

Gathering the Love  
From the Bottom of Heart



*Gathering the Love  
From the Bottom of Heart*



Term	Definition
The year, Reporting Period,	Year 2019 (January 1, 2019 to December 31, 2019)
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 in Guangdong Province (廣東省廣發証券社會公益基金會)
GFHK	GF Holdings (Hong Kong) Corporation Limited (廣發控股(香港)有限公司)
GF Futures	GF Futures Co., Ltd. (廣發期貨有限公司)
GF Xinde	GF Xinde Investment Management Co., Ltd. (廣發信德投資管理有限公司)
GF Qianhe	GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司)
GF Asset Management	GF Securities Asset Management (Guangdong) Co., Ltd. (廣發証券資產管理(廣東)有限公司)
GFFL	GF Finance Leasing (Guangdong) Co., Ltd. (廣發融資租賃(廣東)有限公司)
GF Hexin	GF Hexin Industry 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)
A Share(s)	domestic shares of the Company with a nominal value of RMB1.00 each, which are listed on a domestic stock exchange and traded in Renminbi
H Share(s)	foreign shares of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
SSE	the Shanghai Stock Exchange
SZSE	the Shenzhen Stock Exchange
CSRC	the China Securities Regulatory Commission
SFC	the Securities and Futures Commission of Hong Kong
Guangdong Bureau of the CSRC	Guangdong Bureau of the China Securities Regulatory Commission
WIND	Wind Information Co., Ltd, a financial terminal which provides the customers with financial data and analytic tools

Overview of the Report

This report gives a true view of the performance of GF Securities Co., Ltd. ("GF Securities", " the Company" or "we") in fulfilling its social responsibility to promote sustainable development in 2019.

Reporting Period

Unless otherwise specified, this report covers the period between January 1, 2019 and December 31, 2019.

Reporting Cycle

This report is prepared on an annual basis. The Company has published social responsibility reports for ten consecutive years since 2011.

Entities Covered by this Report

Unless otherwise specified, this report covers headquarters, 21 branches and 283 securities brokerage branches of GF Securities Co., Ltd.; seven wholly-owned subsidiaries (including GF Asset Management, GF Futures, GF Xinde, GF Qianhe, GFFL, GFHK and GF Hexin) , one controlled subsidiary (GF Fund) and one associated company (E Found).

Basis of Data

Financial information herein is extracted from the Company's 2019 annual audited financial statements prepared in accordance with 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 respectively, details of which are set out in the 2019 Annual Report of GF Securities Co., Ltd. Other information is mainly for the year of 2019, 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 Hong Kong Stock Exchange, 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-CSR4.0).

Compliance with the Environmental, Social and Governance Reporting Guide

This report has been prepared in compliance with the requirements of Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited (" Hong Kong Stock Exchange", "HKEX") and complied with the " comply or explain" provisions. The report has followed the reporting principles of Materiality, Quantitative, Balance and Consistency.

Reliability Assurance

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

Availability

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

Chairman's Statement 01

Company Profile 03

Major Awards & Recognitions in 2019 05

Corporate Social Responsibility Culture 11

Corporate Social Responsibility Mechanism 11

Corporate Social Responsibility Management System, Stakeholder Communication and Participation and Assessment of Significant Topics 12

GF Foundation 13

1

## Section

Customer Services  
**Earnestly Serve Every Customer and Shoulder Responsibility towards Investors**

- 17 Professional Solutions to Customer Needs
- 19 Your Attentive, Professional and Dedicated Business Partner
- 23 Protect the Capital Market to Shoulder Responsibility towards Investors

2

## Section

Staff Development  
**Staff-oriented Initiatives for the Dream of Serving the Country**

- 29 Harmonious and Good Employment Relationship
- 30 Sound Assurance of Employee Rights and Interests
- 31 High-quality Team of Professionals
- 33 Multi-level Training System
- 35 Safe Working Environment and Staff Protection
- 36 A Variety of Colorful Labor Union Activities

3

## Section

Value to Shareholders  
**Prioritizing Value Growth and Protecting Shareholders' Interests**

- 43 Continued Growth of Corporate Value
- 44 Continued Dividend Distribution
- 45 Protecting the Rights of Small and Medium Investors
- 47 Compliance Operation and Integrity Management

4

## Section

Giving Back to the Community  
**Actively Rewarding the Community and Fulfilling its Duty as a Corporate Citizen**

- 51 Significant Social and Economic Contributions
- 56 Green Operation and Environmental Protection
- 59 Improve the Company's Procurement Management to Enhance the Suppliers' Performance on Environmental and Social Responsibility
- 60 Devoted to Charity Work and Giving Back to the Society
- 63 Well-Targeted Poverty Alleviation and Coupling Support and Help
- 68 Awards and Recognitions for the Charity Work of the Company in 2019

5

## Section

Prospects  
**Reviewing 2019 and Looking into 2020**

- 71 Summary and Improvement of Fulfilling Social Responsibilities in 2019
- 72 Social Responsibility Goals for 2020



# Chairman's Statement

In 2019, under the strong leadership of the Party Central Committee with Comrade Xi Jinping at its core, new advances were continuously made for Chinese economic and social development. With the continuously deepening reform and opening up, and the steady promotion of high-quality development, key progresses have been achieved in fighting against the Three Critical Battles and fruitful results were gained in the innovation-driven development. In 2019, under the guidance of a series of important instructions of Xi Jinping, the General Secretary, with respect to the capital market, the reform and opening up of the capital market began to achieve satisfactory results, the Sci-tech Innovation Board was introduced, and amendments to the Securities Law were approved, which would significantly improve the quality of listed companies. With the further implementation of opening up, the cultural construction of the industry continued to speed up.

In 2019, we remained true to our original aspiration, kept our mission firmly in mind and actively served the development of the real economy. Through providing direct financing services, such as IPO and refinancing, we helped 122 companies raise a total amount of direct financing over RMB162.5 billion. The Company completed the lead-underwriting for the issuance of a green bond with the principal amount of RMB30 billion by Guangzhou Metro Group Co., Ltd., which is the largest green bond in offering size so far and also an innovation-based corporate bond combined with public placement and private placement.

In 2019, we strived to resolve risks and made every effort to maintain the stability of the capital market. We comprehensively checked and cleared hidden risks, effectively improved the compliance risk control system, and adhered to the compliance bottom line and risk management lifeline. We actively practiced the "Customer-Oriented" service philosophy, earnestly performed its responsibility as a gatekeeper of the capital market, constantly carried out suitability management of investors, continuously improved the customer service network, and build a multi-level interactive investor education system centered on "the website and WeChat official account of GF Securities Internet Investor Education Base" both online and offline.

In 2019, we gave back to the society through actively participating in poverty alleviation and continuing to carry out social welfare activities. The Company realized social contribution value of RMB 22.203 billion for 2019, representing social contribution of RMB 3.35 per share. The Company recorded national taxes of RMB 3.817 billion. We made full use of our professional advantages as financial institutions to implement supporting measures in various aspects, such as poverty alleviation through Party building, poverty alleviation through financial means, poverty alleviation through industrial development, poverty alleviation through education and poverty alleviation through charitable and social-welfare activities. Through such measures, Wuzhishan City, Lingao County, and Baishali Autonomous County in Hainan Province successfully eradicated poverty, and the targeted poverty alleviation in Tianjinggang Village, Lechang City, Guangdong Province was granted the best performance in the provincial poverty alleviation assessment. Special evaluations of the implementation of social responsibilities such as poverty alleviation were well recognized by the regulatory authorities. We formally launched the "Model Villages for UN Sustainable Development Goals" project, which was fully recognized by the Food and Agriculture Organization of the United Nations, the China Securities Regulatory Commission, and the Ministry of Agriculture and Rural Affairs, and was elected into the list of "50 Excellent Cases of Poverty Alleviation by Social Organizations in 2019" released by the Leading Group Office of Poverty Alleviation and Development of the State Council.

Since the outbreak of novel coronavirus pneumonia epidemic, we have actively taken measures to prevent and control the epidemic and strive to be a pacesetter in fighting the epidemic in the financial industry. The Group has donated a total of RMB26.8 million to purchase medical supplies to support Hubei in the fight against the epidemic. We have actively played the role of financing intermediary to underwrite two bonds related to epidemic prevention and served as the lead underwriters for two bonds related to epidemic prevention and the co-lead underwriters for three tranches of bonds related to epidemic prevention and control as co-underwriter. All those bonds have been successfully issued. Bestore Co., Ltd., which we sponsored its underwriting, became the first successfully listed company of Hubei after the outbreak of the epidemic.

Year 2020 will be the last year for building a moderately prosperous society in all respects and of the "Thirteenth Five-Year Plan", the year to securing the decisive victory in poverty alleviation, the 30th anniversary of the establishment of the capital markets and the "first year" of the implementation of the new Securities Law. With the courage to compete and in the face of unprecedented historical opportunities in the development of the capital market, we will always adhere to the fundamental direction of serving the real economy, further improve the social responsibility mechanism while enhancing the competitive advantage, serving customers, enabling our employees to achieve their personal value, bringing returns to investors and giving back to the society. We will make the best use of time to devote unremitting efforts to build a "standardized, transparent, open, energetic, and resilient" capital market, and make new and greater contribution to building a moderately prosperous society in all respects and achieving the two centenary goals!



孙树明

**Sun Shuming**

Chairman of GF Securities Co., Ltd.



# Company Profile

## > The history of the Company

**1991.04.09**

the Company's predecessor (the Securities Department of Guangdong Development Bank (廣東發展銀行)) was established.

**1994.01.25**

the Company was converted into Guangdong Guangfa Securities Company (廣東廣發證券公司).

**1996.12.26**

the Company was converted and renamed as Guangfa Securities Limited Liability Company (廣發證券有限責任公司).

**2001.07.25**

the Company was converted and renamed as GF Securities Co., Ltd. (廣發證券股份有限公司)

**2010.02.12**

the Company acquired Yan Bian Road Construction Co., Ltd. (延邊公路建設股份有限公司) through reverse takeover and became listed on the SZSE.

**2015.04.10**

the Company was listed for trading on the main board of Hong Kong Stock Exchange.

## > The Scale of the Company

As of December 31, 2019



registered capital was RMB

**7,621 million**



consolidated total assets were RMB

**394,391 million**



equity attributable to owners of the Company was RMB

**91,234 million**

As of December 31, 2019



total revenue and other income realized (consolidated basis) was RMB

**30,077 million**



net profit attributable to owners of the Company was RMB

**7,539 million**

As of December 31, 2019

branch companies

**21**

securities brokerage branches

**283**

< ranking ahead among peers

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

## > Group Structure

Company had seven wholly-owned subsidiaries

As of the end of the Reporting Period,



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 2019

2019.01

**China Government Securities Depository Trust & Clearing Co. Ltd.**

- 2018 Local Debt Non-Bank Underwriter Best Contribution Award
- 2018 Outstanding Non-bank Underwriting Agency
- Top 100 Strong Settlement - Outstanding Market Maker Award
- 2018 Outstanding Local Bond Market Making and Settlement Award

**SSE**

- 2018 Excellent Underwriter For Local Government Bonds
- Outstanding Participants For Product Innovation
- Outstanding Trustee

**Shanghai Clearing House**

- Special Award for Settlement Business

**SZSE**

- Excellent Interest Rate Debt Underwriting Agency
- Excellent Corporate Bond Underwriters
- Excellent Fixed Income Business Innovation Agency

**China Charity Festival Committee**

- 2018 Public Welfare Project
- 2018 Special Tribute Awards 2018

**SSE**

- Top 10 options Broker

**New Fortune, igoldenbeta**

- Sixth Prize New Fortune Best Investment Advisory Team

**China.com**

- Pioneer of Precision Poverty Alleviation

2019.02

**China Securities Investor Protection Fund Corporation Limited**

- 2018 Investor Survey Outstanding Securities Company

**Information Times**

- Best Poverty Alleviation Broker of the Year

2019.03

**Toutiao(今日头条)**

- 2018 Most Socially Responsible Brokers

**China Economic Net, CBN, Value Line Institute**

- 2019 Top 10 Investment Banks of China Capital Annual Conference

**Publicity Department of Party Committee in Guangdong**

- The Model of learning from Lei Feng in Post of the Fifth Batch (Wang Yuehong)

**P5w.net (全景网)**

- IR Interactive Activity List Company Among A-share Listed Companies in 2018

**Federation Of NGOs Of Guangdong Province**

- 2018 Outstanding Social Organization

2019.05

**Southcn.com**

- Annual Excellent Investment Brand Award

**Securities Times • China Securities Traders**

- 2019 China All-round Investment Bank Junding Award
- Junding Award for All-round Securities Brokers in China
- Junding Award of China Securities Investment Advisory Team

**Singapore Exchange**

- Chinese Futures Broker (Iron Ore Variety) GF Futures (Hong Kong)

**ChinaVenture, cvinfo**

- The Best Investment Case of China's Technology and Financial Industry (percentage points (百分点))
- The Best Investment Cases for the Medical Device Industry in China's Medical and Health Services Industry (Yixin Bio (医信生物))

**China Venture Capital Research Institute**

- TOP50 China's Influential PE Investment Institution in 2019 (GF Xinde)

**Guangdong Bureau of the CSRC**

- 2019 Guangdong Securities and Futures Investor Education Base (Guangfa Securities Zhuhai Investor Education Base, Chaozhou Investor Education Base)

**Shanghai Futures Exchange**

- 2018 Third Prize of Natural Rubber "Insurance + Futures" Targeted Poverty Alleviation Pilot Project (GF Futures)

2019.06

**China Securities Regulatory Commission Investment and Insurance Bureau**

- National Securities and Futures Investor Education Base Examines "Excellent" Rating

**Securities Times**

- 2019 China Outstanding IT Service Futures Company Junding Award (GF Futures)
- 2019 China Futures Innovation Industry Service Project Junding Award (GF Futures Natural Rubber Insurance + Futures Targeted Poverty Alleviation Pilot Project in Jiangcheng County)

**Party Committee of State-owned Assets Supervision and Administration Commission of Guangdong Province**

- Advanced Primary -level Party Organization (Party Branch of Guangzhou Branch)

**China Finance Summit**

- 2019 Outstanding Brand Image Award

**Guangdong Poverty Alleviation and Development Office**

- Gold Cup for Guangdong Red Cotton Cup Poverty Alleviation

2019.07

**China Securities Investor Protection Fund Corporation Limited**

- 2018 Investor Survey Outstanding Securities Company

**Information Times**

- Best Poverty Alleviation Broker of the Year

2019.09

**China Enterprise Directors Association, China Enterprise**

- China's Top 500 Service Industry (Ranked 286th)

**Securities Times • China Securities Traders**

- Top 10 Apps Recognized by Investors (Yitaojin APP (易淘金APP))

**Securities Star, Shanghai Composite Index Research Institute**

- TOP50 Venture Capital List of 100 Strong in 20 Years

**Hong Kong-Mainland International Investment Society etc.**

- Best Corporate Governance Award

**Guangdong Province Financial System Social Security Comprehensive Management and Ping An Finance Establishment Leading Group**

- "Excellent Unit" in Guangdong's Comprehensive Financial Management

2019.10

**Hong Kong Stock Exchange**

- Excellence Information Service Broker in Hong Kong stocks through

2019.11

**China Finance Summit**

- Golden Central Award—Influential Brokerage Brand of the Year

**China Economic Net**

- 2019 Top 100 Finance Innovation

**Sina Finance**

- Best Securities Company For Responsible Investment
- Best analyst
- Emerging analyst
- Top of Best Research Institutes Sina Golden Unicorn

**Institutional Investor, Caixin Media**

- The Second of Best Analyst Team
- The Third of Best Sales Team

**Shenzhen Securities Information Co., Ltd., SSE Infonet Ltd.**

- 2019 Excellent Partner of Securities Information Services

**China Securities Investor Service Center**

- 2018-2019 Excellent Organization for Investor Liaison Work of Investment Service Center

2019.12

**21<sup>st</sup> Century Business Herald**

- 2019 Golden Securities Awards for Annual Excellent Securities Firms

**Guangzhou Charity Association**

- 2019 The Most Influential Person in Guangzhou Charity List - Lin Zhihai
- Guangzhou Charity Firm

**The Hong Kong Institute of Certified Public Accountants**

- Best Corporate Governance Award

**Hong Kong Ta Kung Wen Wei Media Group Limited**

- Outstanding Contribution Enterprise for the 70<sup>th</sup> Anniversary of the Founding of New China
- Most Influential Research Institute

**JRJ**

- Outstanding Wealth Management Award of China Securities Company
- Outstanding Award For Big Data Application of China Securities Company

**Information Times**

- Most Core Competitive Broker of the Year

**Southern Daily(南方日報社)**

- 2019 Southern Tribute Brand Enterprise

**Investor China**

- Trustworthy Securities Company of the Year

**China Investment Network**

- 2019 Best Socially Responsible Company

**Xinhuanet etc.**

- Company of the Year 2019 Guangdong, Hong Kong and Macau Greater Bay Area Listed Companies Annual Meeting & Corporate Social Responsibility Summit

**Xinkuaibao (新快报)**

- 2019 Best Poverty Alleviation Innovation Award

**China Securities Journal**

- 2019 Top 10 Gold Securities Companies

**Insurance Asset Management Association of China, Beijing Institute of Financial Technology**

- Outstanding Product Award of the Huijing Award of China Asset Securitization Industry In the Fourth session

**Financial Computerizing**

- Development Innovation Contribution Award – 2019 Financial Technology Innovation Outstanding Contribution Award

**SSE**

- The Best Organization Award for 2019 Investor Education and Protection
- Outstanding Organization Award For ETF Knowledge Contest
- Special Award For Investment Teaching Video In Sci-Tech Innovation Board
- Excellent Member of Companies Listed on Sci-Tech Innovation Board
- Excellent Member Transaction Management In Sci-Tech Innovation Board

The Company's Brand value Award

The Company's brand value was RMB **5.5** billion in 2019 according to the Hurun Most Valuable Chinese Brands 2019 ranking as leading listed securities company



2019 Team Awards of GF Securities granted in "the 17<sup>th</sup> New Fortune Best Analyst Selection"

New Fortune Local Best Research Team  
**No. 1**

New Fortune The Most Influential Research Institution  
**No. 2**



Research Awards

Top of Best Research Institutes awarded by the first Sina Golden Unicorn Forum in 2019  
**No. 1**

Top of Most Influential Securities Research Institution awarded by Shanghai Securities News  
**No. 1**

Top of “Best Research Institution” by Chijing Investoday Awards in 2019  
Top of “Most Influential Research Institute” by Crystal Ball Award  
Top of “Best Research Team” by Gold Award.  
**No. 1**

2019 Industry Awards of GF Securities granted by New Fortune Best Industry Research Team

Technology	Finance	Consumption	Manufacture	Energy and Materials
No. 1	No. 2	No. 2	No. 2	No. 3

2019 Industry Awards of GF Securities granted by New Fortune Best Analyst

Macro Economy	No. 1
Real Estate	No. 1
Electronics	No. 1
Communication and Culture	No. 1
Environmental Protection	No. 1
Automobiles & Components	No. 1
Mechanical	No. 1
Energy Extraction	No. 1
Strategy Research	No. 2
Financial Engineering	No. 2
Food and Drink	No. 2
Non-metallic Building Materials	No. 2
Bank	No. 3
Non-bank Finance	No. 3
Agriculture, Forestry, Animal Husbandry and Fisheries	No. 3
Appliances	No. 3
Hong Kong Stocks and Overseas Markets	No. 4
Light Industry and Textile Clothing	No. 4
Whole Sale and Retail and Social Service	No. 4
Metals and Metal New Materials	No. 4
Medical biology	No. 5
Computer	Finalist
New Energy and Power Equipment	Finalist

2019 Individual Award of GF Securities granted by "the 17<sup>th</sup> New Fortune Best Analyst Selection"

New Fortune Outstanding Research Leader	General Manager of Research Centre of Development of GF Securities	Li Xing
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## GF Asset Management

- GF Golden Majordomo Hongli Bonds, GF Securities Wenli No.3 - 2018 Golden Securities Collective Asset Management Scheme  
[China Securities Journal](#)
- "Yinghua Award"-China's Best Securities Asset Management Agency Award  
[China Fund](#)
- 2019 Top Ten Innovative Asset Management / Fund Products Junding Awards - GF Asset Management Xuli No. 1 Collective Asset Management Scheme  
[Securities Times](#)

## GF Xinde

- TOP100 Best Private Equity Investment Institution in China
- TOP50 China's Best Chinese Private Equity Investment Institution
- TOP10 Best Private Equity Fund Subsidiary in China
- TOP20 Best Private Equity Investment Institution in Guangdong, Hong Kong and Macau Greater Bay Area in 2019  
[CVA Wards](#)
- PE list TOP50  
[20 Year of Venture Capital](#)
- Golden Brokers Equity Investment Winner of the Year  
[China Securities Journal](#)

## GF Futures

- 2018 Outstanding Award for Overseas Business  
"2018 Outstanding Award for Overseas Business" in the 16<sup>th</sup> China's Financial Annual Champion Awards
- 2018 Outstanding Member  
[2018 Outstanding Member of Zhengzhou Commodity Exchange](#)
- 2018 Gold Award for Outstanding Member  
[2018 Gold Award for Outstanding Member Shanghai Futures Exchange](#)
- Best Chinese Futures Broker (Iron Ore Variety)  
[GF Capital \(Hong Kong\) was granted Best Chinese Futures Broker \(Iron Ore Variety\) by Singapore Exchange](#)
- 2019 Best Targeted Poverty Alleviation Award  
[GF Futures was granted the award in the selection of 2019 Best Targeted Poverty Alleviation Award held by People's Daily and International Financial News](#)
- China Best Futures Houses  
[GF Futures was granted the "China Best Futures Houses" in the 12<sup>th</sup> China Best Futures Analyst Selection](#)
- GF Futures (Hong Kong) Co., Limited was granted the "Futures Broker Pioneer (Flexible Forex Variety) in China"  
[GF Futures \(Hong Kong\) Co., Limited was granted the "Futures Broker Pioneer \(Flexible Forex Variety\) in China" in the 15<sup>th</sup> China \(Shenzhen\) International Derivatives Forum by Singapore Exchange](#)

## GFHK

- Yitaojin International won the "2019 Outstanding Hong Kong Securities Brokers APP in Securities Times · China Securities"  
[Securities Times](#)

## GFFL

- 2018 Green Model Award  
[The 8<sup>th</sup> China Charity Festival](#)
- 2018 Best Management Enterprise Award  
[2018 Member Commendation Conference of Guangdong Financial Leasing Association](#)
- "Meeting in the beginning, the financial leasing helps the growth of small and medium-sized science and technology innovation start-ups—Take MinoTech as an example"  
[GFFL was granted the "First Prize for Outstanding Cases in Financial Services Emerging Industries" in the "2019 Best International Cases in Industrial Finance" held by Asian Financial Cooperation Association](#)
- "Achievement Award" in 2019 China's Financial Leasing List  
[Award Ceremony of "2019 China Financial Leasing List" by CLBA \(中國外商投資企業協會租賃業委員會\)](#)

## GF Fund

- 2019 Best Fund Firm  
[Eastmoney.com, 1234567.com](#)
- Innovation Fund Company Award
- Outstanding Award in Social Responsibility  
[JRJ · Piloting China \(金融界 · 領航中國\)](#)
- 2018 Gold Fund · Passive Investment Fund Management Company Award
- 2018 Gold Fund · Overseas Investment Return Fund Management Company Award  
[Shanghai Securities News](#)
- Oversea Investment Gold Fund Company  
[China Securities Journal](#)
- 2018 Overseas Investment Star Team  
[Securities Times](#)
- 2018 Emerging Index Development Fund Company  
[China Fund](#)

## Corporate Culture Outline of GF Securities



## Our Distinctive Cultural Construction

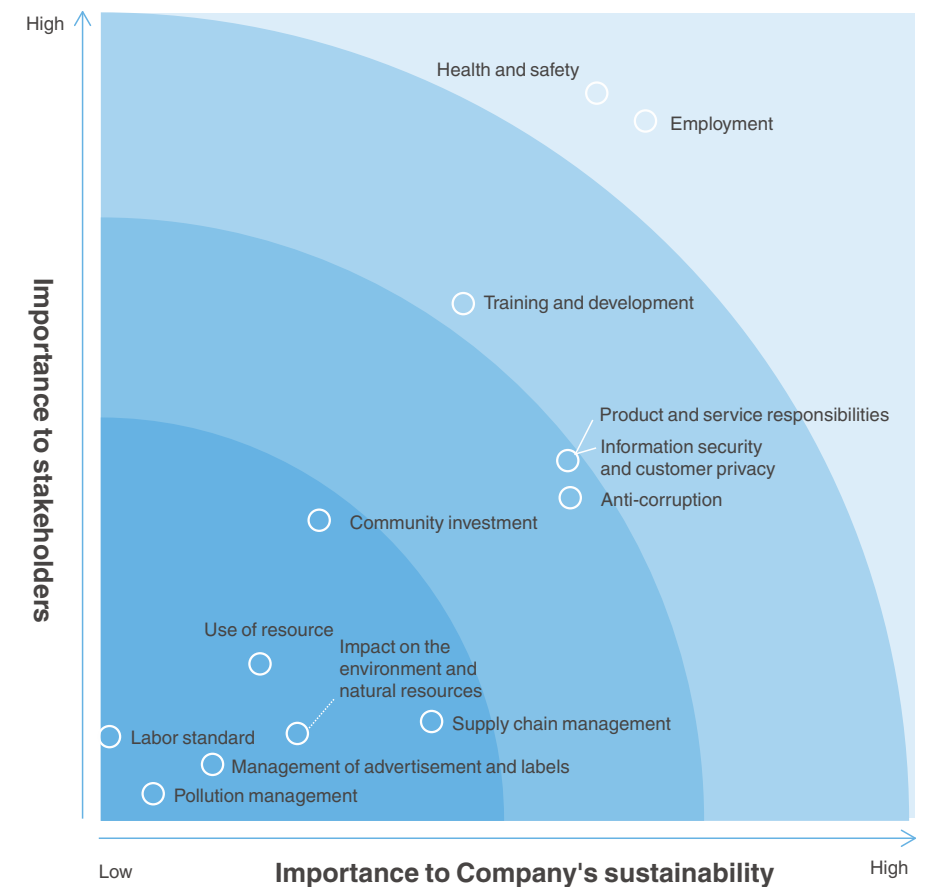
In 2019, the Company held the "Welcome National Day, Celebrate the founding of the Company" event and the third "GF Good Voice" singing contest, organized the New Year's Spring charity raffle, carried out the photograph charity contest throughout the Company with the theme of "Gathering the Love From the Bottom of Heart" aiming to poverty alleviation, launched the first Hackathon programming contest of GF Securities. The Company continued the corporate culture construction activities in different forms, demonstrating the good looks of all employees.

## Corporate Social Responsibility Mechanism



## Corporate Social Responsibility Management System, Stakeholder Communication and Participation and Assessment of Significant Topics

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



Based on the investigation and communication with stakeholders in 2019, we have further realized that as a financial enterprise, employees and products and service responsibility, information security, and customer privacy and anti-corruption are the focus of our attention, and also the key topics of most concern to all stakeholders.

Compared with last year's investigation with stakeholders, results from this year's show that stakeholders believe that energy conservation and consumption reduction management, the impact of operation and business on the environment and natural resources, employment, employee health and safety management, supply chain management, quality of products and services and harmonious management of employee training, management of information security and consumer privacy, management of anti-bribery, extortion, fraud and money laundering, community investment and public welfare activities, etc. are becoming more important for the Company's sustainable development. However, labor standards and advertising label management have declined in importance. For stakeholders themselves, the importance of employment and health and safety management has raised the most, reflecting the general concerns of stakeholders on employee rights.

The company will continue to maintain communication channels with stakeholders, and continue to respond to key issues of concern.



GF Securities Social Charity Foundation  
Of Guangdong Province

Gathering the love  
from the bottom of heart

## Overview of GF Foundation

The GF Foundation was established on January 21st, 2011<sup>®</sup>. It is the first foundation in China that takes securities dealers as its main sponsors and has been assessed as the highest level - 5A class foundation by social organizations. It was co-sponsored and established by GF Securities, GF Fund, GF Futures and GF Xinde, and was formally approved by Department of Civil Affairs of Guangdong Province. The original fund of the foundation was RMB43 million.

The GF Foundation focuses on education and teaching aid, poverty alleviation, and has successively launched a number of social welfare projects, including the "UN Sustainable Development Goals Model Village", "GF Securities University Graduates' Micro-Entrepreneurship Action", "GF Securities Rural Children's Reading Program", and "Youth Poverty Alleviation Caring Plan", "GF Securities Pearl Course," with cumulative public welfare expenditures amounted to approximately RMB100 million. During the Reporting Period, the GF actively participated in poverty alleviation efforts, and has helped 3 national poverty-stricken counties, 3 administrative villages, and 26 natural villages, and 1,050 poverty-stricken farmers to achieve poverty alleviation, and gained the recognition of and widely praised by villagers and local governments.

## 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 GF Foundation's operations. Meanwhile, an annual review is made by the Guangdong Provincial Department of Civil Affairs.

**In 2019,  
GF Foundation donated RMB  
20,237,700**

## Mission of GF Foundation

Carrying forward the loving gesture of GF Securities; showing concern to livelihood; playing an active role in public welfare, poverty relief, education and environmental protection; promoting the construction of a harmonious society; and contributing 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**

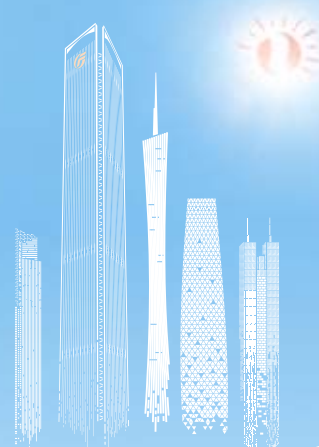
General manager of GF Securities Co.Ltd.,

Chairman of GF Foundation: Lin Zhihai

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

Secretary-General of GF Foundation: Cheng Huaiyuan

Supervisor: Song Hongtao



# Section

Customer Services

**Earnestly Serve Every Customer and  
Shoulder Responsibility towards Investors**

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 towards Investors

*Gathering the Love  
From the Bottom of Heart*







We uphold the Customer-orientated, 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.

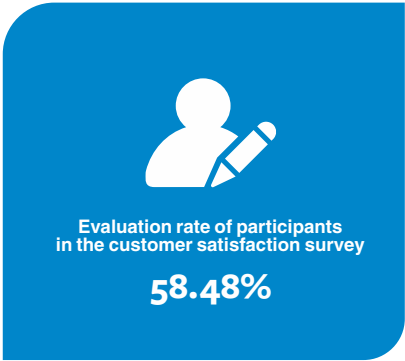
The Company always attaches great importance to customer appeals and complaints, and bases the standardized complaint handing process upon a top-down organizational system and comprehensive basic rules on complaint handling.



We have maintained the leadership in customer relationship management among peers, with customer service satisfaction of brokerage business exceeding 97% for five years in a row.

Brokerage Business Customer Satisfaction Survey

Year	Number of participants (person)	Percentage in total customers	Satisfaction rate
2017	286,352	3.49%	97.95%
2018	196,958	1.99%	98.58%
2019	267,369	2.48%	99.17%



In 2019, our 95575 service hotline provided 457,209 times of customer services, including 54 customer complaints. All complaints were followed up through acceptance, investigation and handling, feedback and return visit. The satisfaction rate in return visit reached 96.44%, up 3.45 percentage points from 2018; there were 267,369 participants in the customer satisfaction survey and 58.48% respondents provided feedbacks, which accounted for 2.48% of total customers of our brokerage business at the end of 2019. The customer satisfaction rate for our customer service reached 99.17%, up 0.59 percentage point from 2018.

Brokerage Business Customer Complaints

Year	Number of complaints	Satisfaction rate in return visits
2017	37	94.32%
2018	32	92.99%
2019	54	96.44%

# 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 GF Securities Q&A, Betanew robot investment advisory 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.

## Construction of Customer Service Network and System

As of 31 December 2019, the Company had 21 branches and 283 securities brokerage branches, a nationwide retail network with outlets covering China's 31 provinces, municipalities directly under the Central Government and autonomous regions, including economically developed Pearl River Delta, Yangtze River Delta, Shandong Peninsula, Bohai Rim and major provinces and cities.

Service scale of the Company further improved (as of December 31, 2019)

The number of the Company's mobile securities users More than **27.20** million

Approximately **23%** increase since the end of last year

The number of subscribers of the Company's WeChat account was over **3** million

The sales and transfer amount of financial products on the Yitaojin E-commerce platform amounted to **RMB 366.2** billion

\*GF Golden Cash Return Collective Asset Management Scheme included

Betanew smart investment advisory system served over **800,000** customers in total with sale amount of financial products of **RMB 22.8** billion

Meanwhile, to adapt to the changing competition landscape, the Company further explores the way of intelligent service on the basis of network service and further optimizes our special services including small investment advisory service, GF Securities Q&A service and GuGe Encyclopedia(股哥百科), so that our customer service network has been further improved and remarkable results have been achieved.

Small investment advisory service is the personalized investment adviser business of the Company. The Company enters into investment advisory service agreements with its customers, pursuant to which, the Company assigns special investment advisers to offer its services. The contracted investment advisers provide customers with one-to-one investment advice services as agreed and advise on their investment decisions. In 2019, there were 330,000 new followers, 2.05 million user visits and 33.61 million page views on the platform. 1,488 small investment adviser contracts were signed for the year, involving 104 investment advisers in providing service.

GF Securities Q&A service provides customers with 24/7 free smart robot services and online manual consulting services. In 2019, there were 2.46 million orders in the Q&A service with 1.01 million customers receiving the service and customer satisfaction rate of 99.8%.

GuGe Encyclopedia is a self-service inquiry service platform for investors, with the contents covering the basic knowledge of securities, business knowledge, investor education-related content, individual stock reviews, research report summary, etc. In 2019, GuGe Encyclopedia generated a total of 130,000 pieces of knowledge and 8.65 million user views.



Q&A customer service platform provides investor education to its customers through smart customer service and GuGe Encyclopedia

## Customer Suitability Management

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.

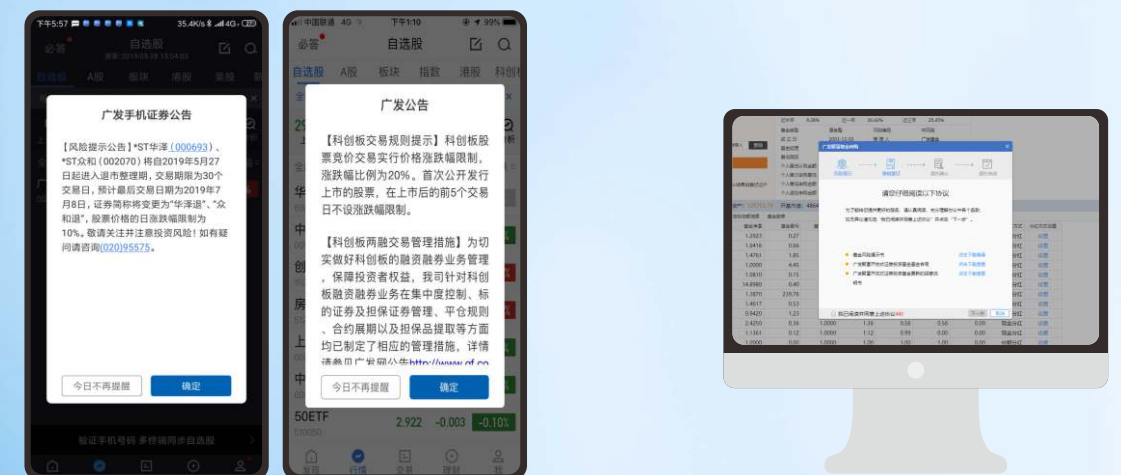
The Company divided ordinary investors into six categories according to their risk tolerance from low to high: special protected customers, conservative customers, cautious customers, stable customers, positive customers and aggressive customers. In providing financial products and services to its customers, the Company will require its customers to satisfy some criteria in asset scale, income level, risk identification capabilities and risks tolerance and minimum investment and subscription amount based on the risk and complexity of the product or service and the cognitive level of investors in respect of various business lines. For financial products sold or financial services rendered to customers, the Company will assess whether the investment types and investment terms of the financial products or financial services match with the investment objectives of its customers, and the level of risk of the financial products or financial services match with its customers' risk tolerance.

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, and formulated or amended the Administrative Measures for the Trading and Retail Business on the STAR Market of GF Securities, Administrative Rules on Bond Market Investor Suitability of GF Securities, Rules on Suitability of Retail of Public Fund of GF Securities and Administrative Rules on Share Option Investor Suitability of GF Securities, and required every business lines to strictly implement. In 2019, the Company organized a review of investor suitability management in the first half and the second half of the year. The review targets included the relevant departments of the Company's headquarters and all branches. The problems identified in the review were recorded and analyzed on a one-by-one basis, the specific rectification measures and plans were formulated with the definite deadline for rectification, and the responsible persons were assigned to follow up and implement.

Currently, the system upgrade work involving investor suitability management is gradually improved, meeting the requirements for on-site or off-site business. During the Reporting Period, the relevant business lines of the company continued to optimize and upgrade the system, and reduced the risk of manual operation through system control. The main tasks include:

- For the on-line electronic agreements of the Golden Express(金快线) and information products, the Company improved the information display of contract signers in the customer reading interface and the system archive display interface.
- For the technology counter, the Company has adopted paperless models for over 30 daily services, improved front-end acceptance, back-end processing and closed-loop management, set up several modules such as smart auditing, has comprehensively optimized various audio and video recording processes at the counter, and continuously strengthened risk management and control in business processing.
- The Company optimized the PIV function of related business systems, including the optimization of the blacklist monitoring policy of Yitaojin(易淘金) and the counter system, and improvement of the PIV function in the NBOP system (a "New Brokerage Operation Platform" project).

During the Reporting Period, the Company improved the suitability management on the STAR market business, the H shares "full circulation" pilot business, bond market investment, public fund sales and share option investment. As of the end of 2019, the Company has paid return visits to 280,600 investors for the suitability management. During the Reporting Period, no cases of proactively recommending financial products or services to customers mismatched with three elements of suitability management were found.



The e-commerce platforms including mobile APP and PC terminal of the Company continue to enhance investor suitability management

The Company continues to strengthen investor suitability management



## Protection of Customer Information

Illegal collection and Illegal use of customer information are strictly prohibited at the Company in accordance with the Securities Law of the People's Republic of China, Law on Protection of the Rights and Interests of Consumers of the People's Republic of China, 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 information technology assurance and data management system. In 2019, the Company published or revised the Information Technology Management Rules of GF Securities, Administrative Measures on Information System Security of GF Securities, Administrative Measures on Information Security Incident Prevention and Handling of GF Securities, Administrative Measures on Information System Emergency Response of GF Securities, Administrative Measures on Central Computer Room of GF Securities, Administrative Measures on Information System Operation and Maintenance of GF Securities, Network Management Rules of GF Securities, Management Rules on Terminal Software Version Life Cycle of GF Securities, Management Guidelines on Software System Source Code of GF Securities, Administrative Measures on Data Management of GF Securities, Implementation Rules for Information System Data Management of GF Securities and Implementation Rules for Data Classification and Hierarchy of GF Securities and other rules and regulations, and further standardized the management requirements such as system development, operation and maintenance and data management at the institutional level.

The Company attaches great importance to protecting the information of customers and consumers by strictly regulating the management of internal customer safety information, attaching importance to the information system authority and usage standard, strengthening the management of employees, regulating marketing behaviors and implementing a marketing service recording mechanism. The specific measures taken during the Reporting Period mainly included rectification of customer information security, clarification of rectification specifications and requirements for customer sensitive information management, clarification of the principles and overall requirements for security management of retail customer information data, clarification of data usage and operation standards, and explanation on security upgrade of customer information systems and on-going safety awareness education.

In 2019, the Company has initially completed the construction of a five-in-one guarantee system of "business continuity guarantee, security assurance, quality assurance, data platform and cloud-based platform", enabling guarantee system to be digitized through platform and effective closed-loop management of information technology before, during and after the operation. In addition, the Company increased investment in information technology, continued to standardize operating procedures, strengthened compliance and risk control management, enhanced accountability, and further improved the level of security management of information system construction and operation and maintenance, ensuring the safe, reliable and stable operation of its information system and effectively supporting the regulated development of its business.

In 2019, the Shanghai Securities News published a news article about the Company's enterprise-level customer information management system (the ECIF system). At present, the ECIF system has integrated the customer data of 14 business lines and 20 business systems of the Company. These customer information are not simply collected and stored, but are integrated, consolidated and sorted out according to the 18 core business rules of the ECIF system to form company-level customer information.



## Advertising and Promotion Management

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 the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China and Interim Administrative Measure on Internet-based Advertising. In 2019, the Company amended the financial product rules such as the Rules on Code of Conduct of Retail Business Financial Product Sale of GF Securities and Management Rules on Retail Business Financial Product of GF Securities, carried out unified centralized management of publicity materials, emphasized the publicity and promotion recording management, and supervised and guided its branches' legal compliance in promoting products.

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.



"GF Securities" Cruise



Advertising Display of "28<sup>th</sup> Anniversary of GF Securities" at Guangzhou Baiyun International Airport



# Protect the Capital Market to Shoulder Responsibility towards Investors

GF Securities attaches great importance to the protection of investors' and investors' rights, fully integrates investor education and service work into various business links, continuously improves customer service quality, actively implements corporate social responsibility, and makes due efforts to maintain the stability and development of the capital market Contribution.

## Investor education campaign

In 2019, the Company, as always, attaches great importance to supporting investor protection and education, is committed to using investor education as our effective form of fulfilling social responsibility, and constantly sets up a high-standard investor education system to contribute to the Company's social value for investors. In order to continue to perform well in investor suitability management and investor education, the Company continuously Improved retail business line investor education special rules at the company-level pursuant to the Investor Education Work Guidelines of Securities Firm issued by the Securities Association of China and Member Investor Education Work Guidelines (issued in 2019) issued by the SSE and SZSE.

The Company plans to develop relevant measures for investor education management to further clarify the organizational system, development requirements, job security, etc. of the Company's investor education with aims to better help investors become familiar with capital market laws and regulations and business knowledge, establish a rational investment concept, strengthen the capacity to identify and prevent risks and safeguard the legitimate rights and interests from being infringed by illegal activities such as market fraud.

The Company organized activities including strengthening the prevention and control of illegal securities advisory and warnings of illegal fund-raising investment. 3,333 investor education activities were carried out, covering 162,812 small and medium investors, improving customers' awareness of security precautions to protect their information and facilitating orderly development of capital markets.

### "3.15 Investor Protection Promotion Month" activities

During the "3.15 Promotion Month", the Company organized the "3.15 Financial Consumers' Rights and Interests Day" promotional activity to disseminate knowledge such as the implementation measures for the protection of financial consumer rights and interests, the eight statutory rights enjoyed by financial consumers, asset planning and management of individuals and families, methods to maintain the legitimate rights and interests, introduction of investment techniques and investment risks, suitability management concepts and methods, and precautionary warnings of illegal securities activities.

*The promotion activities covered more than 300,000 people with more than 600,000 short messages sent, more than 400 off-line activities held, more than 20,000 posters, leaflets, brochures and other promotional materials distributed, nearly 20 times of investors education cases, publicity and knowledge education posted on the WeChat account and over 51,000 readings on the WeChat account.*



2019 investor education leaflet and poster screenshot display



Scene of Chief Economist Forum themed "Approaching Science and Technology, You and Me" in April 2019



Information desk of Youth marathon 3.15 Financial Consumers' Rights and Interests

### "5.15 National Investor Protection Promotion Day" activities

On May 15<sup>th</sup>, 2019, China ushered in the first National Investor Protection Promotion Day. On 15 May, the Company simultaneously launched a series of "5.15 National Investor Protection Promotion Day" activities through combination of online investor education platform and offline business branches to extensively carry out publicity activities with aims to guide investors to properly understand the capital market, enhance awareness of risk prevention and establish a rational investment concept.

*The promotion activities covered more than 340,000 people with more than 2 million short messages sent, nearly 300 off-line activities held, more than 20,000 posters, leaflets, brochures and other promotional materials distributed, nearly 20 times of investors education cases, publicity and knowledge education posted on the WeChat account and nearly 10,000 readings on the WeChat account. The remarkable results has been achieved in the promotion of the protection of investors' rights and interests.*



Picture of Healthy Run (Guangzhou) themed "Reveal True Color and Say No to Shadow Margin Financing and Illegal Securities Deals" in December 2019



Investor Education Activity themed "Guangdong-Hong Kong-Macao Greater Bay Area Investor Protection Activity (Guangdong) in Jinan University"

### Special investor education activities on STAR Market

The launch of STAR market and a pilot registration-based IPO system was a major institutional innovation of China's capital market in 2019. STAR market is quite different from the existing market mechanism in respect of offering and listing, information disclosure, trading and delisting. In order to protect the rights and interests of investors, enable investors to understand the investment opportunities and business rules of STAR market, as well as objectively understand the risk of investment in STAR market, the Company launched a special annual event of investor education themed "Approaching Science and Technology, You and Me".

*During the event, the Company sent 15 times of announcements to customers through its official website, WeChat, SMS, etc.; forwarded or pushed 103 relevant investor education materials provided by SSE, with over 76,174 readings; produced 29 original articles with over 229,420 readings in total. According to the requirements of the Company's retail business management headquarters, each branch adopted a variety of activities to carry out the promotion of STAR market business, including playing 2,731 times of STAR market investor education videos; sending nearly 616,000 promotional text messages; holding 1,260 sessions of events such as investment salons, lectures, entering campuses and enterprises campaigns, covering over 31,000 customers; distributing 67,220 promotional leaflets/brochures. The activities gained active response and good results.*



Scene of investor education activity themed "Knowing about STAR Market and preventing investment risk" by the Company's headquarters in November 2019





## Deeply foster "Internet + investor education" to empower investor education in some areas

In 2019, the Company established two new investor education bases in Zhuhai and Chaozhou to strengthen its service capabilities of investor education in some areas. At present, the Company has formed a multi-level investor education service system with "official website and WeChat account of GF Securities Internet-based Investor Education Base" as the center, three customer promotion platforms of the Company, namely official WeChat account, official website and official Sina Weibo account as the linkage system, three investor education bases and local securities brokerage branches as the offline promotion window, and supplemented by online services such as "9557 Hotline" and Q&A 24-hour smart customer service. At present, the page view of website of the Company's investor education base exceeded 2.62 million, with the total information data of the base of more than 50G. The "knowledge center" covers 10 types of knowledge on securities market, 8 types of simulated trading tools on A shares, options, securities margin trading, Stock Connect Southbound and fixed investment calculator are free to use, and the Company issues GF Investor Education News on a daily basis to provide investors with a learning platform and up-to-date and interesting securities information.

In 2019, the Company also deeply fostered the public WeChat account of "GF Securities Investor Education Base", and produced and posted a ton of reliable, practical and interesting investor education products.



Releasing investor education articles via mini homepage of GF Securities Financial Terminal



In 2019, GF Securities Investor Education Base's wechat account posted **355** original investor education products in total



At least **838,900** readings of graphics and text



No less than **552,900** readers



## "Guangdong Financial Industry Joint Promotion and Education Month" activities

In order to implement the requirements of the activity of CSRC themed "Bringing the Financial Knowledge to investors, Striving to be Rational Investors and Good Internet-based Finance Users during the Finance Knowledge Education Month", the Company issued a notice in early September 2019 to organize all branches nationwide to actively carry out the Financial Knowledge Promotion Month activities. The promotion activities covered more than 240,000 people with more than 450,000 short messages sent, nearly 350 off-line activities held, more than 21,000 posters, leaflets, brochures and other promotional materials distributed, nearly 20 times of investors education cases, publicity and knowledge education posted on the WeChat account and nearly 23,000 readings on the WeChat account.

## "Safe Finance Promotion Month" activities

According to the unified arrangement of the Leading Group of Social Security Integrated Management and Safe Finance of Company, the Company organized all branches in Guangdong Province (including Shenzhen) to carry out the Safe Finance Promotion Month activities themed "70th Anniversary of Founding of the PRC, Creating New Chapter and New Times for Safe Finance". The Safe Finance Promotion Month activities included a total of 187 promotion materials produced; nearly 170,000 short messages sent to more than 180,000 people in total; 17 promotion contents posted on the public WeChat account of the investor education base; 98 sessions of events such as investment salons, lectures and entering campuses campaigns held, covering 5,098 customers; 55 outdoor promotion events held, covering 6,728 people; 13,138 anti-illegal brochures/leaflets distributed, which effectively promoted the spread of safe finance knowledge and further improved the people's sense of security and well-being, creating a strong atmosphere of "everybody bears his share of the responsibility for, participates in and shares with the safe finance" and enabling the concept of "safe finance" being deeply rooted in the hearts of the people.

## Extensive national financial education activities

In order to thoroughly follow the spirit of the 19th National Congress of the Communist Party of China, perform well in the people-centered financial education, effectively enhance the awareness of financial consumption safety of teachers and students in the school, popularize the basic knowledge of financial investment and promote the integration of financial knowledge into the national education system, in 2019, the Company actively responded to the "Investor Education in Hundred Schools" initiative by the Securities Association of China by organizing the Company's headquarters and relevant branches to carry out a total of 98 national financial education activities, covering 11,966 teachers and students, and popularizing financial and business knowledge to students and disseminating related knowledge on anti-money laundering, prevention of illegal fund-raising and prevention of illegal securities activities, which have been warmly welcomed by the teachers and students, and gained good social response.



## Proactively carrying out investor protection service work

Since establishing a pilot strategic cooperation relationship with the China Securities Investor Service Center in 2017, the Company has continued to deepen its strategic cooperation with the Investor Service Center to facilitate the protection of industry investors. In respect of investor research, based on its strong investor liaison mechanism and extensive customer base, the Company assisted the Investor Service Center and SSE to complete more than 15 special market surveys in an efficient and high-quality manner to help the Investor Service Center understand the market status.

In 2019, under the unified arrangement of Securities Association of China, Guangdong Bureau of the CSRC and other regulatory departments and industry self-regulatory organizations, the Company has continuously adjusted its working concepts and methods in response to new features and new forms of illegal securities activities, and actively adopted proactive monitoring and effective measures to deal with illegal securities activity information and timely issue risk warnings to crack down the illegal activities.

### Case: Investigate suspected illegal fund-raising advertising information

In May and June 2019, to identify and cut off the channels of illegal fund-raising in a timely manner and purify the market environment; increase investors' awareness in the risk prevention and crack down the illegal fund-raising activities, the Company carried out in-depth investigation of suspected illegal fund-raising advertising information and strengthened the publicity on prevention and control of fund-raising to prevent the recurrence of illegal fund-raising from the source.

## Fighting the epidemic of COVID-19 to effectively protect the interests of customers



Since the outbreak of the COVID-19 in early 2020, the Company has resolutely followed the spirit of instructions that "the epidemic is an order, and prevention and control is a responsibility", put the lives security and health of its employees and customers first. In addition to win the battle against the epidemic, the Company strengthened its responsibilities and contributed to the development of market stability. While protecting the health of our customers, we will try our best to meet customer service needs and realize the effective protection of customer interests.

The Company's headquarters and branches strengthened sanitary protection management, regularly disinfected and ventilated all offices, equipped with protective supplies such as face masks, disinfectant and temperature measuring equipment. Considering prevention of the spread of the epidemic and protection of the health of investors, the Company reduced on-site customer gathering and contact in the business branches, informed customers through various channels and explained them in a patient and meticulous manner. Meanwhile, on the premise of smooth communication and the dual on-duty of key posts, the Company rationally arranged most employees to work from home at the place of work to protect employees and ensure normal operations. The Company also actively strengthened the business operations of platforms such as Yitaojin APP and website, and provided online services to meet customer needs.

## Section

Staff Development  
Staff-oriented Initiatives for the  
Dream of Serving the Country

*Gathering the Love  
From the Bottom of Heart*



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.

- > Harmonious and Good Employment Relationship
- > Sound Assurance of Employee Rights and Interests
- > High-quality Team of Professionals
- > Multi-level Training System
- > Safe Working Environment and Staff Protection
- > A Variety of Colorful Labor Union Activities





## Harmonious and Good Employment Relationship

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 against gender, religion, age and race and has established a sound human resources management system and recruitment process to provide diversified, fair and faithful working atmosphere for employees. Rules including the Administrative Measures on Recruitment of GF Securities and the Administrative Measures on Interns of GF Securities were formulated and strictly implemented to provide job opportunities and actively cultivate talents. In 2019, the Human Resources Management Department amended the Administrative Measures for Management-level Employees, and officially issued the Administrative Measures on Appointment of Professional Positions and Management Positions.

In respect of employee employment, the Company recruits talents based on the needs of development and the principles of open recruitment, fair competition and merit selection. When recruiting talents, the Company values both professionalism and competence, as well as character and morality. The child labor is strictly prohibited in the Company. During the recruitment process, the Company confirms the accuracy of the basic information of candidates through identity review and qualification verification, and conducts background checks on candidates who will take on core or special position as necessary. We continue to expand diverse recruitment channels, including website recruitment, on-campus recruitment, headhunting and internal referral, etc., providing stable and multi-level talent support to maintain the long-term sustainable development of Company.



In 2019, the Company recruited over **1,100** new employees.



Open day event of GF Securities

The Company actively conducts university cooperation projects and hold special lectures in the campuses. The Company held career development lectures, business lectures, and provided professional guidance on job resumes at Sun Yat-sen University, Tsinghua University and Shanghai University of Finance and Economics to help students improve employability skills.

In addition, the Company organized an open day event for students at the school. Through the open day event, we received the visiting teachers and students from the target universities, allowing students to enter the company and truly experience the company's strength and culture, which was highly praised and well recognized by the visiting teachers and students.

With the continuous development of campus talents and extensive employer brand influential power, the Company received the "Employer Brand Operation Model" award in 2019, and has been unanimously recognized and highly appraised.



## Sound Assurance of Employees' Rights and Interests

The Company strictly abides by the 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 Remuneration 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 effectively 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.

Written labor contracts are entered into between the Company and its 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. At present, the labor contract signing ratio of the Company reaches 100%. The Company adopts standard working hours system, encourages employees to take vacations and prohibits forced labor.



**Labor contract and social insurance**  
**100%** { Labor contract signing ratio  
 Social insurance coverage  
 \* Based on the statistics of the Group

The Company strives to establish an effective salary incentive and restraint mechanism with aims to fully stimulate the enthusiasm and creativity of all employees, and introduce and retain key core talents. In December 2019, the Company amended and published the Remuneration Management Rules of GF Securities, clarifying the basic principles of the remuneration management of the Company including performance orientation, coordination and win-win, external competitiveness, risk matching and diversified incentives. The employee remuneration of the Company is mainly composed of three components: fixed salary, performance-based bonus and benefits.

The Company established a comprehensive welfare and security system, including social insurance, housing provident fund, supplementary medical insurance, enterprise annuity, benefits leave, corporate welfare, union welfare, and welfare of female employees. The Company formulated internal rules such as the Administrative Measures on Welfares of Full-time Employees 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.

In strict compliance with the provisions of the local social security authority and the housing provident fund management authority, the Company timely makes full contributions to pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing provident fund for its employees; additional housing subsidies are provided to eligible employees; to provide the enhanced protection to its employees, supplementary medical insurances (including medical insurance, life insurance and accident insurance) are maintained for employees and their children, and medical expenses are paid on a monthly basis to subsidize the medical expenses borne by its employees, and improve employees' illness and accident protection. 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. Employees suffering from a non-work related disease or injury are offered a medical period and welfare treatment in accordance with applicable national and local policies. According to the law, paid leaves are provided to employees including annual leave, convalescent leave, marriage leave, maternity leave (nursing leave for male employees), family planning leave and funeral leave, and allowances were paid to the employees absent for rest and vacation due to work arrangement pursuant to national regulations. The Company cares for the health of employees and strengthens the protection of the health of employees to build a dynamic and aggressive work team.

Number of employees turnover  
**418**

Turnover of employees  
**7.38%**

Including:

Number of female employees turnover  
**149**

Percentages **35.65%**



Number of male employee turnover  
**269**

Percentages **64.35%**



Turnover of employees aged 30 or below as a percentage of employees aged 30 or below

**4.24%**

Turnover of employees aged 31-40 as a percentage of employees aged 31-40

**5.02%**

Turnover of employees aged 41-50 as a percentage of employees aged 41-50

**1.53%**

Turnover of employees aged 51 or above as a percentage of employees aged 51 or above

**8.13%**

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

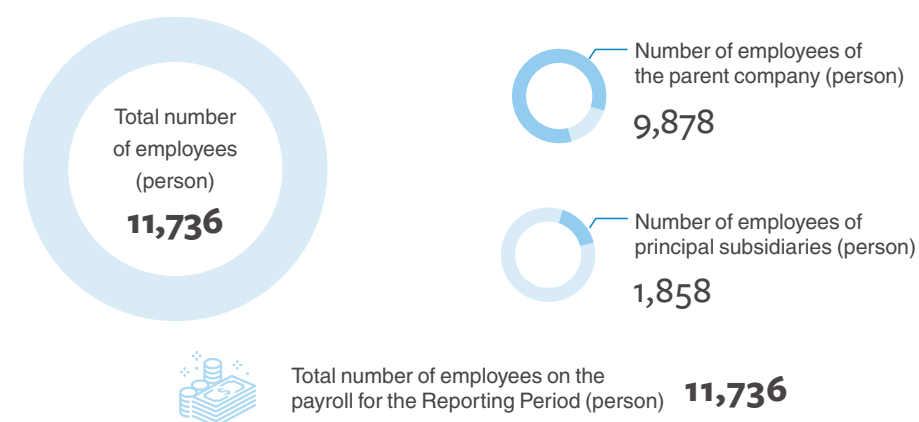
The Company provides the following benefits to female employees according to the law: statutory maternity leave, breastfeeding leave, half-day holiday and activities for the Women's Day; monthly women health allowance to female employees; unchanged salaries for female employees during pregnancy, maternity 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 towards employees and establishes an employment termination system in strict accordance with laws and regulations. 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). In addition, for those who have served a certain number of years and meet certain conditions, they can retire internally and enjoy benefits such as internally retired wages subject to application made by the employees and approval by the Company.

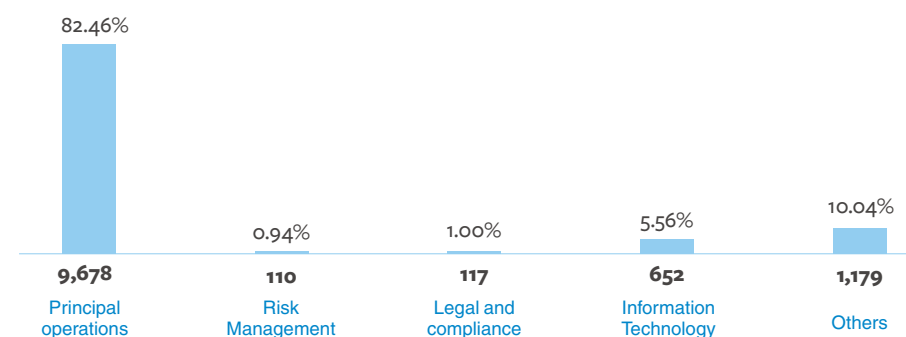
# High Quality Team of Professionals

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.

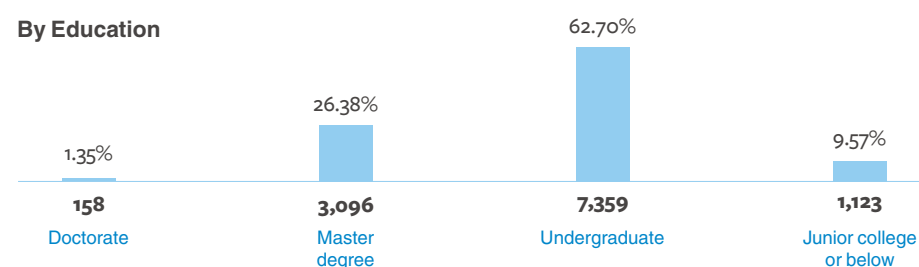
## Number of employees, professional composition and education level



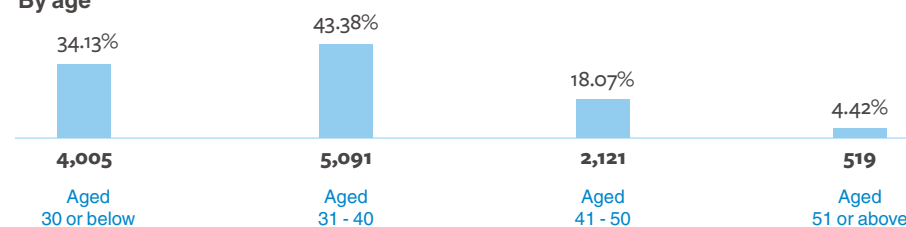
### By Professional structure



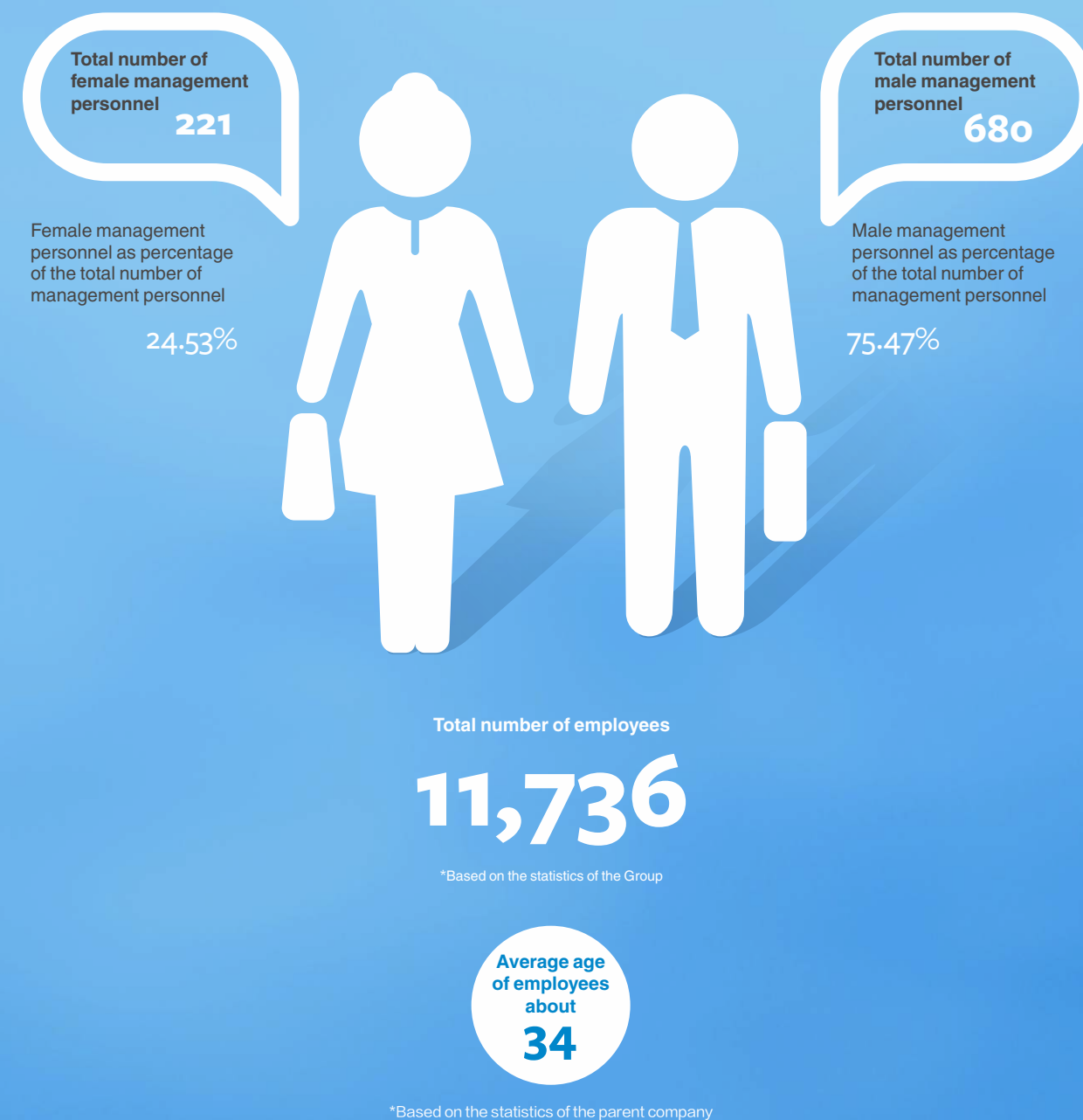
### By Education



### By age



Note 1: Staff number includes 288 internal early retired employees.





Multi-level Training System

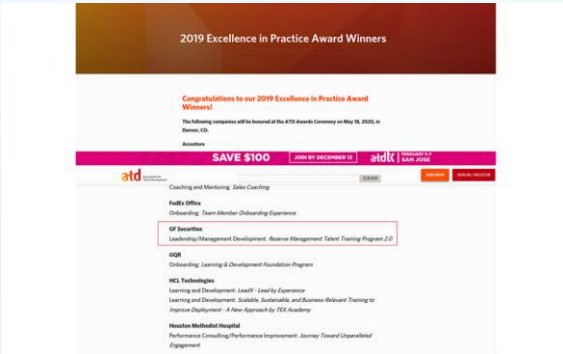
The talent development strategy has always been a part of the development strategy of GF Securities. In the new five-year strategic development stage, the Company still insists on integrating the talent development strategy into its overall strategy and promotes talent-oriented development. GF Securities regards its employees as its most valuable asset. The Company attaches great importance to talent training and is committed to achieving effective and unified development of its business development and employee career through a systematic and targeted training and development system. In 2019, the Company focused on three learning aspects: advocating “compliance management”, empowering “business transformation” and assisting in “quality and efficiency improvement”, and organized company-wide personnel training and learning activities.

As for advocating “compliance management”, the Company organized a full-scale study on compliance and risk control topics and code of conducts of employee, and the online learning volume and examination volume reached a record high. In addition, through micro-video contests, special lectures, and themed video and graphic and text push, the Company continued to deepen the construction of a compliance and risk control culture based on the principles of "compliance, integrity and prudence".

As for empowering “business transformation”, to provide empowerment support for key strategic projects such as “wealth management transformation”, “institutional customer service” and “investment bank management system reform”, focusing on “customer-oriented approach”, “establishment of professional course system of retail business line and construction of professional talent team” and “improvement of the leadership of investment bank management team”, the Company carries out targeted learning programs to provide professional support for strategy implementation and business transformation.

As for “quality and efficiency improvement”, the Company continues to carry out conventional professional and leadership learning programs, and strengthens the construction of various learning platforms and learning resources, with aims to support employees to improve their professional and management skills through various channels and continuously create highly-skilled "professional" workforce. In 2019, the number of newly launched internal professional courses of the Company increased by 56.3% compared with 2018; total learning hours of employee were 549,000 hours, of which the online learning hours accounted for 78.8%, representing a further improvement from 2018. The internal lecturer within the company organization applied to the Securities Association of China for the development of nine industry courses, all of which were approved and launched on the association's platform. The number of approved courses ranked second among member enterprises, bringing a good social effect.

Thanks to the continuous investment, professionalism, pragmatism and innovation in learning and talent development of the Company, the Company was granted the Excellence In Practice Awards, the highest global talent development honorary award, by the American Association for Talent Development (ATD) in 2019; and awarded the title of "China Talent Development and Innovation Enterprise" of the year by the Training magazine under Xinhua Daily Press Group, a state-owned mainstream media.



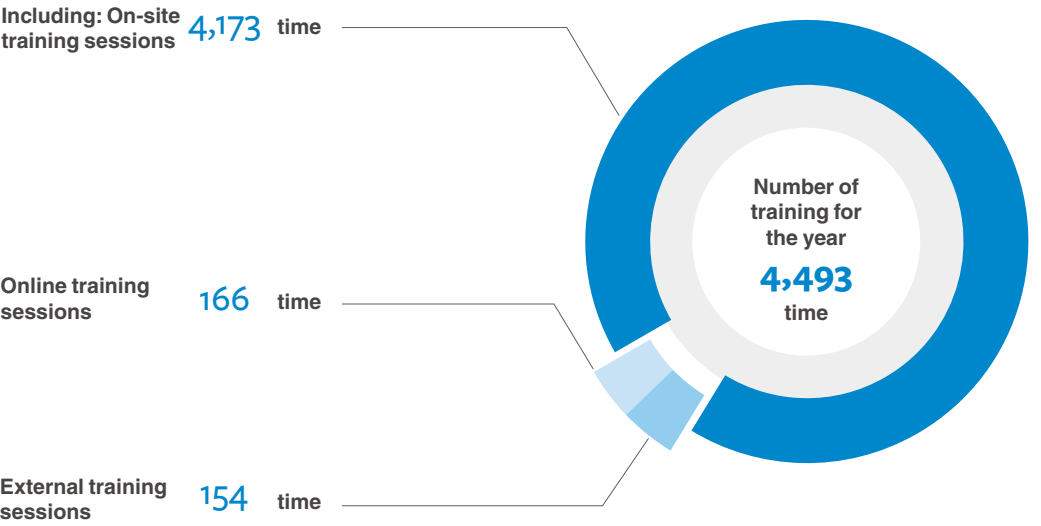
GF Securities received the ATD Excellence In Practice Awards



GF Securities received the 10th China Talent Development and Innovation Enterprise Award



First Session of Leadership Training Course Program of GF Securities in 2019



Employee training of the Company in 2019

Indicator	Unit	2019
Number of training participants for the year	Person time	87,466
Percentage of female staff under training(number of female staff under training/ total number of female staff )	%	100%
Percentage of male staff under training(number of male staff under training /total number of male staff e)	%	100%
Percentage of operation managerial staff under training(number of operation managerial staff under training/ total number of operation managerial staff)	%	100%
Percentage of other managerial staff under training(number of other managerial staff under training/total number of other managerial staff)	%	100%
Percentage of non-managerial staff under training(number of non-managerial staff under training/total number of non-managerial staff)	%	100%
Training hours for the year	Hour	648,446
including : Training hours of male staff for the year	Hour	352,684
Training hours of female staff for the year	Hour	295,762
Training hours per employee for the year	Hour/person	73.2
Including: Operation managerial staff	Hour/person	73.7
Other managerial staff	Hour/person	75.6
Non-managerial staff	Hour/person	72.9
Number of internally certified lecturers	Person	235

\* 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.



# Safe Working Environment and Staff Protection

In strict compliance with relevant laws and regulations such as the Work Safety Law of the People’s Republic of China and the Labor Law of the People’s Republic of China, the Company protects the legitimate rights and interests of employees, provides employees with working conditions and working environment that meet national labor health standards, and effectively protects the safety and health of employees at work . The Company has adopted various measures to protect the health of employees, including making contribution to medical insurance and work-related injury insurance and maintaining supplementary commercial medical insurance for employees; regularly organizing physical examinations for employees; setting up medical office, canteen, various staff clubs, and properly arranging the vacation of employees. The GF Securities Tower has swimming pool, table tennis room, gym and the Company engages professional coaches to provide various group lessons. These facilities are open to all employees as a form of employee benefits for relieving their work pressure and creating a healthy environment for employees.

In 2019, GF Securities Tower was put into operation. the Company conducted 2 sessions of emergency evacuation drill training at GF Securities Tower to provide training to nearly 1,500 employees working in the building. The Company carried out 1 session of safety knowledge training for new employees to strengthen their awareness on fire safety. The Company provided 10 times of guidance and training to fire safety supervisors, effectively improving their safety awareness and practical operation skills.



GF Securities Tower's 2019 emergency evacuation drill successfully held



GF Securities Tower's epidemics of COVID-19 evacuation drill successfully held

At the beginning of 2020, epidemics of COVID-19 occurred in several places in China. The Company took various means and measures to ensure the health and life safety of its employees. The Company established the Leadership Group and Working Group for Fighting against COVID-19 of GF Securities to implement the important directive spirit of the Central Committee of CPC and the State Council on epidemic prevention and control and direct the Company's epidemic prevention and control.

The Company adjusted the working hours and locations of employees, canceled on-site activities that are not conducive to epidemic prevention and control, canceled the purchase of fresh food materials in the canteen, conducted body temperature measurement on all personnel entering and leaving the building, regularly disinfected and ventilated the office space and equipped with epidemic prevention supplies such as face masks and disinfectants and temperature measuring equipment, to effectively protect its employees' physical health and life safety.

# A Variety of Colorful Labor Union Activities

Basic information of labor union of the Company in 2019

Labor union		Headquarters Staff Hobby Club	
Members of labor union	10,416 Person	Number of club	27
Number of labor union branches	27	Number of club activity participants	226 Time
Number of labor union groups	296	Number of club activities for the year	2,197 Person
Number of activities held by labor union	136 Time	Operating expenses for the year	243.32 RMB ten thousand
Labor union expenses for the year	3,773.01 RMB ten thousand		

## Staff Hobby Club

The headquarters of the Company maintained staff hobby clubs over 13 years in a row to serve as a platform to facilitate staff interchange and enrich staff's culture and sports life. In 2019, 27 staff hobby clubs such as floral art and hiking were established. Various club activities were held to keep close relationships among employees and facilitate work coordination. Leveraging their own advantages, badminton and tennis clubs teamed up to participate in the "GZIFE Cup" Guangdong Financial Industry Badminton Competition and Guangdong Financial Industry 5th Tennis Competition to strengthen exchanges with various enterprises in the industry, demonstrating the excellent spirituality of GF Securities team. The tennis club advanced to the quarterfinals in the 6th "Securities Union Cup" Tennis Invitational in 2019 and achieved the best record in history.



The Company achieved good results in the Guangdong Securities and Futures Industry Badminton Game and Tennis Game



## Caring for staff

The Company's labor union actively takes great caring for employees to enhance their sense of belonging.

1

### The first is to offer in-depth care and assistance.

The Company's labor union pays close attention to employees' ideological trend, understands their working and living conditions, and helps employees solve practical difficulties. The Company extends routine greetings on several occasions such as birthdays, weddings, births, hospitalizations, etc., and takes care of employees in every detail. We continue to provide assistance to our employees in need, and granted RMB193,000 of allowances to 19 employees in difficulty.

2

### The second is to extend festival greetings in a sincere manner.

The Company's labor union insists on carefully organizing festival celebrations and greetings on the festival occasions. During the Spring Festival, we pay visits to former leaders, senior management working in different places, internally retired employees and employees in difficulty, and gave new-year welfare to all employees. During the Qingming Festival, a study activity themed "Cherishing the Memory of the Martyrs and Staying True to Original Mission" was conducted to uphold the great national spirit and patriotism. During the Dragon Boat Festival, traditional festival activities such as making rice dumplings and Dragon Boat Race were carried out to make employees feel the charm of traditional culture. On Children's Day, the Company organized a variety of celebration activities such as special lectures on children's education, open days for parents' office environment, parent-child activities, flea market financial business enlightenment, handcrafting, parent-child travel and parent-child reading.

3

### The third is to perform well in employee service.

The Company's labor union actively responds to employees' demands in terms of health, dining, house renting, marriage, entertainment, business development, etc., and organizes related activities to effectively share the concerns of employees. Knowledge lectures on health and wellness, women's healthcare and first aid were held to remind employees to do good health management. The Company has organized youth friendship parties and e-sports competitions with external enterprises for many times to build a friendship platform for the young.



The Company carried out anniversary care activities for new employees during the Mid-autumn festival



## Corporate culture building activities

The Company held celebration event themed "Celebrating National Day, 28th Anniversary of the Company" and the 3rd "Voice of GF Securities" employee singing contest.

To celebrate the 70th anniversary of the founding of the People's Republic of China and the 28th anniversary of the founding of the Company, and to inspire the patriotism and hard work of employees, the celebration event themed "Celebrating National Day, 28th Anniversary of the Company" and the 3rd "Voice of GF Securities" employee singing contest held in Guangzhou on 8 September, in which 67 contestants from 27 labor union branches participated, and more than 600 employee representatives attended the celebration event. Nearly 10,000 employees and their families across the country watched live performances on the mobile terminals. The singing contest and the celebration event of the Company was jointly held for the first time to demonstrate the spirit of the staff, which gain praise from inside and outside.



The labor unions held the celebration event themed "Celebrating National Day, 28th Anniversary of the Company"



Mr. Sun Shuming, secretary to Party Committee and chairman of the Board the Company fired a starting shot for the Huangpu Marathon

In December 2019, the Guangzhou Huangpu Marathon launched and gained great success, the Company actively participated in the sports event as a golden partner.

The Huangpu Marathon enjoys a high brand influence as it is a professional and international sports event that has won the title of "Silver Medal Event" by the Chinese Athletic Association despite only two sessions of event held. At the 35th anniversary of the establishment of Guangzhou Development Zone, the Company participated in the Huangpu Marathon for the first time as a strategic partner of Huangpu District and Guangzhou Development Zone. Over 600 customers and employee of the Company participated in the Huangpu Marathon.



**The Company continued to hold the Spring Festival charity lucky draw.** On the eve of the Spring Festival, the Company's labor union organized an online charity lucky draw themed "Happy-go-lucky", in which more than 80,000 people participated. Nearly 1,000 employees donated their prizes, with a total donation of more than RMB60,000. The donation was used to fund the projects for children with thoracic deformity jointly conducted by the GF Securities Foundation and Guangdong Second People's Hospital.



**The Company held the Family Open Day event themed "Fun with Kids".** On 28 December 2019, the Company held the Family Open Day event themed "Fun with Kids". The purpose of this event is to allow family members to experience the working environment and atmosphere of employees at zero distances, enhance the understanding and support to employees and improve sense of gain and happiness of employees and their families. Over 500 people from 150 groups of families from various departments of the Company participated in the event.



The Company held the Family Open Day event themed "Fun with Kids"

**The Company held the poverty alleviation charity photo contest themed "Gathering the Love From the Bottom of Heart".** Around the "630 Poverty Alleviation Day" in Guangdong Province, the Company organized various labor union branches to carry out various charity activities such as environmental protection, poverty alleviation, education support and caring for special group, setting off a public welfare craze and recording beautiful moments with the lens. The contest received more than 200 works from 25 labor union branches. Those works demonstrated the Company's social image of enthusiasm for public welfare, delivering our love and warmth.



**GF Securities held the first hackathon programming competition.** In order to facilitate the realization of the Company's strategic objectives and promote the technological and financial development of the Company, the Company encourages employees to use IT technology to solve pain points and difficulties in the work process. To strengthen the awareness of collaboration, the Company's labor union and the IT labor union branch organized first hackathon programming competition of GF Securities.



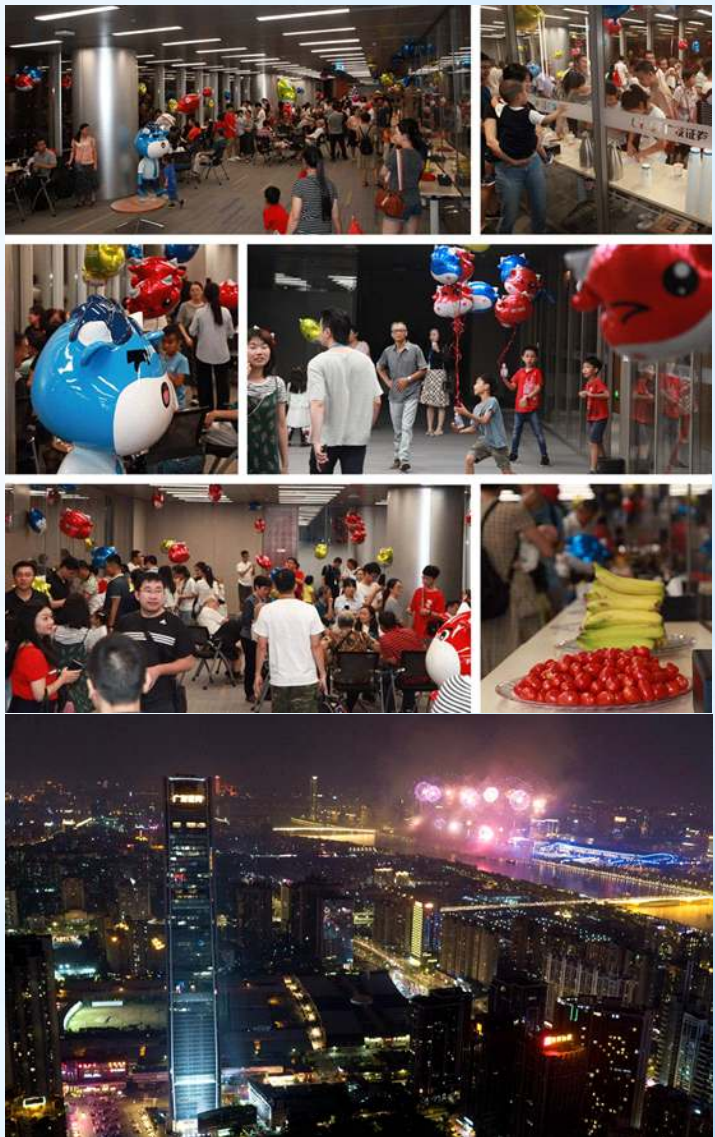
The first hackathon programming competition of GF Securities

**Incorporating our corporate culture in the talent training.** The talent development strategy has always been an integral part of the development strategy of GF Securities. In the new five-year strategic development stage, the Company still insists on integrating the talent development strategy into its overall strategy and adopts the road of talent-oriented development. GF Securities regards its employees as its most valuable asset. The Company attaches great importance to talent training and is committed to achieving effective and unified development of its business development and employee career through a systematic and targeted training and development system.



New employee training of GF Securities in 2019

**The Company held the fireworks show viewing event of National Day for employees and their families.** On the evening of October 1, the celebration of the 70th anniversary of Founding of the PRC themed "Singing the Praises of New Era , Realizing the Chinese Dream Together" was held at the Pazhou section of the Pearl River, the charm of light and shadow art attracted thousands of eyes. GF Securities Tower, located in the prime area of the Pearl River New Town, is a good place to watch the fireworks show. The headquarters office organized employees and their families in Guangzhou and surrounding areas to watch the fireworks show in the manner of Employee Open Day, over 1,200 GF securities employees and their families celebrated the 70th anniversary of the motherland under the bright fireworks show.



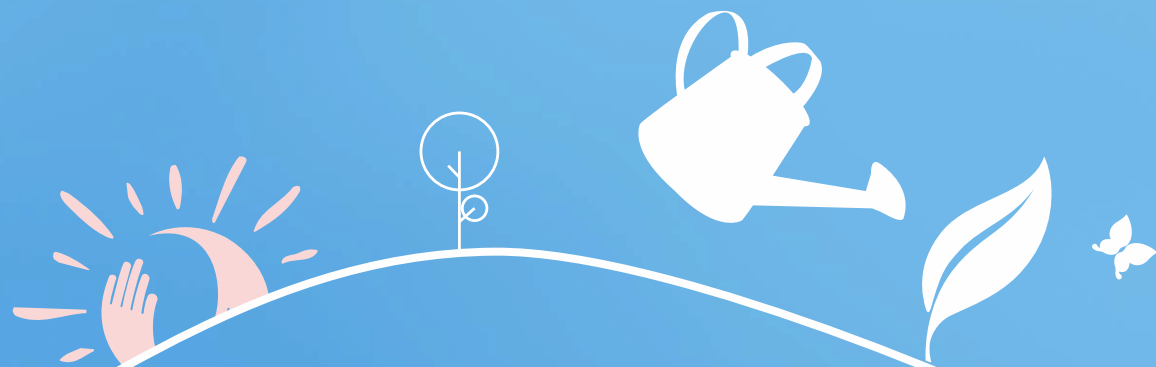
The Company held the fireworks show viewing event of National Day for employees and their families



## Section

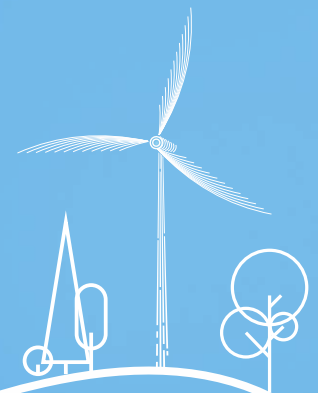
### Value to Shareholders Prioritizing Value Growth and Protecting Shareholders' Interests

*Gathering the Love  
From the Bottom of Heart*



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

- > Continued Growth of Corporate Value
- > Continued Dividend Distribution
- > Protecting the Rights of Small and Medium Investors
- > Compliance Operation and Integrity Management



# Continued Growth of Corporate Value

The Company has always adhered to 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. The total assets, net assets, net capital, operating revenue, net profit and other main operating indicators of the Company have top rankings in the industry for consecutive years. The details of the operating performance indicators are as follows:

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

Items	Total assets	Net assets	Net capital	Operating revenue	Net profit
2019/Year End	5	5	6	5	5
2018/Year End	4	5	6	5	6
2017/Year End	5	4	4	4	5

Note 1: Source: WIND information, the Securities Association of China, 2020;  
Note 2: The indicative data of net capital represents the data for parent company. The indicators of 2019 are based on unaudited statistical data for parent company. The indicators of 2018 and 2017 are based on audited statistical data in the consolidated statements.

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

Operating results	2019	2018	2017
Total revenue and other income (RMB in millions)	30,077	22,817	28,614
Profit before income tax (RMB in millions)	10,276	6,004	11,644
Net profit attributable to owners of the Company (RMB in millions)	7,539	4,300	8,595
Return on weighted average net assets	8.48%	5.07%	10.55%

# 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.

On October 22, 2019, the Company held the first extraordinary general meeting in 2019 to consider and approve the 2019 Interim Profit Distribution Plan of GF Securities. According to the 2019 Interim Profit Distribution Plan of the Company, based on the number of shares held as at the record date, a cash dividend of RMB2.0 (tax inclusive) for every 10 shares was distributed to all shareholders by the Company during the Reporting Period.



Based on the Company's existing share capital of **7,621,087,664** shares



the total cash dividend would be RMB **1,524,217,532.80**



Online Voting Platform

In strict accordance with the requirements of the Guidelines on Articles of Association of Listed Companies, the Company convened general meetings and provided an online voting platform to facilitate shareholders' participation in the meeting. In 2019, the Company held two general meetings, 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

The Board and business managers of the Company value investor relations management and information disclosure, emphasize on the truthfulness, accuracy, completeness and timely and fair disclosure of information, actively protect the interest of small and medium investors, listen and reply to proposals and consultative opinions of small and medium investors in the ordinary course of work. The Company maintains smooth integrative communication with institutional investors and individual investors by means of telephone, email, website of the Company or the SZSE, regular or irregular referral conference or roadshow, interview and research. In 2019, the Company organized 2 local and overseas results presentations and answered 148 questions raised by investors via the EasyIR platform of the SZSE.



The details are as follows:

Number of reception	22
Number of institutional participants	Over 200
Number of individual participants	No onsite visit by individual investors
Number of other participants	None
Whether or not disclose, reveal or leak undisclosed significant information	Not

Good Information Disclosure Practice

As a responsible listed company, the Company earnestly protects the rights of small and medium shareholders 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 Representative in Securities Matters to take charge of information disclosure, and the Board of Directors' office to assist in information disclosure and investor relations management.

During the Reporting Period, the Company convened 10 board meetings, 14 special committees meetings and 2 general meetings. During the Reporting Period, a total of 90 A-share information (excluding the H-share Announcement) were published in China Securities Journal, Securities Times, Shanghai Securities News and Securities Daily and simultaneously disclosed on Cninfo ([www.cninfo.com.cn](http://www.cninfo.com.cn)) by the Company. 72 H-share information were disclosed on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) (excluding the Overseas Regulatory Announcement). There was no administrative punishment by the CSRC due to non-compliant information disclosure or criticisms notified by SZSE occurred, and no criticism from the SFC or the Hong Kong Stock Exchange was received. The Company's information disclosure has withstood the challenges in a complex environment and strictly met the requirements of both domestic and Hong Kong.



# Compliance Operation and Integrity Management

## A Comprehensive Compliance and Risk Control

Since 2019, 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 reviewed and optimized the key points in compliance management, and organized relevant implementation plans, carried out corresponding formulation of internal rules and policies 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.

During the Reporting Period, the Company outperformed the compliance training plan for the year, with total number of compliance trainings of more than 100 sessions. The training scope achieved full coverage of the Company's various business lines, with its trainee covered in all head office departments, some branches and some subsidiaries, including training on contract management, employee practice, Chinese wall, anti-money laundering and other aspects. In 2019, the Company organized three on-site trainings for compliance specialists, including training on product sales suitability management, key points of daily business audit, investment banking business compliance management, contract management system operation practice, litigation case management, anti-money laundering and other topics, so as to continuously improve the performance ability of the first-line compliance specialist.



## Anti-bribery, Corruption, Extortion and Fraud

In 2019, in response to the call of the CSRC for building an industry culture of "compliance, integrity, professionalism and steadiness", and laying a solid foundation for the Company's long-term development, the Company formulated a special work plan to carry out a system-wide industry culture development and special work for rectification of discipline, further standardizing the conduct of employees and creating a refreshing and righteous, healthy and positive working atmosphere.

In 2019, in order to establish and improve a long-term management mechanism for the conduct of the Company's employees and standardize the code of conduct of employees, combined with the Anti-Unfair Competition Law of the People's Republic of China and the Regulations on the Integrity of Securities and Futures Operating Institutions and Their Employees, the Company amended the Code of Conduct for Employees of GF Securities, and organized all members of the Company to participate in training and examinations. The revision and improvement of the code of conduct for employees is conducive to developing employee's sense of social responsibility and compliance with laws and regulations, and advocating the dedication and integrity.

During the Reporting Period, the Company organized special actions for rectification of discipline to further regulated employees' practicing behaviors through strengthening the propaganda and education of ethical code of conduct, and serious investigation of violations of disciplines. The Company also issued the Notice on Organizing All Employees to Study the Code of Conduct for Employees of GF Securities, and carried out the training on Compliance Practice and Integrity for all employees, 100% of employees passed the exam after participating the training, which effectively promoted integrity education.

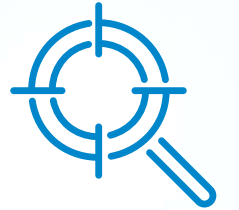


Revolutionary traditional education and warning education by the leading cadres of the Company

## Anti-money Laundering

In 2019, the Company fully implemented the money laundering risk management requirements of regulatory authorities to establish and improve internal control systems for anti-money laundering, took the lead in establishing a money laundering risk assessment system in the industry, and steadily promoted various basic work such as customer identity recognition, suspicious transaction reporting and money laundering risk assessment, and continuously strengthened the publicity and training for anti-money laundering. In 2019, the Company revised the Anti-Money Laundering Management System and the Administrative Measures on Money Laundering Risk Self-Assessment, and formulated the Management Measures on Money Laundering and Terrorism Financing Risk, regulating the Company's money laundering risk management strategies, policies and procedures, and other management aspects in detail. Through fully implementing the requirements for money laundering risk management, this revision further strengthened the standard of money laundering risk management and control of the Company, which has stronger management and guiding significance to strengthening the Company's overall money laundering risk management. Through decomposing and refining business processes, the internal control system has covered all aspects of anti-money laundering, and more than 20 systems including the overall system were established to provide institutional guarantees for the prevention and control of money laundering risks.

In 2019, the Company organized more than 500 group-wide anti-money laundering trainings during the year.



## Construction of the Chinese wall

In 2019, the Company was committed to enhancing the capacity to control the group Chinese wall, strengthening inside information management, and enhancing the capacity to identify conflicts of interest, so as to prevent the improper flow and utilization of various types of major undisclosed information and prevent the transfer of interest. In order to improve the follow-up investigation and monitoring management of the Chinese wall, the Company used the big data system to increase the coverage of record monitoring, realizing the instant messaging tool and office telephone record for personnel in key positions of the head office departments, head office off-site offices and related subsidiaries. The Company developed an upgrade and reconstruction plan for the Chinese wall management system to further support the needs of international development such as the management of Chinese wall list, wall-crossing management, APP office and simplified Chinese, English, and traditional Chinese support.



## Company Trademark and Intellectual Property Protection

The Company strictly abides by the 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.

During the Reporting Period, by leveraging on the well-known trademark, the Company proactively safeguarded its rights and demonstrated the value of trademark and brand name. The Company applied the special fund award of RMB500,000 for 2019 Guangzhou Development Zone Quality Zone by virtue of the recognition of well-known trademark in 2018, which was the only applicant in Guangzhou Development Zone that received awards for well-known trademark in 2019.



## Section

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

*Gathering the Love  
From the Bottom of Heart*

We prioritize “being a corporate citizen” as one of our core missions and integrate community welfare into our development philosophy. On the basis of continuously achieving our own sound development, we actively facilitate the community, care for the environment and the ecological development and support the disadvantaged community, proactively undertake and fulfill the social responsibilities of corporate citizen, give back to the community and the public, and contribute to the delivering of “positive energy” of society.

- > Significant Social and Economic Contributions
- > Green Operation and Environmental Protection
- > Improve the Company's Procurement Management to Enhance the Suppliers' Performance on Environmental and Social Responsibility
- > Devoted to Charity Work and Giving Back to the Society
- > Well-Targeted Poverty Alleviation and Coupling Support and Help
- > Awards and Recognitions for the Charity Work of the Company in 2019



# Significant Social and Economic Contributions

The Company contributed a total tax including income tax expense and tax and surcharges of RMB3.642 billion, RMB2.93 billion and RMB3.817 billion, respectively from 2017 to 2019. The Company achieved a social contribution per share of RMB3.35.

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

Social and economic development contributions (RMB ten thousand)	2019	2018	2017
Income tax expense	216,596.11	137,229.32	256,065.47
Tax and surcharges	165,062.65	155,792.00	108,181.16
Cash dividend distributed/ planned to be distributed	419,159.82	—	304,843.51
Interest expense	767,649.47	825,011.40	754,784.58
Securities and futures investor protection funds	8,650.82	7,996.54	10,948.54
Donations	1,250.64	3,776.49	1,695.86
Staff costs	641,892.10	476,301.73	683,636.69
Total	2,220,261.61	1,606,107.47	2,120,155.81
Social contribution per share (RMB)	3.35	2.67	3.51

Note1: Cash dividend distributed/planned being data from the parent company, all the other data listed above are from the consolidated financial statements.

Note2: The weighted average number of ordinary shares used in the calculation of the social contribution per share is 7,621,087,664 shares.

Note3: Formula for calculating the social contribution per share: social contribution per share = earnings per share (RMB0.99) + added value per share (RMB2.36). 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 the 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 and so on, third-party interests in consolidated structured entities. No significant environmental pollution events occurred in 2019. And "other social costs resulting from environmental pollution, etc." is 0.

# Supporting the Real Economy

By actively serving the real economy and directing capital under the principle of "avoidance of virtual economies and flow into real economies", the Group helped enterprises to achieve substantial development by the capital market through equity financing business. In 2019, with the successful implementation of major reforms for the SSE STAR Market and piloted the registration-based IPO system set up by the PRC, and the equity financing business of securities firms ushered in new development opportunities, which had a significant impact on the business operation model of equity financing industry of securities firms. During the Reporting Period, the Company continuously improved the operation mechanism of the investment banking, adhered to customer-oriented principle to promote the transformation and development of the investment banking business, actively respond to national strategic deployment and regulatory requirements by focusing on the arrangement of SSE STAR Market project, and made great efforts to development and cultivation of SSE STAR Market project and bring to list.

## During the Reporting Period



The Company completed **34** equity financing projects for which the Company acted as a lead underwriter.

Ranking 4th in the industry



The equity financing lead underwritten amount was **RMB 26.614** billion.

Ranking 8th in the industry

Among these projects, the Company acted as a lead underwriter for 16 IPOs.




The lead underwritten amount was **RMB 8.96** billion.

Ranking 5th in the industry


Source: WIND, statistics of the Company, 2020

Against the background of deleveraging and avoidance of virtual economies and flow into real economies, as a direct financing channel, bonds financing has exert positive effects on optimizing social financing structure and reducing social financing costs. The clients served by GF Securities cover the real economy sectors such as transportation, electricity, aviation, construction and public resources, the types of bonds underwritten and issued include renewable bonds, green bonds, special bonds for urban parking lots and integrated subterranean piping system. The proceeds were mainly used in policy-oriented sectors such as new energy development, public facilities, subterranean piping system, roads and bridges, making significant contributions to the development of urban and rural infrastructure construction and the solution of regional imbalances and people's livelihood issues.


In 2019



The Company acted as the lead underwriter for **166** bonds.



Lead underwritten amount of **RMB 135.929** billion in total.



Lead underwritten amount increased by **41.13%** year on year

Source: WIND, statistics of the Company, 2020

As of the end of 2019, the number of enterprises listed on the NEEQ was 8,953, representing a decrease of 1,738 compared to the beginning of 2019. The Company adhered to the core principle of discovering value. Leveraging on its outstanding research capabilities, the Company strengthened business synergy and provided high-quality integrated services for quality customers.

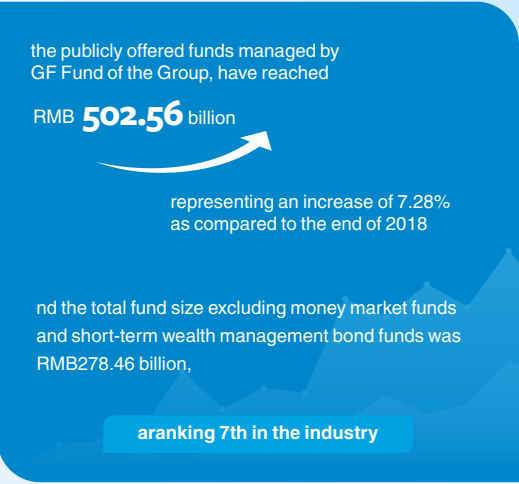


As of the end of 2019, the Company recommended a total of 64 companies listed on the NEEQ as the lead brokerage, of which there were 12 innovative enterprises.

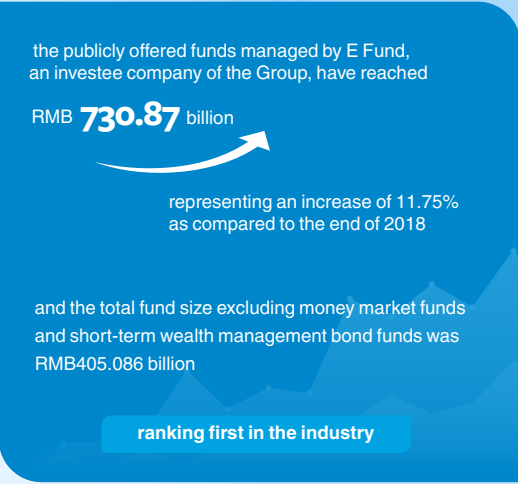
Source: NEEQ, Statistics of the Company, 2020

By playing full role in professional institutional investors and applying excellent investment research capabilities, the Company deeply explored the real enterprises with high-tech, high added-value and market potential, effectively enhancing the resource allocation efficiency, promoting direct social financing, and making positive contributing to the development of the real economy.

As of the end of 2019



As of the end of 2019



Source: China Galaxy Securities Fund Research Center, 2020

Private equity investment institutions enable capital to directly serve the real economy and enrich the direct investment and financing system of the capital market, thereby actually serving the transformation and innovative growth of the real industry, which is in line with the national innovative strategic development direction. As a private equity investment institution, GF Xinde of the Group, pays great attention to the development of strategic emerging industries, green environmental protection industries and certain key areas of "Made in China 2025". GF Xinde worked with Bay City Capital, a well-known VC investment institution in the United States, to establish an international life science fund in 2017, pursuing the investment strategy of "Combining China's Growth Momentum with Global Resources". It invested in a number of pharmaceutical and biotechnology companies in the United States with advanced research and development capabilities including Gossamer Bio, Inc. and NEXTCURE, INC. in 2019.

In 2019, through direct leasing model, GFFL directly purchased production equipment for enterprises to promote the production thereof, and invested a total of 5 projects with a total lease of RMB65.89 million. As asset finance, financial leasing is an integration of leasing-assets and financing, a connector of finance and the real economy, and has comparative advantages in stimulating industrial investment, promoting technological upgrading, supplementing enterprise liquidity, optimizing asset and liability structures of enterprise, and integrating upstream and downstream resources of the industry.

In 2019, GFHK actively promoted the "full circulation" project of H shares, which was beneficial to the expansion and strengthening of listed companies by making better use of overseas capital markets.

## Supporting the Micro, Small and Medium Enterprises

In 2019, the Company helped the micro, small and medium enterprises to expand their capital strength through the NEEQ business, and enhance their market image and influence. As of the end of 2019, the Company recommended a total of 64 companies listed on the NEEQ as the lead brokerage, of which there were 12 innovative enterprises (Source: NEEQ, Statistics of the Company, 2020).

In 2019, the Company invested RMB20 million in integrated credit enhancement bonds for the micro, small and medium enterprises, issued 8 tranches of GF Hengjin- Special Plan for Joint Factoring Supply Chain Financial Asset Support, with a cumulative issuance size of RMB6.084 billion, which successfully provided supply chain financing for 3,368 receivables from 1,253 micro, small and medium enterprises, solved the problem of difficulty in collection of funds for the micro, small and medium enterprises, and helped the micro, small and medium enterprises to reduce the pressure of collection of receivables through inclusive finance.

## Supporting the Private Enterprises

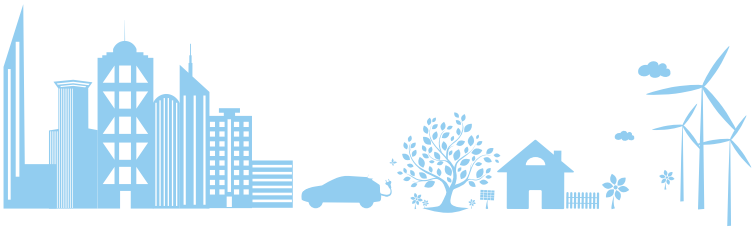
In 2019, GF Securities proactively responded to the innovative business of the SSE, and successfully applied for the qualifications as core dealer of credit protection contract and issuing institution of credit protection certificate of the SSE, and actively participated in the first batch of credit protection certificate pilots as investors at the end of the year, buying 3 certificates with notional principal of RMB34 million, and increasing the investment in private enterprise financing instruments and poverty alleviation bonds of equal amount. During the year, the Company actively implemented the requirements to support the financing of private enterprises through investing RMB5.22 billion, RMB350 million and RMB190 million in private enterprise bonds, investment bail out bond and special poverty alleviation bonds, respectively, and actively responded to the central government's call by investing with its own funds.

During the year, the Group successfully issued a lease of ABS for PingAn Leasing, which is the 2019 special plan for PingAn Leasing five-phase asset-backed, with an issuance size of RMB1.042 billion. 47 assets in asset pool of the project are all financial leasing claims, involving 14 private enterprises with their main industries in manufacturing, wholesale and retail, and commercial services. Through the issuance of the project, the Company provided financing to 14 private enterprises.

During the year, through adhering to the industry purpose of serving the development of the private real economy, the Group actively responded to the regulatory call through submitting the first ETF fund with the SZSE Private Enterprise Development Index as its investment target - the GF SZSE Private Enterprise Development Trading – Index Securities Investment Open-ended Fund in the market (referred to as Private Enterprise Development ETF), actively exerting the professional investment capabilities of public fund and guiding the use of funds to strengthen the capacity of financial services for the real economy, and making contribution to the development of private enterprises, so as to boost the healthy development of private enterprises.

The subsidiary GF Xinde, worked with Utrust Holdings and ICBC Investment to jointly establish the Guangdong Xinnengdong Bail Out Fund (廣東新能動紓困基金), and invested in high-quality listed companies that are in line with national and Guangdong industrial development directions, with better development prospects and certain liquidity pressure.

As the only domestic financial leasing company independently developed and wholly-owned by top securities firms, during the Reporting Period, the subsidiary GFFL, mainly focused on developing an investment banking leasing company model to provide the micro, small and medium enterprises with comprehensive solution of "leasing-assets + financing + intelligence + innovation", reflecting the characteristics of integration of "leasing + securities", and obtaining many honors in the financial leasing industry.



## Supporting Green Economy

By adhering to the philosophy of "Lucid Waters and Lush Mountains are Invaluable Assets", GF Securities actively promoted green financial policies in the Company to boost the development of green financial business.

During the Reporting Period, the Group worked pretty well in terms of green bond underwriting, support for green corporate equity financing, non-public offering and asset securitization. In terms of equity financing, GF Securities acted as the sponsor and underwriter for a number of enterprises in green industry and green projects, helping such enterprises in financing of RMB4.676 billion, and acted as the underwriter for 3 environmental protection enterprises, raising a total of RMB1.963 billion through convertible bond issuance and non-public issuance. In terms of bond underwriting, GF Securities acted as the lead underwriter for a number of environmental protection projects with a total underwriting amount of RMB3.54 billion, helped Guangzhou Metro Corporation to successfully implement the first domestic green asset securitization product with charge right of ticket as the underlying asset, issuing green asset securitization products with an aggregate amount of RMB5.0 billion.

In response to the call for the construction of a green financial system, as a lead underwriter, GF Securities helped Guangzhou Metro Corporation to successfully get the approval in respect of its proposed issuance of green bonds with a total amount of RMB30.0 billion. Such bond project is the largest green bond in size approved so far and the first corporate bonds of prime entities issued by Guangzhou. It innovatively integrated the dual attributes of "corporate bonds of prime entities" and "green bond" and is the first corporate bond that was designed under types of "public" + "private" in the history. The project achieved extensive media coverage and was well-received by all circles of the society. Under the call of the central government to support the development of green industries and promote the development of green finance, the issuance of green corporate bonds by the Guangzhou Metro has great social demonstration effect on financing innovation of major projects in Guangzhou.

In September 2019, GF Fund issued the GF ChinaBond Agricultural Development Bank of China Bond Index Securities Investment Fund (廣發中債農發行債券總指數證券投資基金), which raised over RMB10 billion. The Group strongly supported the development of green finance through the issuance of agricultural development bond fund, which played an active role in flowing the social funds to the "agriculture, rural areas, farmers" and green industries, and promoted the green development of the real economy.

In 2019, GF Asset Management issued "double green" shelf asset securitization products of GF Hengjin-Guangzhou Metro Corporation series, with a total size of RMB5.0 billion. The series of projects obtained both green entity and green underlying assets approvals from the green bond rating institute, and was a rare "double green" shelf asset securitization products in the market, which has a strong market influence.



## Supporting Environmental Companies

Taking into account of the actual situation of corporate clients, the Group helped the qualified customers to increase the proportion of direct financing, stabilize funding sources, expand financing channels, which has ensured the going-concern ability of enterprise through green bond, a new type of financing instrument. In order to boost the construction of ecological civilization, GF Securities acted as an underwriter for issuance of 13 tranches of green bonds in total in 2019, with an issuance size of RMB22.39 billion, effectively guiding the use of social funds to invest in green industries such as environmental governance and energy conservation, emission reduction and low-carbon environmental protection, and contributing to facilitate the construction of ecological civilization and support for the development of green industries.

**During the Reporting Period, the Company completed the issuance of 26 bonds for environmental protection enterprises**

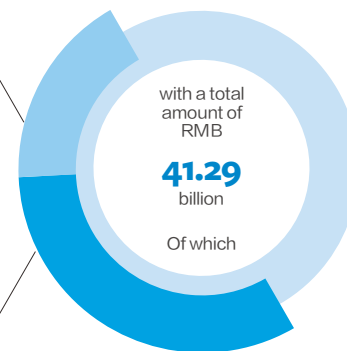
the principal activities of bonds issuer related to environmental protection or the use of proceeds related to environmental protection

the issuance sizes of environmental protection corporate bonds were RMB

**14.27** billion

environmental protection enterprise bonds were RMB

**27.02** billion



In 2019, **the Company invested a total of RMB1.51 billion in environmental protection enterprise bonds, covering numerous sectors such as new energy development, waste and wastewater treatment, environmental governance, clean energy, energy saving and emission reduction, efficient energy storage and smart energy.** The Company provided market-making services for NEEQ-listed companies in environmental protection industries such as sewage treatment equipment and waste plastic recycling, and participates in the financing of the aforesaid listed companies by subscription of market-making treasury shares.

In 2019, GFFL actively implemented the development of environmental protection enterprises through covering its project in segments such as sewage treatment, clean energy and green agriculture, boosting the enterprise to expand the revitalization of green assets, so as to realize the upgrading of equipment, and implement sustainable development strategies.

## Proactively Playing the Financial Support Role in the COVID-19 Prevention and Control

Since the outbreak of Novel Coronavirus (COVID-19) Pneumonia epidemic, by leveraging on years of industry experience and a deep understanding of the internal logic of the industry in which the clients operate, the Company promoted the functions of “value discovery”, “value exploration” and “value creation” of professional investment banking into full play, combated epidemic and coped with the difficulties with clients by outstanding professional literacy, flexible and efficient service capabilities, actively playing the financial support role in the COVID-19 prevention and control, so as to continue to contribute to the development of private economy in the PRC.

The Company combated epidemic and coped with the difficulties with clients by giving full play to the function of financing intermediary, and actively supported the COVID-19 prevention and control. During the period of epidemic, the Company acted as a leading underwriter for multiple tranches of bonds for COVID-19 prevention and control, such as Renewable Corporate Bonds Publicly Issued by State Development & Investment Corp., Ltd. to Qualified Investors in 2020 (for COVID-19 Prevention and Control) (the First Tranche), with a financing size of RMB500 million, Renewable Corporate Bonds Publicly Issued by International Far Eastern Financial Leasing Co., Ltd. (遠東國際融資租賃有限公司) in 2020 (the First Tranche) (for COVID-19 Prevention and Control) (Type 1 Bonds), with a financing size of RMB1.5 billion, Renewable Corporate Bonds Publicly Issued by International Far Eastern Financial Leasing Co., Ltd. (遠東國際融資租賃有限公司) in 2020 (the First Tranche) (for COVID-19 Prevention and Control) (Type 2 Bonds), with a financing size of RMB500 million.

In February 2020, two bonds for COVID-19 Prevention and Control in Shandong Province that the Company acted as their mandated lead underwriter - Renewable Corporate Bonds of Qilu Transportation Development Group Company Limited (齊魯交通發展集團有限公司) in 2020 (the First Tranche) (for COVID-19 Prevention and Control) and the First Tranche of Short-term Financing Bond of Yankuang Group Company Limited (兗礦集團有限公司) in 2020 (for COVID-19 Prevention and Control) were successfully issued. The issuance size of bonds for COVID-19 prevention and control of Qilu Transportation was RMB1.0 billion, with a coupon rate of 3.44%, which was the lowest interest rate for renewable corporate bonds issued by local state-owned enterprises nationwide historically. The issuance size of bonds for COVID-19 prevention and control of Yankuang Group was RMB1.0 billion, which was the first batch of bonds for COVID-19 prevention and control bond in coal industry in the interbank bond market nationwide.

On February 24, 2020, BESTORE Co., Ltd. (良品鋪子股份有限公司) sponsored and underwritten by the Company, was officially listed on the main board of the SSE. The Company acted the sole sponsor and lead underwriter in this project. BESTORE is the first company in Hubei province which obtained approval and listed successfully during the outbreak of COVID-19 epidemic. In order to complete this issuance well, with the unified deployment of the CSRC and the guidance of the SSE, the Company overcame difficulties such as the inconvenience of delivery of issuance materials after the lockdown of Wuhan and the quarantine required for representatives of securities firms in other cities to enter Shanghai, and actively communicated with the SSE and discuss alternatives, which effectively guaranteed the smooth progress of the issuance plan.

## 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

In 2019, the Company officially moved into GF Securities Tower for office, which is the head office tower of the Company. In the operation of the tower, the Company has adopted a series of measures to develop a green office environment. Indoor air treatment is the focus of construction of the tower project, as such, the leaders of the Company repeatedly inspected the tower on site and made specific instructions for air treatment, which required to strictly implement the principle of “employees’ health and safety first” and create first-class working environment of high quality and health for employees. In February 2019, SGS (Société Générale de Surveillance, a global leader in inspection, verification, testing and certification services) issued the indoor air monitoring report of GF Securities Tower, which indicated that all 142 points sampled in GF Securities Tower have met the standards.

During the stage of indoor air treatment, the Company engaged the top domestic air treatment companies to effectively promote air treatment by chemical treatments such as irradiating ultraviolet rays to emit ozone and using deodorants, and actively integrated physical measures to improve the efficiency of air treatment by placing a large number of air purifiers, propeller fans, activated carbon bags, fans, green plants and other materials. In addition to meeting the GB50325-I-Class I (Household) and Class II (Office Building) of the Code for Indoor Environmental Pollution Control of Civil Building Engineering, and GB/T18883 and LEED IEQ3.2 of Indoor Air Quality Standards, the indoor air environment after treatment also achieved sterilization and anti-mold. In accordance with the Company’s higher requirements of “taking employees’ physical comfort as the standard”, the project construction and execution team continued to conduct thorough air treatment and ventilation and odor-free treatment on each floor of the tower.



Evening view of GF Securities Tower



# Energy Conservation and Emissions Cutting Efficiency

The Company actively takes measures to save electricity and water and reduce greenhouse gas emissions. In public areas, the Company rationally optimizes the power supply and distribution system to reduce consumption; optimizes lighting control in public areas such as parking lots, lobby, and floor circular passages, and provides appropriate lighting modes according to different time periods and areas to reduce electricity consumption; controls the temperature of air-conditioners at an appropriate level, monitors the operation of air-conditioning system, adjusts operating parameters in time to reduce energy consumption; shuts down certain equipment during the transition season; and has set up a rainwater recovery system which is currently in use in the GF Securities Tower to collect rainwater and use as sight used water after treatment.

## Key performance indicators on environment of the Group in 2019

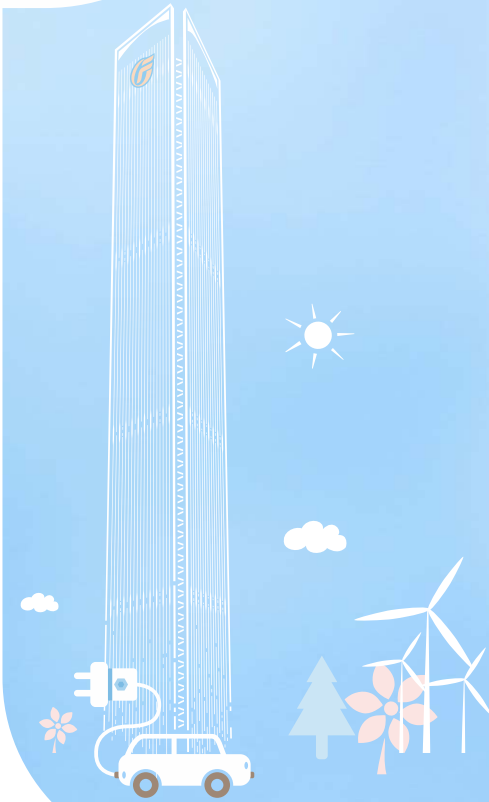
Compared with 2018, the Group made good progress in energy conservation and emissions cutting. Key performance indicators such as total water consumption, total greenhouse gas emissions, and total hazardous waste production were optimized, and the recycling rate of waste toner cartridges was increased.

During the Reporting Period, the headquarters office building was relocated to the GF Securities Tower. *Through adopting technologies and measures such as saving electricity and water, recycling rainwater, phasing out fluorescent tubes and recycling toner cartridges, the recycling volume of waste toner cartridges increased by 0.15 tonnes, the total water consumption decreased by 7.02%, the total greenhouse gas emissions decreased by 1.42%, and the total hazardous waste produced decreased by 1.38%.* However, the total energy consumption of the Group, energy consumption per employee, greenhouse gas emissions per employee, and per capita non-hazardous waste generation all increased slightly. There is still room for improvement in the management of key performance indicators on environment.






In the office area, the Company has also adopted a series of energy-saving measures: shuts down conference equipment in time through remote monitoring; defaults its printers output color as black and white and prints on both sides to reduce paper consumption; optimizes and upgrades the video conference system, paperless conference system, teleconference system, conference room reservation system, etc., and continue to outsource printing in order to save energy; and turns off the light in the office area when leaving to saving electricity.

In order to reduce the impact of greenhouse gas emissions, the Company has long encouraged the circulation of idle assets and equipment in its system. By providing incentives to the receiving departments, the Company promoted the reuse of old assets and equipment, reducing new purchases and saved resources. The Company 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.

The Company's headquarters has eliminated ink-jet printers. 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 950,000 pieces of A4 paper in 2019. The headquarters also adopted an electronic facsimile system, which received 7,455 faxes and 10,236 pages of fax in 2019, saving paper in an effectively manner.



Resource consumption and other key performance indicators of the Company in 2019<sup>(1)</sup>

RESOURCE CONSUMPTION		2019	2018
Energy consumption 	Total energy consumption <sup>(2)(3)</sup> (Mwh)	39,710.70	35,462.08
	Direct energy consumption (Mwh)	13,449.10	/
	Indirect energy consumption (Mwh)	26,261.60	/
	Total energy consumption per employee (MWh/employee)	3.38	2.91
Water consumption <sup>(4)</sup> 	Total water consumption (m <sup>3</sup> )	159,646.59	171,692.11
	Water consumption per employee (m <sup>3</sup> /employee)	13.60	14.10
EMISSIONS			
Greenhouse Gas (GHG) emissions 	Total GHG emissions <sup>(5)</sup> (scope 1 and 2) <sup>(6)</sup> (tonnes)	18,573.12	18,840.05
	Direct GHG emissions (scope 1) (tonnes)	3,291.51	/
	Indirect GHG emissions (scope 2) (tonnes)	15,281.61	/
	Total GHG emissions (scope 1 and 2) per employee (tonnes/employee)	1.58	1.55
Non-hazardous wastes <sup>(7)</sup> 	Total production of non-hazardous wastes (tonnes)	98.26	83.74
	Production of electronics wastes (tonnes)	50.45	50.05
	Production of paper wastes (tonnes)	47.81	33.69
	Paper wastes recycled (tonnes)	5.77	20.63
	Production of non-hazardous wastes per employee (KG/employee)	8.37	6.88
Hazardous wastess 	Total production of hazardous wastes (tonnes)	2.14	2.17
	Toner and ink cartridges wastes (tonnes)	1.58	1.39
	Fluorescent tube wastes (tonnes)	0.56	0.78
	Toner and ink cartridges wastes recycled (tonnes)	0.55	0.40
	Production of hazardous wastes per employee (KG/employee)	0.18	0.18

(1)The direct energy consumed by the Company mainly includes gasoline and diesel; indirect energy is mainly purchased electricity.

(2)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.

(3)Adjustment of statistical scope and caliber: the Company's headquarters office has officially moved into GF Securities Tower since March 2019. The statistical scope of this year's resource consumption and emissions data includes the headquarters, branch offices, sales offices and subsidiary office areas. The caliber of per capita energy density and per capita emission density is adjusted accordingly. The data for 2018 in this report was recalculated based on our adjusted caliber.

(4)Due to its business nature, water resources of GF Securities are all derived from municipal water supply, and the water consumption mainly represents the domestic water used by the staff of GF Securities during office hours.

(5)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. The GHG inventory includes carbon dioxide, methane and nitrous oxide, arising mainly from the use of electricity and fuels. GHG emissions data is presented as CO2 equivalent and calculated based on the "Emission Factors of China's Regional Power Grid Baseline of 2017 Reduction Project" (《2017年度減排項目中國區域電網基準線排放因子》) issued by the Ministry of Ecology and Environment of the People's Republic of China and the Revised 2006 IPCC Guidelines for National GHG Inventories in 2019 from the IPCC.

(6)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 consumed (purchased or acquired) internally by the Company;

(7)Non-hazardous waste and hazardous waste are both disposed of or recycled by a qualified third party or supplier;

(8)As the Company's recycling management of paper wastes was handed over to qualified third parties or suppliers for disposal or recycling in 2019, the data collection scope of the Group's paper wastes recycled is narrower than in 2018, resulting in a larger decline in this indicator this year .



# Improve the Company's Procurement Management to Enhance the Suppliers' Performance on Environmental and Social Responsibility

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.

## Establishment of the procurement system

In order to standardize the procurement activities, prevent the procurement risks, reasonably control costs and guarantee the procurement quality as well as to facilitate its procurements in a reasonable manner and meet the Company's operating management needs, the Company organized and accelerated the centralized procurement management, and developed a series of files for the year, including but not limited to GF Securities Procurement Management System, GF Securities Centralized Procurement Management Measures, Rules on Procedure of GF Securities Centralized Procurement Management Committee, Implementation Rules on GF Securities Centralized Procurement, Rules on GF Securities Centralized Procurement Suppliers Management, Rules on GF Securities Centralized Procurement Catalogue Management and Rules on GF Securities Centralized Procurement Assessment Management, to direct its procurement activities in accordance with relevant national laws and regulations and related management systems of the Company.



## Procurement management measures

As set out at the files such as Rules on GF Securities Centralized Procurement Suppliers Management, the Company has set up management measures in relation to suppliers' sourcing, record, examination and grading, which also clearly stipulated that products provided by suppliers shall meet the national security and environmental standards and suppliers have to operate in good faith and protect business secrets according to relevant laws. The Company will gradually carry out the investigation and evaluation activities for suppliers, so as to ensure that procurement activities can not only save the Company's costs but also promote the social cost reduction, efficient competitions and the industry development.

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. 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 has 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.

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.

## Contract fulfillment ratio of the procurement suppliers in 2019



Contract fulfillment ratio of the procurement suppliers  
**100%**

# Devoted to Charity Work and Giving Back to the Society

During the Reporting Period, the Group performed its social responsibility as an enterprise citizen through actively give back to the society and the public when seeking for economic benefits. The total charity expenditure of the Group amounted to RMB12.5064 million during the Reporting Period.

## Annual work result of GF Foundation

The GF Foundation of the Guangdong Province founded by the Group actively organized events to help the poor and support students and education. The charity expenditure for the whole year was RMB20.2377 million, which actively contributed to the sustainable development of society.

### Operation of the GF Foundation 2019

Total donations received during the year (RMB ten thousand)	1,378.51
Donations from individual employees (RMB ten thousand)	16.89
Total outgoing donations during the year (RMB ten thousand)	2,023.77

GF Foundation, as a privately raised charity foundation for public welfare founded by GF Securities, GF Fund, GF Futures and GF Xinde, has become the first foundation in China that was mainly sponsored by securities firm and obtained the highest Level 5A rating by social organizations. Focusing on helping the poor and supporting students and education, the GF Foundation organized a number of social welfare projects with strong impact, such as the "Small-scale start-up support for university students", the "Youth Support" -Impoverished Students Caring Program, the "GF Pearl Class" and the "GF Scholarship for Lingnan College of Sun Yat-sen University".

The Company actively integrates into the national poverty alleviation strategy. Under the leadership of Chairman Lin Zhihai of GF Foundation, the Company has assisted Longxi Village in Ruyuan County, Guangdong Province, Baijiadong Village and Tianjinggang Village in Lechang City, Guangdong Province, and three national-level poverty-stricken counties such as Wuzhishan City, Baisha Li Autonomous County and Lingao County in Hainan Province through the GF Foundation platform. Focusing on poverty alleviation through financial means, poverty alleviation through industrial development, poverty alleviation through education, poverty alleviation through Party building and poverty alleviation through charitable and social-welfare activities, the Company has effectively ensured the systematization and sustainability of poverty reduction.

The GF Foundation continues to adhere to the core values of GF Securities, leverages the professional advantages of the corporate financial group structure to further innovate the development model of public welfare undertakings, and is committed to creating a more transparent, efficient and sustainable charity platform in order to write glorious chapters and realize its ambition on the road to public welfare.

On March 29, 2019, the Fourth General Meeting of the Third Session of Federation of NCOs of Guangdong Province and the Conference of Selecting the Best (廣東省社會組織總會三屆四次會員大會暨評先選優大會) was held in Guangzhou. The GF Foundation was awarded the "2018 Outstanding Social Organization" and became one of the three foundations for this award; Lin Zhihai, Chairman of GF Foundation, was selected as the "Top Ten Social Organization Chairmen of 2018".



The GF Foundation awarded the title of "2018 Outstanding Social Organization" in 2019



## Small-scale start-up support for university students of GF Securities

At the beginning of 2015, Premier Li Keqiang proposed "Widespread Entrepreneurship and Innovation", and the word "Maker" was first written in the government work report. The State Council and the Communist Youth League Central Committee issued documents multiple times to support innovation and entrepreneurship, and the strengthening of innovation and entrepreneurship education reform. From 2015 to the end of 2019, the GF Foundation and the KAB (Know About Business) National Promotion Office held four sessions of "Small-scale Start-up Support for University Students", which collected 5,080 small-scale start-up projects and 4,100 of which passed the primary and entered the national competition, covering nearly 1,000 colleges and universities with more than 2 million people participated in the project display. Since the start of the project in 2015, the Company has invested RMB13.6 million and has provided more than RMB3.5 million of support funds to 200 youth teams of start-up.

This year, in order to better serve the rural revitalization strategy and encourage university students to start business in their hometowns, the "Small-scale Start-up Support for University Students" of GF Securities set up 10 rural revitalization innovation awards. At the same time, GF Qianhe and investor education base of GF Securities continued to work together and provide entrepreneurs with a platform for display and exchange. They continuously tracked and served entrepreneurial practices of college student entrepreneurs by matching investment and financing, increasing corporate combat capabilities, and helping entrepreneurs sort out and optimize projects.



2019 Small-scale Start-up Support for University Students of GF Securities results release conference held in Beijing

## Rural children's reading program of GF Securities · STARS

The GF Securities · STARS Library of Xiudian Town Primary School in Lianping County, Heyuan City was officially launched in June 2019. The launch event was jointly reported by nearly 10 core newspapers and television media such as Nanfang Daily, more than 20 online media and more than 40 partners. The cumulative exposure of the event exceeded 1 million times.

In 2018, GF Securities has donated a library in Yunan County, Yunfu City, Guangdong Province, and raised 14,095 high-quality second-hand children's books for rural primary schools in 29 underdeveloped regions across the country. In 2019, the Company's labour union continued to cooperate with the Stars Youth Development Center to carry out a public welfare activity under the theme of "Children's Book-sharing" to encourage employees to contribute to rural reading education. During the year, 27 branch labour unions actively mobilized employees, customers and family members to donate books, and more than 10,000 books were donated. These books have been sent to 27 rural schools selected by branch unions to support rural children in reading high-quality books. In the future, GF Securities will continue to think of the source when becoming rich and actively give back to the society by helping rural children alleviate the shortage of extracurricular reading books, and raising more outstanding children's books for rural children.



The second GF Securities·STARS Library opened in Lianping County, Heyuan City

## GF Fund "Hushan High School" education donation project

Hushan High School is a key high school in Dapu County, Meizhou City, a poverty-stricken area in Guangdong Province. The GF Foundation donated RMB420,000 to Hushan High School for the living and academic assistance of 45 poor but outstanding high school students, and launched the 2019 GF Fund "Gathering Wealth and Building Dreams (聚富筑梦)" Summer Camp Activity for poor students. This education aid project is not only GF Foundation's first charity project for education after its establishment, but also an ongoing project under the GF Fund's "Gathering Wealth and Building Dreams" educational charity program, which focuses on "helping the poor" and "supporting students and education", with a view to helping poor students in Hushan High School receive a better education, pursue a better life, and realize dreams of life.



GF Foundation donated RMB420,000 to Hushan High School

Poor students of Hushan High School participated in the 2019 GF Fund "Gathering Wealth and Building Dreams" Summer Camp

## GF Securities in action — rush to the aid of Hubei to fight against the epidemic

Since the outbreak of COVID-19 in early 2020, GF Securities has been concerning about the safety of the people and medical staff in Hubei Province. During the outbreak, the Company has been shouldering its social responsibility, with its parent company, subsidiaries and shareholding partners having donated more than RMB 26.8 million. Of the total donation, the Company donated RMB10 million to jointly set up the GF Securities fund for the prevention and treatment of COVID-19 with China Foundation for Poverty Alleviation. The fund was used to purchase hospital epidemic prevention equipment and other urgently needed materials under the guidance of the National Health Commission of the People's Republic of China in a bid to support the prevention and control of COVID-19. At present, funds, ambulances and other anti-epidemic materials that are donated by the Company, its subsidiaries and shareholding partners have arrived in the recipient institutions.



Items donated by GF Securities for Hubei to fight against the epidemic



Tianjinggang Village, which has been helped by the Company to get out of poverty, donated fresh vegetables to help Jingzhou, Hubei

**GF Asset Management also joins in the battle against COVID-19.** GF Asset Management has donated RMB1.5 million to Hubei Charity Federation through GF Foundation as well as RMB500,000 to the public welfare program of "the Fight Against COVID-19", for the purpose of purchasing epidemic prevention and medical supplies for the hospitals in the epidemic area.

**GF Futures works hard to fight the epidemic and overcome the difficulties to usher in the warm spring.** GF Futures donated RMB1 million to the hospitals in the epidemic area for the prevention and control of COVID-19, and RMB300,000 for medical research on fighting against COVID-19. In addition to providing strong support to the front line, GF Futures also donated 100 barrels of disinfectant fluid worth RMB11,330 to the targeted poverty alleviation areas for the prevention and control of the epidemic.



## Well-targeted Poverty Alleviation and Coupling Support and Help

During the Reporting Period, the Group earnestly implemented the deployment by the regulatory authorities and local governments, and actively promoted the implementation of targeted poverty alleviation, to contribute to ensuring that the fight against poverty succeed as scheduled. Focusing on poverty alleviation through Party building, financial means, industrial development, education, charitable and social-welfare activities, the Group has also helped Wuzhishan City, Baisha County and Lingao County in Hainan Province, as well as Tianjinggang Village in Lechang City, Guangdong Province. In addition, we have helped Laifeng County in Hubei Province, Longshan County in Hunan Province, Meigu County in Sichuan Province, and Baisha County in Hainan Province in establishing pilots of “UN Sustainable Development Goals Model Village”, which shows our fulfillment of social responsibility by creating a global poverty alleviation sample. The Company has been credited for undertaking these poverty alleviation activity and image of the Company has been improved. The Company has got a full mark in the Special Scheme on Evaluating the Fulfilment of Social Responsibilities Such as Poverty Alleviation by Securities Firms (證券公司脫貧攻堅等社會責任履行情況專項評價) by the regulatory authorities, and its designated assistance work for Tianjinggang Village was awarded the highest grade in the poverty alleviation assessment of Guangdong Province. The “UN Sustainable Development Goals Model Village” project was selected as the “Top 50 of Poverty Alleviation by Social Organizations” by the State Council Leading Group Office of Poverty Alleviation and Development in 2019.



Chairman Sun Shuming attended the capital market poverty alleviation forum (資本市場脫貧攻堅論壇) and delivered a speech



Chairman Sun Shuming and his delegation went to Lechang to investigate targeted poverty alleviation work



Ministry of Agriculture and Rural Affairs, Food and Agriculture Organization of the United Nations, and the Company jointly launched the “UN Sustainable Development Goals Model Village” public-welfare project



General Manager Lin Zhihai investigated and inspected poverty alleviation work in Tianjinggang Village

The experience activity of “Returning Back to the Beautiful Countryside (重回美麗鄉村)” by GF Securities

A temporary cadre dispatched by the Company, also the director of Hainan Poverty Alleviation Office, was appointed by the Wuzhishan municipal government as a “science and technology consultant”, to contribute to the local financial and industrial poverty alleviation. Poverty alleviation projects have been successively launched in Wuzhishan County, Baisha Li Autonomous County and Lingao County in Hainan Province. The 1,000 mu of standardized planting production base in Baisha Radix Fici Simplicissimae Planting Demonstration Park has completed the planting as planned and has entered the daily planting and management operation stage. The passion fruit planting project in Wuzhishan City and Lingao County has born fruits successfully, and the first “GF Motivation Class” of Hainan Health Management College has been officially started. The Company’s experience in poverty alleviation has been shared within the industry, and the industry-initiated financial leasing poverty alleviation model has contributed wisdom and innovative solutions to the poverty alleviation work.

In February 2020, Hainan Provincial People’s Government made a public announcement: Wuzhishan City, Lingao County, and Baisha Li Autonomous County conform to the condition for exit of poor counties after going through procedures such as self-check at the county level, verification at the provincial level, on-site evaluation by third party agencies, public announcement by media, and examination and approval by Hainan Poverty Alleviation and Development Leadership Team, thus agreeing their exit of the list of poor counties.



Poverty Alleviation Activities of the Subsidiaries

GF Fund

In 2019, GF Fund actively carried out public welfare activities, implemented public welfare undertakings through the GF Foundation, earnestly organized and implemented various donation activities, and gave support to education, poverty alleviation, disaster relief and medical assistance. A total of RMB2.92 million was donated in 2019, of which RMB1 million was donated to support Baisha Li Autonomous County in Hainan Province to develop the project of Radix Fici Simplicissimae Planting Demonstration Park, so as to realize the three-dimensional model of poverty alleviation — “industry + intelligence + public welfare + ecology”. It was the first time for GF Fund to participate in 2019 Guangzhou Great Walker Fund-raising Trekking Events sponsored by China Foundation for Poverty Alleviation and the People’s Government of Guangzhou Municipality. Volunteers and support groups composing of 35 employees of the Company participated raised a total of RMB104,111 through this event.

GF Futures

In 2019, GF Futures supported the real economy through “insurance plus futures” and other poverty alleviation projects: investing RMB1.8 million of insurance premiums to help rubber-planting farmers in Jiangcheng, Yunnan Province; investing RMB639,000 of insurance premiums to protect the price of 22,728 mu of corn in Xiangfu District, Kaifeng City, Henan Province; investing RMB552,000 of insurance premiums to protect the price of about 12,400 mu of corn in Yongshou County, Xianyang City, Shaanxi Province; and investing RMB100,000 of insurance premiums to buy apple price index insurance for 150 farmer households in Qin'an County, Tianshui City, Gansu Province, involving 300 mu of apples.

GFFL

In 2019, following GF Securities’ idea of “Five Persistences” in poverty alleviation, GFFL provided an innovative financial service of “leasing-assets plus financing” for poor areas by giving play to the advantages of industry-based and market-oriented poverty alleviation in the financial poverty alleviation sector. In 2019, GFFL actively participated in the Group’s public-welfare poverty alleviation projects by investing RMB600,000 in two local vine tea production enterprises in Laifeng County, Hubei Province. Meanwhile, GFFL has developed strategic cooperative partnership with domestic agricultural machinery leasing enterprises to explore the realization of the triple security of local government, equipment dealers, and agricultural machinery equipment, so as to ease the risk from insufficient repayment ability of farmers in poor areas.

GFHK

In 2019, GF Securities (Hong Kong) Brokerage Limited organized 50 employees to carry out Party-building poverty alleviation activities in Tianjinggang Village, Lechang County, Shaoguan City, for which the Company provided couplet assistance. In order to support the industrial development of Tianjinggang Village, the Company placed orders to purchase featured agricultural products such as snow-fur chickens on the site, supporting China to win the battle against poverty with practical action.



GFHK carried out party-building poverty alleviation activities



GF Fund participated in the activity of “Guangdong Poverty Alleviation Day”

Effects of targeted poverty alleviation

Indicators	Unit	Quantity/Work Description
I. Overall conditions	—	
Including: 1. Capital	RMB ten thousand	329.2
II. Itemized investment	—	
1. Industry development poverty alleviation	—	
Including: 1.1 Types of industry development poverty alleviation	—	Agriculture and forestry development poverty alleviation
1.2 Number of industry development poverty alleviation projects	Unit	2
1.3 Invested amount in industry development poverty alleviation projects	RMB ten thousand	300
2. Education poverty alleviation	—	
Including: 2.1 Investment in supporting poor students	RMB ten thousand	29.2
2.2 Number of poor students	—	40
3. Social poverty alleviation	—	
3.1 Contributions to designated poverty alleviation work	RMB ten thousand	329.2

Note: in 2019, the Company invested a total of RMB3.292 million for well-targeted support for the poor, all of which was used for the targeted poverty alleviation work under Item 3.1.



Carry out the “UN Sustainable Development Goals Model Village” project.

In July 2019, the “UN Sustainable Development Goals Model Village” project was launched in Beijing, which is the first project fully funded by the private sector launched by the Food and Agriculture Organization of the United Nations (FAO) in China. FAO has made strategic cooperation with GF Securities and CASTEF to select four poor villages each from Laifeng County of Hubei Province, Longshan County of Hunan Province, Baisha County of Hainan Province, and Meigu County of Sichuan Province from 2019 to 2021, and to provide all-round assistance to these 16 pilot villages through the model of “Internet plus agriculture and finance”. In addition, the E-commerce Department of GF Securities, GFFL and GF Futures are actively involved in the implementation of the project.

In November 2019, the “UN Sustainable Development Goals Model Village” project, which was jointly launched by FAO, GF Securities and CASTEF, carried out the first training activity for counselors of Farmer Field School in Enshi Prefecture, Hubei Province with more than 70 counselors of Farmer Field School and over 400 farmers of the village were trained in the activity. During the training period, the Company actively sought for agricultural products with local characteristics for online sales, and made a plan to set up a special zone for public welfare points in the APP platforms such as “Yitaojin”. By taking advantage of the GF Securities platform with tens of millions of users, the Company also posted preferential information about local distinctive agricultural products, in an effort to expand the marketing channel and increase exposure rate of local produce.



The first training session of the “UN Sustainable Development Goals Model Village” project of GF Securities was officially launched



Ministry of Agriculture and Rural Affairs, Food and Agriculture Organization of the United Nations, and the Company jointly launched the “UN Sustainable Development Goals Model Village” public-welfare project

The Company has participated in the event of Guangdong Poverty Alleviation Day for ten consecutive years

On June 30, 2019, the 2019 Guangdong Poverty Alleviation Day was held in Guangzhou, bringing together social forces to fight against poverty and boost rural revitalization. The Company has won the 2018 Guangdong Hongmian Cup for Poverty Alleviation. Over the past ten years, the Company has donated more than RMB20 million to the Guangdong Poverty Alleviation Day, making important contributions to the poverty alleviation in Guangdong Province. Moreover, we have successfully helped three impoverished villages to lift themselves out of poverty, with all poor households lifted out of poverty. In the performance assessment of poverty alleviation and development in Guangdong Province in 2018, the Company was rated as the best grade “Good” in the comprehensive evaluation. In the display of agricultural products for poverty alleviation at Guangzhou Finance Expo and the Company’s headquarters, the products such as Hainan golden passion fruit, whose cultivation was helped by the Company, received widely praise and warmly welcome.



Guangdong Hongmian Cup for Poverty Alleviation — Gold Cup



Poverty-alleviation agricultural products displayed at Finance Expo

The Company actively participates in the epidemic prevention and control work in the poverty-alleviation village

In accordance with the deployment of the CPC central committee, the state council and Guangdong Province in the prevention and control of the COVID-19, the poverty relief office of the Company promptly responded and sent a team to participate in the epidemic prevention and control in Tianjinggang Village of Shaoguan City. Facing the shortage of supplies for prevention and control of the COVID-19, the Company has earnestly implemented its corporate social responsibility by actively integrating resources and scientifically deploying epidemic prevention and control supplies and donated a batch of medical supplies such as masks to the Tianjinggang Village. Meanwhile, the poverty alleviation team and party members are diligent and responsible for the overall investigation and implementation of the epidemic prevention and control.



The Company actively participates in the epidemic prevention and control work in the poverty-alleviation village

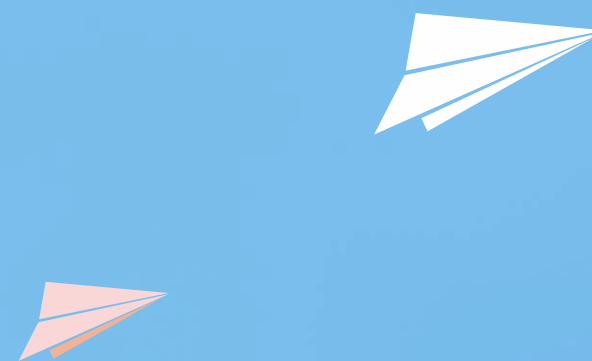
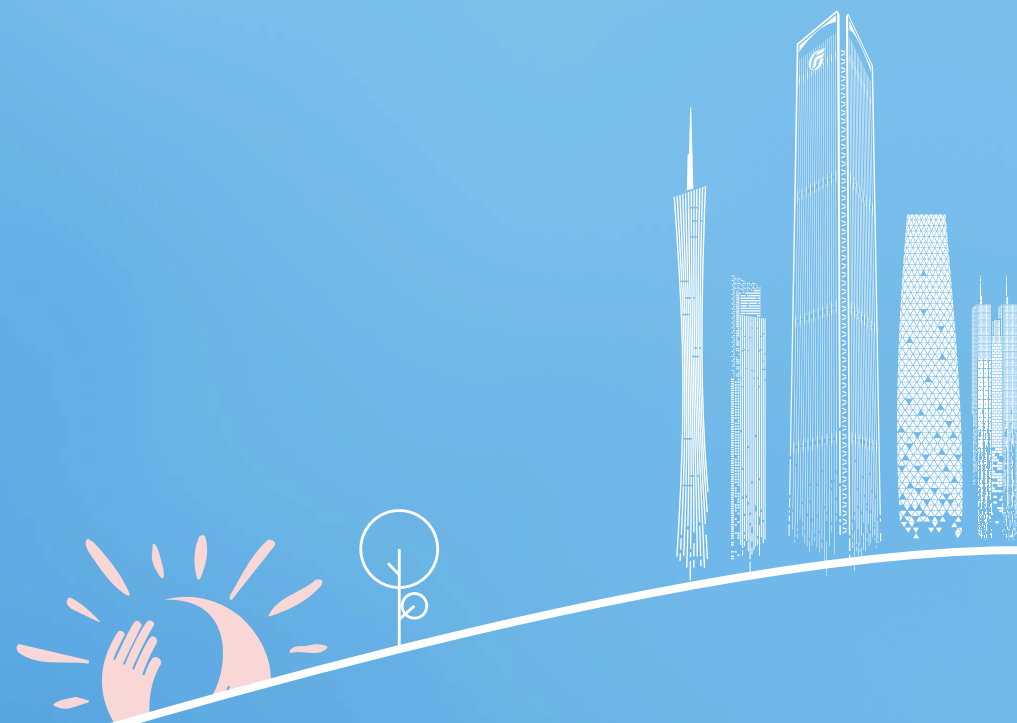
Awards and Recognitions for the Charity Work of the Company in 2019

Awards (Title and Level)	Granted by
2019 Top 50 Cases of Poverty Alleviation by NGOs (UN Sustainable Development Goals Model Village project)	Poverty Alleviation Office of the State Council
Guangdong Hongmian Cup for Poverty Alleviation - Gold Cup	Guangdong Poverty Alleviation and Development Leadership Team
Excellent NGO (GF Foundation) Top 10 NGO Chairman (General Manager Lin Zhihai)	Federation of NGOs of Guangdong Province
Five-Star Charity Company in Guangzhou Charity List 2019 Most Influential Charity Figure in Guangzhou Charity List (General Manager Lin Zhihai)	Civil Affairs Bureau of Guangzhou Municipality; Guangzhou Charity Association
2019 Annual Public Welfare Innovation Award 2019 Annual Public Welfare Project Award (UN Sustainable Development Goals Model Village project) 2019 Annual Public Welfare Figure Award (Chairman Sun Shuming)	Organizing Committee of the 9th China Charity Festival 2019
First Place Among 2019 Most Socially Responsible Securities Firms	Shanghai Securities News
2019 ESG “Gold Responsibility Award” for Chinese Enterprises— Best Securities Firm Award in Socially Responsible Investment	finance.sina.com.cn
China Finance Summit 2019 Gold Syobserve Award— Most Influential Securities Firm Brand	China Finance Summit Winter Forum
Pioneer Figure for Poverty Alleviation (Wang Yuehong)	International Finance News
2019 Best Socially Responsible Enterprises	China Investment Network
2019 Annual Best Innovation Award for Poverty Alleviation	epaper.xkb.com.cn
2019 Annual Award for Best Social Responsibility Practice	southcn.com
2019 China Golden Tripod Awards — Best Social Contribution Award	National Business Daily

## Section

### Prospects Reviewing 2019 and Looking into 2020

- Summary and Improvement of Fulfilling Social Responsibilities in 2019
- Social Responsibility Goals for 2020



*Gathering the Love  
From the Bottom of Heart*





# Summary and Improvement of Fulfilling Social Responsibilities in 2019

The Company reviews and summarizes social responsibility every year, identifies and finds key areas to be further improved, adopts improvement measures aimed at it and practiced enterprises' social responsibilities.

Summary I:	The Company has always adhered to and actively practiced a "Customer-Orientation" service philosophy, committed to provide high-quality service for customers. Meanwhile, we have realized that, as compared with those leading companies, there is still much potential for improvement in respect of providing financial technology innovation service for customers and the Company's systematic ability.
Improvement measures and effects in 2019:	In 2019, the Company adhered to the strategic thinking of enabling business with financial technology innovation to vigorously promote data middle-ground and intelligent middle-ground, to improve big data and artificial intelligent open ability platform and develop intelligent early-warning, intelligent recommendation, intelligent outbound and knowledge graph and other technology applications. The Company launched the industry's first dual-mode of mobile phone securities, namely providing "financial version" and "trading version" at the same time to realize accurate service of different customer groups; meanwhile, ABS cloud trust system based on block chain technology independently researched and developed was continuously improved for monitoring operation of basic assets in CMBS special commercial and property plans, which eliminated dead zones for assets monitoring of managers.
Summary II:	In terms of employee growth and cultivation, the Company always takes the human resources as the core resources of the Company, pays high attention to talent cultivation and employee growth. Under the increasingly fierce competition environment of securities, we find that there is still potential for improvement of our salary welfare guarantee system construction.
Improvement measures and effects in 2019:	GF Securities adheres to the people-oriented principle, optimizes manpower allocation structure, strengthens talent team construction and forges GF talent team full of fighting capacity. In 2019, the Company revised management method for management-level employees and officially issued appointment management methods for professional duties and management duties to support the introduction and retention of key core talents. In terms of update of other internal rules and policies, in accordance with external related laws and regulations and policies, and combined with the Company's actual and internal related rules and regulations, policies and specifications etc., the Company revised and issued Methods for Management of GF Securities' Employee Salary in December 2019, which sets out basic principles for management of the Company, including performance guidance, cooperation and win-win, external competitiveness, risk matching and multiple incentives, established effective salary incentive and constraint mechanism, and fully mobilized initiative and creativity of all staff.
Summary III:	In terms of participating in public welfare and implementing targeted poverty alleviation, we have obtained phased achievements. While continuously improving effect of poverty alleviation, we realized that we can further implement industry advantages we possessed into the poverty alleviation and simultaneously strengthen the cooperation with external organizations.
Improvement measures and effects in 2019:	In 2019, the Company continuously promoted the "UN Sustainable Development Goals Model Village project" which was launched in Beijing, became the first project fully funded by the private sector launched by the FAO in China. FAO has made strategic cooperation with GF Securities and CASTEF to select four poor villages each from Laifeng County of Hubei Province, Longshan County of Hunan Province, Baisha County of Hainan Province, and Meigu County of Sichuan Province from 2019 to 2021, and to provide all-round assistance to these 16 pilot villages through the model of "Internet plus agriculture and finance". In addition, GF Securities and its subsidiaries GFFL and GF Futures are actively involved in the implementation of the project. The Company would exert professional advantages of financial poverty alleviation and promote the effective docking between enterprises and capital markets in poor areas in accordance with differentiated financial needs in different industries and enterprises in poor areas. The project was predicted to benefit more than a thousand of farmers directly.
Summary IV:	Restricted by some management procedures and limited by statistical means, there is still potential for further improvement for extraction, summary and disclosure of some environmental protection and energy consumption data compared with international advanced peers.
Improvement measures and effects in 2019:	Through survey on stakeholders, the Company can better guide the focus of social responsibilities of companies and enterprises. 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 Group-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 2019 CSR Report was prepared and disclosed in strict compliance with applicable requirements such as the Environmental, Social and Governance (ESG) Reporting Guide of the Hong Kong Stock Exchange. Subsequently, the Company will enhance the training; extend the frequency and scope of statistics; improve the verifiability of the data; and employ third party to audit the report in due time so as to increase the fairness of the reported data.

# Social Responsibility Goals for 2020

## Goal 1 To enhance the shouldering of missions, responsibilities and national strategies, strive to be the industry pacesetter and successfully complete all major historical tasks and realize the dream of financial sector serving the country.

2020 marks the end of China's efforts to build a moderately prosperous society and "the 13th Five-Year Plan" comprehensively. Basic trend of seeking progress while maintaining stability and long-term progress of economy in China does not change. With obvious advantages in system of socialism with Chinese characteristics, accumulated solid material and technical foundation since reform and opening-up, super-large market advantage and domestic demand potential, huge human capital and human resources, we firmly believe that under the strong leadership of the Party, we will be able to overcome all kinds of risks and challenges and successfully accomplish all major historical tasks.

Formidable challenges shall be faced and historical opportunities shall not be missed. We should deeply understand General Secretary Xi Jinping's important remarks on the capital market, carefully implement work arrangement of the Party Central Committee and the State Council on reform and opening-up of capital market, comprehensively grasp good opportunities of capital market development in new era, be a leader and bellwether. GF Securities will 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 legitimate interests of investors; and contribute our own strengths to maintain financial stability and national financial security.

## Goal 2 To adhere to customer-centric, serve the real economy, resolutely transform, seize the opportunity of deepening reform of the capital market, and speed up the cultivation of new competitive advantages.

2020 marks "the first year" of the implementation of the new securities law and the 30th anniversary for the founding of China's capital market and the new era of capital market into further reform and opening-up. The Central Economic Working Conference clearly pointed out that "we should quicken financial system reform, improve basic capital market system, improve quality of listing companies, improve exit mechanism and steadily promote reform in the GEM and NEEQ". The official implementation of new Securities Laws will promote further improvement for basis system construction of capital market and its supporting supervision measures; practice of more opening-up measures will inject new vigor and create new opportunities for the development of China's capital market and as well bring new challenges. GF Securities will continue to deeply promote transformation of investment banks, finance management, trading and organizations, investment management business, establish brands, pursue professional success and create core competitive advantages in new era.

## Goal 3 To insist on prudent operation, strictly keep the lifeline for risk management and the bottom line for compliance, and give back to the shareholders with good performance

In 2020, GF Securities will continuously intensify the overall risk management, strictly hold the lifeline for risk management and the bottom line for compliance, push forward steady operation of all businesses. We will further improve compliance risk control system and firm faith in normative development to lay a solid foundation for the Company's long-term sustainable, steady and health development. We will promote the transforming and upgrading of business mode relied on the stabilization of conventional business to maintain the position within the industry and 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.

## Goal 4 To ensure comprehensive winning in the fight against poverty alleviation as scheduled by fully leveraging on functions of the capital market

2020 is the decisive year of fighting against poverty alleviation. GF Securities will continue to exert professional advantages and seize the implementation of various poverty alleviation projects, always maintain the crucial situation, increase assistance to the remaining poor and continuously consolidate the achievements of development and poverty alleviation to effectively prevent returning to poverty through capital market serving national poverty alleviation strategy, on the basis of success poverty-alleviation of three national-level poor counties in Hainan Province and Tianjinggang Village. GF Securities will strengthen the refinement, sharing and publicizing of its poverty-alleviation experience mode, promote the Company's brand building, establish social image, and contribute to ensure that we can win the all-out war against poverty on schedule and build a well-off society in an all-round way.

## Goal 5 Actively leveraged on the organization function of the labour union to effectively protect the legitimate rights and interests of employees and promote the mutual development of employees and the Company

In 2020, the Company's labour union will continue to deeply develop caring and supporting, pay close attention to employees' ideological trend, understand the working and living conditions of employees, and help employees solve practical difficulties.. It will carry out daily condolences such as birthdays, weddings, births, and hospitalizations, and care for employees in everywhere. It will carefully develop holiday sympathy, insist in taking the festival activities as the cutting point and elaborately organize and develop holiday celebration and sympathy activities. It will make efforts to provide good-service to employees, positively respond employees' demands in health, dining, renting, love and marriage, cultural recreation and business development etc., organize related activities and practically share employees' concerns.

## Goal 6 To earnestly perform social responsibility, give back to the society, participate in public welfare undertakings and facilitate the ecological civilization construction

The Company always attaches great importance to the performance of social responsibility as a corporate citizen. It will continue to rely on the platform of GF 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 entrepreneurship, and carry out charity projects such as the "Small-scale Start-up Support for University Students" and the "UN Sustainable Development Goals Model Village Project". In face of the sudden outbreak of COVID-19, the Company responded in the first time, participating in the epidemic prevention and control in all aspects to provide epidemic prevention materials, scientific research and financial service etc., and actively fulfilling its social responsibility as a corporate citizen.

The Company will actively organize public welfare volunteer activities to meet the needs of employees, customers and the public and allow more kind-hearted people to participate in the charity undertakings, thereby increasing charity influence and transmitting positive energy to the society. 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.

The Company will continue to focus on environmental protection and ecological development based on the reality, implement the concept of green operation, promote the development and innovation of green financial products, actively support the development of environmental protection industry and green transformation of traditional industries, 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.

Identification Form of the Company Stakeholders Relationship

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



Content Index to the “Environmental, Social and Governance Reporting Guide”

Content	Relevant Section/Paragraph
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 and Environmental Protection - Green Office, Energy Conservation and Emissions Cutting Efficiency P56 / P57 / P58
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.	Key performance indicators on environment of the Group in 2019; Green Operation and Environmental Protection - Green Office, Energy Conservation and Emissions Cutting Efficiency P56 / P57 / P58
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.	Green Operation and Environmental Protection - Energy Conservation and Emissions Cutting Efficiency P56 / P57 / P58
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.	Key performance indicators on environment of the Group in 2019 Green Operation and Environmental Protection - Green Office, Energy Conservation and Emissions Cutting Efficiency P56 / P57 / P58
A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to the business nature of the Company, the main products refer to commercial services. Accordingly, it did not involve the production of physical finished products and the use of packaging materials, thus this provision is not applicable.
A3 Environment and Natural Resources	
General Disclosure: Policies on minimizing the issuer's significant impact on the environment and natural resources.	Due to the business nature of the Company, its main operations refer to office-related activities. Accordingly, the impact onto environment and natural resources mainly relates to the emissions produced during the operation and the usage of resources. There was no significant impact onto the environment and the natural resources. Environmental protection measures adopted by the Company in its business operation refer to: Green Operation and Environmental Protection; P56 / P57 / P58
A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Giving Back to the Community - Actively Rewarding the Community and Fulfilling its Duty as a Corporate Citizen: Significant Social and Economic Contributions. P49 / P50 / P51 / P52 / P53 / P54 / P55

Content	Relevant Section/Paragraph
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 and Good Labor Relationship, High-quality Team of Professionals, Sound Assurance of Employees' Rights and Interests. P29 / P30
B1.1 Total workforce by gender, employment type, age group and geographical region.	High-quality Team of Professionals - Number of employees, professional composition and education level. P31 / P32
B1.2 Employee turnover rate by gender, age group and geographical region.	Sound Assurance of Employees' Rights and Interests - Turnover of Employees. P30
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 Working Environment and Staff Protection. There was no occurrence of such kind of incidents, thus this provision is not applicable. P35
B2.1 Number and rate of work-related fatalities.	There was no occurrence of such kind of incidents, thus this provision is not applicable.
B2.2 Lost days due to work injury.	Not disclosed
B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Safe Working Environment and Staff Protection. P35
B3 Development and Training	
General Disclosure: Policies of knowledge and skills about enhancement on employees' fulfillment of job responsibility. Description on trainings. Note: Training refers to occupation training, including internal and external courses paid by employers.	Multi-level Training System. P33 / P34
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 and Good Employment Relationship, Sound Assurance of Employees' Rights and Interests. P29 / P30
B4.1 Description of measures to review employment practices to avoid child and forced labour.	Harmonious and Good Employment Relationship. P29 / P30
B4.2 Description of steps taken to eliminate such practices when discovered.	There was no such situation, thus this provision is not applicable.

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

Content	Relevant Section/Paragraph
B5 Supply Chain Management	
General Disclosure: Policies on managing environmental and social risks of the supply chain.	Improve the Company's Procurement Management to Enhance the Suppliers' Performance on Environment and Social Responsibility. P59
B5.1 Number of suppliers by geographical region.	Not disclosed
B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Improve the Company's Procurement Management to Enhance the Suppliers' Performance on Environment and Social Responsibility. P59
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, labeling and privacy matters relating to products and services provided and methods of redress.	Customer Services - Earnestly Serve Every Customer and Shoulder Responsibility towards Investors, Compliance Operation and Integrity Management. P15 / P16 / P17 / P47 / P48
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the business nature of the Company, its products mainly refer to the commercial services. Accordingly, 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.	Professional Solutions to Customer Needs P17 / P18
B6.3 Description of practices relating to observing and protecting intellectual property rights.	Compliance operation and Integrity Management - Company Trademark and Intellectual Property Protection. P22 / P47 / P48
B6.4 Description of quality assurance process and recall procedures	Your Attentive, Professional and Dedicated Business Partner; Compliance Operation and Integrity Management. P19 / P20 / P21 / P22 / P47 / P48
B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Your Attentive, Professional and Dedicated Business Partner - Protection of Customer Information P21
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.	Compliance Operation and Integrity Management. P47 / P48
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 was 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.	Compliance Operation and Integrity Management. P47 / P48
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, Well-Targeted Poverty Alleviation and Coupling Support and Help. P60 / P61 / P62 / P63 / P64 / P65 / P66 / P67 / P68
B8.1 Concentration on contribution scope, such as education, environmental issues, labor demands, health, culture and sports.	Devoted to Charity Work and Giving Back to the Society, Well-Targeted Poverty Alleviation and Coupling Support and Help. P60 / P61 / P62 / P63 / P64 / P65 / P66 / P67 / P68
B8.2 Resources used within the scope of focus (e.g. money, time, etc.)	Devoted to Charity Work and Giving Back to the Society, Well-Targeted Poverty Alleviation and Coupling Support and Help. P60 / P61 / P62 / P63 / P64 / P65 / P66 / P67 / P68

Content	Relevant Section/Paragraph
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 fulfillment 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.	Corporate Social Responsibility Culture: Corporate Culture Outline of GF Securities, Our Distinctive Cultural Construction; Corporate Social Responsibility Mechanism; Corporate Social Responsibility Management System, Stakeholder Communication and Participation, and Assessment of Significant Topics; GF Foundation; Giving Back to the Community - Actively Rewarding the Community and Fulfilling its Duty as a Corporate Citizen P11 / P12 / P13 / P14 / P49 / P50
2. Fulfillment of social responsibilities	
According to the specific provisions on social responsibility of the Guidelines on Standardized Operation of Listed Companies on the Main Board of 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. P41 / P42
( 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 towards Investors. P19 / P20 / P23 / P24 / P25 / P26
( 4 ) Environmental protection and sustainable development.	Green Operation and Environmental Protection P52 / P53 / P54 / P55 / P56 / P57 / P58
( 5 ) Public relation and social charity work.	Devoted to Charity Work and Giving Back to the Society P60 / P61 / P62
( 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 fulfillment of the plan, etc.	Well-targeted Poverty Alleviation and Coupling Support and Help. P63 / P64 / P65 / P66 / P67 / P68
3. Problems of the Company in fulfilling social responsibilities and the rectification plan	
( 1 ) To disclose the developments of addressing the problems with reference to the abovementioned problems such as failure to meet the requirements and standards stipulated by national laws and regulations, occurrence of material environmental and safety accidents, being included in the list of seriously polluting enterprises by environmental protection authorities and the punishment made by environmental protection or labor authorities, etc.	N/A
( 2 ) Other major problems in fulfilling social responsibilities and their impact on the operation and sustainable development of the Company, and detailed improvement plan and measures.	Prospects -Reviewing 2019 and Looking into 2020; Summary and Improvement of Fulfilling Social Responsibilities in 2019; Social Responsibility Goals for 2020 P71 / P72
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	