

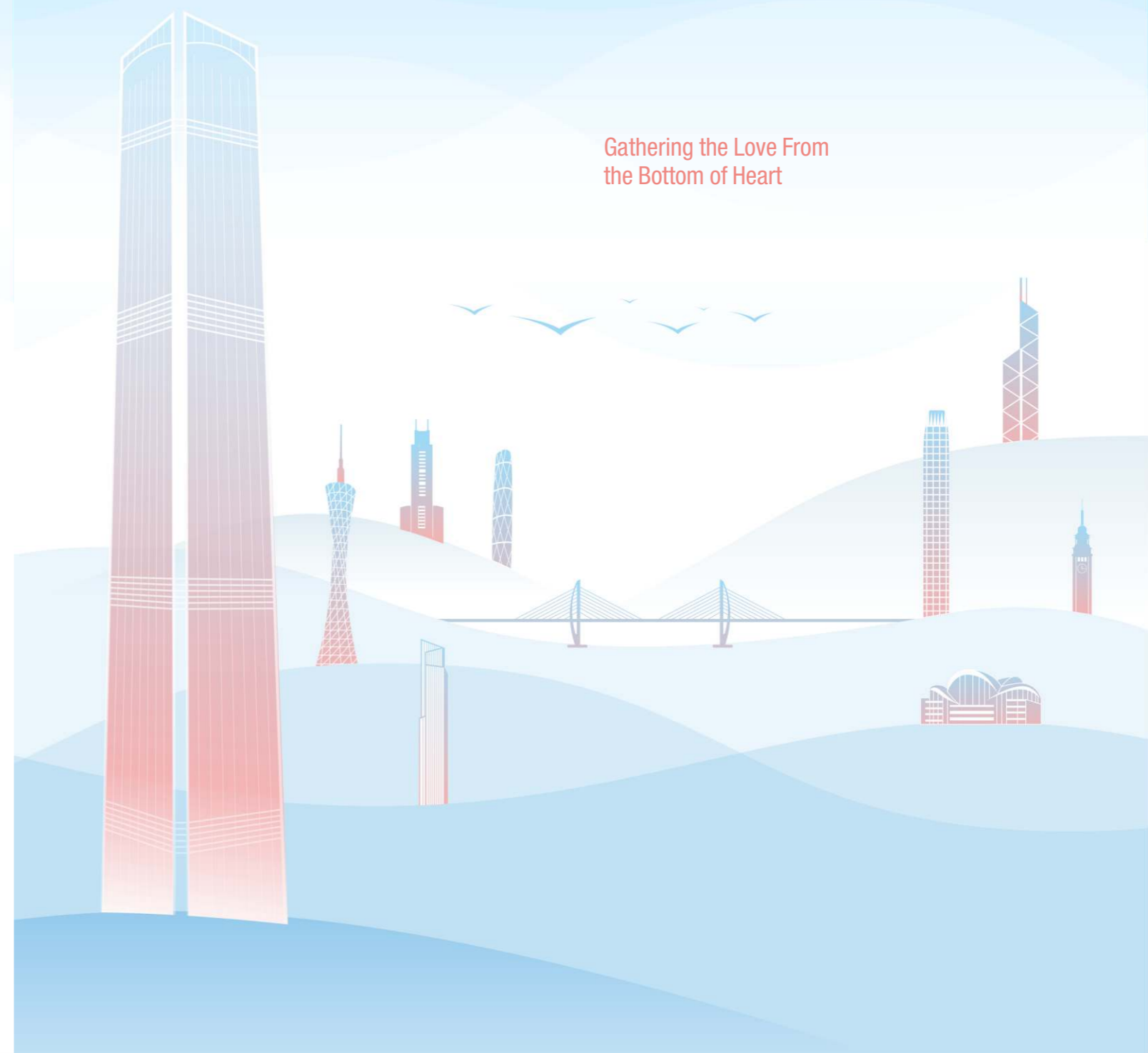


GF Securities
Corporate Social
Responsibility Report

2018



Gathering the Love From
the Bottom of Heart



Gathering the Love From
the Bottom of Heart



Term	Definition
Reporting Period	Year 2018 (January 1, 2018 to December 31, 2018)
The Company, Company, parent company, GF Securities	GF Securities Co., Ltd.
The Group, Group	the Company and its subsidiaries
GF Foundation	GF Securities Social Charity Foundation of the Guangdong Province (廣東省廣發證券社會公益基金會)
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. (廣發證券資產管理(廣東)有限公司)
GF FL	GF Finance Leasing (Guangdong) Co., Ltd. (廣發融資租賃(廣東)有限公司)
GF Hexin	GF Hexin Property Investment Management Co., Ltd. (廣發合信產業投資管理有限公司)
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)
SEHK	The Stock Exchange of Hong Kong Limited
SZSE	Shenzhen Stock Exchange
CSRC	The China Securities Regulatory Commission
LEED CS (Core & Shell)	the United States LEED (Leadership in Energy and Environmental Design) green building certification: Core & Shell
LEED CI (Commercial Interiors)	the United States LEED (Leadership in Energy and Environmental Design) green building certification: Commercial Interiors

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 2018.

Reporting Period

January 1, 2018 - December 31, 2018

Reporting Cycle

Annual report. The Company has released social responsibility reports for nine consecutive years since 2011.

Entities Covered by the Report

Unless otherwise specified, this report covers headquarters, 20 branches and 264 securities brokerage branches of GF Securities Co., Ltd.; 7 wholly-owned subsidiaries (including GF Asset Management, GF Futures, GF Xinde, GF Qianhe, GFHK, GFFL and GF Hexin) , 1 controlled subsidiary (GF Fund) and 1 associated company (E-Fund).

Basis of Data

Financial information herein is extracted from the Company's 2018 annual audited financial statements prepared under the PRC generally accepted accounting principles/the International Financial Reporting Standards, as audited by Ernst & Young Hua Ming LLP (Special General Partnership) and Ernst & Young, details of which are set out in the 2018 Annual Report of GF Securities Co., Ltd. Other information is mainly as of 2018, 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).

The Company's compliance with the Environmental, Social and Governance Report

In 2018, the Company complied with the provision of "Comply or Explain" contained in the Environmental, Social and Governance Reporting Guide and disclosed relevant information in the Corporate Social Responsibility Report 2018 of GF Securities.

Reliability Assurance

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

Availability

Electronic version of this report is available on websites of CNINFO (www.cninfo.com.cn), the Hong Kong Stock Exchange news (www.hkexnews.hk) and the Company (www.gf.com.cn).

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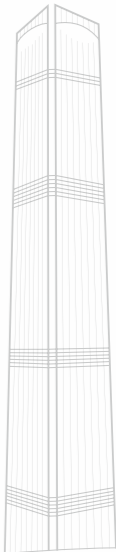
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Chairman's Statement

The year of 2018 was the opening year for the overall implementation of the guiding principles of the 19th National Congress of the Communist Party of China (CPC), was the starting year for embarking towards the journey of high-quality development, and was also an important year for comprehensively implementing of the Company's new five-year strategic plan. Based on the action guide of and fundamental compliance with General Secretary, Xi Jinping's series of important discussions about the capital market, we continuously deepen our understanding of the nature and rules of finance. Adhering to the mission of "realizing our dream to serve our country with financial expertise through value creation", we will actively allocate resources, price assets and mitigate risks to serve national strategy, economic development and the people's living needs.

In 2018, we adhered to the fundamental development direction of serving the real economy, implemented new development concept and carried out the decision-making deployment of structural reforms on the financial supply side to provide better quality and more efficient financing services for the development of the real economy. In the whole year, the Company completed the underwriting of 20 enterprises' equity financing and the financing amount exceeded RMB 12.8 billion. Following closely with the national strategy, the Company actively participated in the opening up of the capital market and focused on "One Belt One Road" initiative layout business. The TBEA "One Belt One Road" Bond underwritten by the Company was the first batch of "Belt and Road" bonds listed on the Shanghai Stock Exchange.

In 2018, we adhered to the bottom line thinking and focused on preventing and resolving major financial risks, earnestly assumed the main responsibility of preventing risk of financial institutions so as to maintain the stability of the capital market. We actively responded to the call for alleviating poverty of high-quality private enterprises through investing RMB 2 billion in the participation of poverty relief plan and quickly completed the first supporting private enterprise project in the securities industry. We adhered to the compliance bottom line and risk management lifeline to continuously improve the compliance risk management system. We earnestly fulfilled the duties of a gatekeeper of the capital market to continuously promote various types of works such as education of investors, protection of rights and interests of investors as well as appropriate management of customers so as to improve the customer relationship management system, and to strictly implement various customer management measures. The Company was evaluated for the seventh time as Grade AA of Class A in the classified rating of securities companies.

In 2018, we strived to perform its social responsibility as a corporate citizen. The Company made social contribution of RMB16.061 billion for 2018, representing social contribution of RMB2.67 per share. The Company recorded national taxes of RMB2.93 billion and total charitable expenses of over RMB 37.70 million for the year. The Company actively carried out its social responsibility in poverty alleviation, solidly fulfilled the poverty alleviation tasks assigned by the Guangdong Provincial Party Committee and the People's Government of Guangdong Province, actively responded to the "one department for one county" paired action initiative proposed by the Securities Association of China, and helped Tianjinggang Village in Lechang City, Guangdong Province and Wuzhishan City, Baisha County and Lingao County in Hainan Province to combat against poverty through a comprehensive poverty alleviation model integrated with financial poverty alleviation, industrial poverty alleviation, educational poverty alleviation and public welfare poverty alleviation. We partnered with Food and Agriculture Organization (FAO) of the United Nations and participated in the national rural revitalization demonstration pilot project as the first Chinese enterprise to support the national strategy in respect of precise poverty alleviation and realize the sustainable development goals of the United Nations. We gained wide positive recognition from all sectors of society by participating in a series of public welfare projects for poverty alleviation and educational donations through Guangdong Province GF Securities Social Charity Foundation.

The year of 2019 is the 70th anniversary of the founding of the PRC and a critical year for achieving the first Centenary Goal. Guided by Xi Jinping's socialist ideology with Chinese characteristics in the new era, we will continue to fully integrate the concept of social responsibility into business management and corporate culture to serve customers, improve employees, reward investors and give back to the society. With strong responsibility, firm strategic self-confidence and solid professional capability, we will strive to promote the harmonious development of economy, society and environment and contribute to the construction of a fully well-off society and the realization of the great rejuvenation of the Chinese nation.



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, 2018

registered capital was RMB	consolidated total assets were RMB	equity attributable to owners of the Company was RMB
7621.09 million	389,106 million	85,018 million

As of December 31, 2018

total revenue and other income realized (consolidated basis) was RMB	net profit attributable to owners of the Company was RMB
22,817 million	4,300 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

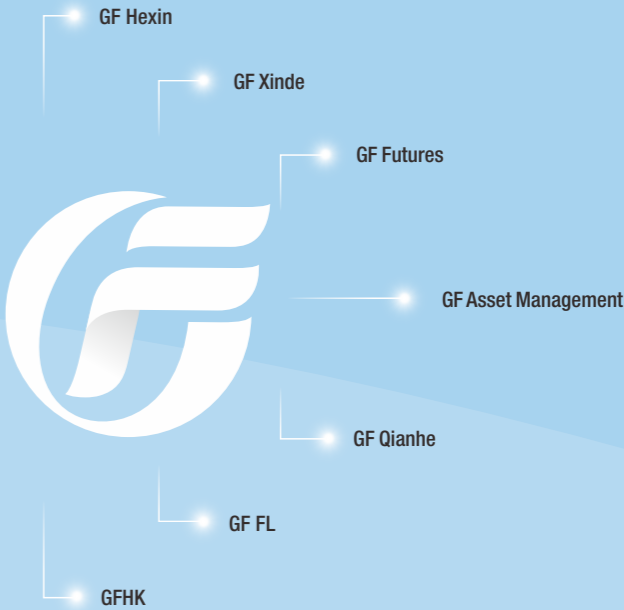
branch companies	securities brokerage branches
20	264

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,

Company had seven wholly-owned subsidiaries



*Note: Since October 2018, the shares of GF FL and GF Hexin have been owned directly and wholly by GF Securities.

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 in 2018



Date	Granted by	Award
January 2018	China Capital Market Poverty Alleviation Pioneer Forum of International Finance News	Pioneer Institution for Educational Poverty Alleviation
February 2018	Shanghai Stock Exchange Shenzhen Stock Exchange	Excellent Member; Excellent Member of Transaction Compliance Management
April 2018	Securities Times Quanshangcn	2018 China Investment Bank (Comprehensive Strength) Junding Prize 2018 Top Ten Exchange Bond Investment Banks in China 2018 China Refinancing Team Junding Prize
June 2018	First Top 100 Guangdong Excellent Finance Institution Award (Golden Excellence Award)	First Prize of "Top Ten Securities, Fund and Futures Industry Institution Award"
	New Fortune	Top of the Best Investment Bank (IPO) Top of the Best Investment Banks (Health and Medicine)
July 2018	51 Job	2018 Employer Preferred by Chinese College Students
	The 7th China Finance Summit	2018 Corporate Social Responsibility Model
September 2018	National Business Daily	The Most Brand-influential Securities Firm
October 2018	21st Century Business Herald	2018 Excellent Corporate Governance Jinfan Prize
November 2018	Shenzhen Stock Exchange	The Most Brand-influential Securities Firm
	JRJ	2018 Jinzhi Prize for Targeted Poverty Alleviation Innovation Case of China Listed Companies (Guangyuntian)
	2018 Annual Social Responsibility Award	2018 Annual Social Responsibility - Excellent Public Welfare Project Award 2018 Excellent Corporate Social Responsibility Report Award ("Youth Helping" Poor Students Care Program of Guangdong Provincial Colleges and Universities)
	International Finance News	2018 Poverty Alleviation Pioneer Enterprise
	Syntao Green Finance Caixin Media	Component of SGCX ESG 50 Index
	Takungpao	Best Listed Company of the 8th China Securities Golden Bauhinia Award
December 2018	Rupert Hoogewerf Brand List	Rupert Hoogewerf Brand List -2018 Finance Brand
	Economic Observer	Annual Excellent Brand Influence Securities Firms
	21st Century Business Herald	Annual Excellent Securities Firms
	The Asset	Best Consultant for Local Enterprises and Institutions Best Securities Broker
January 2019	The 8th Charity Festival	2018 Annual Public Welfare Project Award; 2018 Annual Special Respect Award

The Company's brand was valued at RMB **5.0** billion ranking No. **4** among the listed securities companies.



Gold Award of The 8th China Securities Analysts

2018 Top Five Gold Research Team Award
2018 Most Valuable Gold Analyst



Crystal Ball Award for 12th Chinese Sell-Side Analysts

Macro Economy	No. 1
Coal Mining	No. 1
Electronics	No. 1
Non-ferrous Metals	No. 1
Automobiles & Components	No. 1
Real Estate	No. 1
Communication and Culture	No. 1
Environmental Protection	No. 1



Institutional Investor, Caixin Media

ood & Beverage of Gambling and Resort in Mainland China	No. 1
Best Analysts	No. 6 (Tie)
Best Sales	No. 7



IAMAC - The Fifth (2018) Most Popular Seller-side Analyst in China Insurance Asset Management Industr

Best Research Institution	No. 1
Most-welcomed Research Institution by Mutual Funds	No. 1
Most-welcomed Research Institution by Insurance Capital	No. 2

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](#)



2018 China Asset Management Securities Firm
Junding Prize
2018 China Securities Firm Fixed-income Investment
Team Junding Prize
2018 China Absolute Return Product Junding Prize – GF Golden
Majordomo Consumption Selected Asset Management Plan
[Securities Times](#)

GF Xinde



Top 50 China Private Equity Houses in 2018
Top 20 China Investment Institutions (Medical
Treatment and Health) in 2018
[Zero2IPO](#)



Forbes 2018 China Top PE
[Forbes](#)



Taurus Securities Company Equity Investment Institution
[China Securities Journal](#)

GF Futures



China Best Futures Houses
2018 Top 100 Guangdong Excellent Finance
Institution Award (Golden Excellence Award)
[2018 China Futures Industry Innovation
Development Forum and 11th China Best
Futures Analyst Selection](#)



2018 China Innovation Industry Service Futures
Houses Junding Prize
[Securities Times and Quanshangcn](#)

GFHK



Best Asia G3 Bond Investment Houses
[The Asset](#)



2018 Excellent Hong Kong Securities Firm APP
[Securities Times](#)

GF FL



Annual China Financial Leasing Company
Annual Most Innovative Brand Award
[2018 China Annual Conference on Financial Leasing](#)



2018 Green Model Award
[The 8th Charity Festival](#)

GF Fund



Annual Mutual Funds House
[China Business News](#)



Best Fund Houses in 2018
[Eastmoney.com and Fund.eastmoney.com](#)

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

Integrating cultural construction into our work

Adhere to the combination with Party building. Under the leadership of the Party Committee of the Company, the Company persisted in building corporate culture, including enhancement of employees' political consciousness, mission awareness and responsibility consciousness, and vigorous development of the "Spirit of the Red Boat", and active organization of the "Never Forget Your Purpose and Mission" July 1 Theme Education Activity. Additionally, the Company strove to strengthen the responsibility of the leading cadres among Party members and guide them to take the lead in responding to the call from the Party and fulfilling the mission and responsibilities of GF Securities.

Adhere to the combination with operation service. In the light of the Company's daily business activities, the Company organized activities such as the Best Investment Adviser Evaluation and Option Business Development Contest, the GF Star of Service Award, cross-regional business exchanges and competitions, in order to promote professionalism and dedication and guide staff to firmly establish the concept of "Client Focus".

Adhere to the combination with Trade Union. The Company placed a strong emphasis on the unique organizational advantages and universal appeal of Trade Union in the construction of corporate culture. Through humanistic care activities, cultural and sports activities, social public welfare activities, labor skills competitions and commendation activities, the Company gave full play to the role of cultural influence, and effectively enhanced employees' sense of identity with the corporate culture.

Adhere to the combination with commonweal activities. By vigorously carrying out social public welfare activities, such as targeted poverty alleviation, book drive, public subscriptions, special community care, free financial consultation, the Company mobilized the enthusiasm and initiative of employees to participate in public welfare undertaking and guide them to form a sense of responsibility of "serving people worldwide as one's duty" and awareness of helping the poor.

All the moves demonstrated the patriotism and dedication of staff from GF Securities.

Infiltrating corporate culture in talents training

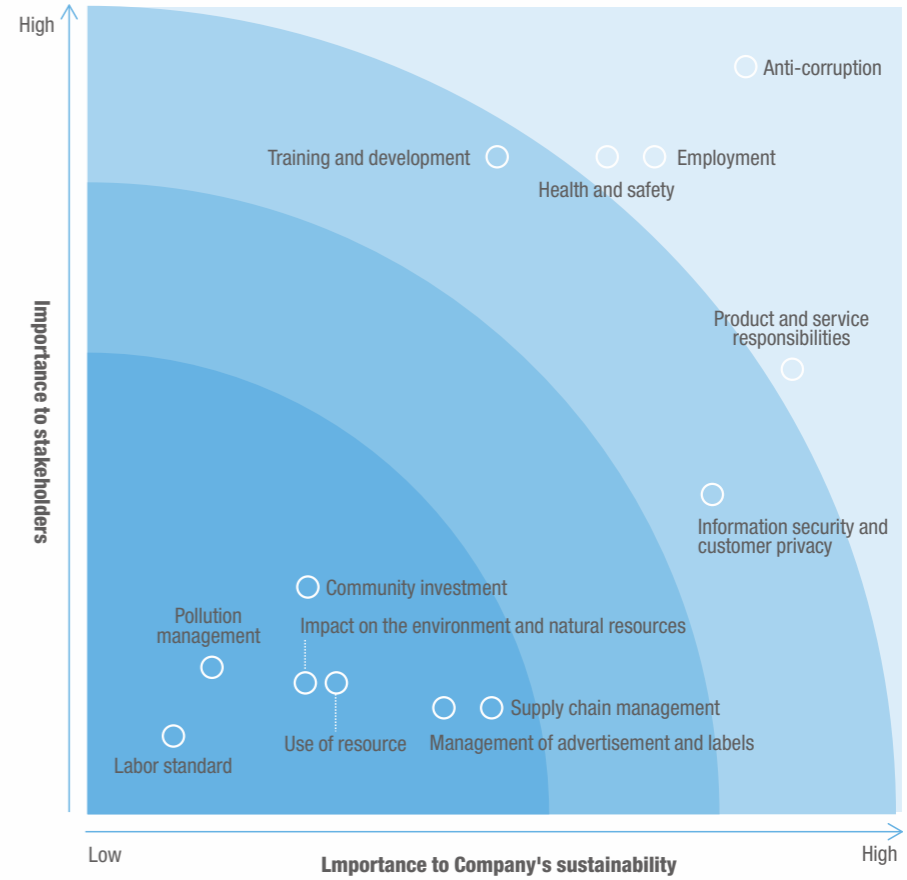
Talent development strategy has always been an integral part of GF Securities Development Strategy. The Company always insists on incorporating talent cultivation into the corporate culture construction and cultivating talents who align with the corporate culture. The Company has attached prime importance to staff training and endeavored to reach effective unification of the Company's cultural concept and employees' career identity through systematic and targeted training development system, standardized and hierarchical staff training plan, as well as diversified talent development initiatives such as on-the-job training and job rotation.



New Employee Training 2018



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.



Based on the investigation and communication with stakeholders in 2018, we have further realized that as a financial enterprise, employees and products are our foundation, and also the key topics of most concern to all stakeholders.



GF Securities Social Charity Foundation
Of Guangdong Province

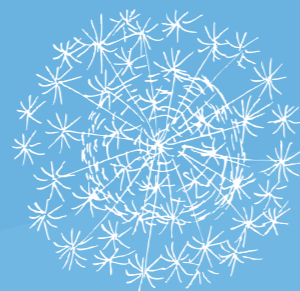
Gathering the love
from the bottom of heart

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.



In 2018,
the Foundation donated RMB
30.1194
million in total.

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.

LIN Zhihai

CEO of GF Securities Co., Ltd



Chairman of GF Social Charity Foundation: Lin Zhihai

Directors of GF Social Charity Foundation: Zhang Shaohua, Zhao Guiping, Lin Chuanhui, Cheng Huaiyuan

Secretary-General of GF Social Charity Foundation: Cheng Huaiyuan

1 SECTION

Customer Services

**Earnestly Serve Every
Customer and Investor**

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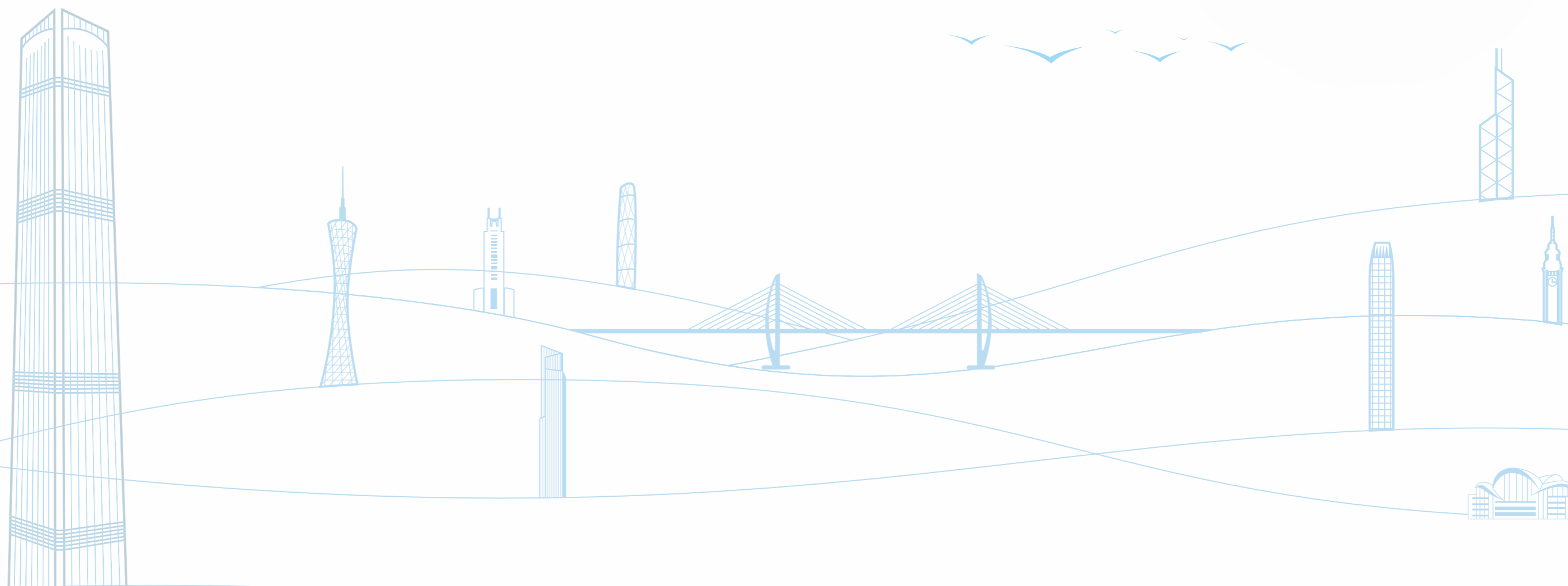
We aim to become an integrated service provider focusing on China's high-quality enterprises and wealthy groups by virtue of our leading innovation capability on the capital market. To this end, we will strengthen our team building and strategic investment in such areas as investment banking, wealth 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.

Professional Solutions to
Customer Needs

Your Attentive, Professional
and Dedicated Business Partner

Protect the Capital Market to
Shoulder Responsibility toward Investors

Gathering the Love From
the Bottom of Heart



Professional Solutions to Customer Needs

We uphold the Customer-Orientation concept, seeking to understand customer needs and expectations to maximize customer interests. We bear in mind and take 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 handing 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 five years in a row.

Retail Business Customer Satisfaction Survey

Year	Number of participants (person)	Percentage in total customers	Satisfaction rate
2016	279,514	3.80%	97.80%
2017	286,352	3.49%	97.95%
2018	196,958	1.99%	98.58%

57.30%



participations

98.58%



The satisfaction rate reached

0.63%



increased form 2017

The customer satisfaction survey is made each year. In 2018, there were 196,958 participations and 57.30% respondents provided feedbacks. The satisfaction rate reached 98.58%, up 0.63 percentage point from 2017.

Retail Business Customer Complaints

Year	Number of complaints	Satisfaction rate in return visits
2016	15	92.31%
2017	37	94.32%
2018	32	92.99%



In 2018, our 95575 service hotline provided 343,715 times of customer services, including 32 customer complaints, 5 fewer than 2017. All complaints were followed up through acceptance, investigation and handling, feedback and return visit. The satisfaction rate in return visit reached 92.99%.

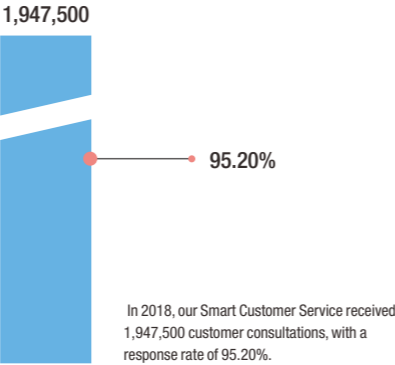
Your Attentive, Professional and Dedicated Business Partner

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, 2018, 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 further explores the way of intelligent service on the basis of network service. By combining AI technology with the superior service of GF Securities, we automatically provide a variety of personified responses to customer questions in the image of “Stock Assistant”. In 2018, our Smart Customer Service received 1,947,500 customer consultations, with a response rate of 95.20%. To further improve the quality of customer service, the Company has also upgraded and transformed 95575 hotline in an effort to further enhance the efficiency of the customer service and close ties with customers.



Construction of Customer Service System

Due to 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 divided ordinary investors into six categories according to their risk tolerance from low to high: special protected customers, conservative customers, cautious customers, stable customers, positive customers and aggressive customers. The Company regulated that it was strictly prohibited from marketing, selling and providing financial products or services with low risk level or below to specially protected customers. 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.

Customer Suitability Management

In order to continue to perform well in investor suitability management, the Company constantly strengthens the “top-level design”, and timely revises and improves various business systems and working procedures in accordance with the Administrative Measures on Suitability of Securities and Futures Investors, Guidelines for the Implementation of Suitability Management of Investors in Securities Operators (Trial) and the latest regulatory requirements. During the reporting period, the company published 42 developed or revised documents about the system of suitability management, covering investor classification, product grading, risk disclosure, suitability matching, file management, internal control management and other aspects, including system, process and agreement, etc. In November 2018, the enterprise-level customer information management system (ECIF system) built by the Company was officially launched. Based on the T+1 day unified customer suitability information on original customer information centralized management platform, this new system realized the real-time unification of appropriate management information of the systems such as retail stand system, over-the-counter market system, investment and research business.

Protection of Customer Information

Illegal use of customer information is strictly prohibited at the Company in accordance with Cyber Security Law of the People’s Republic of China and relevant national laws, regulations and policies. To protect customer information, the Company continues to improve its internal rules and regulations and establish a data management system. In 2018, the Company promulgated or revised the “Standard Data Management Rules”, “Data Quality Management Rules”, “Data Classification and Grading Implementation Rules”, “Metadata Management Rules”, “Information Data Product Management Regulations”, “GF Securities Data Classification and Grading Implementation Rules”, “GF Securities Information System Operation and Maintenance Management Regulations” and other rules and regulations, and further standardized the management requirements such as data management and operation and maintenance at the institutional level.

Meanwhile, the Company improved the IT Risk Control System, launched the Three-year IT Plan, and realized the deep integration of IT and corporate strategy. The effective management of IT operation risk was realized by establishing IT Internal Review Board (IRB), Change Advisory Board (CAB) and Event Review Board (IMS), and closed pre-IT risk, mid-IT risk and post-IT risk management, for effectively protecting customer information and privacy.

In addition, the Company is committed to holding various activities for enhancing illegal securities consulting prevention awareness and warning of illegal fund-raising and investment activities. The Company also distributed nearly 40,000 copies of various materials and abundant online training and online articles through nearly 500 community activities and investor education forums, so as to enhance the security awareness of customers to protect their private information.

Protection of Customer Information

The product promotion and publicity of the Company conform to the relevant provisions and are free from over-hyping or false advertising in strict compliance with Advertising Law of the People’s Republic of China and the Trademark Law of the People’s Republic of China. The Company requires personnel engaged in product sales or related business services to be qualified appropriately. In marketing activities, business personnel are obliged to use the relevant information officially published by the Company, including product or service specifications, contracts, risk disclosure statement, agency risk disclosure statement, promotional materials and other materials to be provided to customers, on the premise of compliance with the suitability. Relevant materials will be marked as promotional materials in a clear and eye-catching way when carrying out marketing activities, which prompt the risks of financial products or services, and identify the suitable customers of products or services.

Protect the Capital Market to Shoulder Responsibility toward Investors

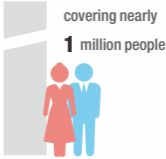
Investor Education

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.

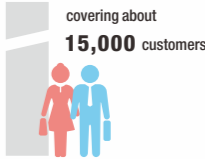


Promotion Month Themed “Reveal True Color and Say No to Illegal Securities Deals” to Crack Down Illegal Securities Deals

The Company, through its branches and sub-branches, conducted the promotion month event to crack down illegal securities deals in accordance with the “Notice on Relevant Work regarding the Promotion Month Themed “Reveal True Color and Say No to Illegal Securities Deals” (SAC [2018] No. 294) issued by the Securities Association of China,



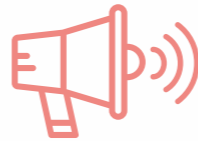
including more than 500 copies of posters, banners, display racks and other promotional materials produced; nearly 600,000 promotional messages sent,



WeChat messages and Sina Weibo blogs pushed for 2,868 times; 277 investment salons, lectures and campus activities held; 19,639 sheets of promotional brochures distributed for anti-illegal securities deals.

3.15 Promotion Month

During the “3.15 Promotion Month”, 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, we publicized the knowledge of financial products and services, investment tips and investment risk introduction, the concept and method of suitability management, warning against illegal securities deals, multi-level dispute resolution mechanism, and relevant contents and cases of the Investor Protection Column of the CSRC



covering more than 6,000,000 people



brochures and other promotional materials distributed, total 117,400 We-Chat readers



with about 30,000 readers

more than 1.2 million short messages sent, more than 400 activities held, more than 30,000 posters, folders,

6 issues of financial consumption risk tips and educational information on Sina Weibo

Promotion Month Themed “Safe Finance”

To implement the requirements of “Notice on Learning and Implementing the Spirit of the 19th CPC National Congress and Fully Promoting the Comprehensive Financial Governance (Safe Finance) Work in Guangdong Province”, “Key Points of the Comprehensive Financial Governance (Safe Finance) of Guangdong Province in 2018” and “Notice on Conducting the 2018 ‘Safe Finance’ Promotion Month”, the Company proactively organized the Safe Finance Promotion Month themed “Commemoration and Publicity of 40th Anniversary of Reform and Opening-up”. During the event, each branch broadcasted more than 3,400 propaganda slogans on LED electronic screen, distributed more than 15,000 promotion materials, sent more than 205,700 related promotional messages and WeChat messages, covering more than 412,700 customers. The concept of “Safe Finance, Safe Guangdong” was disseminated to make the public know the safe financial knowledge of prevention and control risk by online and offline channels.



2 SECTION

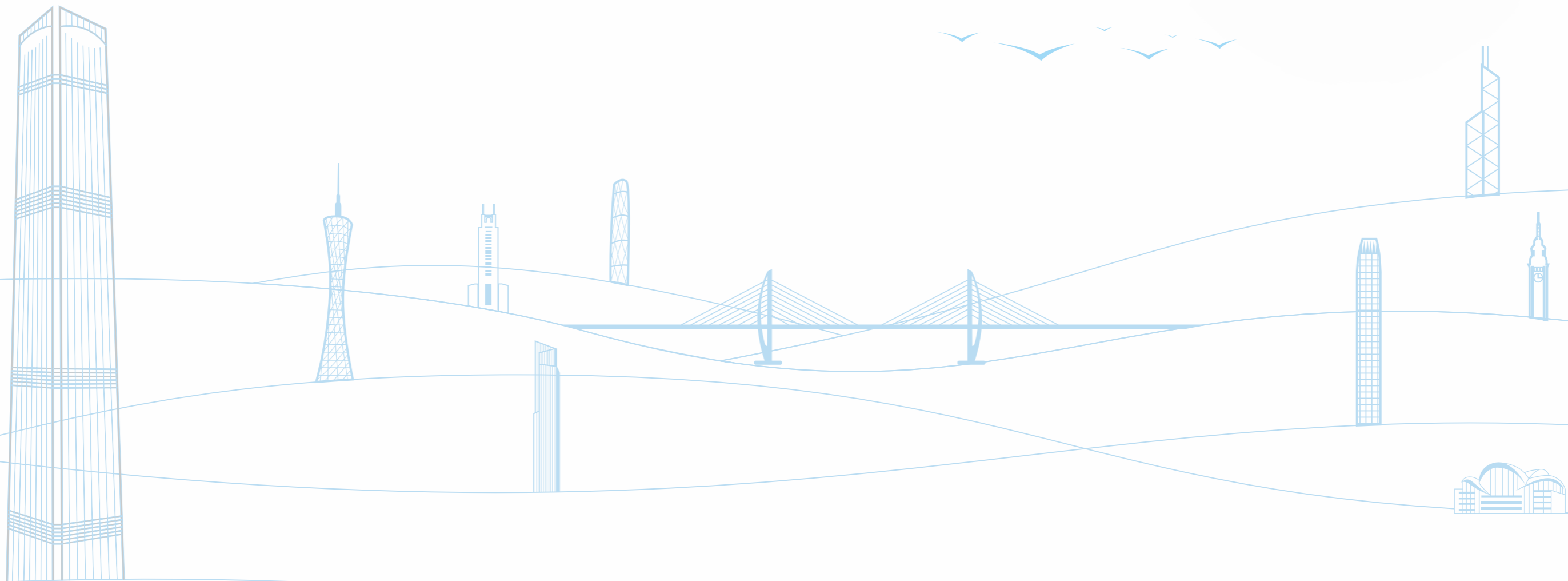
Staff Development

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, paths 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 of Employee Rights and Interests
- Multi-level Training System
- A Diversity of Labor Union Activities

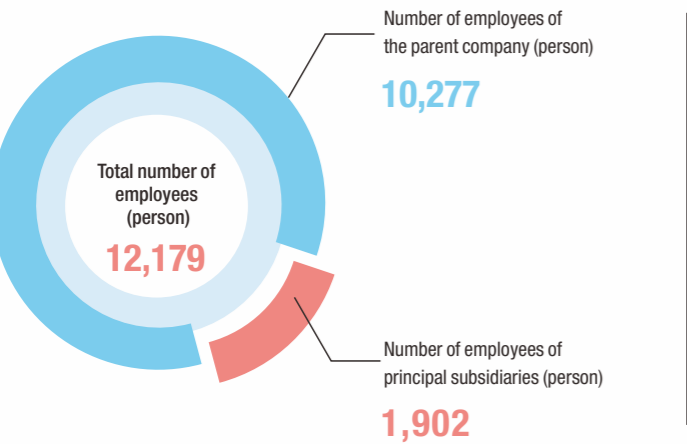
Gathering the Love From
the Bottom of Heart



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. In 2018, the company established a new MD position rank management system combining international and domestic leading investment banking practices. With the cooperation of the MD rank system, the company has established a two-channel career development path, and employees can be promoted in the management sequence and MD professional technical job sequence.

Staff Information Number of employees, professional structure and education level



By Professional structure (person)

10,341	84.91%	Principal operations
106	0.87%	Risk Management
107	0.88%	Legal and compliance
488	4.01%	Information Technology
1137	9.34%	Others

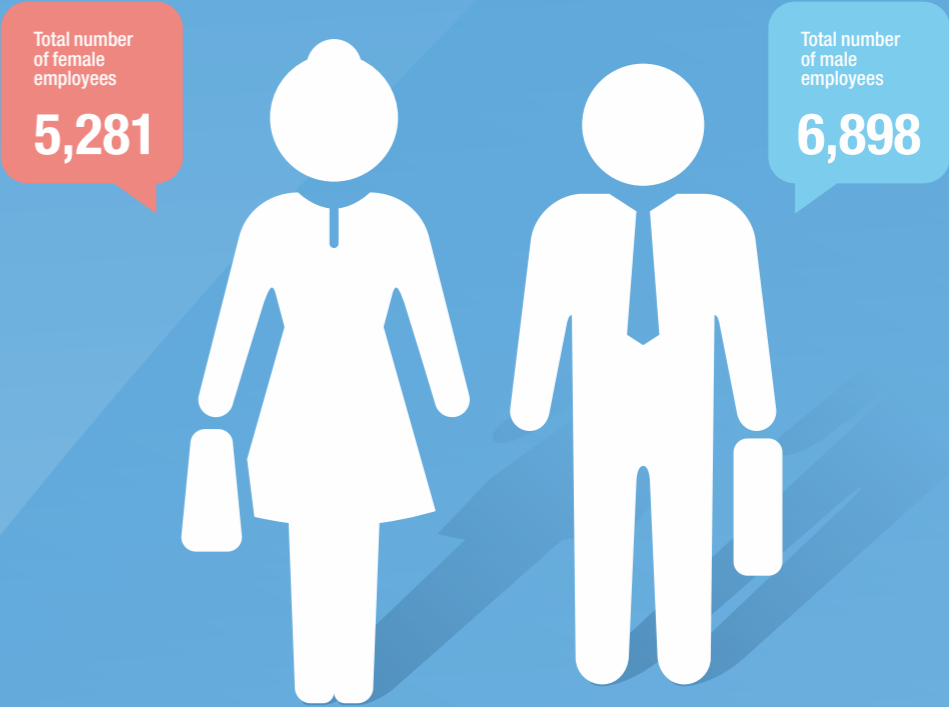
By Education (person)

151	1.24%	Doctorate
3078	25.27%	Master degree
7353	60.37%	Undergraduate
1597	13.11%	Junior college or below

By Age (person)

4,697	38.57%	Aged 30 or below
4,974	40.84%	Aged 31 - 40
2,088	17.14%	Aged 41 - 50
420	3.45%	Aged 51 or above

Note 1: Staff number includes 247 internal early retired employees.;
Note 2: There were no retired employees for which the Company is required to bear extra costs.



Number of employees
12,179

* Based on the statistics of the Group



* 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 the 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 2018, 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

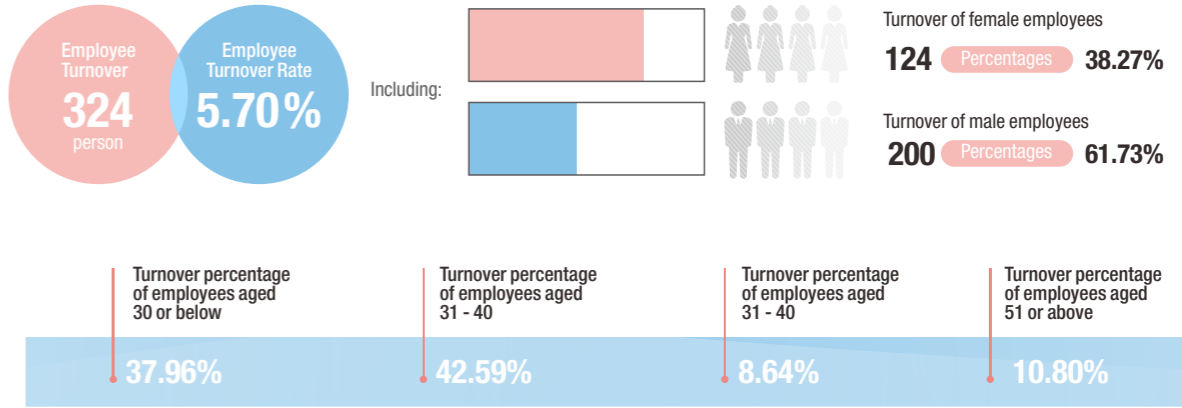
Comprehensive Welfare and Security System

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. In addition, the company has established a full-service enterprise annuity system since 2011 so that employees can get better pension protection on the basis of obtaining basic social pension after retirement.

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 RMB850 – RMB 1,000 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 2018, the parent company itself recruited a total of 1454 new employees.

With the continuous development of campus talents and extensive employer brand influential power and employee reputation, the company had won the first "Employers Loved by China University Students" and the "Established Employers" by the company. By virtue of good school-enterprise cooperation, government and enterprises cooperation achievements, the results of the cooperation, the company won the "Shanghai Jiaotong University Best Employer Award", and participated in the "Taiwan University Student Internship Camp Project" of the Taiwan Affairs Office of Guangzhou from which a special "Grateful Appreciation Reward" was granted by the Guangzhou Municipal Government.



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. The company has taken various measures to protect the health of employees, including paying medical insurance and work injury insurance, purchasing supplementary commercial medical insurance for employees; regularly organizing employees to receive medical examinations so as to prevent occupational hazards; setting up medical offices; establishing staff canteens; and setting up various clubs for employees. The company also strives for employee safety awareness. In 2018, the company carried out 2 phases of training on new employee safety knowledge, strengthened the fire safety awareness of new employees, improved the awareness and ability of new employees in terms of safety precautions, and the ability to deal with emergencies, and gave lectures on knowledge about prevention of theft, fire, and fraud. The company had also 10 times of conducted guidance and training for the person in charge of fire safety. Through on-the-spot explanation and on-site demonstration, the specifications of the branch office safety work were analyzed and explained one by one, and the safety awareness and practical operation skills of the safety person in charge were improved.

Multi-level Training System

Harmonious Labor Relation

The Company places great importance on employee trainings and seeks to build a high-caliber workforce. In 2018, the Company closely follows the overall strategic plan and supports the development of the Company's development strategy through the support of a comprehensive training program combining "concept introduction + professional empowerment + leadership improvement".

As for the concept introduction, on the one hand, focusing on the Company's new five-year strategic plan, the Company had organized all-staff strategic learning activities in 2018, and spread the basic framework of the strategy to the whole company through hierarchical stratification, various forms, and online and offline publicity. Therefore, the core content is transferred to the core employees level or above, ensuring that all employees can understand the Company's strategic planning and the future development direction, and achieve the strategic planning "into the brain, into the heart"; on the other hand, the Company has dug deep into its internal corporate culture and leadership excellence practice cases, and continues to strengthen the synergy of corporate culture and core values through the multiple-channeled publicity and sub-category corporate culture training.



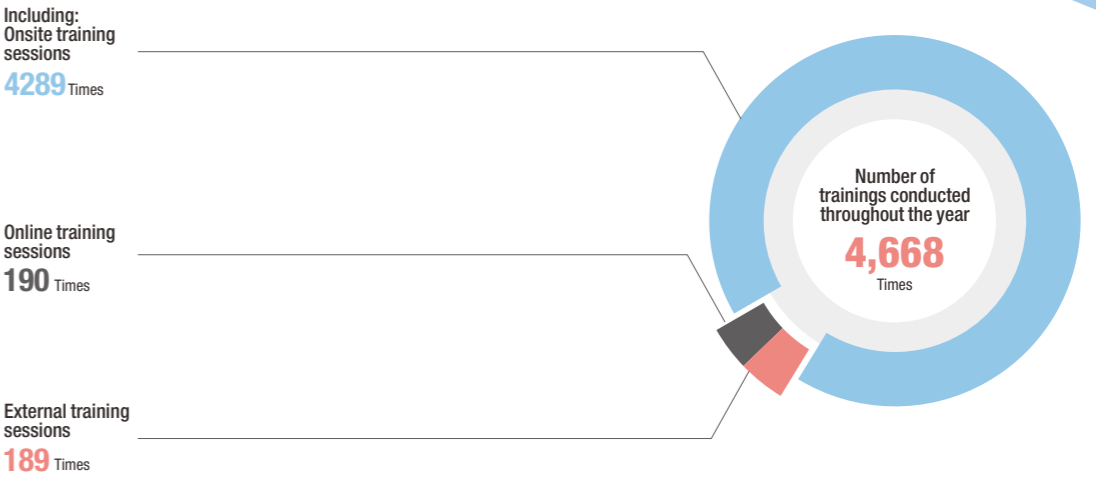
As for the professional empowerment, on the one hand, in line with the strategic focus of the Company's internationalized development and wealth management transformation, through the implementation of mixed learning projects such as private banking specialized overseas training, the Company helped management-level employees and key employees to define the direction of business development and broaden business development, improved the skills of expanding business; on the other hand, focusing on the "customer oriented" strategic program, through the implementation of the "training + assessment" qualification authentication system in the main lines of business, the Company stimulated the inner motivation of employees to learn more and consolidate each regular professional skills to comprehensively enhance the customer service capabilities of the employees.



2018 Private Banking Specialized Overseas Training Program

As for leadership improvement, we will develop a five-level training and curriculum system, which is based on the Company's employee leadership, and will be oriented to new employees (including management trainees), core talents, reserve talents, new recruits and in-service managers, and conduct leadership special learning projects. In 2018, the leadership training program for all levels of staff was conducted in 10 sessions (shifts) and 34 leadership courses were delivered.

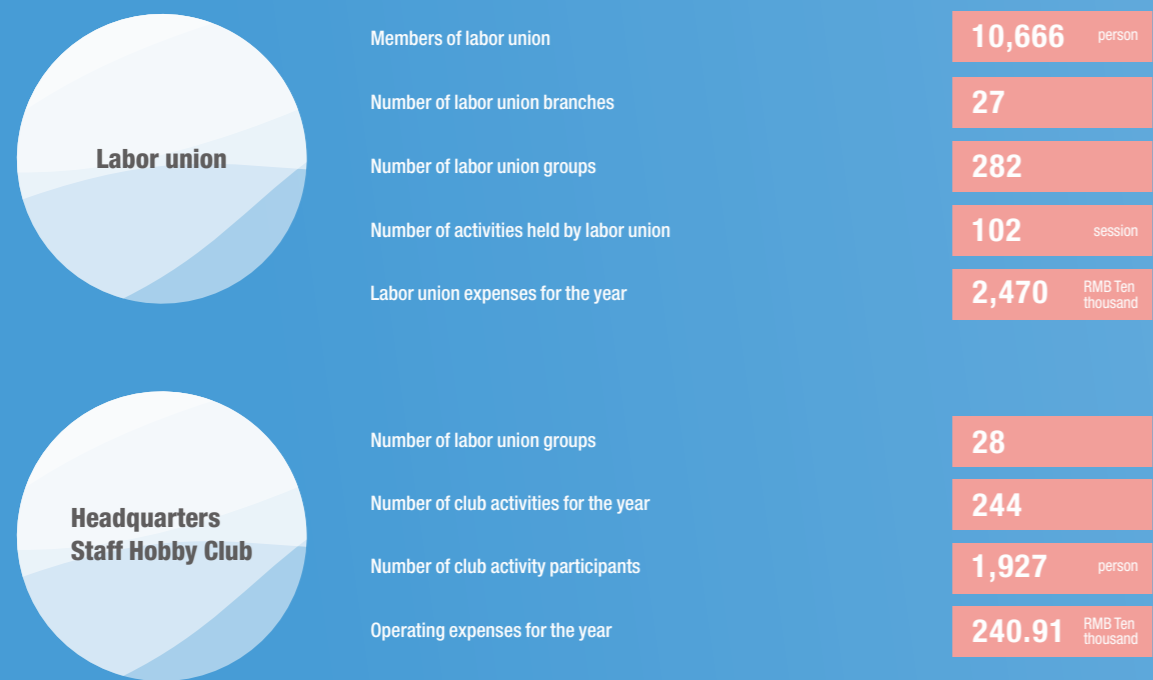
Employee training



Indicator	Unit	In 2018
Number of training participants for the year	93,822	Person times
Training hours for the year	661,678	Hour
• Training hours of male staff for the year	366,707	Hour
• Training hours of female staff for the year	294,971	Hour
Training hours per employee for the year	71	Hour/person
Including		
Operation managerial staff	31.72	Hour/person
Other managerial staff	74	Hour/person
Non-managerial staff	70.8	Hour/person
Number of internally certified lecturers	212	Staff

* Note: 1. Source: the Company's LMS training system.;
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



Caring for Employees

The Company's trade unions had actively done employee care work well and enhanced employees' sense of belonging. At important moments of life such as employees' birthdays, weddings, and births, the Company would send warmhearted blessings; and when the employees are sick and in trouble, the Company would visit to express condolences in time and deliver them care from the Company. The "Regulations on the Difficulty Subsidy for GF Securities Union Members" was revised to further strengthen the assistance to employees in need and to solve the urgent needs for employees. In 2018, a total of RMB 410,000 relief fund was granted to 35 employees. The Company organized an activity named New Era • New Women – health knowledge seminars, mothers with great wisdom have secrets – spring children's massage lectures and medicated diet knowledge lectures, cervical spondylosis prevention and first aid lectures. During the Chung Yeung Festival, various trade unions were organized to carry out retreats for internal retired employees and ordinary retired employees in 2018. During the August 1 Army Day, the Company organized the activities of condolences veterans and military staffs' family members, thus winning high praise from employees.



Staff Hobby Club

The headquarters of the Company maintained staff hobby clubs over 12 years in a row to serve as a platform to facilitate staff interchange and enrich staff's culture and sports life. In 2018, 28 staff hobby clubs for tennis, table tennis and badminton were established, and various club activities were held. Guangdong Financial Industry Badminton Competition, Tennis, Football Contests and other events strengthened communication and exchanges with various units in the same industry, having demonstrated the excellent spirituality of GF Securities team. Headquarters volleyball fans teamed up to participate in the first gas volleyball competition in Guangdong Securities and Futures Industry and won the championship. They had also won the fifth place in the Guangdong Provincial Direct Sports Games Volleyball Competition.



2018 International Finance Expo Cup Badminton game of Guangdong financial industry



The 5th Securities Union Cup tennis invitational



Guangdong Securities and Futures Industry First Gas Volleyball Competition



New Age • New Women – Health Knowledge Seminar



Staff Photo Contest Event "Our Beloved Guangfa"



Awarding Ceremony of the First Best Investment Appraisal and Option Business Development Competition of GF Securities

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.

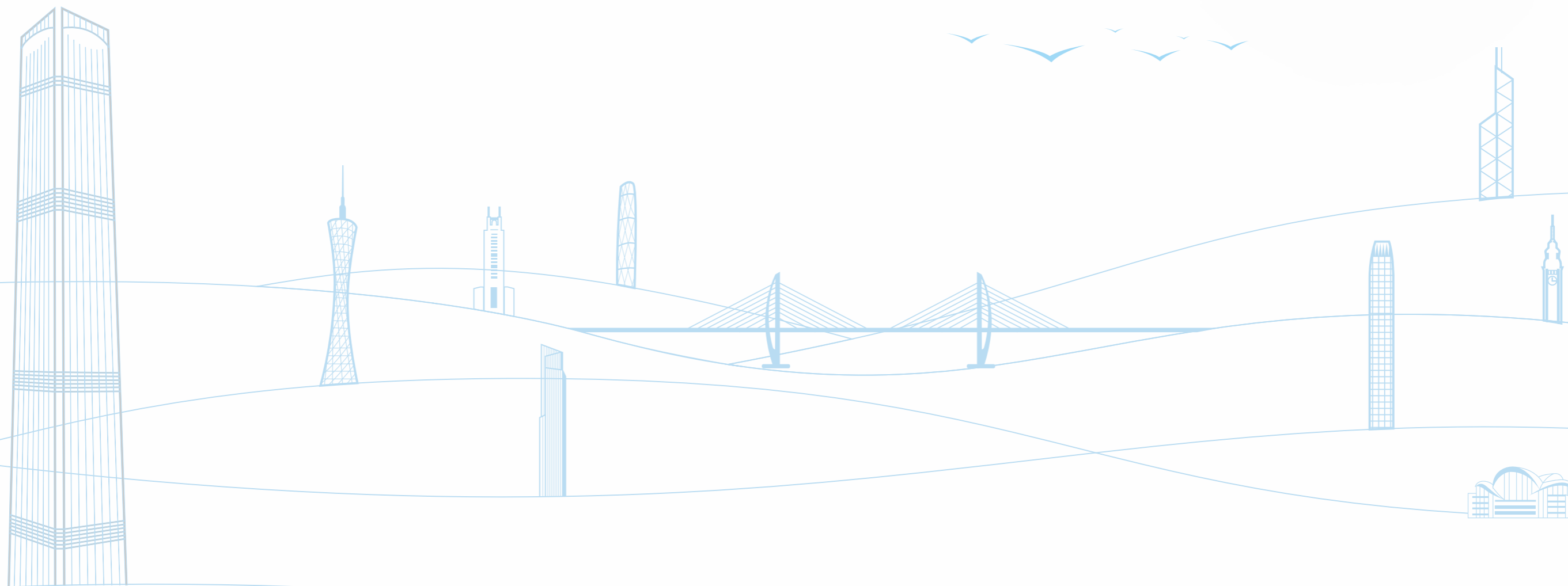
Continued Growth of Corporate Value

Continued Dividend Distribution

Protecting the Rights of Minority Investors

Compliance Operation and Integrity
Management

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 total assets, net assets, net capital, operating income and net profit have consecutively led in the industry for many years. The specific operating performance indicators are as follows:

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

Item	Total assets	Net assets	Net capital	Operating revenue	Net profit
2018 / as of the end of 2018	2	5	7	7	6
2017 / as of the end of 2018	4	5	4	4	5
2016 / as of the end of 2018	5	5	4	4	4

Note 1: Data source: WIND and Securities Association of China for 2018;
Note 2: Net capital data each year represents the net capital of the parent company. Performance indicators in 2018 were calculated based on the unaudited parent company data; performance indicators in 2017 and 2016 are based on the audited consolidated parent company data.

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

Operating results	2018	2017	2016
Operating revenue (million of RMB)	22,817	28,614	27,488
Total profit (million of RMB)	6,004	11,644	10,705
Net profit attributable to shareholders of publicly listed companies (million of RMB)	4,300	8,595	8,030
Return on weighted average net assets	5.07%	10.55%	10.29%

Note: According to the "Notice of the Ministry of Finance on Revising the Format of Financial Statements for General Enterprises" issued by the Ministry of Finance in June 2018 (Accounting [2018] No. 35) and "Interpretation of Issues Concerning the Format of Financial Statements of General Enterprises" issued in September, 2018, "enterprise as responsible party for personal income tax who receives in tax payments should fill the amounts in the "other revenue" line item as items relevant to daily operation. Should there be any changes in the items following this policy, the enterprise shall adjust the comparative data of the comparable period according to the "Notice" in accordance with the relevant provisions of "Accounting Standards for Business Enterprises No. 30 – Presentation of Financial Statements", etc.. In the above table, the "operating revenue" of the corporate combined sheet and that of the parent company in 2017 was adjusted. The "operating revenue" under the new calibre includes the amount of "fees for withholding tax payments as other revenue". The adjusted amounts in the combined sheet and that of the parent company are RMB 63,652,159.27 and RMB 57,893,203.86 respectively. In addition, there is no change in the data of 2017 in the above table.

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 arrangement

Over the years, the Company has continued to distribute dividends to shareholders in accordance with internal and external laws and regulations. However, according to Article 18 of the Measures for the Administration of Securities Issuance and Underwriting of the China Securities Regulatory Commission stipulating that "If the listed company issues securities with the condition that there is a profit distribution plan and the plan to convert the public reserve into share capital have not yet been submitted to the general meeting for voting or have not been implemented by the general meeting, that should be issued after the implementation of the program. Prior to the implementation of the relevant programs, the leading underwriters may not underwrite the securities issued by the Listed Company." If the Company implements the 2018 annual profit distribution, the Company cannot issue any non-public shares until the profit distribution is completed.

According to the relevant regulations of the CSRC, and given the fact that the Company's non-public issuance of A-shares is underway, and the comprehensive factors such as shareholders' interests and company development, the Company will not conduct profit distribution in the year of 2018, nor will it transfer capital reserve converted into increased capital stock.



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 the general meetings and provided an online voting platform to facilitate shareholders' participation in the meeting. In 2018, 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 2018, 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 32 activities including investigation reception, communications, and strategy meetings, and received around 200 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.



Compliance Operation and Integrity Management

A Comprehensive Compliance and Risk Control System

Since 2018, the regulatory agencies have proposed higher standards for issues like the internal control, compliance management, and business handling of securities companies through the issuance and implementation of a series of new regulatory regulations, including asset management business, integrity requirements, overseas subsidiary management, and anti-money laundering. In combination with the external regulatory situation and the actual development of the business, the Company conducted an in-depth and comprehensive analysis of the regulatory policy requirements in a timely manner, continuously combed and perfected the key points in compliance management, and organized relevant implementation plans, carried out corresponding system drafting and revision work, further covered and strengthened key management and control; and simultaneously sorted out business processes, strengthened supervision and inspection of system implementation, and better supported the continuous consolidation of various businesses and the continuous improvement of the company's internal control mechanism.



Anti-bribery, Extortion and Fraud

In 2018, the Company formulated and promulgated the “Measures for the Administration of Integrity of GF Securities” in accordance with the “Regulations on the Integrity of Securities and Futures Operating Institutions and Their Employees”, and carried out the implementation of the regulations on integrity, requiring all units and staff of the Company to abide by laws, regulations and occupation morality, fair competition, and compliance management, not directly or indirectly convey illegitimate interests or seek illegitimate interests, and shall not conduct or accept bribes. In addition, the Company requires that all contracts signed with those outside of the Company shall contain anti-commercial corruption provisions to prevent and combat the use of the Company's platform for obtaining illegitimate interests.



Anti-money Laundering

The Company strictly abides by the Anti-Money Laundering Law. According to the annual work plan of anti-money laundering, and with the close guidance of the regulatory authorities, the Company organized relevant departments to complete the penetration identification of non-natural person customers, strengthened the understanding of the non-natural controlling person customers, and evaluated and improved the models and indicators for monitoring anti-money laundering suspicious transaction so as to improve the effectiveness of suspicious transaction reports. During routine daily work, the Company continued to improve the internal control of anti-money laundering, and carry out customer identity recognition, risk classification, blacklist monitoring and self-assessment of money laundering risks, and actively organized all employees to carry out anti-money laundering training, through outdoor, LED, official website, publicity platform and other forms to conduct propaganda of anti-money laundering activities, and take the guaranteeing of economic and financial security as the obligation of the company so as to protect economic and financial security and to maintain social order stability.



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.

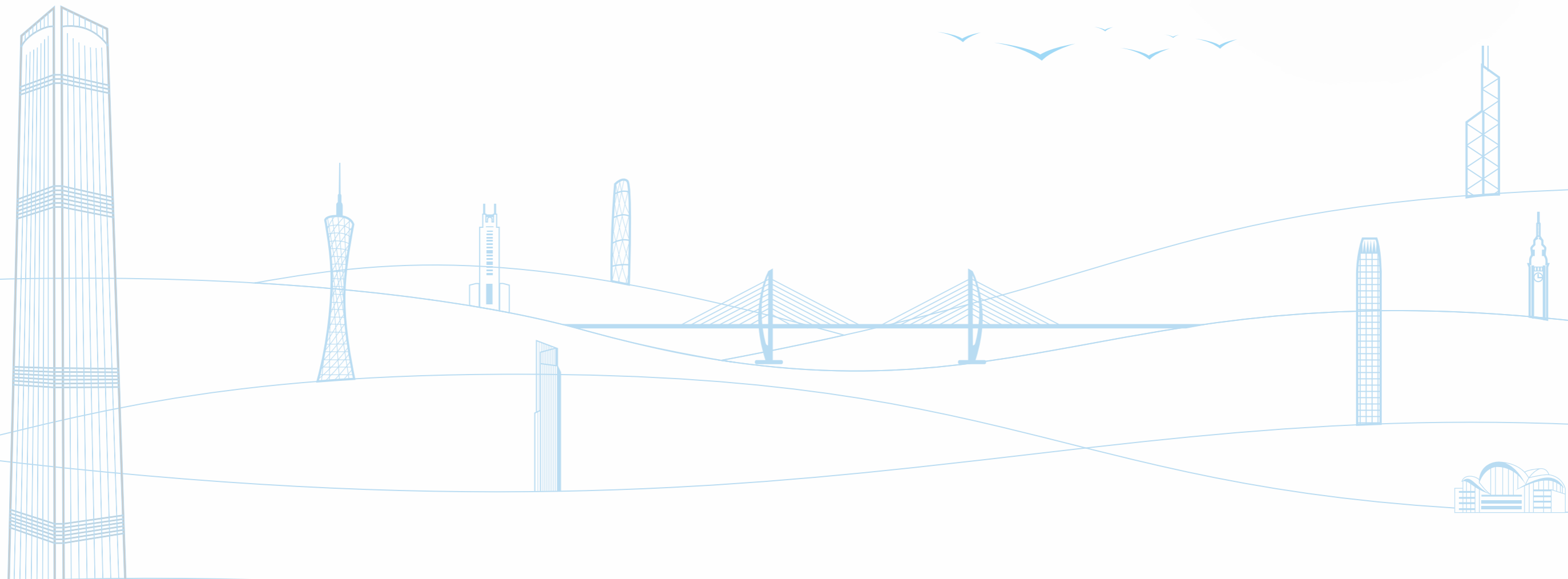
Significant Social and Economic Contributions

Green Operation and Environmental Protection

Devoted to Charity Work and Giving Back to Society

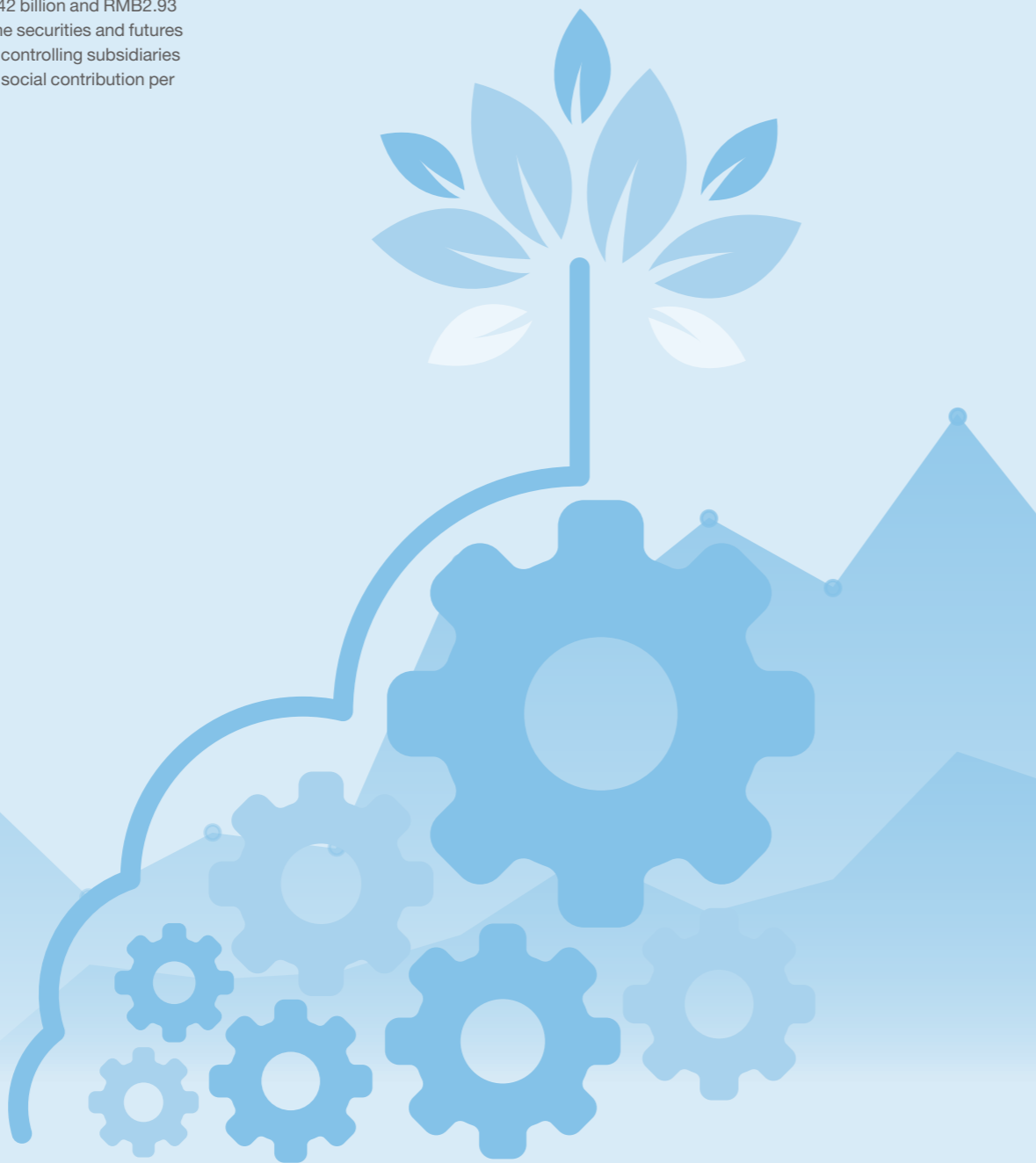
Well-Targeted Support for the Poor and One-to-one Support and Help

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 RMB3.480 billion, RMB3.642 billion and RMB2.93 billion, respectively from 2016 to 2018. In 2018, the securities and futures investor protection funds of the Company and its controlling subsidiaries totaled RMB80 million. The Company achieved a social contribution per share of RMB2.67



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

	2016	2017	2018
Income tax expense (RMB ten thousand)	229,573.85	256,065.47	137,229.32
Tax and surcharges (RMB ten thousand)	118,436.71	108,181.16	155,792.00
Cash dividend distributed/ planned to be distributed (RMB ten thousand)	266,738.07	304,843.51	000,000.00
Interest expense (RMB ten thousand)	710,279.33	754,784.58	825,011.40
Securities and futures investor protection funds (RMB ten thousand)	23,297.43	10,948.54	7,996.54
Donations (RMB ten thousand)	1,892.67	1,695.86	3,776.49
Staff costs (RMB ten thousand)	658,687.05	683,636.69	476,301.73
Total (RMB ten thousand)	2,008,905.11	2,120,155.81	1,606,107.47
Social contribution per share (RMB)	3.34	3.51	2.67

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 is 7,621,087,664 shares;
Note 3: Formula for calculating the social contribution per share: social contribution per share = earnings per share of RMB 0.59 + added value per share of RMB 2.11, 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. For details, please refer to the interest expenses in the Annual Report. No significant environmental pollution events occurred in 2018 and "other social costs resulting from environmental pollution, etc." is zero.

Green Operation and Environmental Protection

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 has been completed in 2018. Thanks to careful and systematical selections in building site, architectural design, interior design and decorative materials, it was granted the United States LEED CS (Core & Shell) and LEED CI (Commercial Interiors) golden certification in 2018, achieving the goal of providing efficient, healthy, safe and green working environment for employees.



Key performance indicators on environment of the Company in 2018 are as follows:

Compared with 2017, the Company made certain improvements in energy conservation and emissions cutting. Key performance indicators such as average GHG emission per employee and energy consumption were optimized. In particular, water consumption per employee decreased by 9.38%, while production of non-hazardous wastes and electronic wastes decreased by more than 20% and 30%, respectively. However, average production of hazardous wastes per employee increased slightly. There is still room for improvement through management.

		2018	2017	
Emissions ⁽¹⁾		Total GHG emissions ⁽²⁾ (scope 1 and 2) ⁽³⁾ (tonnes)	18840	19161
		Total GHG emissions (scope 1 and 2) per employee (tonnes/employee)	1.83	1.86
Energy consumption ⁽⁴⁾		Total energy consumption (Mwh)	35462.08	35870
		Total energy consumption per employee (MWh/employee)	3.45	3.48
Water consumption ⁽⁵⁾		Total water consumption (m³)	171,692	190240
		Total water consumption per employee (m³/employee)	16.71	18.44
Non-hazardous wastes		total production of non-hazardous wastes (tonnes)	83.74	104.70
		production of electronics wastes (tonnes)	50.05	74.40
		production of paper wastes (tonnes)	33.69	30.30
		paper wastes recycled (tonnes)	20.63	22.60
		Production of non-hazardous wastes per employee (KG/employee)	8.15	8.00
Hazardous wastes		total production of hazardous wastes (tonnes)	2.17	1.72
		Toner and ink cartridges wastes (tonnes)	1.39	1.20
		Fluorescent tube wastes (tonnes)	0.78	0.52
		Toner and ink cartridges wastes recycled (tonnes)	0.40	0.42
		Production of hazardous wastes per employee (KG/employee)	0.21	0.11

(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 national standard of the People’s Republic of China.

(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. 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. The Company encourages employees to commute by public transport, reduce the use of private cars, and arranges 4 shuttle buses, with an average of 150 passengers per day, which travel to the living quarters of its staff.

At its headquarters, the Company separately arranges toner and the toner cartridges as for printing equipment and advocates to use toner cartridge and ink box for many times by adding toner/water. Each toner cartridge or ink box is reused 5-6 times on average, which reduces the waste of toner cartridge and ink box. By supporting double-sided utilization of paper, the Company reused 950,812 pieces of A4 paper in 2018. The headquarters also adopted an electronic facsimile system, which received 7,368 faxes and 10,925 pages of fax in 2018, saving paper in an effectively manner.



Continuously Improving Supplier Management

While focusing on its own environmental and social responsibility performance, the Company also actively promoted suppliers to improve their performance on environmental and social responsibility. To manage suppliers' environmental and social risks, the Company integrated the environmental and social responsibility requirements for suppliers into the process of supplier management.

Referring to the "GF Securities Procurement Management Measures", the Company's supply and procurement management is aimed to control the cost reasonably and guarantee the procurement quality. The procurement budgets of departments and branches affiliated to the Company are determined by the annual budgets issued by the Company, all of which must be subject to budget. The appropriate procurement method is selected in procurement process according to the amount and nature of the subject matter. All cooperated suppliers should be of good commercial reputation and social responsibility performance, and provide goods and services in line with national security and environmental protection standards, 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 looking 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%

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 2018, the Company underwrote 2 projects launched by environmental enterprises, amounting to RMB **2.738 billion**

including Convertible Debt Project of Lingnan Ecotourism Co., Ltd. and Private Placement Project of Zhejiang Hailiang Co., Ltd.

In 2018, the Company completed the Acquisition Project of Zoomlion Environmental Industry Co., Ltd. by Infore Environment Technology Group, valued at RMB **15.250 billion**

the largest merger and acquisition project in the domestic environmental protection industry.

In 2018, the Company, as an independent financial consultant, assisted Tus-Design Group Co., Ltd. (300500.SZ) to complete the acquisition of Shenzhen Coolead Energy Conservation Technology Co., Ltd., which specializes in building energy-saving business, with a transaction amount of RMB **6.5 billion**

As of December 31, 2018, the value of environmental ETF of GF China Securities was RMB **1.445 billion**

an increase of **591.15%** over the beginning of the year.

GF Fund is the only company in the industry that issued environmental ETF and its feeder funds.

Company Trademark and Intellectual Property Protection

The Company strictly abides by "Trademark Law of the People's Republic of China" and other relevant laws and regulations, respects and protects intellectual property rights, uses software and hardware products provided by suppliers within the scope stipulated by the contract; uses genuine systems, office and information software to avoid infringement of the intellectual property of others.

The Company has also continuously strengthened the protection of the Company's trademark and brand name, and applied to the Trademark Review and Adjudication Board of the State Administration for Industry and Commerce for the identification of "GF Securities" as a well-known trademark. In May 2018, the Company received a ruling from the Board. According to the order, the registered trademark of "GF Securities" was recognized as having a high reputation in the projects of "Securities and Public Bond Brokerage" and "Financial Services", and is well known to the relevant public, that is, it is certified as a well-known trademark on the project.



Devoted to Charity Work and Giving Back to the Society

In 2018, through the GF Social 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. 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 through GF Social Charity Foundation as the platform systematically launches various charity activities in a well-regulated way.

In 2018, the GF Social Charity Foundation was awarded the Level 5A foundation, becoming one of the only two foundations in this rating. It is also the first foundation in China that was mainly sponsored by securities firm and obtained the highest Level 5A rating by social organizations.



Operation of the GF Securities Charity Foundation of Guangdong Province

Total donations received during the year (RMB ten thousand)	3,016.66
• Donations from individual employees (RMB ten thousand)	129.65
Total outgoing donations during the year (RMB ten thousand)	3,011.94

Small-scale start-up support for university students

This year is the fourth year that the GF Social Charity Foundation cooperated with the KAB national promotion office to organize the “Small-scale start-up campaign for university students”. Over the past four years, GF Securities funded 200 small-scale start-up projects, with a total bonus of RMB3.5 million. With the professional advantages of its own financial group system, the Company built a platform for project demonstration, promotion and financing, exchange and cooperation for entrepreneurship team in an effort to help young entrepreneurs realize their dreams.

In 2018, the small-scale start-up campaign for university students launched various activities such as small-scale start-up projects collection, small-scale start-up activity jointly held by 100 universities, small-scale start-up session. And new explorations was made, 5 small-scale start-up camps were held in Wuhan, Harbin, Chengdu, Guangzhou and Hangzhou, attracting 120 project teams from 68 universities, and 57 guests were invited to deliver entrepreneurial guidance to college student entrepreneurs. After the primary election, 980 projects were qualified for the national competition, covering nearly 300 colleges and universities.



A photo of distinguished guests with the winners of the 2018 small-scale start-up support for university students

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

As of December 31, 2018, the Company devoted a total of more than RMB **1,400** million

In 2018, the Company pushed forward the “One Company, One County” program and newly included Baisha County and Lingao County in its counterpart assistance program, realizing a full coverage by the securities company onto all poverty-stricken counties at national level in Hainan Province. 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 established a high-quality passion fruit plantation base in Maodao Township, covering an area of 30 mu, to boost the featured industry branding of Wuzhishan City and countryside collective economy. The Group invested RMB876,700 for the construction of a 100 KW distribution-type PV power station, which was located at the unused rooftop of a building in Maodao Township. The project was officially connected to the power grid and generated power since the beginning of December, 2018, delivering benefits to 20 poverty-stricken households. The annual return for each of them was expected to be RMB3,000. As for education-based poverty alleviation, the Company launched the “GF Motivation Class” throughout 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. As of December 31, 2018, the overall annual income of Tianjinggang Village increased by RMB320,000 on average, and the per capita net income of poverty-stricken households reached RMB138,000. 38 households and 110 people were lifted out of poverty and backwardness, thus achieving 100% poverty alleviation. A long-acting development mechanism was established to promote the poverty alleviation through equity investment. The Group donated RMB900,000 to Tianjinggang Village to incorporate Guangyuntian Company in Lechang City, building up continuous agricultural plantation bases to connect local agricultural products and markets in Lechang, and providing employment opportunities for poor-stricken households. The Company also formed a stable supply-demand mechanism, which effectively protected the interests of farmers, achieved growth in the village collective economies, and stabilized poverty alleviation for impoverished households.

As a concerted effort in targeted poverty alleviation, the subsidiaries of the Company actively also engage themselves in poverty alleviation work. In 2018, GF Futures provided educational assistance to Jiangcheng County of Yunnan Province again, providing communication and training funds for backbone teachers of Jiangcheng County to participate in the On-Job-Training held by schools in areas featuring advanced education; invested RMB2.66 million to purchase agricultural insurance for 5,079 farmers in Jiangcheng County of Pu’er City of Yunnan Province, Yijun County of Tongchuan City of Shaanxi Province and Dongsheshanzi Town of Xinmin City of Shenyang City; and donated RMB300,000 to farmers of Luozishan Town of Yanchang County of Yanan City of Shaanxi Province to develop featured industries with the expectation to make them get out of poverty and become prosperous.

for well-targeted support for the poor in Wuzhishan City, Baisha County and Lingao County of Hainan Province and Tianjinggang Village of Lechang City, Guangdong Province. Through poverty alleviation, the Company built up its image as an excellent enterprise which was eager to perform its social responsibilities.



Passion fruit plantation base in Maodao Township



Guangyuntian poverty alleviation through industry development



Newly installed solar street lights after Renovation

Performance of targeted poverty alleviation

Indicators	Unit	Quantity/Work Description
Overall conditions		
Including: 1.Capital	RMB ten thousand	1439.33
2. Number of people	person(s)	387
Itemized investment		
1. Industry development poverty alleviation		
Including: 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	person(s)	5
1.3 Invested amount in industry development poverty alleviation projects	RMB ten thousand	282.66
1.4 Number of people alleviated out of poverty among those who have been put in records by the Company	person(s)	387
2. Employment assistance poverty alleviation		
Including: 2.1 Investment in vocational trainings	RMB ten thousand	0.6
2.2 Number of people participating in vocational trainings	Person-time(s)	100
3. Education poverty alleviation		
Including: 3.1 Investment in supporting underprivileged students	RMB ten thousand	3.36
3.2 Number of underprivileged students	person(s)	12
4. Healthcare poverty alleviation		
5. Ecological protection poverty alleviation		
Including: 5.1 Project type	——	Safe drinking water supplies and repairing of farmland water conservancy facilities
5.2 Invested amount	RMB ten thousand	20.96
6. Basic income guarantee		
Including: 6.1 Contributions to helping left behind children, women and the elderly	RMB ten thousand	2.16
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	0.88
6.4 Number of poor physically disabled people	person(s)	11
7. Social poverty alleviation		
7.1 Contributions to fixed-point poverty alleviation work	RMB ten thousand	1439.33
8. Other Projects		
Including: 8.1 Project number	project(s)	10
8.2 Total investment	RMB ten thousand	1128.72

Note: in 2018, the Company devoted a total of approximately RMB14.3933 million for well-targeted support for the poor, all of which was used for the targeted poverty alleviation work under Item 7.1.

Carry out the SDG (Sustainable Development Goal) Model Village project.

Through strategic cooperation with the Food and Agriculture Organization (FAO) of the United Nations, the Group planned to build a demonstration pilot project at national level for rural revitalization in China in the next three years (2019-2021), so as to support the nation eliminate poverty and to facilitate the realization of the sustainable development goals of the United Nations. The Group is the first Chinese enterprise participating in the project. Recently, the Group has entered into the cooperation intention agreement with FAO for the project of SDG Model Village and a donation agreement with China Agricultural Science and Education Foundation.



Awards and Recognitions for the Charity Work of the Company in 2018

Awards (Title and Level)	Granted by
Guangdong Poverty Alleviation Hongmian Cup - Silver Cup	Guangdong Poverty Alleviation and Development Leadership Team
Five-Star Charity Company in Guangzhou Charity List “Most Influential Charity Company”	Guangzhou Charity Association; Guangzhou Charity Alliance
2018 Annual Special Respect Award The “Small-scale start-up campaign for university students” held by the GF Social Charity Foundation was granted with the 2018 Charity Project Award. GF FL was granted with the 2018 Environmental Protection Award.	The 8th Charity Festival
“2018 Poverty Alleviation Pioneer” in 2018 China Capital Market Poverty Alleviation Pioneer Forum “2018 Poverty-Alleviation Pioneer through Industry Development” “2018 Poverty-Alleviation Pioneer through Innovation”	International Financial News
“overty-Alleviation Pioneer Enterprise” in Excellent Poverty-Alleviation Pioneer List	ChinaNet
Annual Best Securities Firm in Poverty-Alleviation Work in 2018 Top List of Financial Industry	7th Gold Lion Award by Information Times
GF Motivation Class was granted with the Best Poverty Alleviation Project through Education Award in Chinese securities and futures industry for the year of 2018.	Securities Times
Southern China Charity Publicity Award -- Poverty Alleviation and Student Sponsoring Award	Southern Media Group
“2018 Corporate Social Responsibility Model Award”	The 7th China Finance Summit
“Guangyuntian Company” case was granted with the Excellent Case of Targeted Poverty Alleviation for Chinese Listed Company	JRJ.com
2018 Influential Enterprise	2018 China Finance Summit (Winter) Times Innovation List
2018 Excellent Social Responsibility Report Award The “Youth Support”-Impoverished Students Caring Program held by Social Charity Fund of GF Securities was granted with the “2018 Social Responsibility Award for Excellent Charity”.	Huanqiu.com

5 SECTION

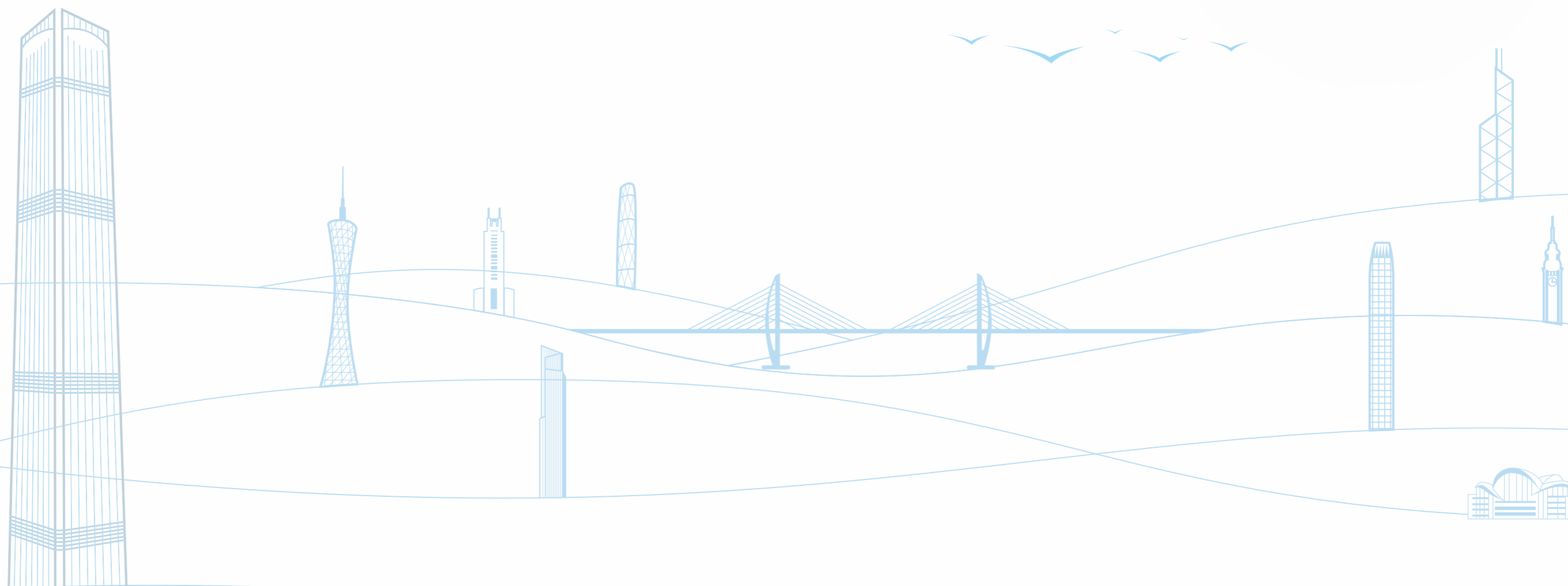
Prospects

**Reviewing 2018 and
Looking into 2019**

Problems in Social Responsibility
Fulfillment and Improvements in 2018

Social Responsibility Goals for 2019

Gathering the Love From
the Bottom of Heart



Problems in Social Responsibility Fulfillment and Improvements in 2018

Problem 1:	The Company has always adhered to and actively practiced a “Customer-Orientation” 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 2018, the Company, upholding the “Customer-Orientation” strategic principle, strengthened the client eligibility management and the cultivation of strategic client, aiming at the development of long-term client value. Through the implementation of “Customer-Orientation transformation”, the Company established a Client Manager Service System, updated the Enterprise Client Relationship Management (ECRM) System and constantly promoted the development and keeping of strategic clients. The Company exerted its effort in shaping the platform-oriented client service capability, simplified the external liaison procedures, and smoothened inter-department coordination so as to realize 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 2018, the Company established a new MD rank management system based on the practice of leading international and domestic investment banks. The pilot departments established clear qualifications criteria, which helped employees to clarify their career development direction and goals. In 2018, by learning from the experiences of the advanced international investment banks, the Company introduced management training program to create a more targeted growth channel for outstanding graduates; provide more promotion resources for higher performers, enabling high-performance employees to stand out; and introduce interdepartmental evaluation mechanism, which is conducive to fair and objective evaluation of employees.
Problem 3:	As for the involvement in social charity, the Company achieved phased accomplishments in poverty alleviation of Tianjinggang Village. However, the renewal capacity of projects on village collective economies shall be further deepened. The Company covered Baisha Li Autonomous County and Lingao County of Hainan Province in its counterpart assistance program. But there was no significant progress in pushing forward the poverty alleviation through industry development. And no evident effect was witnessed.
Improvement Measures and Effects:	The Company conducted follow-up management for the cultivation project which was already input into the collective economies of the assisted villages; made a regular appraisal; and improved the project management mechanism. Also, it made detailed records of the returns from poverty alleviation, formulated mechanism for the usage of the returns from poverty alleviation, evaluated effects in assisting the poverty-stricken households; followed up the stability of poverty alleviation, guided the continuous input of technical force into the industry-oriented assistance project, strengthened the management of entrusted planting and breeding, formed the restraint mechanism and distributed the bonus regularly as agreed; organized the training course on plantation technology and employment skills on a regular basis, enhanced the awareness of independent poverty alleviation of people in awkward situation, and inspired the inherent motivation and vitality. Relied on local situation of Wuzhishan City, Baisha County and Lingao County, the Company has preliminarily planned the poverty-alleviation through industry development and pushed forward the development of local industries regarding south medicines plantation, tropical fruits plantation and PV industry through cooperation with local governments and leading enterprises. A close relationship was established between the project and local registered impoverished households, ensuring the collective income and effectively improving the effect of the poverty-alleviation project.
Problem 2:	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. The Company continuously conducted a system-wide collection and compilation of statistics of company-wide environmental indicators and engaged independent third-party institutions to provide consultation to us, ensuring that the 2018 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). And it guides the focus of the social responsibility work of the Company in a better way through investigation of the stakeholders. Subsequently, the Company will enhance the training; extend the frequency and scope of statistics; improve the verifiability of the data; and employ the third party to audit the report in due time so as to increase the fairness of the reported data.

Social Responsibility Goals for 2019

Goal 1: To adhere to the ideology of “centering on clients and financial sector serving the real economy”, and seize the new opportunity period for industrial development	<p>Adhering to the “Customer-Orientation” strategic principle, we aim at mutual benefit and growth with customers based on coordination and innovation. To internalize the “customer-orientation” 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.</p> <p>To focus on the fundamental concept that the financial sector serves the real economy, take a positive attitude against the trend of industrial competition internationalization, and seize the new opportunity during the new strategic opportunity period. We will vigorously support the new economy, the green economy and high-quality innovative enterprise projects, promote the development of the real economy, and assist technological innovations, industrial transformations and upgrading. We will continue to optimize and implement the client manager mechanism and improve our capability to serve large and medium-sized customers, so as to provide customers with full-service on a platform and assist them to grow in the long run.</p>	Goal 2: To enhance the shouldering of missions, responsibilities and national strategies, strive to be the industry pacesetter and realize the dream of financial sector serving the country	<p>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; strengthen the sense of responsibility, serve the national strategies; protect the lawful interests of investors; and contribute our own strengths to maintain financial stability and national financial security.</p> <p>2019 is a crucial year for implementing the “13th Five-Year” plan. GF Securities will conscientiously implement the new national development concept, adhere to the general work tone of seeking improvement in stability, take the supply-side structural reform as the main line, actively assume the main responsibility of the capital market, participate in investment and financing projects relating to the construction of the Guangdong-Hong Kong-Macao Greater Bay Area and explore the investment and financing service opportunities in the countries along the “One Belt, One Road”.</p>
Goal 3: To insist on prudent operation, strictly keep the bottom line of risk compliance, and give back to the shareholders with good performance	<p>The Company will continuously intensify the overall risk management, strictly hold the lifeline for risk management and the bottom line for risk compliance, drive steady operation of company business, promote the transforming and upgrading of business mode relied on the stabilization of conventional business, maintain the position within the industry to realize a steady growth in performance and make a contribution in delivering benefits to the shareholders. Meanwhile, the Company will attach greater importance to the communication and interaction with investors and make full use of diversified online and offline channels to communicate with investors on the Company's development and operation in a timely manner.</p>	Goal 4: To facilitate the poverty alleviation strategy of the State by fully leveraging on the functions of the capital market	<p>As an important part of the industry-based poverty alleviation, contributions from the securities industry are practically significant for the successful and satisfactory implementation of the poverty alleviation initiative. The Company will continue to actively engage itself in the poverty alleviation strategy of the State, seriously follow the work arrangement formulated by regulatory authorities and provide well-targeted support for state poverty counties, including Wuzhishan City, Baisha Li Autonomous County and Lingao County of Hainan Province as well as Tianjinggang Village, Lechang City, Guangdong Province. The Company will fully leverage on its professional advantages as a financial institution to explore innovative poverty alleviation models and continue to further maximize the social and economic benefits of its poverty alleviation work by focusing on the combination of financial, industrial, educational, party-building and public benefit programs.</p>
Goal 5: To effectively protect the legitimate rights and interests of employees and promote the joint development of employees and the Company be actively leveraging on the organization function of the trade union	<p>The Company will ensure the trade union perform its functions and conduct its work based on the principle of “four hearts” and “four combinations”. Leaders of the trade union will “whole-heartedly” and be delighted to make contributions and shoulder responsibilities. The trade union will conduct its “heart-to-heart” work with a particular focus on the needs of members for professional career, working environment, cultural recognition and other mental aspects. The trade union will provide “intimate” services by working according to the actual condition, so as to meet members' needs and solve difficulties for them. The trade union will provide strong support for various employees, allowing them to “rest assured” while working. The trade union will combine its work with the Company's party-building work to find the accurate working direction, with the Company's cultural development to advocate mission and devotion and strengthen the cohesiveness and fighting capacity of the team, with the Company's business to actively propel the implementation of the Company's new Five-year Strategic Plan and the fulfillment of core values, and with public-benefit poverty alleviation to actively fulfil our corporate social responsibilities.</p>	Goal 6: To earnestly perform social responsibility, give back to the society, serve the community, devote to charity events and care about environment and ecology.	<p>The Company will continue to rely on the platform of GF Social Charity Foundation, and uphold the charity spirituality of “gathering the love from the bottom of heart” to actively perform its responsibility as a social citizen. In view of national policies and current hot topics, the Company will focus on fields such as assisting students and education, innovation and starting business, and carry out public benefit projects such as the “Small-scale start-up campaign for university students” and the “Model village of the UN sustainable development goal”. The Company will actively organize volunteer public benefit activities to meet the needs of employees, customers and the public for public benefit and allow more kind-hearted people to participate in public benefit, thereby increase the influence of our public benefit campaign and feed back the society with positive energy. The Company will strengthen its interaction with the community and its involvement in social services, with a view to performing its corporate citizen responsibilities in a more comprehensive manner.</p> <p>To continue to focus on environment protection and ecological development relied on the reality, practice the concept of green operation, vigorously provide integrated financial services for environmental protection, energy conservation and emission cutting of the state and the enterprises, so as to contribute positively to the sustainable development of the society.</p>

Relationship of the Company with its Stakeholders I

Stakeholders	Scope	Expectations	Communication and function bodies	Common ways of communication	Responding measures	Major performance
Clients	Retail clients Institutional clients Company 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 resource 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 ✓ Accouncements ✓ Calls, e-mails, 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 Social 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-onsite 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	
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 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.	2018 Company Energy Consumptions and Other Key performance Indicators P44
A2 Use of Resources	
General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used for production, storage, transportation, buildings, electronic appliances, etc.	Energy Conservation and Emissions Cutting P44, 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.	2018 Company Energy Consumptions and Other Key performance Indicators P44
A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Determined by the business essence of the Company, the main products refer to commercial service. Thus, the production of physical finished products and the use of packaging materials are not involved.
A3 Environment and Natural Resources	
General Disclosure: Policies on minimizing the issuer's significant impact on the environment and natural resources.	Determined by the business nature of the Company, its main operations refer to office-related activities. Thus, the impact onto environment and natural resources mainly includes the emissions produced during the operation and the usage of resources. There is no significant impact onto the environment and the natural resources.
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 composition and education level. 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.	Undisclosed
B2.2 Lost days due to work injury.	Undisclosed
B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Undisclosed
B3 Development and Training	
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 prevention of child labor or forced labor.	Multi-leveled 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.	Harmonious Labor Relations, Excellent Employer Brand P27, P28
B4.1 Description of measures to review employment practices to avoid child and forced labour.	Undisclosed
B4.2 Description of steps taken to eliminate such practices when discovered.	Undisclosed

Content	Page number
B5 Supply Chain Management	
General Disclosure: Policies on managing environmental and social risks of the supply chain.	Constantly enhance the management of suppliers. P46
B5.1 Number of suppliers by geographical region.	Undisclosed
B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Constantly enhance the management of suppliers. 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.	Client Service - Treat each client wholeheartedly. P17, P18, P19, P20, P21, P22, P46
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Determined by the business nature of the Company, its products mainly refer to the commercial service. Thus, no products are returned due to the cause of safety and health.
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.	Company trademark and intellectual property protection. P46
B6.4 Description of quality assurance process and recall procedures	Determined by the business nature of the Company, its products mainly refer to the commercial service. Thus, the quality inspection process and the product recovery procedure are not involved.
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, Fraud and 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.	There is no concluded legal cases regarding corrupt practices brought against the Company or any of its employees during the reporting period.
B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-bribery, Extortion, Fraud and 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
B8.1 Information on policies for understanding demands of the community where operation is located through community participation and ensuring consideration of community benefits in business activities	Devoted to Charity Work and Giving Back to the Society P47
B8.2 Resources used within the scope of focus (e.g. money, time, etc.)	Devoted to Charity Work and Giving Back to the Society P47,P48

Appendix

“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, Corporate Social Responsibility Mechanism, CSR Management System, Stakeholder Communication and Participation, Assessment of Significant Topics and 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, clients 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. 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.	
(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.	Outlook - Reviewing 2018 and Looking into 2017 - Problems in Social Responsibility Fulfillment and Improvements in 2018, Social Responsibility Goals for 2019. 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	