Based on the court rulings, advice from legal representatives and management judgement, no provision had been made to the aforesaid claims.

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

- (1) On 13 January 2025, the Company completed the issuance of 2025 non-public offering of short-term corporate bonds to professional investors (Tranche 1) amounting to RMB4.20 billion, with an annual interest rate of 1.68% and a term of 212-day.
- (2) On 21 January 2025, the Company completed the issuance of 2025 public offering of corporate bonds to professional investors (Tranche 1) which type 1 amounting to RMB1.60 billion, with an annual interest rate of 1.83% and a term of 3-year, type 2 amounting to RMB1.50 billion, with an annual interest rate of 1.90% and a term of 5-year.
- (3) On 13 February 2025, the Company completed the issuance of 2025 public offering of short-term corporate bonds to professional investors (Tranche 1) amounting to RMB2.50 billion, with an annual interest rate of 1.79% and a term of 181-day.
- (4) On 21 February 2025, the Company completed the issuance of 2025 public offering of short-term corporate bonds to professional investors (Tranche 2) amounting to RMB3.50 billion, with an annual interest rate of 1.95% and a term of 198-day.
- (5) On 25 February 2025, the Company cancelled a total of 15,242,153 repurchased A-share shares. Upon the completion of this share cancellation, the total share capital adjusted from 7,621,087,664 shares to 7,605,845,511 shares, and registered capital decreased by RMB15,242,153.
- (6) On 27 February 2025, the Company completed the issuance of 2025 public offering of corporate bonds to professional investors (Tranche 2) which type 1 amounting to RMB3.30 billion, with an annual interest rate of 2.10% and a term of 3-year. The bonds of type 2 remain unissued.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 75. EVENTS AFTER THE END OF THE REPORTING PERIOD – *continued*

- (7) On 7 March 2025, the Company completed the issuance of 2025 public offering of short-term corporate bonds to professional investors (Tranche 3) amounting to RMB3.00 billion, with an annual interest rate of 2.02% and a term of 187-day.
- (8) On 11 March 2025, the Company completed the issuance of 2025 non-public offering of short-term corporate bonds to professional investors (Tranche 2) amounting to RMB4.46 billion, with an annual interest rate of 2.10% and a term of 240-day.
- (9) On 13 March 2025, GF Financial Holdings BVI Ltd., a subsidiary of the Group, completed the issuance of USD380 million floating-rate bonds and RMB800 million fixed-rate bonds, both with a term of 3-year, which were unconditionally and irrevocably guaranteed by the Company.
- (10) On 19 March 2025, the Company completed the issuance of 2025 public offering of subordinated bonds to professional investors (Tranche 1) which type 1 amounting to RMB3.50 billion, with an annual interest rate of 2.10% and a term of 394-day. The bonds of type 2 remain unissued.
- (11) In accordance with the 2024 profit distribution plan approved by the board of directors on 28 March 2025, the Company proposed cash dividends of RMB4.00 per 10 shares (inclusive of tax) to shareholders based on the number of shares held as at the record date. The proposed profit distribution plan is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

## 76. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

## 77. COMPARATIVE FIGURES

To conform to the presentation of the requirements of the financial statements, certain comparative figures in the notes have been adjusted by the Group.