



GF Securities
Corporate Social Responsibility Report

2017



Gathering the love
from the bottom of heart





Gathering the love
from the bottom of heart

Term	Definition
Reporting Period	Year 2017 (January 1, 2017 to December 31, 2017)
The Company, Company, parent company	GF Securities Co., Ltd.
The Group, Group	the Company and its subsidiaries
GF Foundation	GF Securities Social Charity Foundation of Guangdong Province (廣東省廣發証券社會公益基金會)
GFHK	GF Holdings (Hong Kong) Corporation Limited (廣發控股(香港)有限公司)
GF Futures	GF Futures Co., Ltd. (廣發期貨有限公司)
GF Xinde	GF Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司)
GF Qianhe	GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司)
GF Asset Management	GF Securities Asset Management (Guangdong) Co., Ltd. (廣發証券資產管理(廣東)有限公司)
GF Fund	GF Fund Management Co., Ltd. (廣發基金管理有限公司)
E Fund	E Fund Management Co., Ltd. (易方達基金管理有限公司)
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
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)
SEHK	The Stock Exchange of Hong Kong Limited
SZSE	Shenzhen Stock Exchange
CSRC	The China Securities Regulatory Commission
LEED CS	the United States LEED (Leadership in Energy and Environmental Design) green building certification: Core & Shell
LEED CI	the United States LEED (Leadership in Energy and Environmental Design) green building certification: Commercial Interiors
TVOC	total volatile organic compounds

Overview of the Report

The report gives a true view of the performance of GF Securities Co., Ltd. in fulfilling its social responsibility to promote sustainable development in 2017.

Reporting Period

January 1, 2017 - December 31, 2017

Entities Covered by the Report

Unless otherwise specified, this report covers headquarters, 20 branches and 264 securities brokerage branches of GF Securities Co., Ltd.; 5 wholly-owned subsidiaries (including GF Asset Management, GF Futures, GF Xinde, GF Qianhe and GFHK) and 1 controlled subsidiary (GF Fund).

Basis of Data

Financial information herein is extracted from the Company's 2017 annual audited financial statements prepared under the PRC generally accepted accounting principles/the International Financial Reporting Standards, as audited by Deloitte Touche Tohmatsu, details of which are set out in the 2017 Annual Report of GF Securities Co., Ltd.. Other information is mainly as of 2017, most of which is derived from the Company's internal statistics. Unless otherwise specified, all monetary figures stated in this report are in Renminbi (RMB).

Basis of Preparation

Principal basis: The Environmental, Social and Governance Reporting Guide of the SEHK, the Guidelines on Standardized Operation of Listed Companies on the Main Board of the SZSE. References: The Sustainability Reporting Guidelines (G4) and the Supplementary Guidelines on Financial Services issued by Global Reporting Initiative, and the Guidelines on Preparation of CSR Reports of Chinese Enterprises issued by the Chinese Academy of Social Sciences (CASS-CSR3.0).

Reliability Assurance

This report is released on self-publishing basis, and third-party certification will be introduced in due course.

Availability

Electronic version of this report is available on websites of the CNINFO (www.cninfo.com.cn), the SEHK (www.hknews.hk) or the Company (www.gf.com.cn).

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Chairman's Statement

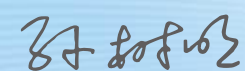
In 2017, the 19th National Congress of the Communist Party of China was successfully convened, signaling that the socialism with Chinese characteristics has come into a new era and drafting a magnificent blueprint for successfully building a moderately well-off society in an all-rounded way and a socialist modern and powerful country. The 19th National Congress report proposed to "deepen financial reforms, strengthen the impact of financial service in real economy, increase the ratio of direct financing and facilitate the multi-level and healthy development of the capital market", defining the direction of the reform and development of the capital market.

In 2017, the Company formulated the new Five-Year Strategic Plan which focuses on the main task to "serve the real economy" and the "customer-centred" commitment. Facilitating the transformation and upgrading of real economy, supporting the strategy of innovation-driven development and assisting the structural reform on the supply front as the starting point and foothold of each business. The Company sought to provide low-cost financing services that are highly effective to new economies, new driving forces and new industries. Riding on the upgrading trend in the consumption and service industries, there were key layout for emerging industries such as digital innovation, artificial intelligence and the Internet of things. The Company provided equity financing services, such as IPO and re-financing, to a total of 61 enterprises in the year, standing at the first position in the industry.

In 2017, the "law-based, comprehensive and strict" regulatory key tone continued in the securities industry. To firmly held the bottom line that no systematic financial risks occur, the Company built an all-rounded risk management mechanism, created the culture of risk management, enhanced risk management awareness and optimized the internal control mechanism. The Company effectively assumed the major responsibilities of risk monitoring at financial institutions in the endeavor to maintain a stable capital market. The Company fully fulfilled customer suitability management requirements and the duty of monitoring abnormal transactions. It actively conducted investor education and publicity activities, conscientiously fulfilling its role and duties as the gatekeeper of the capital market.

In 2017, the Company actively performed its social responsibility and gave back to the society with its professional advantage. The Company made social contribution of RMB21.2 billion for 2017, representing social contribution of RMB3.51 per share. The Company recorded national taxes of RMB3,642 million for the year. The Company continued its effort in targeted poverty alleviation and removal, providing assistance to a poverty-stricken village in Lechang city, Guangdong Province, and offering more assistance to Wuzhishan City in Hainan Province. We also actively engaged ourselves in industry-based poverty alleviation and created an all-rounded new model of assistance through financial services, educational and industrial programs. Through GF Foundation, we engaged in poverty alleviation and educational donation and continued activities such as the "Micro Enterprising Initiative for University Students". The total charitable expenses were over RMB14.50 million in charity during 2017 and the Company's achievement has been widely recognized by different sectors of society.

Looking ahead to 2018, a critical year to accomplish the task of building a moderately well-off society in an all-round way. Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, we will not forget why we started, hold on to our mission and as always persist in serving the real economy and shoulder the task to secure a stable capital market. Taking full advantage of the development opportunity from the new starting point, we dare to defy any challenges in the new journey. We are employee-oriented and committed to creating more value to our customers, securing shareholders' interest and actively giving back to the society, realizing our dream to serve our country with financial expertise through value creation.



Sun Shuming
Chairman of GF Securities Co., Ltd.



Company Profile

The history of the Company

1991.04.09

the Company's predecessor (the Securities Business Division of Guangdong Development Bank) was established.

1994.01.25

the Company was restructured into Guangdong Guangfa Securities Corporation.

1996.12.26

the Company was restructured and renamed as GF Securities Company Limited.

2001.07.25

the Company was restructured and renamed as GF Securities Co., Ltd.

2010.02.12

the Company acquired Yanbian Highway Construction Co., Ltd. through reverse takeover and became a company listed on the SZSE.

2015.04.10

the Company listed its shares on the SEHK.

The Scale of the Company

As of December 31, 2017

registered capital was RMB
7,621 million

consolidated total assets were RMB
356,905 million

equity attributable to owners of the Company was RMB
84,854 million

For the year of 2017

total revenue and other income realized (consolidated basis) was RMB
28,614 million

net profit attributable to owners of the Company was RMB
8,595 million

The Company's capital strength and profitability continued to rank ahead in the domestic securities industry, with its market capitalization leading in the securities companies listed in China.

As of December 31, 2017



20 branch companies

264 securities brokerage branches

ranking ahead among peers

covering 31 provinces, municipalities and autonomous regions across China, focusing on the Pearl River Delta, Yangtze River Delta, Bohai Rim and other developed economic regions.

Group Structure

as of the end of the Reporting Period, the Company had five wholly-owned subsidiaries



controlling interest
GF Fund

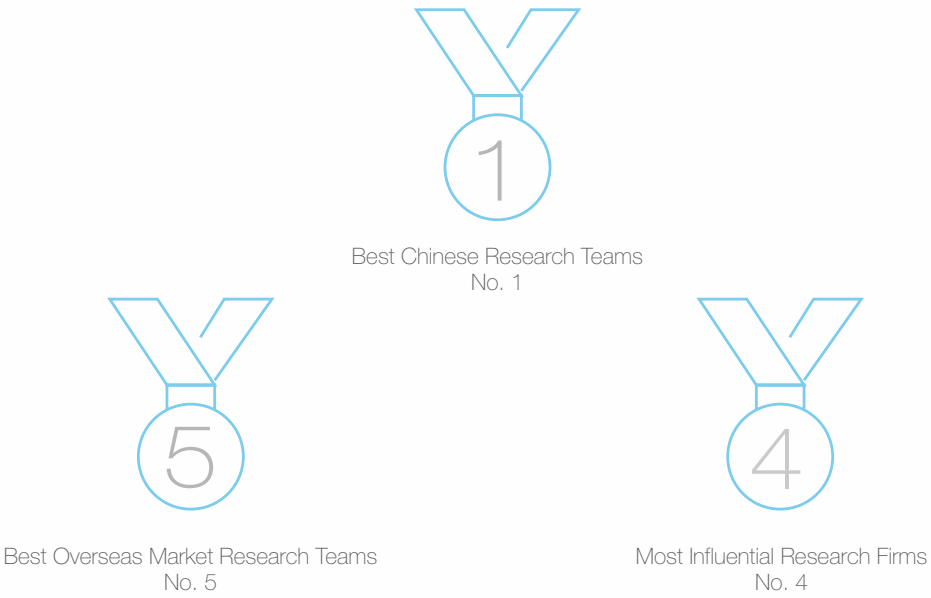
associated company
E Fund
(as the equal-largest shareholder)
.....

Its indirect wholly-owned subsidiaries include
GF Financial Markets (UK) Limited,
GF Securities (Canada) Limited
.....

Major Awards & Recognitions

Date	Granted by	Award
2017 February	Shanghai Stock Exchange	Excellent Organization Award
2017 March	SZSE	Shenzhen-Hong Kong Stock Connect Outstanding Contribution Award
2017 April	Securities Times	2017 China Investment Bank (Comprehensive Strength) Junding Prize 2017 China Investment Bank (Bond) Junding Prize 2017 China Investment Bank (M&A) Junding Prize
2017 May	People's Daily and International Finance News	2017 International Pioneer Investment Bank 2017 Pioneer Investment Bank (IPO) 2017 Pioneer Investment Bank (New Materials Industry) 2017 Pioneer Investment Bank (M&A) 2017 Pioneer Investment Bank (Refinancing) 2017 Pioneer Investment Bank (ABS) 2017 Pioneer Securities Firm (Intelligent Investment adviser)
2017 June	Nanfang Daily and the Host of International Finance EXPO	2017 Annual Social Responsibility Prize 2017Annual Wealth Management Service Provider The 6th Guangzhou International Finance EXPO Outstanding Contribution Award
2017 December	Syntao Green Finance Caixin Media	Component of SGCX ESG50 Index
	Rupert Hoogewerf Brand List	Rupert Hoogewerf Brand List-2017 Finance Brand
	Wallstreetcn	Annual Excellent Securities Firms
	Time Weekly	Annual Professional Service Financial Firms
	21st Century Business Herald	Annual Excellent Securities Firms
	China Foundation for Poverty Alleviation	2017 Non-governmental Pioneer Unit in Disaster Relief
	China Development Bank	2017 Inter-Bank Market Excellent Underwriters
	Sina Weibo	The Most-welcomed Financial Firms at Weibo

The Company's brand was valued at RMB **7.0** billion ranking No. **3** among the listed securities companies.



Macro Economy	No. 1	Financial Engineering	No. 2
Real Estate	No. 1	Non-metallic Building Materials	No. 2
Non-ferrous Metals	No. 1	Most-welcomed Analysts by Mutual Funds	No. 3
Automobiles & Components	No. 1	Most-welcomed Analysts by Insurance Capital	No. 3
Environmental Protection	No. 1	Food & Beverage	No. 3
Electronics	No. 1	Computer	No. 3
Coal Mining	No. 1	Machinery	No. 3

GF Asset Management

China's Best Asset Management Firms
Affiliated to Securities Company
Fixed-income Award for China Asset
Management Firm Affiliated to Securities Company
China Fund

2017 China Asset Management Securities
Firm Junding Prize
2017 China Securities Firm Fixed-income Investment
Team Junding Prize
Securities Times

GF Xinde

Top 100 China Private Equity Houses
Top 10 China Securities Firms (Direct Investments) in 2017
Zero2IPO

Forbes 2017 China Top PE
Forbes

GF Futures

2017 Options Services Pioneer Firm (GF Futures)
People's Daily and International Finance News

China Gold Research Institute in Futures
Securities Times and Futures Daily

GFHK

Best Asia G3 Bond Investment Houses
The Asset

GF Qianhe

2017 Annual Economic Development
Contribution Award
The People's Government of Huairou
District of Beijing

GF Fund

Best Fund Houses in 2017
Eastmoney.com

Morningstar (China) Fund of the Year
Prize 2017
Morningstar (China)



Social Responsibility Rooted in Culture

Summary of Our Corporate Culture

Our Mission	Creating Value to Realize the Dream of Serving the Country with Financial Services
Our Vision	Become a Modern Investment Bank with International Competitiveness, Brand Influence and Systematic Importance
Our Core Values	Inquisitiveness, Integrity, Client Focus, and Teamwork
Our Management Philosophy	Stable Growth, Continual Innovation, Performance-driven Culture and Business Synergies

Unique Cultural Building Blocks

Essays solicitation in celebration of the 26th anniversary

To celebrate the 26th anniversary of the founding of the Company, the Company carried out the essays solicitation event themed “My Growth Along With GF”, during which a total of 252 essays were collected. Among them, some excellent essays were included in the 200th issue of Guangfa Securities Review as a special issue titled “Growth”, describing, with delicate strokes sincere emotion and from various perspectives, the course of struggle and growth stories of our employees at the Company, expressing the pride and appreciation of GF people, which contributed to the valuable culture wealth of the Company.

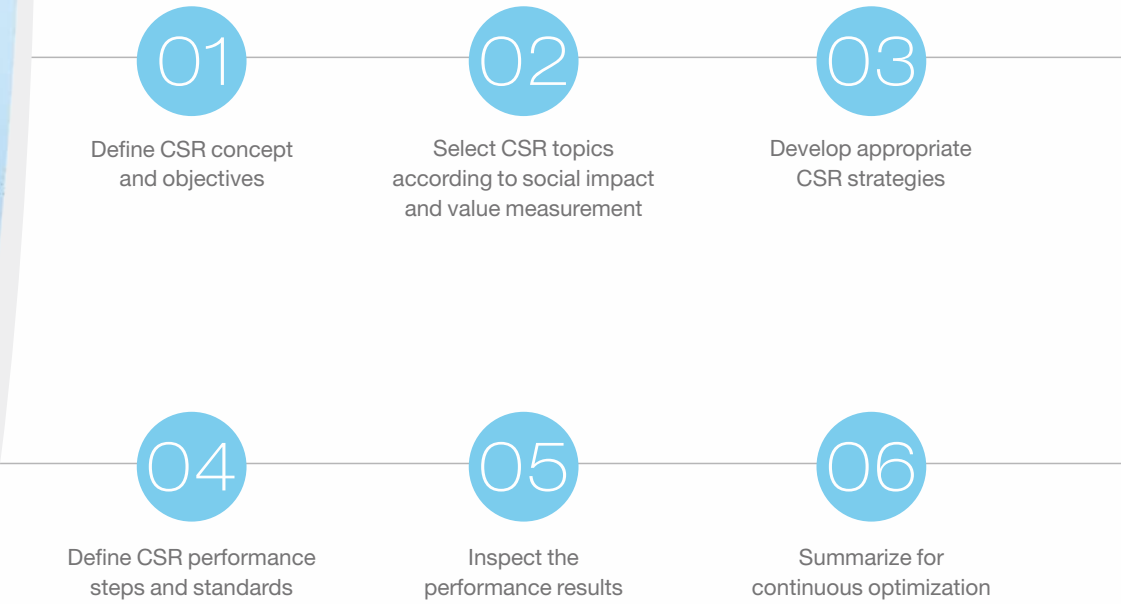


2017 New Employee Training Session.

Multi-faceted talents cultivation

The Company has placed a strong emphasis on staff training and endeavored to build a team of talents. Thanks to the Company’s training centers and standardized and multi-leveled staff training system as well as the diversified talents development efforts such as on-the-job training and job rotation, our employee can gain management and professional knowledge during their respective career stage to satisfy their personal development needs, and the Company can achieve a ‘win-win’ situation for both business development and career development of our staff.

Corporate Social Responsibility Mechanism



CSR Management System, Stakeholder Communication and Participation and Assessment of Significant Topics

The Company has been continuing to improve its CSR management system and enhance the CSR management framework, and has established sound mechanism and process for fulfilling social responsibility. With reference to its situation, the Company dynamically assessed its stakeholders in order to refine the mechanism and parties responsible for communicating with stakeholders. We are deeply aware that the involvement of stakeholders is integral to the Company’s development and CSR fulfillment. The Company is committed to maintaining smooth communication with all stakeholders and developing mutually beneficial relationship through the involvement of stakeholders to promote sustainable development.



GF Securities Social Charity Foundation
Of Guangdong Province

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Overview of GF Foundation

The Foundation is a privately raised charity foundation for public welfare, founded with RMB43 million jointly donated by GF Securities and its three subsidiaries. GF Foundation was incorporated in January 2011, as certified by the Foundation Legal Entity Registration Certificate issued by the Guangdong Provincial Department of Civil Affairs.

Operations of GF Foundation

GF Foundation has the legal person capacity with its property and income completely independent from other entities or individuals. Each year the Company donates to and operates through GF Foundation, to carry out activities such as charity, poverty alleviation and donation. With a sound and standardized organization and system, GF Foundation operates in strict accordance with the Regulations on Management of the Foundation and other rules. Each year, an accounting firm is engaged to conduct audit on the Foundation's operations. Meanwhile, an annual review is made by the Guangdong Provincial Department of Civil Affairs.

Purpose of GF Foundation

Carry forward the loving gesture of GF Securities; show concern to livelihood; play an active role in public welfare, poverty relief, education and environmental protection; promote the construction of a harmonious society; and contribute to sustainable development.

Upholding a public welfare concept of "Gathering the love from the bottom of heart", we make every tiny effort in livelihood from poverty alleviation, disaster relief to education and environmental protection, to convey warmth to more people.

In 2017,
the Foundation donated RMB
14.5294
million in total.

Lin Zhihai

CEO of GF Securities Co., Ltd.

Chairman of GF Foundation:
Lin Zhihai

Directors of GF Foundation:
Lin Chuanhui, Zhao Guiping, Wu Zhaoming, Cheng Huaiyuan

Secretary-General of GF Foundation:
Cheng Huaiyuan





Customer Services

Earnestly Serve Every Customer

We aim to become an integrated service provider focusing on China's high-quality SMEs and wealthy groups by virtue of our leading innovation capability on the capital market. To this end, we will strengthen our team building and strategic investment in such areas as investment banking, wealth management, trading and institutional clients, investment management, financial platform and business globalization, so as to offer professional services for enterprises and inject vitality into the real economy.

- New Five-Year Strategic Plan
- Professional Solutions to Customer Needs
- Your Attentive, Professional and Dedicated Business Partner
- Protect the Capital Market to Shoulder Responsibility toward Investors



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New Five-Year Strategic Plan

Guangfa Securities Five-Year Strategic Plan (2017-2021)

In 2017, the Company formulated the new round of Five-year Strategic Plan subsequent to the previous five-year strategic plan. According to the new five-year plan, carrying forward the core values of "Inquisitiveness, Integrity, Client Focus, and Teamwork" and further to our vision to "Become a Modern Investment Bank with International Competitiveness, Brand Influence and Systematic Importance", we set our strategic version in the new stage to be "Four First-classes", namely to become a first-class investment bank in resources allocation, a first-class wealth management firm, a first-class investment bank with international competitiveness and a first-class investment bank with comprehensive capacity in risk management. Through five years of hard work, we strive to realize our strategic goal to boost our profile in the industry as a whole.

We will adhere to the "customer-centred" strategic principle to understand customer's needs based on coordination and innovation. The transformation and upgrade of our four major business segments, namely, investment banking, wealth management, trading and institutional clients and investment management, will be promoted from five major perspectives, namely the leading strategy, financial technology strategy, internationalization strategy, collectivized strategy and platform-based strategy. We are to realize the goals of the new five-year plan through building the strategic support of strategy management, comprehensive risk management, financial resources management, HR management and IT construction to firmly underpin the four major business strategies.

Professional Solutions to Customer Needs

We uphold the customer-centred concept, seeking to understand customer needs and expectations to maximize customer interests. We bear in mind and takes into action the "Client Focus", striving to outperform peers in service quality. We understand that customers as capital market participants are the cornerstone of market, whose trust is the basis for our survival and development. We take care of every customer, and provide professional solution to meet their needs.

Customer Relationship Management

The Company always attaches great importance to customer appeals and complaints, and bases the standardized complaint handling process upon a top-down organizational system and comprehensive basic rules on complaint handling. We have maintained the leadership in customer relationship management among peers, with customer service satisfaction of retail business exceeding 97% for three years in a row.

Retail Business Customer Satisfaction Survey

Year	Number of participants (person)	Percentage in total customers	Satisfaction rate
2015	360,985	5.76%	97.10%
2016	279,514	3.80%	97.80%
2017	286,352	3.49%	97.95%

The customer satisfaction survey is made each year. In 2017, there were 286,352 participations and 60.27% respondents provided feedbacks. The satisfaction rate reached 97.95%, up 0.15 percentage point from 2016.

Retail Business Customer Complaints

Year	Number of complaints	Satisfaction rate in return visits
2015	21	95.24%
2016	15	92.31%
2017	37	94.32%



In 2017, our 95575 service hotline provided 475,097 times of customer services, including 37 justified customer complaints. Save for 13 complaints which are still in the process of investigation, all such other complaints were followed up through acceptance, investigation and handling, feedback and return visit. The satisfaction rate in return visit reached 94.32%, 2.01 percentage points higher than 2016.

Your Attentive, Professional and Dedicated Business Partner

In light of the service concept of "Your Attentive, Professional and Dedicated Business Partner", we offer a diverse range of multi-level wealth management services to clients. Our services include 5 categories in terms of content, namely convenient Internet services, cost-performance basic services, professional wealth management services, high-end private banking services and colorful theme activities, with a view to cater for each diversified needs of clients. Service platforms include 24/7 Q&A, robot investment adviser service, online store of financial products, 95575 hotline, dedicated account manager, investment advisory service, securities brokerage branch inquiry telephone service, and securities brokerage branch on-site services, covering every time frame of 7/24. With such unlimited and uninterrupted services enabled by the service platforms, we could optimize our communication with and services to our clients.

Customer Service Network

As of December 31, 2017, the Company had 20 branches and 264 securities brokerage branches, a nationwide retail network with outlets covering China's 31 provinces, municipalities and autonomous regions, including economically developed Pearl River Delta, Yangtze River Delta, Shandong Peninsula, Bohai Rim and major provinces and cities. To adapt to the changing competition landscape, the Company improves operational efficiency through omni-directional promotion of Internet-based services, marketing and wealth management offerings.

Construction of Customer Service System

Illegal of the large client base, we categorized individual customers into Mass, Golden Majordomo and Private Banking levels in order to accurately identify their needs and provide differentiated services, making a more distinct picture of client category and level. Meanwhile, we introduced a star rating system accordingly. On such basis, we have further optimized the service system to provide different services depending on different category and level of clients, so that we could satisfy client's needs in a differentiated and more targeted manner.



Protection of Customer Information

Illegal use of customer information is strictly prohibited at the Company. The Company revised the "User Privileges and Information Security Management Rules on the Golden Majordomo Comprehensive Service System (CRM System) of GF Securities", and circulated the "State Council General Office's Guidance on Strengthening the Protection of Interests of Financial Service Consumers" within the Group, requiring strict protection of customer information accordingly.

The Company is committed to maintaining information security in strict compliance with applicable laws and regulations, so as to fulfill its confidentiality duty and protect the privacy of investors. Any inspection or retrieving of recorded video or audio data shall be subject to strict approval procedures.

Protect the Capital Market to Shoulder Responsibility toward Investors

Investor Education

While offering financial services, we persist in investor education and customer suitability management in an effort to communicate, publicize and promote the rational investment philosophy and atmosphere in the public. A sound and multi-level investor education system has been established to support a number of constructive educational programs of the Company.



Screenshots of posters and brochures



Screenshots of posters and brochures



Screenshots of Investor Education on WeChat



Screenshots of Investor Education on WeChat

Promotion Month Themed “Say No to Illegal Securities Deals, Deliver Positive Energy” to Crack Down Illegal Securities Deals

In order to protect the lawful interests of investors, guide them to establish correct investment philosophy, keep them away from illegal securities activities and deliver positive energy, the Company, through its branches and sub-branches, conducted the promotion month event to crack down illegal securities deals on November 18 and December 18, respectively, in accordance with the “Notice on Relevant Work regarding the Promotion Month Themed “Say No to Illegal Securities Deals, Deliver Positive Energy” issued by the Securities Association of China, which helped investors to understand the common forms of illegal securities deals and raise their risk awareness to stay away from the deception.

3.15 Promotion Month

During the “3.15 Promotion Month”, we conducted investor education activities through multiple ways such as the website of our investor education base, bulletin of transaction terminal, Weibo, WeChat portal, on-site promotion at our securities brokerage branches, seminars and workshops and community and campus events, to publicize the eight basic rights entitled by financial consumers, advocate the rational investment idea, namely to “Entitle to All Gains at their Own Risks”, and disseminate the prevention and warning of illegal securities deals, multi-level dispute resolving mechanism, detailed business and risk profile, as well as the knowledge regarding the “Guiding Opinion on Strengthening Protection of Interests of Financial Consumers”, the “Implementation Rules of the PBOC regarding Protection of Interests of Financial Consumers” and the “Administrative Measures on Suitability of Securities and Futures Investors”.

Annual Promotion Campaign Themed “Welcome the Convening of the 19th CPC National Congress with Safe Finance”

In order to contribute to a favorable environment in anticipation of the convening of the 19th CPC National Congress, the Company promulgated the “Notice on Conducting the 2017 ‘Safe Finance’ Promotion Month” and carried out a series of internal study and external promotion campaigns themed “Preventing Risk, Ensuring Safety, Boosting Development” and “Welcoming the 19th CPC National Congress”. The Company strengthened its efforts in staff education to increase their own knowledge bank regarding “Safe Finance” and conducted internal study and training by various means, with a focus on the “Spirit of 2017 National Financial Work Conference”, the “Speeches of General Secretary Xi Jinping Regarding National Financial Safety” and the “Spirit of the Four Persistence, Three Support, Two Leading” Important Instructions of General Secretary Xi Jinping Regarding the Work of Guangdong”, and with reference to a series of regulatory policies for the industry such as the “Administrative Measures on Suitability of Securities and Futures Investors” and the “Administrative Rules on Liquidity Risk of Mutual Open-end Securities Investment Fund” and the “Guidance on Implementation of Compliance Management of Securities Companies”.

2 SECTION

Staff Development

Staff-oriented Initiatives for the Dream of Serving the Country

We adhere to the staff-oriented principle and proactively support staff growth through a variety of measures, path and conditions. Under a talent development plan with well-defined direction, tasks and objectives, we maintain a core talent growth plan which is designed to facilitate rapid growth of core talents through systematic training and supports. Training and introduction are combined to consolidate the talent reserves under a well-established and long-effect talent cultivation system, thus promoting employee growth to underpin business development and realize the dream of serving the country with financial services.

High-quality Team of Professionals

Sound Assurance for Employee
Rights and Interests

Multi-level Training System

Diversity of Labor Union Activities



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High-quality Team of Professionals

Upholding the "people-oriented" talent management philosophy, we adopt a mechanism retaining talents by career, remuneration package and emotional bond, and have an elite team incorporating professional competence and dedication.

Staff Information

Number of employees of the parent company (person)

10,316

Number of employees of principal subsidiaries (person)

1703

Total number of employees (person)

12,019

Total number of employees on the payroll for the Reporting Period (person)

12,019

By Professional structure (person)

10,395	Principal operations	86.49%
87	Risk management	0.72%
94	Legal and compliance	0.78%
440	Information technology	3.66%
1,003	Others	8.35%

By Education (person)

133	Doctorate	1.11%
2,710	Master degree	22.55%
7,105	Undergraduate	59.11%
2,071	Junior college or below	17.23%

By Age (person)

4,982	Aged 30 or below	41.45%
4,666	Aged 31 - 40	38.82%
1,996	Aged 41 - 50	16.61%
375	Aged 51 or above	3.12%

合计 12,019 人

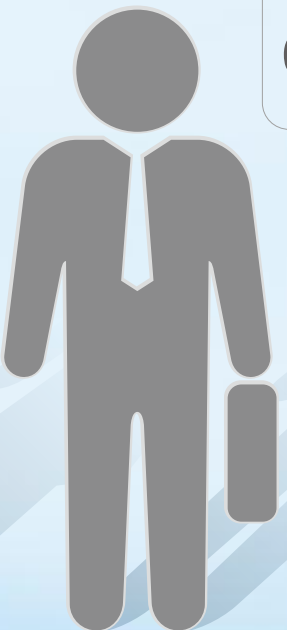
Note 1: Staff number includes 212 internal early retired employees.

Note 2: There were no retired employees for which the Company is required to bear extra costs.

Female
5,143



Male
6,876



Total number of employees

12,019

*Based on the statistics of the Group

Average age
Around
33
years old

*Based on the statistics of the parent company

Sound Assurance to Employee Rights and Interests

Harmonious Labor Relations

The Company strictly abides by the external laws and regulations such as the Labor Law and the Labor Contract Law, and established sound human resources management system and process including the Salary Management Rules of GF Securities, the Administrative Measures on Labor Contracts of GF Securities, the Administrative Measures on Employee Benefits Leave of GF Securities, etc., which were strictly implemented to protect employees' vital interests in labor protection, working conditions, salary payment, social insurance, working hour management, rest and vacation, rights and interests of female employees, labor layoff, equal opportunities, diversity and anti-discrimination. In 2017, the Company was not involved in any labor of child labor or forced labor.

Written labor contracts are entered into between the Company and employees in time, which set out statutory provisions covering working hours, rest and vacation, remuneration, social insurance, labor protection, working conditions, occupational hazards protection, etc.

The Company pays monthly salaries to employees in full and in time and, in strict accordance with requirements of local social security authorities, contributes to social insurance schemes with employees in time on a monthly basis. The current company-wide payroll ratio and social insurance contribution coverage are 100% both in terms of punctuality and full amount.

Labor contract and social insurance

100%

Labor contract signing ratio
Social insurance coverage

*Based on the statistics of the Group

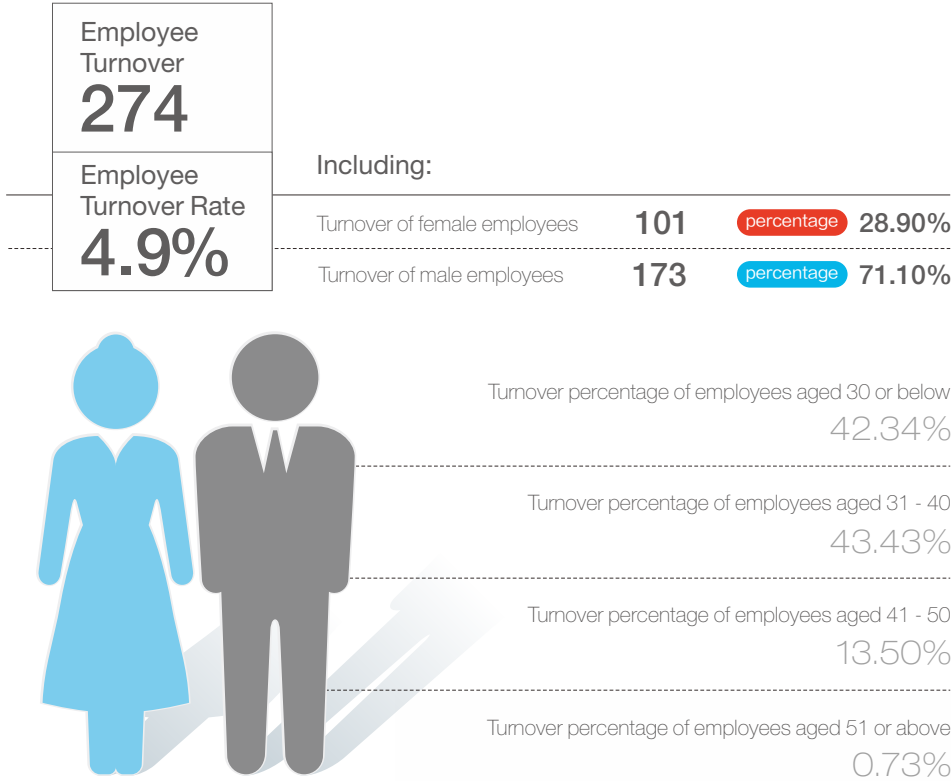
Comprehensive Welfare and Security System

The Company established a comprehensive welfare and security system, including social insurance, annuity, housing subsidies, provident housing fund, supplementary medical insurance, benefits leave, union welfare, and welfare of female employees. The Company formulated internal rules such as the Administrative Measures on Employee Welfares of GF Securities, the Administrative Measures on Welfares for Labor Union Member of GF Securities and the Administrative Measures on Employee Benefits Leave of GF Securities. Employees suffering from a non-work related disease or injury are offered a medical period and welfare treatment in accordance with applicable national and local policies. According to the law, paid leaves are provided to employees including annual leave, convalescent leave, marriage leave, maternity leave (nursing leave for male employees), family planning leave and funeral leave, and allowances were paid to the employees absent for rest and vacation due to work arrangement pursuant to national regulations.

The Company cares for the health of employees. To improve protection of employee health, annual physical examination is provided to all employees with examination cost of approximately RMB800 - RMB1,000 per person. Qualified employees having served for a required number of years may apply for internal retirement and, upon approval by the Company, enjoy a benefit package including salaries for internal retirees. The canteen in our headquarters provides convenient catering services to staff, offering healthy and safe three meals a day from Monday to Friday.

The Company provides the following benefits to female employees according to the law: statutory maternity leave, breastfeeding leave, holiday and activities for the Women's Day; monthly women health allowance to female employees; unchanged salaries for female employees during pregnancy, maternity and lactation periods; prenatal examination time during work days is deemed as work hours for pregnant female employees; physical examination items specific to female employees, etc..

The Company bears in mind its responsibilities toward employees and no termination of labor relations with employees is made without prudent considerations. In particular, alternate suitable posts are made available to the best extent to employees suffering from a disease even if they are able to take such job. For those employees who are not able to take possible alternate post any more, the Company will terminate the labor relations with them according to law and will pay the required economic compensation (if any).



*Based on the statistics of the parent company, excluding marketing staff

Excellent Employer Brand

In strict compliance with the laws and regulations including the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and the Regulations on Prohibiting Use of Child Labor, the Company opposes discrimination and has established a sound human resources management system and recruitment process to provide diversified working atmosphere for employees. Rules including the Administrative Measures on Recruitment of GF Securities and the Administrative Measures on Interns of GF Securities were strictly implemented to provide job opportunities and cultivate talents. In 2017, the Company's headquarters recruited a total of 459 new employees.



The case of GF Securities titled "Practice of GF Securities' Recruitment Model: from the Springhead, Building a Good Campus Employer Brand" was awarded the "Best Talents Management Innovation Prize in 2017"

Safe Workplace and Staff Protection

The Company protects legitimate rights and interests of the employees in strict accordance with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and relevant laws and regulations. While providing employees healthy and safe working conditions, the Company also organized regular physical examinations for employees to prevent occupational hazards.

Multi-level Training System

The Company places great importance on employee training and seeks to build a high-caliber workforce. In 2017, the Company carried out the staff learning and development task under the guideline of "focusing on one center, cementing two foundations, and grasping three mainlines".



Overseas Training Program on Strategic Topics in 2017

Focusing on one center:

In line with the new round of Five-Year Strategic Plan, we conducted overseas training program on strategic topics as well as sessions of strategy-focused trainings to draw on the good practices of the top financial institutions and broaden the view of our staff, paving the way for the formulation and implementation of strategies.

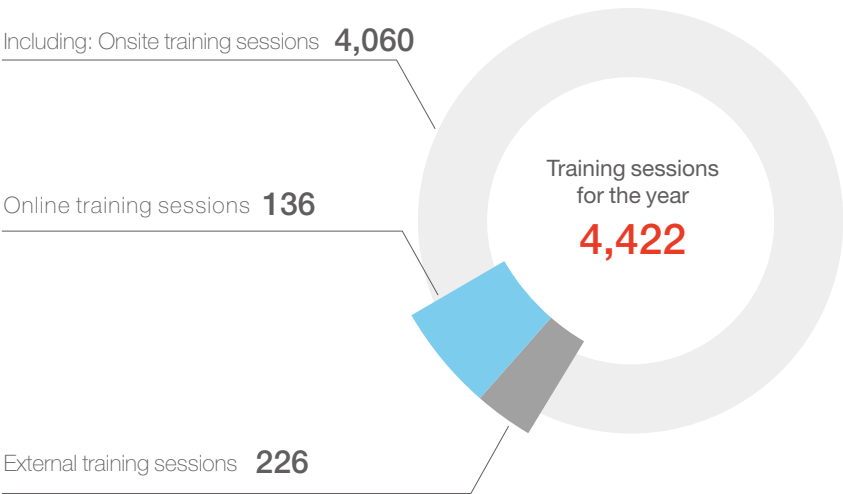
Cementing two foundations:

On one hand, we continued to optimize the mobile application platform called "Aixue (愛學)" APP to create the social-based learning atmosphere at the Company through a learning model combining both on-line and off-line activities. On the other hand, sessions of multi-level and targeted internal trainer training programs were made to comprehensively enhance the professional competency of our internal trainer team, thus boosting the learning and spreading of knowledge.

Grasping three mainlines:

Our training programs were systematically launched to improve the leadership skills for our new staff, core staff, reserve staff, newly-recruited managers and current managers, so as to build our reserve of managerial workforce. Through development of professional training courses for our business lines, the professional competency of key staff such as investment advisors and investment banking staff were improved, thus generating a long-acting mechanism for the development of professional skills. Corporate culture training courses were developed in a categorized and stratified manner and all-around training on corporate culture was made toward different staff groups, helping employees at each level to deeply understand our corporate culture.

Staff Training



Indicator	2017	Unit
Number of training participants for the year	78,919	persons
Training hours for the year	585,201	hours
Including : Training hours of male staff for the year	329,562	hours
• Training hours of female staff for the year	255,639	hours
Training hours per employee for the year	72.9	hour/person
Including: Operation managerial staff	49.2	hour/person
• Other managerial staff	32.8	hour/person
• Non-managerial staff	74.5	hour/person
Number of internally certified lecturers	218	persons

Note 1: Source: the Company's LMS training system.
Note 2: "Training hours per employee for the year" represents the training hour data for those employees subject to performance-linked training hour assessment of the Company.

A Diversity of Labor Union Activities

Labor union



Headquarter Staff Hobby Club



The Culture and Sports Activities in 2017

The headquarters of the Company maintained staff hobby clubs over 11 years in a row to serve as a platform to facilitate staff interchange and enrich staff's culture and sports life. In 2017, we had in place a total of 26 clubs such as tennis, table tennis, badminton, photography and yoga and launched a diversity of club activities. The clubs participated in external interchange activities on behalf of the Company and showcased the ethos of our people. The headquarter badminton club team participated in the Fourth Badminton Contest of Guangdong Securities and Futures Industry and won the champion of women's double, the second place prize for men's double and the third place prize for the team, each in the youth category, while in the Second Tennis Contest of Guangdong Securities and Futures Industry, our tennis club team won both the champion and the second place prize for mixed double in the youth category, marking the best performance ever.



Company-wide Badminton Contest

Caring for Employees

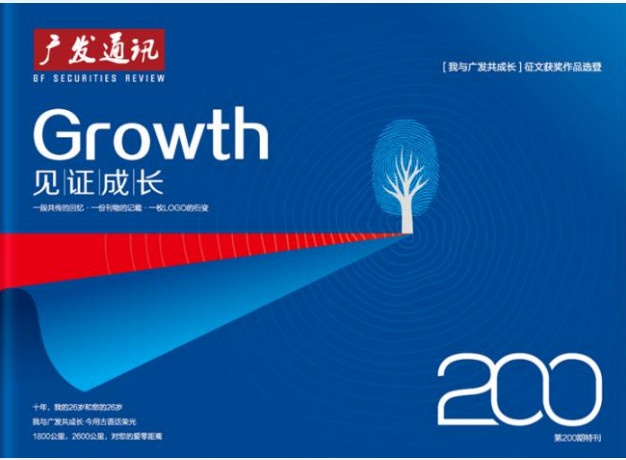
The labor union delivers care and love of the Company to employees in hospital or in need. The Company put more efforts in caring for employees in need, and a total of RMB243,000 relief fund was granted to 35 employees. In addition, hygienist specialized in traditional Chinese medicine science were invited to provide on-site healthcare experiencing activities for our employees. Prior to the Spring Festival, the labor union offered new-year welfare to company-wide all employees including rice and cooking oil, extending the new-year greetings, while the labor union braches extended greetings to senior leaders, retired employees, internal early retired employees and the family members of seconded cadres, delivering GF's care and love.



Selection of Service Stars of GF Securities



"Luck Rooster Year, Youth Support" Online Lottery Draw



Essays Solicitation Event Themed "My Growth Along With GF"

3

SECTION

Value to Shareholders

Prioritizing Value Growth and Protecting Shareholders' Interests

We cherish and make good use of each capital, treat every shareholder equally, and constantly improve our corporate governance structure so as to promote the Company's value growth and provide satisfactory returns for our shareholders. As a listed company of A + H shares, we especially focus on strengthening the protection of the interests of small and medium investors, fair and timely information disclosure and the continued improvement in investor relations management, to earnestly fulfill our obligations for our shareholders and investors.

Continued Growth of Corporate Value

Continued Dividend Distribution

Protecting the Rights of Small
and Medium Investors



Gathering the love
from the bottom of heart

Continued Growth of Corporate Value

Excellent Business Performance

The Company has always adhered to management and operation principles of steady development and constant innovation. Against the complex industry environment with fierce competition, the Company endeavored to make progress and strived for excellence, and withstood various major challenges in the industry and gradually becoming one of the most influential securities companies in China. A number of major performance indicators of the Company including operating revenue and net profit have consecutively led in the industry for many years.

Rankings of main performance indicators of the Company in the past three years

Item	Total assets	Net asset	Net capital	Operating revenue	Net profit
2017/as of the end of 2017	4	5	4	4	5
2016/ as of the end of 2016	5	5	4	4	4
2015 / as of the end of 2015	5	5	4	4	5

Note 1: Data source: WIND and Securities Association of China for 2017.
Note 2: Net capital data each year represents the net capital of the parent company. Performance indicators in 2017 were calculated based on the unaudited parent company data; performance indicators in 2016 and 2015 are based on the audited consolidated parent company data.

Main performance indicators of the Company in the past three years (from consolidated financial statements)

Operation results (RMB million)	2017	2016	2015
Total revenue and other income	28,614	27,488	42,733
Profit before income tax	11,644	10,705	17,806
Net profit attributable to owners of the Company	8,595	8,030	13,201
Return on weighted average net assets	10.55%	10.29%	21.14%

Continued Dividend Distribution

Dividend Distribution Policy

The Company established a dividend distribution system with well-regulated procedures, reasonable decision making process and clear rules. The Company clearly stipulated in its Articles of Association the procedures and decision-making process for dividend distribution and clearly stated the cash dividend ratio: "In the event of no significant investment plans or significant cash expenditure, etc., profits accumulatively distributed in cash for each of three consecutive years should be no less than 30% of the average annual distributable profits realized in the three years." The Board of Directors of the Company and the management firmly implemented the dividend distribution policy of the Company. Dividend distribution-related decision-making procedures and resolutions are all subject to the supervision by the supervisory committee of the Company.

Dividend Distribution Data

The Company has adhered to the philosophy of giving back to its shareholders and continued to distribute cash dividends. A total of cash dividends paid in the past three years amounted to as much as RMB11.812 billion, fully reflecting the strong sense of responsibility of the Company to its shareholders.

Dividend distributions in the past three years

Dividend per share (before tax) (RMB per share)	2015 0.8	2016 0.35	2017 0.40
Actual distributed cash dividends (RMB hundred million)	2015 60.97	2016 26.67	2017 30.48
Proportion to the net profit attributable to owners of the Company in the consolidated financial statements	2015 46.18%	2016 33.22%	2017 35.47%

Protecting the Rights of Small and Medium Investors

Online Voting Platform

In strict accordance with the requirements of "the Guidelines on Articles of Association of Listed Companies", the Company convened shareholders' general meetings and provided an online voting platform to facilitate shareholders' participation in the meeting. In 2017, the Company held two general meetings of shareholders, both of which combined on-site voting and online voting. The online voting platform was provided to public shareholders through the SZSE trading system and the Internet. Voting results of the small and medium shareholders (holding less than 5% of the stocks) were disclosed in the announcement on the resolutions of the general meeting to effectively protect the voting rights of small and medium shareholders.

Investor Relations Management

As a responsible listed company, the Company effectively protected the rights and interests of small and medium shareholders to ensure their right to know and guarantee the fairness of information disclosure, and continued to take a series of practical measures to further enhance the quality of communication and efficiency. The Company has enhanced its communications with investors through various tools such as dedicated hotlines, emails, the investor relations interactive platform on the Company's website, the interaction website provided by SZSE, onsite reception, analyst events, overseas road shows, etc.. Shareholders could raise inquiries and give comments to the Board of Directors of the Company in writing any time through the Supervisory Committee and the Board of Directors' office. Where appropriate, inquiries and comments of shareholders will be passed to the Board of Directors and/or related special committee of the Board of Directors of the Company to follow up on the questions and ensure that shareholders of the Company, small and medium shareholders in particular, could fully exercise their rights.

In 2017, the Company actively managed investor relations, and went abroad to present its good performance and results and publicize the strategic positioning of the Company, which has shown good effects. During the Reporting Period, the Company held more than 49 activities including investigation reception, communications, and strategy meetings, and received around 300 institutional investors.

Good Information Disclosure Practice

As a responsible listed company, the Company earnestly protects the rights of small and medium investors to fully ensure their rights to know and the fairness in its information disclosure. The Company successively made a number of rules and regulations including "GF Securities Management System for Information Disclosure", "GF Securities Management Measures for Knowers of Inside Information" and "GF Securities Management Procedures for the Registration of Knowers of Inside Information", etc.. The Company appointed the Secretary to the Board and the Company Secretary to take charge of information disclosure, and the Company Secretary, Representative in Securities Matters and the Board of Directors' office to assist in information disclosure and investor relations management.

A Comprehensive Compliance and Risk Control System

Starting from 2017, the overall regulatory philosophy and practice had been lawful, comprehensive and strict regulation and coordinated risk prevention, and a series of new regulatory policies had been promulgated in respect of compliance management, suitability management, anti-money laundering and customer transaction behavior management, which imposed higher requirement and greater challenges on the construction of internal control system and the ability in controlling compliance risk of securities firms. Taking into consideration the external regulatory environment and the actual business development of the Company, the Company further strengthened the construction of compliance management rules and working processes, revised and updated its rules and regulations in respect of, among others, suitability management and anti-money laundering and increased efforts in supervising and inspecting the implementation of rules and regulations, which effectively contributed to its business consolidation and development and the on-going improvement of its internal control mechanism.

Anti-bribery, Extortion and Fraud

The Company strictly adheres to laws, regulations and industry conventions including the "Anti-unfair Competition Law of the People's Republic of China" and "Anti -Commercial Bribery Convention between Members of the China Securities Investment Fund Association", and effectively prevented criminal activities such as bribery, extortion, and fraud. The Company continued to further its related training and education on its employees. In 2017, the Company was not involved in any material bribery, extortion or fraud on customers.

Anti-money laundering

The Company strictly adheres to the Anti-money Laundering Law of the People's Republic of China, continued to improve its internal control system for anti-money laundering, revised and released the "GF Securities Management Measures for Anti-Money Laundering" and carried out the identification and screening of suspicious transaction data. According to its annual work plan for anti-money laundering, and with the close guidance of regulatory authorities, the Company developed a new suspicious transactions monitoring and analyzing system, which allows self-defined monitoring mode against suspicious transactions and thus improves the quality of reporting suspicious transactions. As to its day-to-day work, the Company made on-going improvement to its internal control system for anti-money laundering, kept conducting customer identity recognition, risk grade categorization, blacklist monitoring and self-assessment of money laundering risk and actively engaged itself in the training on anti-money laundering. Meanwhile, the Company conducted publicity activities in respect of anti-money laundering through a variety of ways to secure the economic and financial safety and safeguard a stable social order. In 2017, the Company was not involved in any material concerns or significant non-compliance events in anti-money laundering.

4
SECTION

Giving Back to the Community

Actively Rewarding the Community and Fulfilling its Duty as a Corporate Citizen

We prioritize "being a corporate citizen" as one of our core missions and integrate community welfare into our development philosophy, undertaking a series of social responsibilities including facilitating the social progress, caring for the environment and the ecological system and supporting the disadvantaged community, etc. While making economic profit, the Company endeavors to give back to the community and the public, fulfilling its social responsibilities as a corporate citizen.

Significant Social and Economic Contributions

Green Operation

Devoted to Charity Work and Giving Back to the Society

Well-targeted Support for the Poor and One-to-one Support and Help

Awards and Recognitions for the Charity Work of the Company in 2017



Gathering the love
from the bottom of heart

Significant Social and Economic Contributions

The Company contributed a total tax including income tax expense and tax and surcharges of RMB6.121 billion, RMB3.480 billion and RMB3.642 billion, respectively from 2015 to 2017.
In 2017, the securities and futures investor protection funds of the Company and its controlling subsidiaries totaled RMB109 million. The Company achieved a social contribution per share of RMB3.51.

Social and economic contributions of the Company in the past three years

Social and economic contributions (RMB ten thousand)	2015	2016	2017
Income tax expense	419,335.89	229,573.85	256,065.47
Tax and surcharges	192,804.38	118,436.71	108,181.16
Cash dividend distributed/planned to be distributed	609,687.01	266,738.07	304,843.51
Interest expense	940,614.27	710,279.33	754,784.58
Securities and futures investor protection funds	15,752.87	23,297.43	10,948.54
Donations	1,514.96	1,892.67	1,695.86
Staff costs	1,091,368.27	658,687.05	683,636.69
Total	3,271,077.55	2,008,905.11	2,120,155.81
Social contribution per share (RMB)	5.64	3.34	3.51

Note 1: Apart from the cash dividend distributed being data from the parent company, all the other data listed above is from the consolidated financial statements.

Note 2: The weighted average number of ordinary shares used in the calculation of the social contribution per share for both 2017 and 2016 is 7,621,087,664 shares. The weighted average number of ordinary shares used in the calculation of the social contribution per share for 2015 is 7,053,822,264 shares.

Note 3: Formula for calculating the social contribution per share: social contribution per share = earnings per share + added value per share, of which: added value per share = (tax revenue created for the state within the year + salaries to employees + borrowing interest paid to creditors + corporate donations + securities and futures investor protection funds - other social costs resulting from environmental pollution, etc.) / number of shares. In addition, tax created for the state within the year includes income tax expense (including income tax of the current period and deferred income tax), tax and surcharges (VAT, business tax and other tax and surcharges) on accrual basis. Staff costs include salary, bonus, welfare expenses, housing funds and other staff cost. For details, please refer to the Annual Report. Interests paid to creditors include interest expense on customers' deposits and interest expenses on interbank borrowing, bond repurchase and issuance of bonds, third-party interests in consolidated structured entities. No significant environmental pollution events occurred in 2017 and 'other social costs resulting from environmental pollution, etc.' is zero.

Green Operation

The Company strictly complies with laws and regulations such as "Environmental Protection Law of the People's Republic of China" and "Energy Conservation Law of the People's Republic of China", embedded the green management philosophy in its operation so as to achieve sustainable growth and reach an organic combination of social, environmental and economic benefits. The Company has long been actively practicing green business philosophy, vigorously promoting paperless office and taking a variety of means to reduce the negative impact of the Company's operation on the environment and natural resources.

Green Office

The Company always uses environmentally friendly materials in line with national standards and extensively uses energy-conservation lightings when building offices and business operation sites; the Company tries its best to use the available décor and devices in the construction sites when the usage requirements are met; after the completion of the construction, measures are taken to treat or remove air pollutants; for key projects, professional institutions are hired to monitor the air quality; the Company uses LED lighting to achieve the energy-saving purpose; the Company also applies water saving system for the washrooms in the headquarters in order to reduce the consumption of water resources.

LEED green building certification: GF Securities Tower

GF Securities Tower serves as the headquarters building of GF Securities Co., Ltd. and is still in the process of construction, aiming to be a green building with LEED CS (Core & Shell) certification and LEED CI (Commercial Interiors) gold certification. In an effort to fulfilling its corporate social responsibilities, the Company handled treatment of the odor, dust and construction wastes in the course of construction in strict compliance with requirements of competent authorities, and imposes rigorous requirements on the daily management of contractors and service providers. In order to deliver an efficient, healthy and safe working environment, various interiors decoration materials to be used in GF Securities Tower were subject to the strict approvals of the project management firm, design consultation firm and LEED consultation firm to ensure their compliance with environmental requirements.

Wood transfer steel plate:

the Toptide branded wood transfer steel plates are used for the core tube wall face of the circular passage at the levels of the tower, which are not only formaldehyde-free and environment friendly, but also offer a good visual impression;

Aluminum plate ceilings:

the fluorocarbon coating aluminum plate ceiling system manufactured by Hunter Douglas factory is used, which is formaldehyde-free and environment friendly and delivers an efficient and comfortable office space;






Prefabricated partitions:

the Clestra branded prefabricated glasses with aluminium frame are used as the partition walls of the circular passage at the levels of the tower, which are formaldehyde-free and environment friendly, and installed on-site after being prefabricated at the factory. Without any construction wastes to be generated from the installation process, they are removable for reuse.

Modular carpet:

modular carpets under the famous brands of Milliken and Interface are used. In installation, solid adhesives such as SMT adhesives instead of liquid adhesives are used to reduce the TVOC volatilization.

Resource consumption and other key performance indicators of the Company in 2017 are as follows:

Emmissions ⁽¹⁾ 	Total GHG emissions ⁽²⁾ (scope 1 and 2) ⁽³⁾ (tonnes)	19,161
	Total GHG emissions (scope 1 and 2) per employee (tonnes/employee)	1.86
Energy consumption ⁽⁴⁾ 	Total energy consumption (Mwh)	35,870
	Total energy consumption per employee (MWh/employee)	3.48
Water consumption ⁽⁵⁾ 	Total water consumption (m ³)	190240
	Total water consumption per employee (m ³ /employee)	18.441
Non-hazardous wastes 	total production of non-hazardous wastes (tonnes)	104.7
	production of electronics wastes (tonnes)	74.4
	production of paper wastes (tonnes)	30.3
	paper wastes recycled (tonnes)	22.6
	Production of non-hazardous wastes per employee (KG/employee)	8
Hazardous wastes 	total production of hazardous wastes (tonnes)	1.72
	Toner and ink cartridges wastes (tonnes)	1.20
	Fluorescent tube wastes (tonnes)	0.52
	Toner and ink cartridges wastes recycled (tonnes)	0.42
	Production of hazardous wastes per employee (KG/employee)	0.1

(1) Due to its business nature, the significant air emissions of GF securities are the GHG emissions, arising mainly from the use of electricity and fuels derived from fossil fuels.

(2) The GHG inventory of SEHK includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. The scope of GHG calculation of the Company mainly covers carbon dioxide, methane and nitrous oxide. GHG emissions data is calculated based on the "Emission Factors of China's Regional Power Grid Baseline of 2015" (《2015 中國區域電網基準線排放因數》) issued by the National Development and Reform Commission of China and the 2006 IPCC Guidelines for National GHG Inventories from the IPCC.

(3) GHG scope 1 represents GHG emissions generated directly from the operations of the Company; GHG scope 2 represents the "indirect energy" GHG emissions arising from the power, heat or steam consumed (purchased or acquired) internally by the Company.

(4) Total energy consumption represents the direct and indirect energy consumption, which is calculated based on the conversion factors as stipulated in the General Principles for Calculation of the Comprehensive Energy Consumption (《綜合能耗計算通則》) (GB/T 2589-2008) issued by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC and the Standardization Administration of the PRC.

(5) Due to its business nature, the water consumption mainly represents the domestic water used by the staff of GF securities during office hours.

Energy Conservation and Emissions Cutting

In order to reduce the impact of greenhouse gas emissions, the Company has long encouraged the circulation of idle assets and equipment in its system. By providing incentives to the receiving departments, the Company promoted the reuse of old assets and equipment, reducing new purchases and saved resources. The Company emphasizes on the recycling of office supplies (ink cartridges, toner cartridges and paper, etc.), promoted the use of both sides of paper and the multiple uses of toner cartridges and ink cartridges after filling in powdered ink/water. Through actively using the OA system for online working and the video/call conference system, the Company greatly reduced the consumption of supplies and travel costs compared to traditional office settings. The Company encourages employees to commute by public transport, reduce the use of private cars, and arranges shuttle buses which travel to the living quarters of its staff.

At its headquarters, the Company adopts a network-based printing system which reduces the quantity of printers by 61%. As to the printing equipment, the toner and the toner cartridges are separately placed. 827,118 pieces of A4 paper were reused. All of these has contributed to the saving of the consumables, as well as reduction of power consumption and pollutants emission of the equipment.

Supporting green economic development

Apart from adhering to environmental protection principles in its own operation, the Company also strongly supports environmental protection projects by its clients and the state to facilitate the sustainable development of the green economy. The Company offered proactive support to the development of a green economy. It boosted the development of environmental companies and the green industry by means of a number of tools for financial services, such as IPO, underwriting of bonds and equity investment, to contribute to increasing the degree of greening in the economy, pushing for the build-up of an ecological civilization in China and facilitating the sustainable development of the economy and society.

Serving environmental enterprises

In 2017, the Company helped four environmental protection enterprises to raising funds of RMB 2,242 billion in total

including:

IPO	Guangdong PAK Corporation Co., Ltd.
	Wuxi Longsheng Technology Co., Ltd.
	Assisting Shenzhen Aoto Electronics Co., Ltd.in restructuning financing
	Assisting Dongjiang Environmental Company Limited in the insurance of green bond.
	Zhaoqing New Rongchang Environment Co., Ltd.
	Fujian Xinlong Environmental Protection Co., Ltd.
	Jiangxi Jovo Energy Company Limited.

In 2017, the Company recommended the listing of 2 environmental companies on the NEEQ

including:

In addition, the Company also, through its subsidiaries, made equity investment in environmental enterprises such as

Continuously Improving Supplier Management

The Company continued to improve its supplier management, chose and strengthened its cooperation with suppliers prioritizing low-carbon operation and environmental protection with strong sense of social responsibility through a variety of ways to jointly promote social sustainable development. The Company revised the "GF Securities Procurement Management Measures", requiring that the suppliers should not have quality or service issue, and should not have any kinds of complaints. In addition, the Company always keeps an eye on suppliers which have received complaints. Although the Company has not yet formed strict rules on the fulfillment of social responsibilities of its suppliers, the Company continuously improved its supplier management environment and social risk policies and completed optimization in its supplier management, details of which are listed as follows:

1. The Company attaches great importance to the business and social ethics of the suppliers and develops cooperative relationship with suppliers which values commitments in the contracts and low-carbon and green operation with strong sense of social responsibility. The Company values business integrity with its suppliers to facilitate mutual progress and improvements.
2. The Company formed rules so that the suppliers could participate in competitions in an open and fair way. It sets out that the Company should not have differentiated or discriminated treatment on certain suppliers; it would strictly monitor and prevent all kinds of business bribery; and employees or personnel having any interest relationship with the supplier should not be involved in the business activity.
3. The Company strictly implements its rules during tenders: No fake tender, disclosure of the tender base or other ways of collusive tenders. No demanding or accepting commission, secret commission, benefits, cash, securities or other forms of improper interests other than as set out in the contract. No unauthorized acceptance of investigation trip or travel arranged by suppliers. No unauthorized occupation of legitimate business interests yielded by suppliers to the Company by employees. All the procurement practices of the Company are available for internal and external supervision, and the compliance and auditing departments accept reports of misbehavior and will actively cooperate with the Company's compliance accountability team to complete related investigation and verification for accountability.

The Company adopts an open attitude to its suppliers and welcomes all kinds of suppliers with strong competitiveness, good reputation and high performance cost ratio products or services to participate in the competition, continues to broaden the supply channels and pays attention to look for quality suppliers. It conducts continued investigations on the market conditions prior to, during and after the procurement, inspects and evaluates the capability and performance of the suppliers to fulfill their obligations, gradually establishes a qualified supplier roster, and files the tracking and evaluation record for suppliers' performance in fulfilling their obligations, which will be used as an important basis to decide whether to continue the cooperation.

Supplier Management



Contract fulfillment ratio of the procurement suppliers

100%

Advertisement and Protecting, the Company Logo and Intellectual Property Rights

The Company respects and protects the intellectual property rights and uses the hardware and software products provided by the suppliers within the scope stipulated in the contract. The Company only uses authentic system, office and information software etc. The Company strictly abides by the "Advertising Law of the People's Republic of China" and the "Trademark Law of the People's Republic of China", and the presentation and promotion of the products are in compliance with relevant provisions.

The Company actively registers and protects its trademark, logo and other intellectual property rights, and corrects enterprises and individuals who illegally used the Company's trademark. In 2017, the Company revised and issued the "Administrative Rules on the Trademark and Logo of GF Securities", further enhancing its branding system. The amendments mainly include adding a guidance in respect of the authorization and use of product name, adding a principle in respect of authorization and use of trademark and logo, adding a rule to require withdraw the authorization of the Company's trademark and logo upon the transfer of equity interests, and making clarification on the requirements and process in respect of the authorization and use. Through conducting sessions of brand-lecture trainings and trainings on new media, how to response to media and protection of trademark and logo and copyright, the awareness of our employees in brand protection was enhanced.



Devoted to Charity Work and Giving Back to the Society

In 2017, through the GF Securities Charity Foundation platform, adhering to the principles of "promoting care for others, caring about people's livelihood, devoted to charity work, helping the poor, supporting students and education, protecting the environment, building a harmonious society and promoting sustainable development", the Company systematically carried out various forms of charity activities in a well-regulated way centered on supporting students and promoting education. The Company always adheres to the integration of the social efficiency and economic efficiency as it strives to create value for shareholders, customers and employees while giving back to society. Under the principle of understanding the social needs at the location of the business operation, the Company systematically launches various charity activities in a well-regulated way.

Operation of the GF Securities Charity Foundation of Guangdong Province

Total donations received during the year	RMB10.7320 million
• Donations from individual employees	RMB0.1920 million
Total outgoing donations during the year	RMB14.5294 million

Donations to the earthquake-stricken area in Jiuzhaigou County, Sichuan:

At 21:19 p.m. on August 8, 2017, an earthquake at around 7 magnitude hit Jiuzhaigou County, Aba prefecture, Sichuan Province. Upon becoming aware of the disaster, GF Securities Charity Foundation made a rapid decision to denote, via China Foundation for Poverty Alleviation, RMB1 million to the earthquake-stricken area in Jiuzhaigou County, Sichuan to be used for emergency rescue, transitional resettlement and post-disaster construction. Such denotation attracted attention and recognition of a number of organizations and media such as the official WeChat portal of the People's Daily, China Foundation for Poverty Alleviation and China Youth Online. As an encouragement and good wishes to the disaster-stricken people, we changed our billboard at the Jiuzhaigou Airport to be a new one as follows "Deeply concerned about Sichuan, There are still hopes".



A photo of the gold awards winners of the 2017 small-scale start-up support for university students

Small-scale start-up support for university students

This year is the third year that the GF Securities Charity Foundation cooperated with the KAB national promotion office of the Central Committee of the Communist Youth League of China to organize the "Small-scale start-up campaign for university students". GF securities contributed both capital and personnel to the activity in the hope that it could help the students build values in innovation and starting businesses and improve their business-starting capability, thus cultivating the "business-maker" culture and entrepreneurship.

Well-Targeted Support for the Poor and One-to-one Support and Help

During the Reporting Period, in an effort to actively fulfilling its social responsibilities as a corporate citizen, the Group devoted a total of approximately RMB9.8953 million for well-targeted support for the poor in Wuzhishan City, Hainan Province, Tianjinggang Village and Xiaxi Village in Lechang City, Guangdong Province, Xi County in Shanxi Province, Pu'er City in Yunnan Province and Fenxi County in Shanxi Province, respectively.

As for the "one company, one county" program, the Company set up the "one company, one county" leading group and office to be responsible for the decision-making and supervising poverty alleviation work, formulating work plan and implementing and following up with the poverty-alleviation measures. In an effort to promote the poverty-alleviation by way of industry development, the Company conducted the infrastructure construction project of the Maodao Township Fruit Base to boost the featured industry branding of Wuzhishan City and countryside collective economy. As for education-based poverty alleviation, the Company launched the "GF Motivation Class" at the Second Hygiene School of Hainan. In addition, the Company also carried out training sessions focusing on boosting the capital market development of Wuzhishan City. With regard to the targeted support for the poor in Guangdong Province, the Company conducted industry-based poverty alleviation and constructed the Xuemao Chicken Breeding and Demonstration Base, which brought a dividend of RMB70,000 to the village collective and leading to an increase of income of around RMB6,000 per household to 24 poverty-stricken households. To improve the living environment and contribute to the beautiful countryside, the Company increased its devotion to infrastructures to build hard grounds for the village roads, install solar street lamps and to renovate dilapidated houses for the poverty-stricken households. During the Reporting Period, with the help of the Company, 24 poverty-stricken households and 78 poor people in Tianjinggang Village successfully got rid of poverty. The Company also constructed photovoltaic power stations for Wuzijin Village and Xiadiya Village in Yangtousheng Township, Xi County, Shanxi Province.

As a concerted effort in targeted poverty alleviation, the subsidiaries of the Company actively also engage themselves in poverty alleviation work. In 2017, GF Futures purchased agricultural insurance for poor farmers in Pu'er City of Yunnan Province, while GF Fund constructed solar farm for Fenxi County to provide one-to-one support to the county.



Granting students subsidies



Village roads before and after construction



Awards and Recognitions for the Charity Work of the Company in 2017

Performance of targeted poverty alleviation work

Indicators	Unit	Quantity/ Work Description
Overall conditions		
Among which: 1. Capital	RMB ten thousand	989.53
2. Number of people alleviated out of poverty among those who have been put in records by the Company	person(s)	78
Itemized investment		
1. Industry development poverty alleviation		
Among which: 1.1 Types of industry development poverty alleviation	—	Agriculture and forestry development poverty alleviation; asset returns poverty alleviation
1.2 Number of industry development poverty alleviation projects	project(s)	5
1.3 Invested amount in industry development poverty alleviation projects	RMB ten thousand	443.11
1.4 Number of people alleviated out of poverty among those who have been put in records by the Company	person(s)	78
2. Employment assistance poverty alleviation		
Among which: 2.1 Investment in vocational trainings	RMB ten thousand	1.2
2.2 Number of people participating in vocational trainings	person-time(s)	120
3. Education poverty alleviation		
Among which: 3.1 Investment in supporting underprivileged students	RMB ten thousand	37.85
3.2 Number of underprivileged students	person(s)	26
4. Healthcare poverty alleviation		
Among which: 4.1 Invested amount of medical and healthcare resources in poverty-stricken areas	RMB ten thousand	37.62
5. Ecological protection poverty alleviation		
Among which: 5.1 Project type	—	Living environment, improvements to village appearance
5.2 Invested amount	RMB ten thousand	88.68
6. Basic income guarantee		
Among which: 6.1 Contributions to helping left behind children, women and the elderly	RMB ten thousand	14.81
6.2 Number of left behind children, women and the elderly helped	person(s)	27
6.3 Contributions to helping poor physically disabled people	RMB ten thousand	7.26
6.4 Number of poor physically disabled people	person(s)	11
7. Social poverty alleviation		
Among which: 7.1 Contributions to fixed-point poverty alleviation work	RMB ten thousand	989.53
8. Other projects		
Among which: 8.1. Project number	person(s)	8
8.2. Total investment	RMB ten thousand	359.01

Note: In 2017, the Group devoted a total of approximately RMB9,8953 million for well-targeted support for the poor, all of which was used for the fixed-point poverty alleviation work under item 7.1.



The Seventh Charity Festival of China-Special Salute Award 2017



Yicai The Corporate Social Responsibility Ranking 2017-Outstanding Enterprise Award



China CSR Annual Forum-Best CSR Enterprise of the Year



2017 Non-governmental Pioneer Unit in Disaster Relief



Charity for People-2017 Guangzhou Charity Gala-Most Influence Award



Charity for People-2017 Guangzhou Charity Gala-Five-star Donation Award



China Capital Market Poverty-alleviation Pioneer Forum-2017 Pioneer Unit in Poverty-alleviation through Education



2017 Corporate Social Responsibility Gala-Excellent Enterprise Award



The Guangdong Lechang Xuemao Chicken Breeding and Demonstration Base Program was awarded the China Capital Market Poverty-alleviation Pioneer Forum-2017 Best Cases of Poverty-alleviation through Industry Development



The "Youth Support"-Guangdong Provincial Colleges and Universities Poor Students Caring Program was awarded the Seventh Charity Festival of China-Best Charity Project of the Year 2017

5

SECTION

Prospects Reviewing 2017 and Looking into 2018

Problems in Social Responsibility
Fulfillment and Improvements in 2017

Social responsibility goals for 2018



Gathering the love
from the bottom of heart



Problems in Social Responsibility Fulfillment and Improvements in 2017

Problem 1: The Company has always adhered to and actively practiced a “customer-centered” service philosophy. Nevertheless, as compared with those leading companies, there are still much potential for improvement in respect of the professional level of services offered by the Company and its capability in business innovations.

Improvement measures and effects: In 2017, the Company adhered to a service philosophy of “Your Attentive, Professional and Dedicated Business Partner” and a diversified and multi-layer wealth management services to our clients. The Company formulated the new Five-Year Strategic Plan which focuses on “customer-centred” commitment, aiming at mutual benefit and growth with customers based on coordination and innovation.

Problem 2: In terms of employees' growth, the Company has always regarded human resources central to our resources and paid great attention to the cultivation of talents and employees' growth. However, with the increasingly intensified competition in the securities industry, the Company needs to solicit more talents at different levels and improve talent management. The promotion mechanism in the Company still did not meet the expectations of the employees.

Improvement measures and effects: In 2017, the Company made on-going improvements to the performance evaluation system for the employees to analyze and evaluate the capability, strengths and performance in every aspect to use the integrated capability evaluation and performance appraisal results as an important basis for the work division, promotion, demotion, position changes and salary/bonus decision. Employees could get promotions both in its position level and the professional work division. The Company increased efforts in the training of young employees and promoted more young employees, and launched the “Management Trainee” program, selecting and cultivating a batch of junior staff as the backbone force of the Company in the future.

Problem 3: In charity work, the Company mainly conducted poverty alleviation campaigns through the GF Securities Charity Foundation. However, the number of influential projects which were organized and participated by the Company is still limited. The poverty alleviation work could be improved as compare with other leading peers.

Improvement measures and effects: In 2017, the Company devoted more resources in poverty-alleviation work and actively provided help and support to the poverty-stricken areas and people. The Company established and improved its poverty alleviation mechanism and put in place a leading group and office to hold regular meeting about poverty alleviation work. The top leaders of the Company attach great importance to poverty alleviation work. The chairman and presidents of the Company paid visits to the entities which receive our poverty alleviation support to conduct survey. The Company invested more capital with a total of approximately RMB9.9 million invested in poverty alleviation work for the year, which was used to provide targeted poverty alleviation support to Wuzhishan City of Hainan, Tianjinggang Village and Xiayi Village of Lechang City as well as Xi County of Shanxi. In addition, the Company capitalizes on its own business expertise to promote poverty alleviation through industry development and boost poverty alleviation through education and intelligence cultivation, which delivered good effects. During the Reporting Period, with the help of the Company, 24 poverty-stricken households and 78 poor people in Tianjinggang Village successfully got rid of poverty.

Problem 4: Due to a late start of data collection process and the limitations of corporate statistics, improvement could have been made to the collection, summary and disclosure of some environmental protection and energy consumption data compared with the international leading peers.

Improvement measures and effects: The collection, compilation of statistics and disclosure of environmental data was made by the Company in strict accordance with regulatory requirements. Starting from 2016, the Company has commenced the collection and compilation of statistics of company-wide environmental indicators and engaged independent third-party institutions to provide consultation to us, ensuring that the 2017 CSR Report was prepared and disclosed in strict compliance with applicable requirements such as the Environmental, Social and Governance (ESG) Reporting Guide of the SEHK (as amended in December 2015). Nevertheless, given that the branches and subsidiaries of the Company are widely located across the country and there exists great gaps among them in respect of the business scale and software and hardware profile, some of them still need to enhance the sophisticated management of statistics of certain environmental indicators. In this regard, the Company will put more efforts in training, enhance the verifiability of data, and appoint a third party institution to provide assurance for this report to enhance its fairness of the data.



Social Responsibility Goals for 2018

GOAL 1: Centering on clients, to strictly implement the Five-year Strategic Plan

Adhering to the “customer-centred” strategic principle, we aim at mutual benefit and growth with customers based on coordination and innovation. To internalize the “customer-centred” principle as an idea, concept and habit, and externalize it to the process, management and system so as to understand customer needs thoroughly, focus on customer expectations, strive to deliver services of a quality higher than that of competitors, and create a value for customers; to continue to make achievements both for the Company and for the customers, and to grow together; to achieve mutual benefits with partners for making progress together; to carry out competition and development within the industry for creating the future together.

GOAL 2: To enhance the shouldering of missions, responsibilities and national strategies, strive to be the industry pacesetter and approaching our vision to be an investment bank with systematic importance

To focus on enhancing the capital strength, expanding the business scale and widening the development path for maintaining a leading position among Chinese domestic securities firms; continue to maintain continuous growth in performance so as to keep capital return increasing; to serve the national strategies, protect the lawful interests of investors and contribute to the financial stability and national financial security.

GOAL 3: To base its development on talents and help employees realize their full potentials

The Company will research on, make and implement the new talent strategy, strengthen its human resources planning and deployment, recruitment of core talents and the accumulation of talent reserve. Special attention will be paid to recruit international leading talents, with a focus on building a talent ladder Through constructing a human resources environment and system that could support the implementation of the strategies of the Company, improving the performance appraisal system and enhancing the promotional channels, it will enable the employees to fulfill their full potential in an open and fair working environment.

GOAL 4 To leverage the GF Securities Charity Foundation to conduct well-targeted poverty support work

The Company will base its charity work on the GF Securities Charity Foundation, actively organize and participate in all kinds of public welfare activities and undertake the due responsibilities of the Company in the community. The Company will also further its poverty support work and give full play to the strong role of the capital market and facilitate the poverty alleviation strategy of the state.

GOAL 5 To adhere to green operation and promote green culture

Based on the actual circumstances, the Company would continue to care about the environmental and ecological development, practice green operation and green office principles, proactively promote the green office culture and vigorously provide integrated financial services for environmental protection, energy conservation and emissions cutting of the state and enterprises, so as to contribute positively to the sustainable development of the society.

GOAL 6 To improve the Company’s ESG system

The Company will make on-going improvements to its ESG system in accordance with the requirements of the Environmental, Social and Governance (ESG) Reporting Guide, enhance its efforts in the compiling the environmental and social statistics and accordingly make effective use of the environmental and social indicators to improve its corporate governance and enhance its comprehensive capacity.

Relationship of the Company with its Stakeholders

Stakeholders	Scope	Expectations	Communication and function bodies	Common ways of communication	Responding measures	Major performance
Clients	Retail clients Institutional clients Corporate clients ...	<ul style="list-style-type: none"> ✓ Provide quality financial services ✓ Provide quality financial products ✓ Provide complete, true and accurate product and service information ✓ Ensure information security 	<ul style="list-style-type: none"> ✓ Each business department and subsidiary 	<ul style="list-style-type: none"> ✓ Securities brokerage branches ✓ Marketing activities ✓ Salons lectures ✓ Market researchs ✓ Performance evaluation 	<ul style="list-style-type: none"> ✓ Provide convenient and fast financial services ✓ Provide diversified products ✓ Publish products and marketing announcements timely ✓ Understand clients' opinions and suggestions ✓ Strengthen security in sales outlets 	<ul style="list-style-type: none"> ✓ Survey on satisfaction and needs of the clients ✓ Improved service quality ✓ Improved customer experience ✓ Safeguarded clients' interests ✓ Return on client's investment
Employees	All employees	<ul style="list-style-type: none"> ✓ Provide employment opportunities ✓ Offer remuneration packages on market standards ✓ Provide benefits as stipulated by the law ✓ Provide excellent workplace and training opportunities ✓ Establish a smooth communication mechanism ✓ Provide good development environment 	<ul style="list-style-type: none"> ✓ Each business department and subsidiary ✓ Functional departments including the labor union, Party-masses work department, human resources management department and training centers 	<ul style="list-style-type: none"> ✓ Annual performance appraisal communications and feedback ✓ Congress of workers and staff ✓ Labour union organizations ✓ Internal mailbox and forum ✓ Internal meetings 	<ul style="list-style-type: none"> ✓ Unite recruitment ✓ Adhere to the principle of equal pay for equal work ✓ Ensure the health and safety of employees ✓ Hold cultural and sports events ✓ Safeguard the basic rights of employees ✓ Provide on-site practical training ✓ Listen to opinions from the employees 	<ul style="list-style-type: none"> ✓ Gave full play to the role of the labour union ✓ Conducted promotion appraisal for employees ✓ Organized health check and psychological consultation for employees ✓ Held various kinds of vocational training ✓ Arranged for employee vacations ✓ Held employee opinion-listening meetings
Shareholders	A Shareholders and potential investors H Shareholders and potential investors	<ul style="list-style-type: none"> ✓ Regulate corporate governance ✓ Provide stable and anticipated return by way of cash dividends ✓ Improve profitability ✓ Boost corporate value ✓ Maintain sustainable development 	<ul style="list-style-type: none"> ✓ Functional departments including the Office of the Board of Directors ✓ Head department for retail management ✓ GFHK 	<ul style="list-style-type: none"> ✓ General meetings ✓ Announcements ✓ Calls, emails, the website and media ✓ Roadshows 	<ul style="list-style-type: none"> ✓ Formulate and implement development strategies ✓ Improve corporate governance ✓ Strengthen risk prevention ✓ Improve the transparency of information disclosure 	<ul style="list-style-type: none"> ✓ Advanced social responsibility management ✓ Improved social contribution per share ✓ Maintained the brand value and honors ✓ Good operating performance
Society	The public the Company and its branches and subsidiaries in the community poverty support subjects ...	<ul style="list-style-type: none"> ✓ Care about the disadvantaged ✓ Communicate with the government in poverty support ✓ Organize charity events ✓ Extend the financial knowledge to the public 	<ul style="list-style-type: none"> ✓ GF Securities Charity Foundation ✓ Party-masses work department ✓ Various branches and subsidiaries ✓ Offices 	<ul style="list-style-type: none"> ✓ On-site investigation and interviews ✓ Visit poverty support institutions ✓ Visit charity organizations 	<ul style="list-style-type: none"> ✓ Provide outbound donations ✓ Implement poverty support projects ✓ Support the disadvantaged ✓ Start financial education ✓ Hold charity events 	<ul style="list-style-type: none"> ✓ Increased outbound donations ✓ Conducted well-targeted poverty support and charity events ✓ Conducted volunteering services etc.
Government and supervisory bodies	CSRC SZSE Shanghai Stock Exchange Hong Kong Securities and Futures Commission SEHK Hong Kong Inland Revenue Department ...	<ul style="list-style-type: none"> ✓ Abide by national laws and regulations, and industry standards and norms ✓ Participate in fair competition according to the law and protect the fair competition environment ✓ Adhere to sustainable development ✓ Settle taxes according to the law ✓ Support the implementation of national strategies 	<ul style="list-style-type: none"> ✓ Various related departments in the Company 	<ul style="list-style-type: none"> ✓ Laws and regulations, policies and guides and regulatory papers ✓ Industry conferences, special reports, regulatory notification, rating, and information sharing meetings ✓ On-site inspection and non-on-site supervision ✓ Symposiums, seminars and forums 	<ul style="list-style-type: none"> ✓ Respond to calls of the State ✓ Implement supervisory policies ✓ Participate in the formulation of industry standards and norms ✓ Improve operation and management performance ✓ Undergo supervision appraisal 	<ul style="list-style-type: none"> ✓ Settled taxes according to the law ✓ Supported the substantial economy ✓ Promoted anti-corruption ✓ Protected orders in the financial industry
Suppliers	Intermediaries such as accountants lawyers, credit rating houses and securities firms Lessor of operating premises IT suppliers Stationary suppliers Project and building material suppliers ...	<ul style="list-style-type: none"> ✓ Follow business ethics ✓ Market-driven pricing ✓ Comply with laws and regulations ✓ Mutual benefits and development 	<ul style="list-style-type: none"> ✓ Various business departments and subsidiaries ✓ Functional departments and offices 	<ul style="list-style-type: none"> ✓ Provide procurement information for the public ✓ Negotiations and communications ✓ Cooperation agreements and contracts 	<ul style="list-style-type: none"> ✓ Establish a healthy and complete supplier management mechanism ✓ Establish and maintain a data library of suppliers ✓ Strengthen communications and connections with suppliers 	<ul style="list-style-type: none"> ✓ Formulated relevant system to centralize procurement management ✓ Established business partnership with suppliers

“Environmental, Social and Governance Reporting Guide” Content Index

Content	Page number
A. Environmental	
A1 Emissions	
Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Green Operation - Green office; LEED green building certification. P43
A1.1 The types of emissions and respective emissions data. A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). A1.5 Description of measures to mitigate emissions and results achieved. A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Resource consumption and other key performance indicators of the Company in 2017. P44
A2 Use of Resources	
General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	Energy conservation and emissions cutting. P45
A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). A2.3 Description of energy use efficiency initiatives and results achieved. A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Resource consumption and other key performance indicators of the Company in 2017. P44
A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Based on the business nature of the Company, its major product is commercial services. Therefore, production of physical products and use of packaging materials are inapplicable.
A3 Environment and Natural Resources	
General Disclosure: Policies on minimizing the issuer’s significant impact on the environment and natural resources.	Based on the business nature of the Company, its major operation includes office activities. Therefore, significant impact on the environment and use of natural resources are inapplicable.
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	

Content	Page number
B. Social	
B1 Employment	
General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Harmonious Labor Relations, Comprehensive Welfare and Security System. P27
B1.1 Total workforce by gender, employment type, age group and geographical region.	Number of Employees, Professional Structure and Education. P25
B1.2 Employee turnover rate by gender, age group and geographical region.	Employee Turnover Rate. P28
B2 Health and Safety	
General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Safe Workplace and Staff Protection. P28
B2.1 Number and rate of work-related fatalities.	Not disclosed
B2.2 Lost days due to work injury.	Not disclosed
B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Not disclosed
B3 Development and Training	
General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	Multi-level Training System. P29、P30
B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	
B3.2 The average training hours completed per employee by gender and employee category.	
B4 Labour Standards	
General Disclosure Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Excellent Employer Brand. P28
B4.1 Description of measures to review employment practices to avoid child and forced labour.	Not disclosed
B4.2 Description of steps taken to eliminate such practices when discovered.	Not disclosed

Content

Page number

B5 Supply Chain Management

General Disclosure: Policies on managing environmental and social risks of the supply chain.	Supplier Management. P46
B5.1 Number of suppliers by geographical region.	Not disclosed
B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Continuously Improving Supplier Management P46

B6 Product Responsibility

General Disclosure: Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Customer Services- Earnestly Serve Every Customer. P17、P18、P19、P20、P21、P22、 P46
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
B6.2 Number of products and service related complaints received and how they are dealt with.	Customer Relationship Management. P18
B6.3 Description of practices relating to observing and protecting intellectual property rights.	Advertisement and Protecting of the Company Logo and Intellectual Property Rights. P46
B6.4 Description of quality assurance process and recall procedures.	N/A
B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protection of Customer Information. P20

B7 Anti-corruption

General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-bribery, Extortion and Fraud; Anti-money Laundering. P38
B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	N/A
B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-bribery, Extortion and Fraud; Anti-money Laundering. P38

B8 Community Investment

General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Devoted to charity work and giving back to the society. P47、P48、P49、P50
B 8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Devoted to charity work and giving back to the society. P47
B8.2 Resources contributed (e.g. money or time) to the focus area.	Donations to the earthquake-stricken area in Jiuzhaigou County, Sichuan; Well-targeted Support for the Poor and One-to-one Support and Help. P47、P48



Appendix III

“Memorandum of Information Disclosure for the Main Board of SEZE No. 1- Matters relating to the Disclosure of Regular Reports” Content Index

Content		Page number
1. General		
A brief description of the tenet and philosophy of the company in fulfilling social responsibilities; a description of the system building and organizational arrangement to ensure the fulfilment of its social responsibilities as well as the thoughts and plan of the company in fulfilling social responsibilities, etc.; a description of main activities, work and results achieved in fulfilling social responsibilities, the awards and recognitions from relevant institutions or authorities won by the Company in respect of fulfilling social responsibilities, etc.	Social Responsibility Rooted in Culture; Unique Cultural Building Blocks; CSR Management System, Stakeholder Communication and Participation and Assessment of Significant Topics; GF Securities Charity Foundation of Guangdong Province. P11、 P12、 P13、 P14、 P47、 P48、 P49、 P50	
2. Fulfillment of social responsibilities		
According to the specific provisions on social responsibility of the Guide on Standardized Operation of Listed Companies on the Main Board issued by SZSE, to provide detailed information on protection of interests of shareholders and creditors, protection of interests of employees, protection of interests of suppliers, customers and consumers, environmental protection and sustainable development, public relation, social charity work and targeted poverty alleviation, etc., which shall include to the least extent the following:		
1. Protection of interests of shareholders and creditors.	Value to Shareholders - Prioritizing Value Growth and Protecting Shareholders' Interests. P35、 P36、 P37、 P38	
2. Protection of interests of employees.	Staff Development - Staff-oriented Initiatives for the Dream of Serving the Country. P27、 P28	
3. Protection of interests of suppliers, customers and consumers.	Your Attentive, Professional and Dedicated Business Partner; Protect the Capital Market to Shoulder Responsibility toward Investors. P19、 P20、 P21、 P22	
4. Environmental protection and sustainable development.	Green Operations P43、 P44、 P45、 P46	
5. Public relation and social charity work.	Devoted to Charity Work and Giving Back to the Society. P47、 P48、 P49	
6.Targeted poverty alleviation work. The disclosure shall include but not limited to the following: · Targeted poverty alleviation plan, including the basic policy and strategy, overall goals, major tasks and ensuring measures of the listed company in respect of targeted poverty alleviation, etc. · Summary of the targeted poverty alleviation work for the year. The overall implementation of its poverty alleviation plan and the results achieved during the Reporting Period, etc. In case that the poverty alleviation plan is not completed as scheduled, the reason and subsequent improvement measures shall be given. · Results of targeted poverty alleviation. Working results made by the Company in the following aspects during the Reporting Period shall be disclosed respectively: poverty alleviation through industry development, poverty alleviation through employment assistance, poverty alleviation through relocation, poverty alleviation through education, ecological protection poverty alleviation, basic income guarantee and social poverty alleviation, etc. · Future plan on targeted poverty alleviation. According to the long-term operation strategy and poverty alleviation plan of the Company, to disclose the work plan for the next year on targeted poverty alleviation plan as well as the major measures to ensure the fulfilment of the plan, etc.	Well-targeted Support for the Poor and One-to-one Support and Help. P47、 P48、 P49、 P53、 P54	
3. Problems of the Company in fulfilling social responsibilities and the rectification plan		
1.To disclose the developments of addressing the problems with reference to the abovementioned problems such as failure to meet the requirements and standards stipulated by national laws and regulations, occurrence of material environmental and safety accidents, being included in the list of seriously polluting enterprises by environmental protection authorities and the punishment made by environmental protection or labor authorities, etc.	N/A	
2.Other major problems in fulfilling social responsibilities and their impact on the operation and sustainable development of the Company, and detailed improvement plan and measures.	Problems in Social Responsibility Fulfillment and Improvements in 2017; Social responsibility goals for 2018. P53、 P54	
4.Relevant requirements on medical and biological industry, food industry, pollution-intensive industry, companies involved in major safety accidents and public media companies		
N/A		