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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in **Haitong Securities Co., Ltd.**, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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**海通证券股份有限公司**  
**HAITONG SECURITIES CO., LTD.\***

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6837)**

**2023 REPORT OF THE BOARD**  
**2023 REPORT OF THE SUPERVISORY COMMITTEE**  
**2023 DUTY PERFORMANCE REPORT OF**  
**INDEPENDENT NON-EXECUTIVE DIRECTORS**  
**2023 ANNUAL REPORT**  
**2023 FINAL ACCOUNTS REPORT**  
**2023 PROFIT DISTRIBUTION PROPOSAL**  
**AUTHORIZATION TO THE BOARD TO DETERMINE THE**  
**COMPANY'S 2024 INTERIM PROFIT DISTRIBUTION**  
**RENEWAL OF ENGAGEMENT OF AUDITING FIRMS FOR THE**  
**YEAR 2024**  
**ESTIMATED INVESTMENT AMOUNT FOR THE PROPRIETARY**  
**BUSINESS OF THE COMPANY FOR THE YEAR 2024**  
**PROJECTED EXTERNAL GUARANTEES OF THE COMPANY IN 2024**  
**PROJECTED ROUTINE RELATED PARTY/CONNECTED**  
**TRANSACTIONS OF THE COMPANY IN 2024**  
**PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR**  
**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the 2023 Annual General Meeting of the Company to be held at Conference Room 616, Block C, Haitong Bund Finance Plaza, No. 888 South Zhongshan Road, Shanghai, the People's Republic of China on Wednesday, 12 June 2024 at 1:30 p.m. is set out on pages 16 to 18 of this circular.

The form of proxy for use at the AGM by the holders of H Shares has been published on 22 May 2024. Such form of proxy has also been published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.htsec.com](http://www.htsec.com)). Whether or not you are able to attend the AGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event no later than 24 hours before the time appointed for the holding of the AGM or no later than 24 hours before the time appointed for voting by poll, and deposit it together with the notarized power of attorney or other document of authorization with Computershare Hong Kong Investor Services Limited. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM in person should you so desire.

\* *For identification purpose only*

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“A Share(s)”	domestic share(s) of the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid up in Renminbi and listed for trading on the SSE
“AGM” or “Annual General Meeting”	the annual general meeting for the year 2023 of the Company to be held at Conference Room 616, Block C, Haitong Bund Finance Plaza, No. 888 South Zhongshan Road, Shanghai, the People’s Republic of China on Wednesday, 12 June 2024 at 1:30 p.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“Business Day(s)”	a day (other than Saturday or Sunday) on which the Hong Kong Stock Exchange is open for the business of dealing in securities
“Company” or “Haitong Securities”	Haitong Securities Co., Ltd., a joint stock company established in the People’s Republic of China with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange under the stock code of 6837 and the A Shares of which are listed on the Shanghai Stock Exchange under the stock code of 600837
“Company Law”	the Company Law of the People’s Republic of China
“Compliance and Risk Management Committee”	the compliance and risk management committee of the Company
“CSRC”	the China Securities Regulatory Commission
“Development Strategy and ESG Management Committee”	the development strategy and ESG management committee of the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars

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## DEFINITIONS

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“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Director(s)” or “Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Latest Practicable Date”	17 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Nomination, Remuneration and Assessment Committee”	the nomination, remuneration and assessment committee of the Company
“PBOC”	the central bank of the People’s Republic of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the People’s Republic of China
“Securities Law”	the Securities Law of the People’s Republic of China
“Shanghai Guosheng Group”	Shanghai Guosheng (Group) Co., Ltd., an existing Shareholder of the Company, holding approximately 10.38% equity interest in the Company as of 31 March 2024
“SSE”	the Shanghai Stock Exchange
“Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including A Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Company, including holder(s) of H Shares and holder(s) of A Shares
“subsidiary(ies)”	subsidiary(ies) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

*Unless otherwise indicated, all the financial data in this circular are presented in Renminbi.*

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## LETTER FROM THE BOARD

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海通证券股份有限公司  
HAITONG SECURITIES CO., LTD.\*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 6837)

*Executive Directors:*

Mr. Zhou Jie (Chairman)  
Mr. Li Jun (General Manager)

*Non-executive Directors:*

Mr. Tu Xuanxuan  
Mr. Shi Lei  
Ms. Xiao Hehua  
Mr. Xu Jianguo

*Independent Non-executive Directors:*

Mr. Zhou Yu  
Mr. Fan Ren Da Anthony  
Mr. Mao Fugen  
Mr. Mao Huigang

*Registered office:*

Haitong Securities Building  
No. 689 Guangdong Road  
Shanghai  
People's Republic of China

*Principal place of business  
in Hong Kong:*

15/F, One Island South  
2 Heung Yip Road  
Wong Chuk Hang  
Hong Kong

22 May 2024

*To the Shareholders*

Dear Sir or Madam,

### INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM (set out on pages 16 to 18 of this circular) and provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions proposed at the AGM.

For reference purpose only, holders of A Shares may refer to the Notice of 2023 AGM of Haitong Securities Co., Ltd. dated 22 May 2024, which is published on the website of the SSE ([www.sse.com.cn](http://www.sse.com.cn)).

At the AGM, ordinary resolutions will be presented to approve (i) the report of the Board of Directors for the year 2023 (the “**2023 Report of the Board**”); (ii) the report of the Supervisory Committee of the Company for the year 2023 (the “**2023 Report of the Supervisory Committee**”); (iii) the 2023 duty performance report of Independent Non-executive Directors of the Company (the “**2023 Duty Performance Report of Independent**

\* For identification purpose only

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## LETTER FROM THE BOARD

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**Non-executive Directors**”); (iv) the annual report of the Company for the year 2023 (the “**2023 Annual Report**”); (v) the final accounts report of the Company for the year 2023 (the “**2023 Final Accounts Report**”); (vi) the profit distribution proposal of the Company for the year 2023 (the “**2023 Profit Distribution Proposal**”); (vii) the proposal regarding authorizing the Board to determine the Company’s 2024 interim profit distribution at the general meeting; (viii) the proposal on renewal of engagement of auditing firms of the Company for the year 2024; (ix) the proposal regarding the estimated investment amount for the proprietary business of the Company for the year 2024; (x) the proposal regarding the projected external guarantees of the Company in 2024; (xi) the proposal regarding the projected routine related party/connected transactions of the Company in 2024; and (xii) the proposal regarding the proposed appointment of Mr. Han Jianxin as an executive director of the Company.

At the AGM, a special resolution will be presented to approve the proposal regarding the proposed amendments to the Articles of Association.

### **ORDINARY RESOLUTIONS:**

#### **1. 2023 Report of the Board**

An ordinary resolution will be proposed at the AGM to approve the 2023 Report of the Board. Details of the aforesaid report of the Board are set out in Annex A to this circular.

The 2023 Report of the Board was considered and approved by the Board on 28 March 2024 and is hereby proposed at the AGM for consideration and approval.

#### **2. 2023 Report of the Supervisory Committee**

An ordinary resolution will be proposed at the AGM to approve the 2023 Report of the Supervisory Committee. Details of the aforesaid report of the Supervisory Committee are set out in Annex B to this circular.

The 2023 Report of the Supervisory Committee was considered and approved by the Supervisory Committee on 28 March 2024 and is hereby proposed at the AGM for consideration and approval.

#### **3. 2023 Duty Performance Report of Independent Non-executive Directors**

An ordinary resolution will be proposed at the AGM to approve the 2023 Duty Performance Report of Independent Non-executive Directors. Details of the aforesaid duty performance report of Independent Non-executive Directors are set out in Annex C to this circular.

The 2023 Duty Performance Report of Independent Non-executive Directors was considered and approved by the Board on 28 March 2024 and is hereby proposed at the AGM for consideration and approval.

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## LETTER FROM THE BOARD

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### **4. 2023 Annual Report**

An ordinary resolution will be proposed at the AGM to approve the 2023 Annual Report. The 2023 Annual Report has been published on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) on 19 April 2024.

The 2023 Annual Report was considered and approved by the Board on 28 March 2024 and is hereby proposed at the AGM for consideration and approval.

### **5. 2023 Final Accounts Report**

An ordinary resolution will be proposed at the AGM to approve the 2023 Final Accounts Report. Details of the aforesaid final accounts report are set out in Annex D to this circular.

The 2023 Final Accounts Report was considered and approved by the Board on 28 March 2024 and is hereby proposed at the AGM for consideration and approval.

### **6. 2023 Profit Distribution Proposal**

An ordinary resolution will be proposed at the AGM to approve the 2023 Profit Distribution Proposal.

As audited, the net profit attributable to owners of the parent company for 2023 in the consolidated financial statements was RMB1,008,406,316.27 and the net profit of the parent company for 2023 was RMB7,321,073,519.46.

Based on the retained earnings of the parent company at the beginning of 2023 of RMB32,697,861,656.85, plus the net profit of the parent company for 2023 of RMB7,321,073,519.46, deducting the dividends distributed under the 2022 profit distribution plan of RMB2,743,482,000.00 excluding the effect of internal transfer of owners' equity on the distributable profits of RMB234,381,109.51, the distributable profits of the parent company at the end of 2023 were RMB37,041,072,066.80.

In accordance with the relevant requirements of the Company Law, the Securities Law, the Financial Rules for Financial Enterprises and the Articles of Association, the net profit of the parent company for 2023 will be allocated as follows:

1. to transfer RMB732,107,351.95 or 10% of the net profit of the parent company for 2023 to statutory reserves;
2. to transfer RMB732,107,351.95 or 10% of the net profit of the parent company for 2023 to general risk reserves; and
3. to transfer RMB732,107,351.95 or 10% of the net profit of the parent company for 2023 to transaction risk reserves.

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## LETTER FROM THE BOARD

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The total amount of the above transfer was RMB2,196,322,055.85. Excluding such transfer, the distributable profits of the parent company as at the end of 2023 were RMB34,844,750,010.95.

According to relevant requirements, gains from changes in fair value included in the distributable profits may not be used for cash distribution, and after excluding such impact, the profits of the Company for 2023 that can be used for cash distribution to investors were RMB4,098,751,080.49.

Taking into account the interests of Shareholders, the development of the Company and other factors, it is proposed that the Company's 2023 Profit Distribution Proposal be as follows:

1. The Company will declare cash dividend for the profit distribution for 2023, and a cash dividend of RMB1.00 (inclusive of tax) for every 10 shares will be distributed based on the total share capital of the Company as registered on the record date for the 2023 annual dividend distribution excluding the shares in the special stock account for share repurchase of the Company. On the basis of 13,004,541,633 shares, which is calculated based on the total share capital of 13,064,200,000 shares of the Company as at the date of the Board meeting considering the 2023 Profit Distribution Proposal deducting 59,658,367 shares in the special stock account for share repurchase of the Company, the total cash dividends amount to RMB1,300,454,163.30, representing 128.96% of the net profit attributable to the shareholders of the parent company on a consolidated basis in 2023.

In the event that the total share capital of the Company (excluding the shares in the special stock account for share repurchase) changes after the date of the above meeting of the Board and prior to the record date for the distribution, the Company intends to keep the dividend rate unchanged and adjust the total distribution amount accordingly. The retained profit available for distribution to investors in 2023 will be carried forward to the next year.

2. Cash dividends are denominated and declared in Renminbi and payable in Renminbi to A shareholders of the Company and in HK dollars to H shareholders of the Company. The actual amounts distributed in HK dollars shall be converted based on the average benchmark exchange rate for Renminbi to HK dollars as announced by the People's Bank of China for the five business days prior to the date of the 2023 annual general meeting.

After the Company's 2023 Profit Distribution Proposal is considered and approved at the general meeting, the Company will distribute cash dividends within two months from the date of such general meeting.

The aforesaid resolution was considered and approved by the Board on 28 March 2024 and is hereby proposed at the AGM for consideration and approval.



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## LETTER FROM THE BOARD

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### **7. Authorizing the Board to Determine the Company's 2024 Interim Profit Distribution**

An ordinary resolution will be proposed at the AGM to approve the proposal regarding authorizing the Board to determine the Company's 2024 interim profit distribution at the general meeting.

To better reward investors and stabilize their expectation for dividends, the Company will make interim profit distributions based on its profitability, cash flows and capital demand plans, subject to relevant laws and regulations, the Articles of Association and other relevant systems. The amount of dividends shall not exceed the distributable profits attributable to Shareholders of the Company's for the corresponding period.

It is hereby proposed at the AGM for authorizing the Board to formulate a specific 2024 interim profit distribution plan in accordance with the profit distribution conditions and implement it within the prescribed time frame.

The aforesaid resolution was considered and approved by the Board on 26 April 2024 and is hereby proposed at the AGM for consideration and approval as an ordinary resolution.

### **8. Renewal of Engagement of Auditing Firms for the Year 2024**

An ordinary resolution will be proposed at the AGM to approve the proposal on renewal of engagement of auditing firms of the Company for the year 2024.

The Board proposed that PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)) and PricewaterhouseCoopers (collectively "PricewaterhouseCoopers") be re-appointed as the external auditors of the Company in 2024 for a term of one year, who will be responsible for providing relevant domestic and overseas audit and review services in accordance with PRC GAAP and IFRS, respectively. The audit fees (including those for internal control) amount to RMB9.80 million, of which RMB0.60 million is for internal control auditing, representing an increase of RMB1.00 million compared with that of 2023.

The aforesaid resolution was considered and approved by the Board on 28 March 2024 and is hereby proposed at the AGM as an ordinary resolution for consideration and approval.

### **9. Estimated Investment Amount for the Proprietary Business for the Year 2024**

An ordinary resolution will be proposed at the AGM to approve the proposal regarding the estimated investment amount for the proprietary business of the Company for the year 2024.

The Provisions on Strengthening the Supervision and Administration of Listed Securities Companies promulgated by the CSRC provides that "pursuant to the requirements of the listing rules of Shanghai Stock Exchange and Shenzhen Stock Exchange with respect to transactions which shall be disclosed, where material external investments including securities proprietary business of listed securities companies exceeding certain amounts may need to be disclosed and proposed to the shareholders' general meeting for resolution in time, the aggregate amount of proprietary investments can be considered and disclosed by shareholders' general meeting of such companies each year; in the event that any changes occurred in proprietary investments, shareholders' general meeting can authorize the board to vote and make announcements in compliance with the articles of association".

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## LETTER FROM THE BOARD

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The proprietary investment business is one of the primary businesses of the Company. In order to facilitate proprietary investment business to flexibly adjust the proprietary investment scale based on the market fluctuation and the proprietary investment strategy, the following matters are hereby proposed to be considered by the AGM, after taking the macro-economic and securities market conditions into account:

1. That the limit for the proprietary investment business of the Company for the year 2024 be as follows:
  - (1) The investment amount for the proprietary equity securities and its derivatives shall not exceed 80% of the net capital of the previous year;
  - (2) The investment amount for the proprietary non-equity securities and its derivatives shall not exceed 400% of the net capital of the previous year.
2. That the Company's management be authorized to determine and adjust the Company's annual assets and liabilities allocation plan within the aforesaid limit subject to the relevant requirements of the CSRC on proprietary management and risk management based on market opportunities and the actual conditions of the Company.

The above limit excludes long-term equity investment and passive position arising from underwriting business and securities margin trading of the Company. The investment amount for the proprietary investment business of the Company shall be calculated according to the relevant formulas set out in the Administrative Measures for Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》) and the Calculation Standards for Risk Control Indicators of Securities Companies (《證券公司風險控制指標計算標準規定》) issued by the CSRC.

It should be noted that the limit set out above is the maximum amount of proprietary investment based on the relevant provisions promulgated by the CSRC, the Company's strategies and the risk profile. Its total amount and changes do not represent the judgement of the Board and the management of the Company regarding the market. The actual amount of proprietary investment shall be subject to the then prevailing market condition when the proprietary investment is made.

The aforesaid resolution was considered and approved by the Board on 28 March 2024 and is hereby proposed at the AGM as an ordinary resolution for consideration and approval.

### **10. Projected External Guarantees of the Company in 2024**

An ordinary resolution will be proposed at the AGM to consider and approve the projected external guarantees of the Company in 2024, details of which are set out in Annex E to this circular.

The aforesaid resolution was considered and approved by the Board on 17 May 2024 and is hereby proposed at the AGM for consideration and approval.

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## LETTER FROM THE BOARD

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### 11. Projected Routine Related Party/Connected Transactions of the Company in 2024

Reference is made to the announcement of the Company dated 28 March 2024 in relation to, among other things, the projected routine related party/connected transactions in 2024.

Ordinary resolutions will be proposed at the AGM to consider and approve the projected routine related party/connected transactions of the Company in 2024, details of which are set out in Annex F to this circular.

The aforesaid resolutions were considered and approved by the Board on 28 March 2024 and are hereby proposed at the AGM for consideration and approval.

### 12. Proposed Appointment of Executive Director

Reference is made to the announcement of the Company dated 26 April 2024 in relation to the proposed appointment of executive Director. The Board resolved to nominate Mr. Han Jianxin (“**Mr. Han**”) as an executive director candidate for the eighth session of the Board, with his term of office commencing from the date of approval at the AGM to be held by the Company and ending on the expiry date of the term of the eighth session of the Board. Mr. Han will become a member of the Development Strategy and ESG Management Committee after being appointed as the executive Director. The biography of Mr. Han is as follows:

Mr. Han was born in 1968 and is a holder of master’s degrees in business administration and sociology and a senior political engineer. Mr. Han has served as a deputy secretary of CPC Committee of the Company since April 2024. Mr. Han served as the secretary of Youth League Committee and an assistant to the director of the student affairs office at Shanghai University of International Business and Economics from July 1991 to December 1996. He worked at CPC Youth League Shanghai Municipal Committee from December 1996 to April 2004, successively serving as the deputy director of the research office, deputy head and head of the school department, and secretary-general of Shanghai Students’ Federation. From April 2004 to May 2004, he served as the deputy director (division-head level) of Shanghai Community Youth Affairs Office. From May 2004 to January 2013, he served as the general manager of Shanghai Shimin Mail Information Services Co., Ltd. From January 2013 to March 2016, he served as the secretary of CPC Committee, director, deputy general manager and secretary of the Discipline Inspection Commission of Lingang Songjiang Sci-tech City Development Co., Ltd. He also served as an acting director of the Party Committee office of Shanghai State-owned Assets Supervision and Administration Commission from December 2015 to March 2016. From March 2016 to July 2019, he served as the director of the Party Committee office of Shanghai State-owned Assets Supervision and Administration Commission. From July 2019 to April 2024, he served as chief of the discipline inspection and supervision team of Shanghai Municipal Commission for Discipline Inspection and Supervision stationed in Haitong Securities.

As far as the Directors are aware, save as disclosed above, Mr. Han has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years. Mr. Han does not have any relationship with any Directors, Supervisors, senior management or substantial Shareholders of the Company, nor does he hold any position in the Company or any of its subsidiaries. As at the date of this announcement, Mr. Han has no interest in the shares of the Company or its associated companies within the meaning of Part XV of the Hong Kong Securities and Futures Ordinance.

## LETTER FROM THE BOARD

Save as disclosed above, there is no other information in relation to the appointment of Mr. Han which is required to be disclosed pursuant to the requirements set out in Rules 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor are there any matters which need to be brought to the attention of the Shareholders of the Company. Mr. Han has not been penalized by China Securities Regulatory Commission or other relevant departments or stock exchanges.

As of the Latest Practicable Date, the Company has not entered into any service contract with Mr. Han. The Board proposed to appoint Mr. Han as the executive Director. Unless adjustment is required by the relevant applicable laws and regulations, the term of office of Mr. Han shall be the same as the eighth session of the Board. The remuneration of Mr. Han shall be determined in accordance with the related management system with regard to the compensation and performance review.

The aforesaid resolution was considered and approved by the Board on 26 April 2024 and is hereby proposed at the AGM for consideration and approval.

### SPECIAL RESOLUTION:

#### 1. Proposed Amendments to the Articles of Association

Reference is made to the announcement of the Company dated 26 April 2024 in relation to, among other things, the Board's proposed amendments to the Articles of Association. The Board has resolved to amend the relevant articles (the "**Amendments**") in the Articles of Association of the Company. Details of the Amendments are as follows:

Original article	Proposed amended article	Basis
<b>CHAPTER TEN FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING</b>		
<p><b>Article 258</b> The profit distribution policy and the profit distribution plan of the Company are formulated and considered by the Board. The Board shall take various factors into consideration, including its industry features, development stages, business model and profitability <i>as well as</i> whether it has any substantial capital expenditure arrangement, and differentiate the circumstances to propose a specific policy for distributing cash dividend according to the procedures of this Articles of Association. <u><i>Independent directors may also collect the opinions of minority shareholders for proposing profit distribution plan, which is then directly submitted to the Board for consideration.</i></u></p>	<p><b>Article 258</b> The profit distribution policy and the profit distribution plan of the Company are formulated and considered by the Board. The Board shall take various factors into consideration, including its industry features, development stages, business model and profitability, <u><i>solvency</i></u>, whether it has any substantial capital expenditure arrangement, <u><i>and investors' return</i></u>, and differentiate the circumstances to propose a specific policy for distributing cash dividend according to the procedures of this Articles of Association.</p>	<p>Article 155 of the Guidelines for the Articles of Association of Listed Companies (2023 Revision); Articles 5, 6 and 7 of the Regulatory Guidelines No. 3 for Listed Companies – the Distribution of Cash Dividends of Listed Companies (2023 Revision)</p>

## LETTER FROM THE BOARD

Original article	Proposed amended article	Basis
<p>Once the Board resolved on the profit distribution policy and the profit distribution plan, they are submitted to the shareholders' general meeting for consideration. <u><i>Independent directors shall review and provide opinions in writing on the profit distribution policy and the profit distribution plan being submitted to the shareholders' general meeting for consideration.</i></u> Prior to the consideration by the shareholders' general meeting on the specific cash dividend distribution plan, the Company should take initiatives to communicate with shareholders through various channels, especially to communicate and exchange with minority shareholders. The views and aspirations of minority shareholders shall be fully heard, with their questions concerned promptly addressed.</p> <p>After the profit distribution plan has been resolved at the shareholders' general meeting, the Board shall complete the dividend (or share) distribution within two months <u><i>after the holding of the shareholders' general meeting.</i></u></p>	<p>Once the Board resolved on the profit distribution policy and the profit distribution plan, they are submitted to the shareholders' general meeting for consideration. <u><i>Independent Directors shall have the right to express their independent opinions if they believe any specific cash dividend plan may prejudice the interests of the listed company or minority shareholders. If the Board does not adopt or fully adopt the opinions of the Independent Directors, the opinions of the Independent Directors and the specific reasons for not adopting them shall be recorded in the resolutions of the Board and disclosed.</i></u> Prior to the consideration by the shareholders' general meeting on the specific cash dividend distribution plan, the Company should take initiatives to communicate with shareholders through various channels, especially to communicate and exchange with minority shareholders. The views and aspirations of minority shareholders shall be fully heard, with their questions concerned promptly addressed.</p> <p>After the profit distribution plan has been resolved at the shareholders' general meeting <u><i>or after</i></u> the Board <u><i>has formulated specific plan based on the conditions and upper limit for the next interim dividend distribution approved by the annual general meeting,</i></u> the dividend (or share) distribution <u><i>shall be completed</i></u> within two months.</p>	
<p><b>Article 259</b> The Company adopts a continuous, stable and aggressive profit distribution policy, which focuses on providing reasonable investment returns to Shareholders. The Company may, according to the profit made by the Company and taking into account the actual situation as well as current and long-term benefit of the Company, distribute dividend by way of cash or shares, and have the priority to distribute dividend by cash.</p>	<p><b>Article 259</b> The Company adopts a continuous, stable and aggressive profit distribution policy, which focuses on providing reasonable investment returns to Shareholders. The Company may, according to the profit made by the Company and taking into account the actual situation as well as current and long-term benefit of the Company, distribute dividend by way of cash or shares, and have the priority to distribute dividend by cash.</p>	<p>Article 156 of the Guidelines for the Articles of Association of Listed Companies (2023 Revision); Articles 8 and 13 of the Regulatory Guidelines No. 3 for Listed Companies – the Distribution of Cash Dividends of Listed Companies (2023 Revision)</p>

## LETTER FROM THE BOARD

Original article	Proposed amended article	Basis
<p>In principle, the Company will distribute cash dividend for the year with profit. The Company may distribute interim dividend. Profit distribution shall satisfy the regulatory requirements, not exceed the accumulated distributable profit and not influence continuous operation capacity of the Company. If the Company generated profits in the previous accounting year but the Board did not make any cash profit distribution proposal after the end of the previous accounting year, the Company shall state the reasons for not distributing the profit and the usage of the profit retained in the annual report <u>and the Independent Directors shall give an independent opinion in such regard.</u></p> <p>The accumulated cash distribution of profit for the last three years of the Company were not less than 30% of the average annual distributable profit. Specific percentage of dividend distribution for each year shall meet the needs of corporate operation and development and be resolved in accordance with the annual earnings conditions and future plans on usage of funds.</p> <p>If any of the following circumstances occurs, the Company can adjust or amend the aforesaid profit distribution policy by obtaining the approval from more than two thirds of voting rights held by shareholders attending the shareholders' general meeting:</p>	<p>In principle, the Company will distribute cash dividend for the year with profit. The Company may distribute interim dividend. Profit distribution shall satisfy the regulatory requirements, not exceed the accumulated distributable profit and not influence continuous operation capacity of the Company. If the Company generated profits in the previous accounting year but the Board did not make any cash profit distribution proposal after the end of the previous accounting year, the Company shall state the reasons for not distributing the profit and the usage of the profit retained in the annual report <u>and the measures it intends to take to improve investors' return in the future.</u></p> <p><u>If the latest audit report of the Company is a modified opinion or an unqualified opinion with a paragraph of material uncertainty related to going concern or falls within other circumstances as prescribed by laws and regulations, the Company may choose not to make profit distribution.</u></p> <p><u>It is the Company's objective of cash dividend policy that the</u> accumulated cash distribution of profit for the last three years of the Company <u>be</u> not less than 30% of the average annual distributable profit. Specific percentage of dividend distribution for each year shall meet the needs of corporate operation and development and be resolved in accordance with the annual earnings conditions and future plans on usage of funds.</p> <p>If any of the following circumstances occurs, the Company can adjust or amend the aforesaid profit distribution policy by obtaining the approval from more than two thirds of voting rights held by shareholders attending the shareholders' general meeting:</p>	

## LETTER FROM THE BOARD

Original article	Proposed amended article	Basis
<p>(i) there are changes in, or adjustments to, the relevant laws and regulations;</p> <p>(ii) the risk control indicators (such as net capital) reach the warning levels;</p> <p>(iii) the Company's operating conditions deteriorate;</p> <p>(iv) the Board proposes the adjustments.</p> <p>In the event that adjustments to the Company's profit distribution policy are necessary due to the needs of operation and long-term development, the adjusted profit distribution policy shall comply with the relevant requirements of the regulatory authorities. Any resolution regarding the adjustments to the Company's cash dividend policy shall be approved by two thirds of the voting rights of the shareholders attending the shareholders' general meeting and online voting shall be available. The Company shall consider the views of public investors and timely respond to the questions concerned by public investors.</p> <p>The Company should disclose in annual reports the formulation, implementation of the dividend distribution policy and other relevant circumstances in accordance with the relevant provisions. If the cash dividend policy is to be adjusted or amended, whether the conditions and procedures for the adjustments or amendments are in compliance with the regulations and transparent should be disclosed in details.</p> <p>The proportion of cash dividends in the profit distribution is calculated by dividing cash dividends by the sum of cash dividends and stock dividends.</p>	<p>(i) there are changes in, or adjustments to, the relevant laws and regulations;</p> <p>(ii) the risk control indicators (such as net capital) reach the warning levels;</p> <p>(iii) the Company's operating conditions deteriorate;</p> <p>(iv) the Board proposes the adjustments.</p> <p>In the event that adjustments to the Company's profit distribution policy are necessary due to the needs of operation and long-term development, the adjusted profit distribution policy shall comply with the relevant requirements of the regulatory authorities. Any resolution regarding the adjustments to the Company's cash dividend policy shall be approved by two thirds of the voting rights of the shareholders attending the shareholders' general meeting and online voting shall be available. The Company shall consider the views of public investors and timely respond to the questions concerned by public investors.</p> <p>The Company should disclose in annual reports the formulation, implementation of the dividend distribution policy and other relevant circumstances in accordance with the relevant provisions. If the cash dividend policy is to be adjusted or amended, whether the conditions and procedures for the adjustments or amendments are in compliance with the regulations and transparent should be disclosed in details.</p> <p>The proportion of cash dividends in the profit distribution is calculated by dividing cash dividends by the sum of cash dividends and stock dividends.</p>	

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## LETTER FROM THE BOARD

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The Amendments are still subject to consideration and approval at the AGM. The Board agrees to submit a proposal to the general meeting to authorize the Board, which may delegate such authority to the Company's management, to handle the filing procedures with the relevant regulatory authorities in relation to the Amendments, and to make non-substantive changes to the wording of the Amendments in accordance with the opinions of the regulatory authorities.

The aforesaid resolution was considered and approved by the Board on 26 April 2024 and is hereby proposed at the AGM for consideration and approval as a special resolution.

### **2023 ANNUAL GENERAL MEETING**

The AGM will be held at Conference Room 616, Block C, Haitong Bund Finance Plaza, No. 888 South Zhongshan Road, Shanghai, the People's Republic of China on Wednesday, 12 June 2024 at 1:30 p.m. The notice of the AGM is set out on pages 16 to 18 of this circular.

The register of members of H Shares will be closed from Thursday, 6 June 2024 to Wednesday, 12 June 2024 (both days inclusive), during which period no share transfers of H Shares will be effected. Purchasers of Shares who registered as Shareholders on the H Share register of members of the Company on Thursday, 6 June 2024 are entitled to attend and vote in respect of all resolutions to be proposed at the AGM. In order to attend the AGM, holders of H Shares should ensure that relevant Share certificates, accompanied by all transfer documents, are lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m. on Wednesday, 5 June 2024.

The form of proxy for use at the AGM by holders of H Shares have been published on the websites of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.htsec.com](http://www.htsec.com)) on 22 May 2024.

To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for the AGM (i.e., 1:30 p.m. on Tuesday, 11 June 2024) or no later than 24 hours before the time appointed for voting by poll. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

For reference purpose only, the record date for determining the eligibility of holders of A Shares for attending the AGM is 5 June 2024. For more details, please refer to the Notice of 2023 AGM of Haitong Securities Co., Ltd. dated 22 May 2024, which is published on the website of the SSE (<http://www.sse.com.cn/>).



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## LETTER FROM THE BOARD

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### LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Hong Kong Listing Rules and Article 122 of the Articles of Association, any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions at the AGM will be taken by way of a poll.

According to the requirements of relevant laws and regulations in the People's Republic of China, the ordinary resolutions 11.01 and 11.02 set out in the notice of the AGM on pages 16 to 18 of this circular and proposed at the AGM shall be voted by the Shareholders who do not have substantial interest in such resolutions. Therefore, Shanghai Guosheng Group and its associates shall abstain from voting on the ordinary resolution 11.01. The companies (other than the Company, its majority-owned subsidiaries or other entities controlled by it) at which the Directors, Supervisors and senior management of the Company hold positions as their directors (other than being the independent non-executive directors of both sides at the same time) or senior management, and other related corporate entities, shall abstain from voting on the ordinary resolution 11.02.

Save as disclosed above, as far as the Directors are aware, as of the Latest Practicable Date, no other Shareholder is required to abstain from voting in respect of the ordinary and special resolutions at the AGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

### RECOMMENDATION

The Directors believe that all the resolutions mentioned above are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders vote in favor of the relevant resolutions to be proposed at the AGM as set out in the notice of the AGM as attached to this circular.

Yours faithfully,  
By order of the Board  
**Haitong Securities Co., Ltd.**  
**ZHOU Jie**  
*Chairman*

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## NOTICE OF ANNUAL GENERAL MEETING

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海通证券股份有限公司  
HAITONG SECURITIES CO., LTD.\*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 6837)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2023 annual general meeting (the “**Annual General Meeting**”) of Haitong Securities Co., Ltd. (the “**Company**”) will be held at Conference Room 616, Block C, Haitong Bund Finance Plaza, No. 888 South Zhongshan Road, Shanghai, the People’s Republic of China on Wednesday, 12 June 2024 at 1:30 p.m., for the following purposes:

#### ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors (the “**Board**”) of the Company for the year 2023
2. To consider and approve the report of the supervisory committee of the Company for the year 2023
3. To consider and approve the 2023 duty performance report of independent non-executive directors of the Company
4. To consider and approve the annual report of the Company for the year 2023
5. To consider and approve the final accounts report of the Company for the year 2023
6. To consider and approve the profit distribution proposal of the Company for the year 2023
7. To consider and approve the proposal regarding authorizing the Board to determine the Company’s 2024 interim profit distribution at the general meeting
8. To consider and approve the proposal on renewal of engagement of auditing firms of the Company for the year 2024
9. To consider and approve the proposal regarding the estimated investment amount for the proprietary business of the Company for the year 2024
10. To consider and approve the proposal regarding the projected external guarantees of the Company in 2024
11. To consider and approve the proposal regarding the projected routine related party/connected transactions of the Company in 2024, including:
  - 11.01 To consider and approve the proposal regarding the projected related party/connected transactions with Shanghai Guosheng (Group) Co., Ltd. and its associates; and
  - 11.02 To consider and approve the proposal regarding the projected related party transactions with the companies (other than the Company and its majority-owned subsidiaries) where the Company’s directors, supervisors and senior management hold positions as directors or senior management, and other related corporate entities
12. To consider and approve the proposal regarding the proposed appointment of Mr. Han Jianxin as an executive director of the Company

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# NOTICE OF ANNUAL GENERAL MEETING

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## SPECIAL RESOLUTION

1. To consider and approve the proposal regarding the proposed amendments to the Articles of Association

By order of the Board  
**Haitong Securities Co., Ltd.**  
**ZHOU Jie**  
*Chairman*

Shanghai, the PRC  
22 May 2024

Notes:

**1. Eligibility for attending the Annual General Meeting and date of registration of members for H shares**

The register of members of H shares of the Company (the “**H Shares**”) will be closed from Thursday, 6 June 2024 to Wednesday, 12 June 2024 (both days inclusive), during which period no share transfers of H Shares will be effected. Purchasers of shares who are registered as shareholders on the H share register of members of the Company on Thursday, 6 June 2024 are entitled to attend and vote in respect of all resolutions to be proposed at this Annual General Meeting.

In order to attend this Annual General Meeting, holders of H Shares should ensure that the relevant share certificates, accompanied by all transfer documents, are lodged with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, before 4:30 p.m. on Wednesday, 5 June 2024.

**2. Proxy**

- (1) Each shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more proxies in writing to attend and vote on his/her behalf. A proxy needs not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other document of authorization must be notarized.

To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 24 hours before the time appointed for the Annual General Meeting (i.e. 1:30 p.m. on Tuesday, 11 June 2024) or no later than 24 hours before the time appointed for voting by poll.

- (3) Any voting at the Annual General Meeting shall be taken by poll.

**3. Registration procedures for attending the Annual General Meeting**

A shareholder or his proxy should present proof of identity when attending the Annual General Meeting. If a shareholder is a legal person, its legal representative or other person authorized by the board of directors or other governing body of such shareholder may attend the Annual General Meeting by providing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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#### 4. Voting by poll

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the Annual General Meeting will demand a poll in relation to all the proposed resolutions at the Annual General Meeting in accordance with Article 122 of the Articles of Association.

#### 5. Miscellaneous

(1) The Annual General Meeting is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

(2) The address of Computershare Hong Kong Investor Services Limited is:

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(3) The registered office of the Company:

Haitong Securities Building  
No. 689 Guangdong Road  
Shanghai  
The People's Republic of China

Contact address: Floor 15, Block A, Haitong Bund Finance Plaza, No. 888 South Zhongshan Road,  
Huangpu District, Shanghai, the PRC

Contact office: Office of the Board  
Telephone No.: 86 (21) 6341 1000  
Facsimile No.: 86 (21) 6341 0627  
Email: dshbgs@haitong.com  
Contact person: Mr. Pei Changjiang

*As at the date of this notice, the executive directors of the Company are Mr. ZHOU Jie and Mr. LI Jun; the non-executive directors of the Company are Mr. TU Xuanxuan, Mr. SHI Lei, Ms. XIAO Hehua and Mr. XU Jianguo; the independent non-executive directors of the Company are Mr. ZHOU Yu, Mr. FAN Ren Da Anthony, Mr. MAO Fugen and Mr. MAO Huigang.*

\* For identification purpose only

**2023 REPORT OF THE BOARD OF HAITONG SECURITIES CO., LTD.<sup>1</sup>**

The year 2023 was the first year of full implementation of the guiding spirit of the 20th National Congress of the CPC and a crucial year in comprehensively deepening the reform and opening up of the capital market. Guided by Xi Jinping Thoughts on Socialism with Chinese Characteristics for a New Era, the Company comprehensively implemented the guiding spirit of the 20th National Congress of the CPC, deeply studied and implemented the guiding spirit of the Central Financial Work Conference, completely, accurately and comprehensively implemented the new development concept, served the establishment of the new development pattern and focused on promoting high-quality development.

**I. MAJOR WORK IN 2023****1. Actively embracing national strategies and firmly adhering to the origin of serving the real economy**

The Board of the Company adhered to the guidance of strategies, highlighted strengthening the transmission of strategies and paid attention to the progress of key work and businesses of the Company through considering resolutions, listening to reports and carrying out on-site researches and seminars for communications to promote the dynamic linkage of the long-term strategies and annual work of the Company and support the management to continuously enhance the market competitiveness of the Company. In 2023, the Board adhered to the origin of financial institutions of serving the real economy, converted “national demands” into “all of Haitong’s efforts”, focused on promoting the virtuous cycle of “technology-industry-finance”, made breakthroughs in key sectors of high-quality development and made its contributions to serving the real economy and safeguarding the stability of the capital market in “investment, financing, sponsorship and research” and other sectors. The Board considered and approved various resolutions on structural adjustments and other matters, continuously promoted the reform of the investment banking business lines of the Company, further improved the integrated and professional services of the investment banking business and enhanced the competitiveness of the investment banking business of the Company, offering supports to actively seize market opportunities arising from the reform of the comprehensive registration-based IPO system. It strengthened and guided the concentration of capitals in high and new-tech industries and provided various financing supports to cutting-edge enterprises with strong R&D capabilities and growth, providing momentum to breaking bottlenecks in key sectors and the R&D of new technologies by enterprises. It continuously and deeply served the general picture of regional development, gathered resources to promote industrial development and focused on building flagship funds and key functional platforms serving regional and industrial transformation and upgrading.

<sup>1</sup> Unless otherwise indicated, all the financial data in this report are presented in Renminbi.

## **2. Improving compliance and internal control systems and fully displaying joint force on internal and external supervision**

The Board continuously promoted the Company to consolidate the performance of basic compliance management functions, carried out activities under the “Year of Compliance and Internal Control Culture Construction”, optimized the building of the compliance management teams, integrated the compliance management and business development and continuously strengthened the compliance management on subsidiaries with the establishment of rules and systems as drivers. Meanwhile, the Board strengthened coordination in regulatory inspections and rectification of self-inspection problems, boosted efforts in supervision and accountability, continuously promoted the rectification of problems identified in tour inspections, regulation and audit and reinforced the quality and efficiency in internal control inspections and rectifications. In 2023, the Board comprehensively implemented regulatory requirements, constantly optimized systems and mechanisms and continuously improved comprehensive, forward-looking and effective risk management. It considered and approved the Compliance Report of the Company for the Year 2022, the Special Audit Report on Anti-money Laundering Work of the Company for the Year 2022, the Proposal on the Appointment of Chief Compliance Officer and other matters on compliance management. It regularly reviewed the reports on the implementation of annual risk control indicators, constantly improved risk management systems in line with the Company’s strategies, strengthened the unified risk management of the Group and facilitated the Company to refuse and handle risks steadily.

## **3. Coordinating the allocation of assets in a scientific manner and focusing on the improvement of the efficiency of capital operation**

The Board of the Company followed the requirements on high-quality development, continuously improved the capital management systems, supplemented capitals through various measures, deeply implemented the concept of capital constraint and value creation and guided the optimization of the business structure. In 2023, the Board promoted the Company to seize the financing window and reduce the cost of liabilities. It considered and approved the Resolution on Providing Joint Liability Guarantee for Offshore Debt Financing of an Offshore Wholly-owned Subsidiary and the Resolution on the Additional Capital Contribution to Haitong International Holdings Limited by the Company to ensure the onshore and offshore liquidity safety of the Group. It strengthened the liquidity risk management and the management and control of quota on the allocation of assets and liabilities, boosted the penetration and management of major assets of overseas subsidiaries and continuously improved the refined management of assets and liabilities. In addition, in order to further enhance the collective management of the Company, the Board considered and approved the plan on the privatization of Haitong International.

#### **4. Continuously intensifying top design and consolidating the foundation of corporate governance systems**

Closely following regulatory requirements on the capital market, state-owned capitals and enterprises and in combination with the actual conditions in the corporate governance structure, authorization systems and operation management, the Board of the Company conducted continuous amendments to the corporate governance systems with the Articles of Association as the core and consolidated the constitutional foundation of the standard operation of corporate governance. In 2023, the Board organized and advanced the revision of the Articles of Association and other important governance systems and carefully considered relevant resolutions. The revision of the Articles of Association involved 72 clauses and is the most systematic and comprehensive revision in recent years. It highlighted strengthening the Party's leadership on financial work, further improved relevant clauses on Party building and promoted the improvement of the institutionalization, standardization and integration of the organic integration of Party's leadership and corporate governance. Meanwhile, it further specified the positioning of the responsibilities of Independent Directors, improved the systems on the election and appointment of Independent Directors and strengthened guarantees on duty performance by Independent Directors and the supervision management on duty performance, laying the institutional foundation for the immediate implementation of new rules on independent directors by the Company.

#### **5. Steadily advancing the election and guaranteeing the standard operation of the governance structure**

The Board continuously facilitated the Company to establish the modern governance system with Chinese characteristics to ensure the clear responsibilities, effective balance of power and coordinated operation of all governance bodies. In 2023, the Company completed the election of Directors in an orderly manner, adjusted the chairmen and members of certain special committees under the Board, and promoted the smooth handover between the old and the new session of the Board. New Directors actively performed their duties and the Board maintained overall stability in operation. The new session of the Board fully reflected the characteristics of the integration of old and new Directors, diversity and the integration of the Party's leadership into corporate governance, which was in line with the Company's development stage and strategic positioning and in full compliance with the new requirements of new regulations on independent directors in relation to the election of independent directors, making the Company one of the first batch of listed companies to complete the election and appointment of independent directors in accordance with new regulations on independent directors. In addition, in order to further implement the remuneration and assessment management system for the Directors and senior management, the Board reviewed and approved the Proposal regarding the Results of Assessment of Senior Management of the Company in 2022 and the Proposal regarding the Appraisal and Incentive Plan of Senior Management of the Company for the Year 2023. To implement the Measures for the Implementation of the Reform of the Wage Determination Mechanism in State-owned Financial Enterprises and other relevant documents, the Board considered and approved the Proposal on the Implementation Plan for the Reform of the Wage Determination Mechanism of the Company for 2023-2026.

**6. Facilitating information disclosure in a standardized manner and being awarded the highest rating in work appraisal**

The Board of the Company closely benchmarked new regulatory trends, adhered to the principle of “truthfulness, accuracy, completeness, timeliness and fairness” and earnestly fulfilled its information disclosure obligation. It promoted voluntary information disclosure in a standard manner, continuously improved the coverage and granularity of active disclosure and actively demonstrated its results in serving the real economy, facilitating national strategies and safeguarding the stability of the capital market to practically protect investors’ right to know. In 2023, the Company disclosed 58 temporary announcements and 36 announcements only published on the website but not in newspapers in respect of its A shares, 12 monthly movements in securities and a total of 162 announcements, notices and circulars in respect of its H shares. The Company has obtained the highest evaluation Grade A in the annual assessment of information disclosure by the SSE for seven consecutive years, showing the SSE’s high recognition of the Company on compliance in the capital market, the work on standardized operation and information disclosure in particular.

**7. Strengthening communications in the capital market and safeguarding the legitimate rights and interests of all shareholders**

The Board of the Company attached importance to strengthening strategic and active communications with investors and carried out hierarchical management and differentiated communications with domestic and overseas individual investors, institutional investors, analysts of securities companies and other different groups, effectively enhancing the understanding and recognition of the capital market over the Company. In 2023, the Company held the annual, interim and third quarterly results briefings towards the whole market in a timely manner after the releasing of regular reports and conducted sufficient communications with investors on the operation conditions of the Company and the development trends of the industry. In addition to results briefings, the Company established and improved routine communication mechanisms with investors and carried out communications and exchanges with investors through the website, investor hotline, email, roadshows, analyst meetings, receiving investors’ visits and the SSE e-interaction platform, and established and improved investor relations management archives. To safeguard corporate value and shareholders’ rights and interests, the Board of the Company considered and approved the Resolution on the Plan of Repurchase of A Shares of the Company through Centralized Price Bidding. The repurchase expired on 30 November 2023. The Company effectively repurchased over 41.5 million A Shares with a total amount of over RMB414 million used, which will guide investors’ reasonable expectations, boost the confidence of all parties and demonstrate its active undertakings in safeguarding the stability of the capital market as a large-scale financial institution.



## **8. Further fulfilling social responsibilities and demonstrating its determination to perform its missions and undertakings as a state-owned financial enterprise**

The Board of the Company improved the ESG construction in all dimensions and layers, continuously improved the ESG governance, enhanced the ESG work and comprehensively implemented the management of ESG risks. In 2023, the Company continuously promoted financial technology and digital construction as well as green and low-carbon development, steadily carried out “carbon peaking and carbon neutrality” actions, set up targets in water and energy saving, further increased photovoltaic power generation in Zhangjiang High-tech Park and applied the “e-Haitong Qin” management system to facilitate the green operation of the Company. It actively developed green finance, and continuously participated in investment in green bonds. The Company comprehensively implemented the guiding spirit of the 20th National Congress of the CPC, continuously deepened the collaboration between the eastern and western regions, deeply advanced poverty relief through “Hundred Enterprises in Support of Hundred Villages (百企幫百村)” and “One Company to One County (一司一縣)” paired-up assistance, optimized the “finance + futures” financial assistance model and assisted in building a strong agricultural power. It earnestly carried out comprehensive rural assistance and paired-up assistance of urban and rural Party organizations, continuously polished the public welfare brand of “Love in Haitong (愛在海通)” in Party building, constantly built public welfare projects under a series of brands under “Haitong • Love (海通•愛)”, actively fulfilled social responsibilities on public welfare and continuously contributed Haitong’s strength in public welfare.

## **II. DUTY PERFORMANCE BY THE BOARD IN 2023**

### **1. Overall assessment of duty performance**

In 2023, the Board of the Company adhered to the guidance of Xi Jinping Thoughts on Socialism with Chinese Characteristics for a New Era, profoundly focused on the political and public nature of financial work and firmly upheld the financial development path with Chinese characteristics. It deeply advanced the organic integration of the Party’s leadership with corporate governance, focused on strengthening strategic leadership and continuously enhanced the building of the Board itself. All Directors diligently performed their duties and made scientific decisions, playing a vital role in corporate governance in facilitating the Company to deepen operation and transformation and achieve high-quality development.

***(1) The Board earnestly performed duties and deepened the implementation of strategies of the Company***

The Board vigorously supervised the implementation of all strategies of the Company, regularly listened to reports on the implementation of key strategies and operation, coordinated the implementation of strategic emphasis and fully displayed the role of strategic leadership. The Board actively promoted the optimization of the organizational structure of the Company and supported the Company to strengthen the management capability of the Group; urged the effective implementation of the comprehensive risk prevention mechanism, earnestly performed compliance management duties and intensified the internal and external audit supervisory function. In 2023, the Board held 27 meetings in total, including 10 Board meetings, 2 annual report work meetings of Independent Directors, 6 meetings of the Audit Committee, 3 meetings of the Nomination, Remuneration and Assessment Committee, 3 meetings of the Development Strategy and ESG Management Committee and 3 meetings of the Compliance and Risk Control Committee, at which the Board considered and approved 53 resolutions.

***(2) The Board actively participated in trainings and communications and improved the duty performance and decision-making capabilities***

The Directors of the Company actively participated in relevant trainings organized by regulatory authorities, stock exchanges or other institutions and the training on the Interpretation of New Regulations Related to Directors, Supervisors and Senior Management and Corporate Governance conducted by specialized institutions under the organization of the Company to deepen the knowledge and understanding of the latest laws and regulations as well as regulatory rules on the industry. In addition, the Directors were kept duly informed of the operation and management of the Company, latest developments of securities market and other relevant information through the Newsletter of Directors and Supervisors and the Regulations of Securities Market and Case Analysis provided by the Company on a regular basis to continuously improve the duty performance and decision-making capabilities of the Board.

***(3) The Board implemented the resolutions approved at general meetings and protected the legal rights and interests of Shareholders***

The Board of the Company resolutely performed the duties conferred by the Articles of Association, strictly implemented the resolutions approved at the general meetings and practically protected the legal rights and interests of Shareholders, minority shareholders in particular. In 2023, the Company held two general meetings, at which 16 resolutions were considered and approved. According to the 2022 annual profit distribution plan of the Company, the Board distributed cash dividend of RMB0.21 (tax inclusive) per share to the Shareholders, with total cash dividends of RMB2,743 million.

## 2. Attendance at the meetings

The Company elected the eighth session of the Board of the Company at the 2023 first extraordinary general meeting held on 12 October 2023. During the reporting period, the Company held 10 Board meetings in total, including 8 meetings of the seventh session of the Board and 2 meetings of the eighth session of the Board. The details of the attendance of Directors are as follows:

### Attendance of the seventh session of the Board

Name of Director	Attendance at the meetings	Name of Director	Attendance at the meetings
Zhou Jie	8 required attendances, 8 actual attendances in person	Li Jun	8 required attendances, 8 actual attendances in person
Tu Xuanxuan	8 required attendances, 8 actual attendances in person	Xiao Hehua	5 required attendances, 5 actual attendances in person
Xu Jianguo	8 required attendances, 8 actual attendances in person	Zhou Donghui	8 required attendances, 8 actual attendances in person
Lam Lee G. (Independent Non-executive Director)	8 required attendances, 8 actual attendances in person	Zhou Yu (Independent Non-executive Director)	8 required attendances, 8 actual attendances in person
Zhang Ming (Independent Non-executive Director)	8 required attendances, 8 actual attendances in person	Zhu Hongchao (Independent Non-executive Director)	8 required attendances, 8 actual attendances in person
Yu Liping (Resigned during the term of office)	3 required attendances, 3 actual attendances in person	Ren Peng (Resigned during the term of office)	0 required attendances, 0 actual attendances in person

### Attendance of the eighth session of the Board

Name of Director	Attendance at the meetings	Name of Director	Attendance at the meetings
Zhou Jie	2 required attendances, 2 actual attendances in person	Li Jun	2 required attendances, 2 actual attendances in person
Tu Xuanxuan	2 required attendances, 2 actual attendances in person	Shi Lei	2 required attendances, 2 actual attendances in person
Xiao Hehua	2 required attendances, 2 actual attendances in person	Xu Jianguo	2 required attendances, 2 actual attendances in person

Name of Director	Attendance at the meetings	Name of Director	Attendance at the meetings
Zhou Yu (Independent Non-executive Director)	2 required attendances, 2 actual attendances in person	Fan Ren Da Anthony (Independent Non-executive Director)	2 required attendances, 2 actual attendances in person
Mao Fugen (Independent Non-executive Director)	2 required attendances, 2 actual attendances in person	Mao Huigang (Independent Non-executive Director)	2 required attendances, 2 actual attendances in person
Zhao Yonggang (Resigned during the term of office)	2 required attendances, 2 actual attendances in person		

### III. MAJOR WORK OF THE BOARD IN 2024

#### 1. Adhering to the strategic leadership and outlining the new blueprint on future development

The Board of the Company will firmly focus on the target of speeding up in building a nation with a strong financial sector and the requirements on promoting the high-quality development of finance, promote the Company to formulate the three-year action plan for 2024-2026, fully display the important role of “vital financial resources” and solidly improve the capability of the Company on serving the real economy. Meanwhile, it will continue to strengthen the transmission and implementation of strategies, urge the management to establish and improve the strategic planning system of the Group, strengthen the group management under the concept of “One Haitong” and continuously enhance the core competitiveness of the Company.

#### 2. Focusing on national strategies and promoting the high-quality development of finance

The Board of the Company will deeply study and implement the guiding spirit of the Central Financial Work Conference and the Central Economic Work Conference. Based on the requirements of “eight persisting in” and leveraging on core factors in “six strong aspects” in building a nation with a strong financial sector and key links of “six systems”, the Board will insist on making progress while maintaining stability, promoting stability with progress and the philosophy of “establishing new capacity before phasing out the existing capacity” and focus on promoting the Company to improve the quality of serving economic and social development with financial resources. It will boost support to significant strategies, key sectors and weak links, devote more resources into advancing scientific and technological innovation, advanced manufacturing, green development as well as micro, small and medium-sized enterprises, improve “five major aspects” such as scientific and technological finance, and facilitate the development of new-quality productive forces and the comprehensive and sustainable economic, social and environmental development with high-quality financial services.

### **3. Focusing on consolidating the foundations and improving the effectiveness of compliance and risk control**

The Board of the Company will earnestly implement the “two strengthening and two toughening” and other regulatory requirements, optimize and refine compliance management systems and mechanisms and the risk disposing mechanism, deeply consolidate the foundation of compliance management and promote the Company to improve the forward-looking, full-domain, active and penetration compliance risk control and management. Meanwhile, it will boost support to key businesses, continue to strengthen the building of compliance culture of the Group and constantly perfect the internal control and management systems. In addition, it will continue to improve the big supervision system and facilitate the effective integration of the governance supervision and business supervision.

### **4. Improving corporate governance and increasing returns to investors**

In accordance with the latest regulatory policies, the Board of the Company will continue to improve the corporate governance system of the Company at all levels and further refine the urging and implementation systems and mechanisms on decision-making of the Company to ensure the clear authorities and duties as well as smooth operation of its general meeting, the Board, the Supervisory Committee and the senior management and the practical performance of duties and the active and effective operation of the Board and its special committees and facilitate the continuous improvement of corporate governance. Meanwhile, the Board will further put the “investor-oriented” philosophy into practice, deeply implement regulatory spirit on improving the investment value of listed companies, adhere to the orientation of investors’ demand and practically increase the returns to investors through continuously enhancing the management of investor relations, improving the quality of information disclosure and actively implementing dividend policies and repurchase plans.

The year 2024 is the 75th anniversary of the founding of the People’s Republic of China, a key year for implementing the “14th Five-Year Plan” and the first year for implementing the new three-year plan of the Company. The Board of the Company will follow the guidance of Xi Jinping Thoughts on Socialism with Chinese Characteristics for a New Era, uphold the political and public nature of financial work, always practice the development philosophy of serving the country and the people with finance, strengthen the functional positioning, effectively perform the responsibilities as a “service provider” of direct financing, a “gatekeeper” for the capital market, and a “manager” of social wealth, to contribute to the development of an “investor-oriented” capital market. It will play a leading role in serving the real economy and a stabilizing role in safeguarding financial stability, and offer Haitong’s strength in accelerating the building of a nation with a strong financial sector and promoting the high-quality development of finance!

The above report is hereby proposed for consideration and approval at the general meeting.

**Board of Directors of Haitong Securities Co., Ltd.**

12 June 2024

**2023 REPORT OF THE SUPERVISORY COMMITTEE OF  
HAITONG SECURITIES CO., LTD.<sup>1</sup>**

In 2023, despite the significant operation pressures arising from the pressures and intensified fluctuations of the capital market, the Company boosted confidence, kept its focus and maintained its competitiveness in core business sectors. As at 31 December 2023, the Company's total assets amounted to RMB754,587 million, the net assets attributable to shareholders of the listed company amounted to RMB163,244 million, and the net capital attributable to the parent company amounted to RMB80,836 million. The Company's operating income amounted to RMB22,953 million, and the net profit attributable to shareholders of the listed company was RMB1,008 million, with earnings per share of RMB0.08.

In 2023, with active support and cooperation of the Board and the management of the Company, the Supervisory Committee diligently performed its duties to promote the compliant and healthy development of the Company and safeguard the legal rights and interests of the Company and Shareholders in the spirit of being responsible to all Shareholders and in strict compliance with laws and regulations, the Articles of Association, the Rules of Procedure of the Supervisory Committee of the Company and the Rules of Performance of the Supervisory Committee of the Company (Trial), etc.

As entrusted by the Supervisory Committee, the work of the Supervisory Committee of the Company for the year 2023 is reported as follows:

**I. MAJOR TASKS OF THE SUPERVISORY COMMITTEE IN 2023****(I) Attending meeting in accordance with laws and regulations and promoting scientific decision-making on significant matters**

In 2023, the Supervisory Committee convened five meetings (see the table below for details) and major topics included: considering various periodic reports and significant financial matters; amending the Rules of Procedure for the Supervisory Committee and other rules and systems; considering the election of the Supervisory Committee and the election of the chairman of the Supervisory Committee; listening to the report on operation and work plan, the financial accounts report and the profit distribution proposal; reviewing the special report on employee benefits and labor relations for the year and the list of the related/connected legal persons of the Company.

<sup>1</sup> Unless otherwise indicated, all the financial data in this report are presented in Renminbi.

**Details of the meetings of the Supervisory Committee in 2023**

<b>No.</b>	<b>Name of the meetings</b>	<b>Date of the meetings</b>	<b>Approved proposals</b>	<b>Form of the meetings</b>
1	the 22nd meeting of the seventh session of the Supervisory Committee	30 March 2023	1. 2022 Annual Report of the Company; 2. 2022 Social Responsibility Report of the Company; 3. 2022 Annual Internal Control Evaluation Report of the Company; 4. 2022 Annual Compliance Report of the Company; 5. 2022 Group Risk Assessment Report of the Company; 6. Proposal regarding the Provision for Asset Impairment of the Company; 7. 2022 Annual Work Report of the Supervisory Committee of the Company	On-site and telephone
2	the 23rd meeting of the seventh session of the Supervisory Committee	28 April 2023	First Quarterly Report for the Year 2023 of the Company	Correspondence
3	the 24th meeting of the seventh session of the Supervisory Committee	30 August 2023	1. 2023 Interim Report of the Company; 2. The Group Risk Assessment Report of the Company for the First Half of 2023; 3. Resolution regarding the Amendment of the Rules of Procedure for the Supervisory Committee; 4. Resolution regarding the Election of the Supervisory Committee of the Company; 5. Proposal regarding the Provision for Asset Impairment of the Company	On-site and telephone



No.	Name of the meetings	Date of the meetings	Approved proposals	Form of the meetings
4	the first meeting of the eighth session of the Supervisory Committee (extraordinary meeting)	12 October 2023	Resolution regarding the Election of the Chairman of the Supervisory Committee of the Company	On-site
5	the second meeting of the eighth session of the Supervisory Committee	30 October 2023	Third Quarterly Report for the Year 2023 of the Company	Correspondence

With the focus on key work of the Company, the Supervisory Committee safeguarded the core role of the Party committee in corporate governance and promoted the full exercise of the decision-making function in “determining strategies, making decisions and preventing risks” by the Board and the executive function in “planning operation, promoting implementation and enhancing management” by the management of the Company. By attending the meetings of the Board as observers and reviewing various resolutions and materials, the Supervisors expressed supervisory opinions on topics discussed by the Board and learned about the decision-making background and process of the Company regarding significant matters. They followed up the implementation of relevant resolutions of the general meetings and the meetings of the Board by the management of the Company, effectively performed the duties of the Supervisory Committee and implemented the supervisory work. The Supervisors attended two general meetings in 2023, namely the 2022 annual general meeting held on 16 June 2023 and the 2023 first extraordinary general meeting held on 12 October 2023, at which they reviewed and supervised the procedures for the convening of the meeting and the resolutions considered.

## **(II) Optimizing and integrating internal and external resources and promoting the effective display of the joint force in supervision**

Leveraging on joint meetings on supervisory work, routine meetings with supervisors of subsidiaries and other platforms, the Supervisory Committee promoted the synergy of corporate governance supervision, discipline inspection and supervision, compliance and risk control supervision, audit supervision and various supervisory resources to develop a working mechanism with reasonable division of work, close collaboration and coordinated operation and facilitate a big supervisory pattern with integration. In 2023, the Supervisory Committee also actively explored information sharing and coordinated operation with Independent Directors and jointly carried out research activities to coordinate the integration of forces, the application of measures and the sharing of results.

**(III) Focusing on the establishment of compliance and internal control systems and promoting the transformation and application of supervisory results**

The Supervisory Committee considered the annual compliance report, the report on evaluation of internal control and the report on risk assessment of the Company, conducted supervision on compliance and internal control management and proposed suggestions. By attending the meetings of the Board as observers, the Supervisory Committee listened to the annual special audit report on anti-money laundering work and the report on the implementation of risk control indicators to acquire knowledge of key work on compliance and internal control and the construction of systems. It reviewed special written reports to learn about the weaknesses and problems in compliance and risk control and promote the implementation of rectifications.

In 2023, the Supervisory Committee specially supervised the progress in the standardized rectification and dissolving of significant risk projects of subsidiaries, continuously followed up the rectification of economic responsibility audit and other regular rectifications, comprehensively and deeply sought key points in supervisory work and strived to improve the accuracy of supervisory work to facilitate the Company to establish long-term mechanisms and continuously improve compliance and internal control systems.

**(IV) Supervising key financial matters and facilitating the scientific and reasonable capital operation**

The Supervisory Committee always attaches great importance to sectors with financial capitals. It considered the financial reports and resolutions on the finance of the Company, listened to the reports on the financial positions of the Company and the final accounts report and budget, inspected and audited the financial statements and information of the Company to supervise the truthfulness, accuracy and completeness of the financial data and information and the compliance and scientificity of the financial management. It reviewed relevant special reports to learn about significant financial matters and determine whether the financial management system of the Company was sound and effective.

In 2023, the Supervisory Committee supervised the approval of the regulatory authorities on the annual final accounts, carried out key supervision on the management of liquidity risk of Haitong International Securities Group Limited, an overseas holding subsidiary, and urged the Company and its subsidiaries to draw inferences from incidents, carefully implement various rectifications on the disclosure of financial statements in details and appropriately carry out “reviews”. It facilitated the Company to effectively reduce overseas financing risks and prevent incidents with significant risks.

**(V) Consolidating mechanisms on communications and exchanges and promoting duty performance and diligence of directors and senior management**

While supervising the duty performance of senior management, the Supervisory Committee paid attention to maintaining the unity of the management of the Company, fully stimulated and harnessed the enthusiasm of the management and carried out work together. By attending the meetings of the Board as observers, the Supervisors conducted whole-process supervision on the appointment of senior management by the Board, the annual assessment of the management and the determination of the performance appraisal and incentive schemes for the management. The chairman of the Supervisory Committee conducted interviews and daily communication with the senior management, listened to the annual work reports of the senior management and expressed opinions on the duty performance of the management.

**(VI) Deeply carrying out frontline researches and promoting the establishment of the supervisory system**

With the focus on key tasks of the Company, the Supervisory Committee conducted supervision from the right perspective and guaranteed the steady progress of all business activities. The Board of the Company considered the share repurchase, the privatization of a subsidiary and other significant matters. The Supervisors reviewed materials of the relevant meetings in a timely manner and were involved in the whole process of the meetings for communication on resolutions to learn about details and strengthened source and process supervision on the decision-making on significant matters. The employee representative Supervisors integrated the supervisory function and the functions of their respective departments, performed inspections and examinations within the Company to understand the details at the business frontline, identify potential risks and reveal problems, effectively playing the supervisory role.

In order to further understand the reform of the wealth management business lines and the grass-roots operation and development of the Company, the Supervisory Committee carried out field inspections on branches in different places in 2023. It reflected problems, summarized approaches, analyzed problems and proposed suggestions in special research reports, thereby urging and promoting the work of relevant units of the Company.

**(VII) Strengthening the building of position capabilities and promoting the improvement of duty performance capabilities of Supervisors**

In 2023, the Supervisory Committee completed the election, maintaining diversified and professional background and working experience of the Supervisors and facilitating the effective duty performance by the Supervisory Committee.

In 2023, the Supervisory Committee amended the Rules of Procedure for the Supervisory Committee of the Company in accordance with relevant laws and regulations. The employee representative Supervisors reported their duty performance to the employee representatives' meeting of the Company and accepted the assessment on duty performance by employee representatives. The results of the assessment on duty performance of three employee representative Supervisors in 2022 were "competent". The Supervisors of the Company participated in various on-site, online and correspondence special trainings and read the training materials such as Regulations of Securities Market and Case Analysis edited by the Office of the Supervisory Committee each quarter to continuously improve their performance ability.

**(VIII) Ensuring the performance of supervisory responsibilities in the subsidiaries and facilitating supervisors of the subsidiaries in fulfilling their duties**

The Supervisory Committee organized and held routine meetings with supervisors of the subsidiaries each quarter to convey significant decisions and deployments of superior authorities, organized targeted and professional trainings, interpretation of policies and sharing of cases, continuously optimized the working concept and plan for the next stage in communications on work and facilitated supervisors of subsidiaries in effectively performing duties. Through listening to duty performance reports of supervisors dispatched to subsidiaries, the assessment on supervisors dispatched to subsidiaries and signing the letters of annual targets and responsibilities with them, the Company promoted supervisors dispatched to the subsidiaries to give full play to their roles in the management of the subsidiaries. In 2023, it amended the Catalogue of Duty Performance by Supervisors Dispatched to Subsidiaries, further strengthened the guidance on supervisors of the subsidiaries and gave play to the supervisory role of the supervisors dispatched to the subsidiaries.

**(IX) Closely following the requirements of contributors and promoting the performance of supervisory responsibilities according to laws**

In 2023, the Supervisory Committee completed the Supervisory and Appraisal Report on the Supervisory Committee for 2022 based on the requirements of the Municipal SASAC, conducted an appraisal on the overall operation and management of the Company in 2022 and proposed supervisory suggestions. For relevant matters of external key concerns, the Supervisory Committee learned about relevant conditions immediately, formed the report and submitted it to the Municipal SASAC and responded to superior concerns to practically display the role of the Supervisory Committee in safeguarding the interests of contributors, communicating with superior authorities and promoting the healthy development of the enterprise.

## II. THE 4TH MEETING OF THE EIGHTH SESSION OF THE SUPERVISORY COMMITTEE AND EVALUATION THEREOF ON OPERATING MANAGEMENT OF THE COMPANY

On 28 March 2024, the 4th meeting of the eighth session of the Supervisory Committee listened to the Report on Operation of the Company in 2023 and Business Plans for 2024, 2023 Final Accounts Report of the Company and 2023 Profit Distribution Proposal of the Company, and considered the 2023 Annual Report of the Company, 2023 Annual Compliance Report of the Company, Report on Evaluation of Internal Control of the Company in 2023, etc. Upon consideration, the Supervisory Committee was of the view that:

1. PricewaterhouseCoopers Zhong Tian LLP audited the financial statements and notes (A Shares) for 2023 prepared by the Company according to PRC GAAP and issued a standard and unqualified audit report “PricewaterhouseCoopers Zhong Tian Shen Zi (2024) No. 10083”. PricewaterhouseCoopers audited the financial statements and notes (H Shares) for 2023 prepared by the Company according to IFRS and issued an unqualified audit report. Pursuant to the above audit reports, the Company’s 2023 financial statements of A Shares and H Shares conformed to PRC GAAP (A Shares) and IFRS (H Shares), respectively, which gave a true and fair view of the Company’s financial position at the end of 2023 and operating results and cash flows for the year of 2023 in all material respects and was recognized by the Supervisory Committee upon review.
2. The Company had a sound corporate governance structure, which was in compliance with the regulatory requirements in Mainland China and Hong Kong. In 2023, the Company amended and improved the Articles of Association and appendices thereto as well as the Terms of Reference of the Independent Directors of the Company. The relevant nomination and consideration procedures for the election of the Board, the Supervisory Committee and new senior management were complete and in compliance with relevant regulations and disclosed pursuant to the regulatory requirements. The Board and the management of the Company diligently performed duties in accordance with laws and regulations. The Directors and senior management abided by various regulations on upright practice and actively participated in and supported the management of investor relations. None of the Directors or senior management was found violating laws and regulations or damaging the interests of Shareholders, the Company or the employees.
3. In 2023, the whole Company focused on the main tasks of serving the national strategies and the real economy and promoted all tasks and targets in an orderly manner with the orientation of serving customers.
4. In 2023, the Company carried out activities under the “Year of Compliance and Internal Control Culture Construction” and actively adopted effective prior, in-process and post-event measures to strengthen compliance management. The overall operation and management of the Company was in compliance and well-organized. According to the 2023 Assessment Report on the Effectiveness of Compliance

Management of Haitong Securities Co., Ltd. issued by Ernst & Young (China) Advisory Limited and during the reporting period, the Company has established corresponding management systems on the businesses and matters in the evaluation scope and effectively implemented them, achieving the targets of the Company in compliance management. There were no significant compliance risks in all aspects.

After conducting independent audit on the design and implementation of the internal control of the Company in 2023 PricewaterhouseCoopers Zhong Tian LLP was of the opinion that the Company had maintained effective internal control on financial reports pursuant to the Basic Standards for Enterprise Internal Control and relevant regulations in all material aspects, and it also did not identify any material weakness in internal control in non-financial reports.

5. The decision-making and review procedure regarding related party/connected transactions of the Company was in compliance with relevant laws and regulations and the disclosure of relevant information was made in a timely, truthful and complete manner. In 2023, the Board and the general meeting considered and approved relevant resolutions regarding related party/connected transactions in accordance with the regulatory requirements and disclosed the particulars of such related party/connected transactions in the annual and interim reports of the Company.
6. Information disclosure was made in a good-faith and regulated manner. The Company strictly implemented laws and regulations and the rules of the stock exchange and the Company on information disclosure, the internal flow, audit and disclosure procedures of information disclosure were compliant and effective and the inside information management was in place. The information disclosure of the Company was true, accurate and complete. The Company was rated Grade A for seven consecutive years in the evaluation of information disclosure by the Shanghai Stock Exchange.

### **III. SUPERVISORY OPINIONS AND RECOMMENDATIONS**

In the spirit of accountability to the Shareholders and to promote sustainable and sound development of the Company, the Supervisory Committee is putting forward the following recommendations:

1. To pursue progress while maintaining stability, build consensus and steadily promote the reform and transformation of the Company;
2. To promote stability with progress, boost confidence and improve the operating performance of the Company with efforts; and
3. To make continuous efforts, conduct deep exploration and consistently improve the compliance and risk control of the Company.

**IV. WORK PLAN OF THE SUPERVISORY COMMITTEE FOR 2024****(I) Specify strategies and carry out supervision with a big picture**

2024 is the first year for implementing the “14th Five-Year Plan” as well as the first year for the implementation of the new three-year plan. The Supervisory Committee will examine the advancement and implementation of the strategic plans of the Company with a big picture.

**(II) Implement internal control and carry out supervision with highlight on key work**

The Supervisory Committee will continue to urge the Company to constantly improve the internal control and governance structure, continuously conduct supervision on key risks and carry out special inspections on defusing risks of significant projects, significant legal disputes and cases and regulatory letters.

**(III) Promote transformation and carry out supervision while empowering business**

The Supervisory Committee will further expand the targets of researches, continue to deepen the institutional transformation of the wealth management business lines of the Company, deeply understand frontline conditions, assist the Company in identifying problems, studying and analyzing reasons, and propose supervisory suggestions to improve the core competitiveness and risk prevention and control of the Company.

**(IV) Strengthen management and carry out supervision on small problems at an early stage**

The Supervisory Committee will further research, supervise and examine the implementation of administrative measures of subsidiaries of the Company and the group management, carry out field researches on the implementation of strategies, operation and development, compliance and internal control and corporate governance of overseas subsidiaries and typical subsidiaries to provide supervisory guarantee to the high-quality development of the Company.

**(V) Focus on verification and carry out supervision with targeted efforts**

The Supervisory Committee will continue to focus on verification, continuously conduct supervision, focus on problems identified in various verifications, concentrate on identifying and solving in-depth problems and loopholes and assist the Company in building long-term mechanisms to constantly improve compliance and internal control systems.

The above report is hereby proposed for consideration and approval at the general meeting.

**Supervisory Committee of Haitong Securities Co., Ltd.**

12 June 2024

**2023 DUTY PERFORMANCE REPORT OF INDEPENDENT DIRECTORS OF  
HAITONG SECURITIES CO., LTD.**

**Dear Shareholders,**

In accordance with the requirements of the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) and the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Business Institutions (《證券基金經營機構董事、監事、高級管理人員及從業人員監督管理辦法》) issued by the CSRC, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Articles of Association and others, Independent Directors shall report their performance of duties to the general meeting.

The Independent Directors of the Company have performed their duties in accordance with the requirements of relevant laws and regulations and the Articles of Association, and hereby report their performance of duties to the general meeting in 2023. For details of the duty performance report, please see the annex attached.

The above report is hereby presented to the general meeting for consideration.

**Board of Directors of Haitong Securities Co., Ltd.**

12 June 2024



**Annex:****2023 DUTY PERFORMANCE REPORT OF INDEPENDENT DIRECTORS OF  
HAITONG SECURITIES CO., LTD. (SUMMARY)**

In accordance with relevant laws and regulations and relevant provisions of the Articles of Association, Independent Directors of the Company faithfully and diligently performed all duties, displayed their roles in participating in decision-making, supervision and balancing and professional consultancy in the Board, safeguarded the overall interests of the listed company and protected the legitimate rights and interests of minority Shareholders. The work of Independent Directors in 2023 is hereby reported as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTORS****1. Working experience and professional background**

During the reporting period, the term of the office of the seventh session of the Board of the Company expired. The 2023 first extraordinary general meeting held by the Company on 12 October 2023 considered and approved the Proposal on the Election of Independent Directors of the Eighth Session of the Board. Mr. Zhou Yu, Mr. Fan Ren Da Anthony, Mr. Mao Fugen and Mr. Mao Huigang were elected as the Independent Directors of the eighth session of the Board of the Company at the meeting and started to perform their duties from the date on which the resolution was approved at the general meeting for a term of three years. Among the Independent Directors of the eighth session of the Board of the Company, Mr. Zhou Yu was an Independent Director of the seventh session of the Board while Mr. Zhang Ming, Mr. Lam Lee G. and Mr. Zhu Hongchao, Independent Directors of the seventh session of the Board, were not re-elected upon the expiry of their terms of office and vacated their office from the date on which the resolution was approved at the general meeting.

Currently, the eighth session of the Board is comprised of ten Directors, four of whom are Independent Directors. For details of the working experience and professional background of all Independent Directors, please refer to the duty performance report individually issued by Independent Directors.

**2. Other positions held concurrently by current Independent Directors**

Name	Position	Positions in Other Entities	
		Name of Entity	Position
Zhou Yu	Independent Non-executive Director	Shanghai Academy of Social Sciences(上海社會科學院)	Professor
Fan Ren Da Anthony	Independent Non-executive Director	AsiaLink Capital Limited (東源資本有限公司)	Chairman of the Board of Directors and Managing Director
		Tenfu (Cayman) Holdings Company Limited (天福(開曼)控股有限公司)	Executive Director
		Hilong Holding Limited (海隆控股有限公司)	Non-executive Director
		CITIC Resources Holdings Limited (中信資源 控股有限公司)	Independent Non-executive Director
		Uni-President China Holdings Ltd. (統一企業中 國控股有限公司)	Independent Non-executive Director
		China Dili Group (中國地利集團)	Independent Non-executive Director
		Shanghai Industrial Urban Development Group Limited (上海實業城市開發集團有限公司)	Independent Non-executive Director
		Technovator International Limited (同方泰德國 際科技有限公司)	Independent Non-executive Director
		China Development Bank International Investment Limited (國開國際投資有限公司)	Independent Non-executive Director
		Neo-Neon Holdings Limited (同方友友控股有 限公司)	Independent Non-executive Director
		Semiconductor Manufacturing International Corporation (中芯國際集成電路製造有限公 司)	Independent Non-executive Director

Name	Position	Positions in Other Entities	
		Name of Entity	Position
Mao Fugen	Independent Non-executive Director	Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司)	Independent Director
		AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司)	Independent Director
		Zhonghong Pulin Medical Products Co., Ltd. (中紅普林醫療用品股份有限公司)	Independent Director
		Unicom Intelligent Network Technology Co., Ltd. (聯通智網科技股份有限公司)	Independent Director
		Merchants Union Consumer Finance Co., Ltd. (招聯金融消費股份有限公司)	Independent Director
Mao Huigang	Independent Non-executive Director	Shanghai Jin Mao Law Firm (上海市金茂律師事務所)	Director
		Bright Dairy & Food Co., Ltd. (光明乳業股份有限公司)	Independent Director

### 3. Statement of independence

The four Independent Directors of the Company perform their duties independently, and have no connected relationship with any of the substantial Shareholders of the Company or other entities or individuals having an interest in the Company which will affect their independence.

## II. DUTY PERFORMANCE BY INDEPENDENT DIRECTORS FOR THE YEAR

### 1. Attendance at meetings

#### (1) Attendance at general meetings

During the reporting period, the Company held two general meetings in total. The Company held the 2022 annual general meeting on 16 June 2023 and the 2023 first extraordinary general meeting on 12 October 2023. Mr. Zhang Ming, Mr. Lam Lee G., Mr. Zhu Hongchao and Mr. Zhou Yu, who were Independent Directors of the seventh session of the Board, attended the annual general meeting and the extraordinary general meeting mentioned above.

#### (2) Attendance at Board meetings

During the reporting period, the Board of the Company held ten meetings in total, among which, the seventh session of the Board held eight meetings and the eighth session of the Board held two meetings.

The attendances of Independent Directors of the seventh session of the Board are set out as follows:

Name	Number of required attendances	Number of attendances in person	Number of attendances by way of correspondence	Number of attendances by proxy	Number of absences
Zhang Ming	8	8	4	0	0
Lam Lee G.	8	8	8	0	0
Zhu Hongchao	8	8	4	0	0
Zhou Yu	8	8	4	0	0

The attendances of Independent Directors of the eighth session of the Board are set out as follows:

Name	Number of required attendances	Number of attendances in person	Number of attendances by way of correspondence	Number of attendances by proxy	Number of absences
Zhou Yu	2	2	1	0	0
Fan Ren Da Anthony	2	2	1	0	0
Mao Fugen	2	2	1	0	0
Mao Huigang	2	2	1	0	0

**(3) Attendance at special committee meetings of the Board**

The Board of the Company has set up the Audit Committee, the Nomination, Remuneration and Assessment Committee, the Compliance and Risk Management Committee and the Development Strategy and ESG Management Committee. During the reporting period, the Audit Committee of the seventh session of the Board held five meetings and the Audit Committee of the eighth session of the Board held one meeting. The Nomination, Remuneration and Assessment Committee of the seventh session of the Board held two meetings and the Nomination, Remuneration and Assessment Committee of the eighth session of the Board held one meeting. The Compliance and Risk Management Committee of the seventh session of the Board held two meetings and the Compliance and Risk Management Committee of the eighth session of the Board held one meeting. The Development Strategy and ESG Management Committee of the seventh session of the Board held three meetings and the Compliance and Risk Management Committee of the eighth session of the Board held no meeting. None of the Independent Directors of the Company cast negative votes or abstained.

The positions held by the Independent Directors of the seventh session of the Board of the Company are as follows:

<b>Independent Directors</b>	<b>The special committees under the Board in which positions were held</b>
Zhang Ming	Audit Committee (chairman), Nomination, Remuneration and Assessment Committee, Compliance and Risk Management Committee
Lam Lee G.	Nomination, Remuneration and Assessment Committee, Audit Committee
Zhu Hongchao	Nomination, Remuneration and Assessment Committee (chairman), Compliance and Risk Management Committee
Zhou Yu	Development Strategy and ESG Management Committee, Audit Committee

The positions held by the Independent Directors of the eighth session of the Board of the Company are as follows:

<b>Independent Directors</b>	<b>The special committees under the Board in which positions were held</b>
Zhou Yu	Development Strategy and ESG Management Committee, Audit Committee
Fan Ren Da Anthony	Nomination, Remuneration and Assessment Committee, Audit Committee
Mao Fugen	Audit Committee (chairman), Nomination, Remuneration and Assessment Committee, Compliance and Risk Management Committee
Mao Huigang	Nomination, Remuneration and Assessment Committee (chairman), Compliance and Risk Management Committee

Number of attendances in person/required attendances

<b>Independent Directors</b>	<b>The special committees under the Board</b>			
	<b>Development Strategy and ESG Management Committee</b>	<b>Compliance and Risk Management Committee</b>	<b>Audit Committee</b>	<b>Nomination, Remuneration and Assessment Committee</b>
Zhou Yu	3/3	–	6/6	–
Fan Ren Da Anthony	–	–	1/1	1/1
Mao Fugen	–	1/1	1/1	1/1
Mao Huigang	–	1/1	–	1/1
Zhang Ming (resigned)	–	2/2	5/5	2/2

## The special committees under the Board

	Development Strategy and ESG Management Committee	Compliance and Risk Management Committee	Audit Committee	Nomination, Remuneration and Assessment Committee
<b>Independent Directors</b>				
Lam Lee G. (resigned)	–	–	5/5	2/2
Zhu Hongchao (resigned)	–	2/2	–	2/2

**(4) Attendance at special meetings of Independent Directors**

In accordance with the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號–規範運作》) and other relevant provisions and with reference to the actual conditions of the Company, the Company held no special meetings of Independent Directors during the reporting period. The Company will carry out work on special meetings of Independent Directors in strict compliance with relevant requirements in the future.

**2. Performance of powers and duties of Independent Directors**

During the reporting period, the Independent Directors of the Company performed the powers and duties of Independent Directors in accordance with laws and objectively expressed independent opinions on share repurchase of the Company, related party transactions, profit distribution, the election of the Board, internal control, the reappointment of auditors and other significant matters which may affect the interests of the Shareholders of the Company, the minority Shareholders in particular. They also expressed professional opinions at the Board meetings and facilitated the decision-making of the Board to be in line with the overall interests of the Company effectively protecting the interests of the minority Shareholders. During the reporting period, the Independent Directors of the Company did not propose the holding of Board meetings, or propose to the Board that an extraordinary general meeting should be held, or independently appoint intermediaries to carry out audit, consultancy or verification on specific matters of the Company.

**3. Communication with internal audit offices and accounting firms**

During the reporting period, the Independent Directors of the Company actively carried out communication with internal audit departments and accounting firms of the Company, listened to the internal audit work report of the Company each quarter and reviewed relevant internal audit reports from time to time to deeply understand the establishment and implementation of internal control systems of the Company. It maintained close communication with the certified public accountant responsible for annual audit, conducted

sufficient communication and discussions with the certified public accountant responsible for annual audit, continuously followed the progress of annual audit and urged to improve the audit quality, safeguarding the objectivity and fairness of the audit results.

#### **4. Communication with minority Shareholders**

During the reporting period, the Independent Directors of the Company attached great importance to communication and exchanges with minority Shareholders, widely listened to the opinions and suggestions of minority Shareholders and performed duties and responsibilities in strict compliance with relevant provisions at the same time. For proposals to be considered by the Board and its special committees and matters requiring Independent Directors to express opinions, they carefully reviewed relevant materials, fully understood relevant information, conducted independent and objective judgment by leveraging on their own knowledge and experience and prudently expressed professional opinions. They were not affected by substantial Shareholders of the Company and other entities and individuals having an interest in the Company in making judgments and expressing opinions. In addition, the Independent Directors of the Company actively paid attention to the performance of commitments of the Company and Shareholders and prevented the legitimate rights and interests of minority Shareholders from being infringed. During the reporting period, the Company and Shareholders were not identified as violating relevant commitments.

#### **5. On-site work in the Company**

During the reporting period, the Independent Directors of the Company actively leveraged on the opportunities of attending on-site Board meetings and general meetings, listened to reports of the Company on operation management, corporate governance, capital operation, compliance and risk control and financial management, participated in filed inspections to deeply understand the operation and management development and the progress of significant matters of the Company and proposed opinions and suggestions on the future development of the Company in combination with their own professional knowledge and work experience. In addition, the Independent Directors of the Company maintained close communication with other Directors, the secretary to the Board and other senior management of the Company through telephone, emails and other means, actively obtained materials for decision-making and comprehensively learned about the business development, operation and management of the Company in a timely manner to practically perform the duties of Independent Directors.

#### **6. Assisting the work of Independent Directors by the Company**

During the reporting period, the Independent Directors of the Company received the active cooperation and strong support from the Company and its subsidiaries, the Board, the Supervisory Committee, the operation and management and relevant staff in performing the duties of Independent Directors and exercising the authorities of Independent Directors. The management of the Company attached great importance to the communication and exchanges

with Independent Directors, diligently reported the operation and management of the Company and the progress of significant matters to the Board and the Independent Directors and provided complete working conditions and personnel support to the performing the duties and the exercising the authorities by the Independent Directors. During the reporting period, the Independent Directors of the Company participated in regular trainings organized by regulatory authorities or other institutions and completed the requirements on continuous trainings under the coordination of the Company. Meanwhile, the Independent Directors were kept duly informed of the Company's operations and management, latest policies and regulations in the securities market and other relevant information through materials including Newsletter of Directors and Supervisors and Regulations of Securities Market and Case Analysis produced by the Company on a regular basis. They actively participated in the special training on the "Hong Kong Listing Rules in the Context of New Regulatory Requirements in Mainland China" organized by the Company to continuously enhance their duty performance capabilities.

### **III. KEY MATTERS OF INDEPENDENT DIRECTORS DURING DUTY PERFORMANCE FOR THE YEAR**

#### **1. Related party transactions to be disclosed**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company was held, at which the Proposal regarding the Projected Routine Related Party/Connected Transactions of the Company for 2023 was considered and approved.

The Independent Directors of the Company believe that the projected related party/connected transactions of the Company in 2023 were the public services or transactions provided by the Company in the securities market, which were conducted in the ordinary course of business of the Company and at fair value, without prejudice to the interests of the Company and its minority Shareholders; the operations of relevant businesses promoted the Company's business growth, which were in line with the Company's practical business needs and were conducive to the Company's long-term development; relevant related party transactions should be disclosed in relevant periodic reports of the Company under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

On 21 June 2023, the 38th meeting of the seventh session of the Board of the Company was held, at which the Proposal regarding the Participation in the Establishment of Funds by a Wholly-owned Subsidiary of the Company and its Related Party/Connected Transactions was considered and approved. It approved the establishment of Shanghai Haitong Leading Area Industry Guiding Fund of Funds Partnership (Limited Partnership) (上海海通引領區產業引導母基金合夥企業(有限合夥)) with Haitong Capital Investment Co., Ltd., a wholly-owned subsidiary of the Company, as a general partner, the executive partner and the manager, with Shanghai Guosheng (Group) Co., Ltd. and China Pacific Insurance (Group) Co., Ltd., related legal persons/connected persons of the Company, jointly invested in the fund. The Partnership will not be accounted for as a subsidiary of the Company and its financial results will not be



consolidated into the Company. The form of the fund is a limited partnership with the total capital contribution of RMB4,000 million, of which Haitong Capital, as a general partner, proposed to contribute RMB1,300 million with a contribution proportion of 32.5%; Guosheng Group, as a limited partner, proposed to contribute RMB800 million with a contribution proportion of 20%; China Pacific Insurance, as a limited partner, proposed to contribute RMB300 million with a contribution proportion of 7.5%; and other limited partners proposed to contribute RMB1,600 million with a total contribution proportion of 40%.

The Independent Directors of the Company believe that for entering into the partnership agreement by Haitong Capital Investment Co., Ltd., a wholly-owned subsidiary of the Company with Shanghai Guosheng (Group) Co., Ltd. and China Pacific Insurance (Group) Co., Ltd., related legal persons/connected persons of the Company, and other independent third parties, to jointly set up the partnership fund, the agreement was entered into by the Company in usual and ordinary course of business on ordinary commercial terms and fair pricing principle, without prejudicing the interests of the Company and its minority Shareholders, and in the interests of the Company and all Shareholders as a whole; the operations of relevant businesses can promote the synergy of various business lines of the Company and drive the development of various businesses of the Company in all respects, which is more conducive to improving the Company's profit and boosting the long-term core competitiveness of the Company. The decision-making procedures on the related party/connected transaction were in line with relevant laws, regulations and regulatory documents at home and abroad as well as relevant provisions of the Articles of Association. Hence, the related party/connected transaction of the Company was approved.

## **2. External guarantees and appropriation of fund**

On 30 March 2023, in accordance with the relevant requirements, the Independent Directors conducted a prudent inspection on the Company's external guarantees as of 31 December 2022 and issued a special statement and independent opinion on the external guarantees of the Company under the principles of strict self-discipline, standardized operation and seeking truth from facts.

The Company stringently controlled the guarantee risk in strict accordance with the relevant laws, regulations and the Articles of Association, and the matters concerning external guarantees of the Company were submitted to the Board or the general meeting of the Company for consideration and approval in accordance with their authority of approval. The Company did not provide external guarantees in violation of the stipulated decision-making procedures during the reporting period, and adequately protected the legitimate rights and interests of the Company and all Shareholders.

**3. Regular reports**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company was held, at which the 2022 Annual Report of the Company (A Share + H Share) was considered and approved.

The Independent Directors of the Company believe that the Company strictly abided by the financial system of a joint-stock company and operated properly; the content and format of the 2022 Annual Report of the Company were in compliance with all requirements of the CSRC and the Shanghai Stock Exchange and the information contained herein fairly, comprehensively and truthfully reflected the operation, management and financial conditions of the Company in 2022 in all aspects; and the information disclosed in the 2022 Annual Report of the Company was truthful, accurate and complete without false records, misleading statements or significant omissions.

**4. Appointment or change of accounting firms**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company considered and approved the Proposal of the Company on Renewal of Engagement of Auditing Firms. It was agreed to re-appoint PricewaterhouseCoopers as the external auditors of the Company in 2023 with the appointment term of one year, being responsible for providing relevant domestic and overseas audit and review services in accordance with PRC GAAP and IFRS Accounting Standards, respectively. The expenses for audit including internal control services was RMB8.8 million, which comprised the expense for audit of financial and special supervision report of RMB8.24 million and expense for audit of internal control of RMB0.56 million, representing an increase of RMB2.9 million over that in 2022, which is mainly attributed to the increase in the audit scope and the audit workload as a result of the business development of the Company.

The Independent Directors of the Company believe that upon review of the eligibility of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers re-appointed by the Company had independent legal person qualification and were qualified to engage in auditing of securities and futures related businesses. The appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers could satisfy the Company's needs for audit work. The decision-making procedures for the appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers complied with the laws, regulations and the Articles of Association and did not damage the interest of the Company and Shareholders. It was approved to re-appoint PricewaterhouseCoopers Zhong Tian LLP as the external auditor of the Company for the provision of domestic audit services in 2023, and re-appoint PricewaterhouseCoopers as the external auditor of the Company for the provision of overseas audit services, which was submitted to the general meeting of the Company for consideration after being considered and approved by the Board.

## 5. Election of the Board and appointment of senior management

On 30 June 2023, the 39th meeting (extraordinary meeting) of the seventh session of the Board of the Company considered and approved the Proposal on the Appointment of Deputy General Manager, the Proposal on Appointment of Secretary to the Board and Joint Company Secretary, the Proposal on the Appointment of Chief Compliance Officer and the Proposal on the Appointment of Chief Risk Officer.

The Independent Directors of the Company were of the opinion that, after reviewing the brief biographical details of Mr. Jiang Chengjun, Mr. Pan Guangtao, Mr. Zhang Xinjun, Mr. Pei Changjiang, Ms. Zhao Huiwen and Mr. Shi Xu, they had not found any circumstances where the abovementioned persons were not allowed to serve as senior management of the Company as stipulated in Article 146 of the Company Law, nor any circumstances where the abovementioned persons had been banned from the market by the CSRC and such ban had not been lifted, or had been publicly condemned or criticized by the stock exchanges, which was in compliance with the relevant provisions of the Company Law, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Business Institutions, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association and the abovementioned persons were qualified to serve as senior management of listed companies and securities companies. The appointment of the abovementioned senior management was approved.

On 30 August 2023, the 41st meeting of the seventh session of the Board of the Company considered and approved the Proposal on the Re-election of the Board of the Company.

The Independent Directors of the Company believe that the term of office of the seventh session of the Board has expired. Mr. Zhou Jie, Mr. Li Jun and Mr. Zhao Yonggang, as the executive Director candidates, and Mr. Tu Xuanxuan, Mr. Shi Lei, Ms. Xiao Hehua and Mr. Xu Jianguo, as the non-executive Director candidates, meet the qualification requirements to serve as directors of listed companies as stipulated in relevant laws, regulations and the Articles of Association, have the required work experience for performing the duties of directors, have been banned from the market by the CSRC and such ban had not been lifted, meet the conditions as stipulated in the Company Law and other laws and regulations and the Articles of Association and the nomination procedures are legal and effective. Mr. Zhou Yu, Mr. Fan Ren Da Anthony, Mr. Mao Fugen and Mr. Mao Huigang, as the Independent Non-executive Director candidates, meet the corresponding conditions and qualifications as candidates of Independent Directors, have the independence and the required work experience for performing the duties of Independent Directors and the nomination procedures are legal and effective. They are not under circumstances where they are not allowed to serve as Independent Directors of the Company as stipulated in the Company Law and the Articles of Association, have not been punished by the CSRC and other relevant authorities and publicized by the stock exchanges and meet the conditions required under the Measures for the Administration of Independent Directors of Listed Companies and the Code of Corporate Governance for Listed

Companies. The nomination of the above 11 director candidates (including 4 Independent Director candidates) was approved and the proposal was approved to be submitted to the general meeting of the Company for consideration.

On 12 October 2023, the first meeting (extraordinary meeting) of the eighth session of the Board of the Company considered and approved the Proposal on the Appointment of Members of the Senior Management.

The Independent Directors of the Company were of the opinion that, after reviewing the brief biographical details of Mr. Li Jun, Mr. Mao Yuxing, Mr. Jiang Chengjun, Mr. Pan Guangtao, Mr. Zhang Xinjun, Mr. Pei Changjiang, Mr. Chen Chunqian, Mr. Zhang Xiangyang, Ms. Zhao Huiwen and Mr. Shi Xu, they had not found any circumstances where the abovementioned persons were not allowed to serve as senior management of the Company as stipulated in Article 146 of the Company Law, nor any circumstances where the abovementioned persons had been banned by the CSRC from serving as directors, supervisors and senior management of listed companies and such ban had not been lifted, or being publicly determined by the stock exchanges as unsuitable to be directors, supervisors and senior management of listed companies and such period has not expired. The abovementioned persons were in compliance with the relevant provisions of the Company Law, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Business Institutions, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association and the abovementioned persons were qualified to serve as senior management of listed companies and securities companies. The appointment of the abovementioned senior management was approved.

## **6. Cash dividends and share repurchase**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company considered and approved the 2022 Profit Distribution Proposal of the Company. The Company will declare cash dividend for the profit distribution for 2022, and a cash dividend of RMB2.10 (inclusive of tax) for every 10 shares will be distributed to A shareholders and H shareholders registered on the record date for the 2022 annual dividend distribution. Based on the total number of 13,064,200,000 shares in issue of the Company, the total cash dividends amount to RMB2,743,482,000.00, representing 41.91% of the net profit attributable to the shareholders of the parent company on a consolidated basis in 2022. The retained profit available for distribution to investors in 2022 would be carried forward to the next year. After the profit distribution plan for 2022 of the Company was considered and approved at the general meeting of the Company, the cash dividends would be distributed within two months from the date of convening such general meeting.

The Independent Directors of the Company believed that the Board made the 2022 Annual Profit Distribution Proposal after taking into account a number of factors, such as the interests of Shareholders and the development of the Company, in accordance with relevant requirements specified in the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation, the Articles of Association and

the Financial Rules for Financial Enterprises. The proposal was in line with the laws, regulations and regulatory documents, the Company's actual situation, the interests of Shareholders as a whole and their long-term interests, and was conducive to the long-term development of the Company. The Company agreed to submit the proposal to the Board for consideration, which was submitted to the general meeting for consideration after being considered and approved by the Board.

On 30 August 2023, the 41st meeting of the seventh session of the Board of the Company considered and approved the Resolution on the Plan of Repurchase of A Shares of the Company through Centralized Price Bidding. To safeguard the value of the Company and the interests of Shareholders, the Company proposed to repurchase its A Shares through centralized price bidding with its own funds. The total fund amount for the proposed repurchase was in a range from RMB300 million to RMB600 million and the price of the shares proposed to be repurchased was no more than RMB12.80 per share. The period of the repurchase was within three months from the date on which the Board considered and approved the plan on the repurchase of A shares.

The Independent Directors of the Company believed that the repurchase of shares by the Company complied with relevant provisions of the Company Law, the Securities Law of the People's Republic of China, the Opinions on Supporting Repurchase Shares by Listed Company, the Self-Regulatory Supervision Guidelines for Listed Companies on Shanghai Stock Exchange No. 7 – Share Repurchases and other relevant laws, regulations and normative documents. The voting procedures at the Board meeting complied with relevant provisions of relevant laws, regulations and the Articles of Association. The implementation of the share repurchase by the Company was in line with the actual operation and financial conditions of the Company and was conducive to safeguarding the value of the Company and the interests of Shareholders, promoting the healthy, stable and sustainable development of the Company and protecting the long-term interests of investors. The share repurchase of the Company was necessary. The Company proposed to use its own funds for the share repurchase. The total fund amount for the share repurchase was in a range from RMB300 million (inclusive) to RMB600 million (inclusive), the proportion of which in the scale of the Company's total assets was small. It will not have material impact on the daily operation, debt repayment capability and profitability of the Company and will not affect the listing status of the Company. The share repurchase of the Company was feasible. The share repurchase was implemented through centralized price bidding. It will not prejudice the interests of the Company and all of its Shareholders, especially the interests of the minority Shareholders. In summary, the Independent Directors are of the view that the share repurchase by the Company is legal and in compliance with regulations, and that the share repurchase is necessary and feasible and in the interests of the Company and all Shareholders. Therefore, the Independent Directors have approved the plan on the share repurchase.

**7. Provision for asset impairment**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company considered and approved the Proposal regarding the Provision for Asset Impairment of the Company. The Company accrued RMB1,665,648,900 for impairment losses on credit and RMB65,121,000 for impairment losses on other assets for 2022, totaling RMB1,730,769,900 for impairment losses on assets. The impact on net profit exceeds 10% of the audited net profit of the Company for 2021.

The Independent Directors of the Company believed that this provision for impairment of assets was made in compliance with the GAAP and relevant requirements of the Company's accounting policies. It reflected the financial conditions of the Company as of 31 December 2022 and the operation results of the Company in 2022 on a true and fair basis. Currently, the Company is under normal operation and all businesses are stable with a sound asset structure and strong liquidity and all risk control indicators in compliance with regulatory requirements. Hence, this provision for impairment of assets of the Company was agreed.

On 30 August 2023, the 41st meeting of the seventh session of the Board of the Company considered and approved the Proposal regarding the Provision for Asset Impairment of the Company. The Company accrued RMB1,203,824.4 thousand for impairment losses on credit and RMB9,877.9 thousand for impairment losses on other assets from January to June 2023, totaling RMB1,213,702.3 thousand for impairment losses on assets. The impact on net profit exceeds 10% of the audited net profit of the Company for 2022.

The Independent Directors of the Company believed that this provision for impairment of assets was made in compliance with the GAAP and relevant requirements of the Company's accounting policies. It reflected the financial conditions of the Company as of 30 June 2023 and the operation results of the Company from January to June 2023 on a true and fair basis, and could help provide investors with better accounting information in terms of truthfulness, reliability and accuracy, which was in the interests of the Company and its minority Shareholders. Hence, this provision for impairment of assets of the Company was agreed.

**8. Implementation of internal control**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company considered and approved the 2022 Annual Internal Control Evaluation Report of the Company.

The Independent Directors of the Company believed that the Company made the relevant internal control system covering all levels and aspects of its operation and management, after taking into account its needs in terms of operation and management, under the laws, regulations, regulatory documents and the basic principle of internal control. In the process of actual operation, a regularized management framework was formed, the operation and management risks could be effectively controlled, and the safety and integrity of the Company's assets as well as the interests of the Company and all Shareholders were protected. The internal control assessment report of the Company completely, truly and accurately

reflected the actual situation of the Company's internal control, without false representation, misleading statements or material omissions. Hence, the conclusion drawn in the 2022 Internal Control Evaluation Report was agreed.

#### **9. Implementation of information disclosure**

During the reporting period, the Company disclosed its significant information in a true, accurate, complete, timely and fair manner in strict compliance with the requirements of the domestic and overseas laws and regulations on information disclosure, to ensure that investors were informed of the material matters of the Company in a timely manner, protect the interests of investors and enhance the transparency of the Company. In 2023, the Company disclosed 58 temporary announcements, 4 periodic reports, 1 social responsibility report for its A shares and 162 announcements, notices and circulars for its H shares.

The Independent Directors of the Company believed that the information of the Company was disclosed in a true, accurate, complete, timely and fair manner without any false representation, misleading statements or material omission. Its professional, standardized and excellent information disclosure ensured the high transparency of the Company.

#### **10. Operations of the Board and its special committees**

During the reporting period, the Board and its special committees conducted their work according to laws and regulations, the Articles of Association and relevant terms of reference. The special committees provided effective and professional advice on the significant events under consideration by giving full play to the expertise of Independent Directors, which facilitated the Board's scientific decision-making. In 2023, the Company held 27 meetings in total, including ten Board meetings, two work meetings of Independent Directors on annual reports, six meetings of the Audit Committee, three meetings of the Nomination, Remuneration and Assessment Committee, three meetings of the Development Strategy and ESG Management Committee and three meetings of the Compliance and Risk Control Committee.

The Independent Directors of the Company believed that the operation of the Board and its special committees was in compliance with laws and regulations, and all major issues have undergone thorough discussion and consideration, and the decision-making processes were scientific and efficient, showing that the Board and its special committees were under proper and effective operation and facilitating the steady and sustainable development of the Company.

### **IV. OVERALL EVALUATION AND SUGGESTIONS**

During the reporting period, all the Independent Directors fulfilled their duties in good faith, diligently and independently in strict accordance with relevant laws and regulations, the Articles of Association, etc., continued to pay attention to the Company's operation and development, share repurchase, related party transactions, external guarantees, information disclosure, profit distribution and other matters that are closely related to the Shareholders of

the Company, and prudently expressed independent opinions to promote the standardized operation of the Company, so as to ensure that the legitimate rights and interests of the Company and all Shareholders were effectively safeguarded.

In 2024, all Independent Directors will continue to fully perform the duties and make independent judgments regarding all works of the Board and its special committees as well as special meetings of Independent Directors, listen to reports on the progress of significant matters of the Company on operation and management, corporate governance, information disclosure, internal control, compliance and risk management and financial management and the implementation of resolutions of general meetings and Board meetings through actively participating in meets and field inspections, maintain the communication and cooperation among the Board, the Supervisory Committee and management, further enhance their duty performance capabilities, put forward constructive opinions and suggestions to facilitate high-quality development of the Company, continue to improve the scientific decision-making of the Board and the corporate governance level of the Company, and earnestly safeguard the interests of the Company and all Shareholders, especially minority Shareholders.

**Independent Directors:**

**Zhou Yu**

**Fan Ren Da Anthony**

**Mao Fugen**

**MAO Huigang**

12 June 2024



**Annex:****2023 DUTY PERFORMANCE REPORT OF INDEPENDENT DIRECTOR OF  
HAITONG SECURITIES CO., LTD.**

Zhou Yu

In accordance with relevant laws and regulations and relevant provisions of the Articles of Association, as an Independent Director of Haitong Securities Co., Ltd. (hereinafter referred to as the Company), I have faithfully and diligently performed all duties, displayed my role in participating in decision-making, supervision and balancing and professional consultancy in the Board, safeguarded the overall interests of the listed company and protected the legitimate rights and interests of minority Shareholders. I hereby report my work in 2023 as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTOR****1. Working experience and professional background**

During the reporting period, the term of the office of the seventh session of the Board of the Company expired. The 2023 first extraordinary general meeting held by the Company on 12 October 2023 considered and approved the Proposal on the Election of Independent Directors of the Eighth Session of the Board, and I was re-elected as an Independent Director of the seventh session of the Board. My working experience and professional background are as follows:

Mr. Zhou Yu was born in 1959 and is a holder of doctor's degree in economics, a researcher, and a doctoral supervisor. He is an expert entitled to the special government allowances of the State Council and an executive director of China Association of World Economic Research (中國世界經濟學會). Mr. Zhou has been an Independent Non-executive Director of the Company since 18 June 2019. He is currently a researcher of Shanghai Academy of Social Sciences (上海社會科學院). Mr. Zhou served as a teacher of the Finance Department at Xinjiang University of Finance and Economics (新疆財經學院) from August 1982 to March 1992, during which he served as a visiting researcher at Osaka University of Commerce (大阪商業大學) in Japan from April 1990 to March 1992. He pursued a master's degree and a doctor's degree at the Department of Economics of Osaka City University (大阪市立大學) from April 1992 to March 2000. He served as a visiting researcher at the Graduate School of Economics of Osaka City University in Japan from April 2000 to November 2000, and successively served in various positions at the Institute of World Economy of Shanghai Academy of Social Sciences including assistant researcher, associate researcher, and deputy director of the Finance Research Institution from December 2000 to October 2008, during which he served as a post-doctoral fellow of economic theory at Shanghai Academy of Social Sciences from January 2001 to December 2002. He served as the director of the International Finance Research Institution of the Institute of World Economy of Shanghai Academy of Social Sciences (上海社會科學院世界經濟研究所國際金融研究室) and the director of the International Finance Monetary Research Center of Shanghai Academy of Social Sciences (上海社會科學院國際金融貨幣研究中心) from October 2008 to December 2020.

**2. Other positions held concurrently**

Name	Position	Positions in Other Entity	
		Name of Entity	Position
Zhou Yu	Independent Non-executive Director	Shanghai Academy of Social Sciences (上海社會科學院)	Professor

**3. Statement of independence**

As an Independent Director of the Company, I perform my duties independently, and have no connected relationship with any of the substantial Shareholders of the Company or other entities or individuals having an interest in the Company which will affect my independence.

**II. DUTY PERFORMANCE BY INDEPENDENT DIRECTOR FOR THE YEAR****1. Attendance at meetings***(1) Attendance at Board meetings and general meetings*

During the reporting period, the Company held ten Board meetings in total, among which, the seventh session of the Board held eight meetings and the eighth session of the Board held two meetings. As an Independent Director of the seventh and the eighth session of the Board, I attended the abovementioned Board meetings. During the reporting period, the Company held two general meetings in total. The Company held the 2022 annual general meeting on 16 June 2023 and the 2023 first extraordinary general meeting on 12 October 2023. As an Independent Director of the seventh session of the Board, I attended the abovementioned general meetings. I carefully reviewed the meeting materials before the meeting, actively participated in the discussion and expressed professional and independent opinions at the meeting, exercised my voting rights in accordance with the law, did not raise any objection to the proposals of the Board and did not cast negative votes or abstain.

My attendance at Board meetings and general meetings is as follows:

Name	Board Meetings			General Meetings		
	Number of required attendances	Number of attendances in person	Number of attendances by way of correspondence	Number of attendances by proxy	Number of absences	Number of attendances
Zhou Yu	10	10	5	0	0	2

***(2) Attendance at special committee meetings of the Board***

The Board of the Company has set up the Audit Committee, the Nomination, Remuneration and Assessment Committee, the Compliance and Risk Management Committee and the Development Strategy and ESG Management Committee. During the reporting period, the Audit Committee of the seventh session of the Board held five meetings and the Audit Committee of the eighth session of the Board held one meeting. The Development Strategy and ESG Management Committee of the seventh session of the Board held three meetings and the Compliance and Risk Management Committee of the eighth session of the Board held no meeting. As a member of the Audit Committee and a member of Development Strategy and ESG Management Committee of the Board of the Company, I attended the abovementioned special committee meetings, carefully examined the meeting documents, provided professional opinions and advice for the scientific decision-making of the Board, and did not cast negative votes or abstain.

***(3) Attendance at special meetings of Independent Directors***

In accordance with the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號–規範運作》) and other relevant provisions and with reference to the actual conditions of the Company, the Company held no special meetings of Independent Directors during the reporting period. The Company will carry out work on special meetings of Independent Directors in strict compliance with relevant requirements in the future.

**2. Performance of powers and duties of Independent Director**

During the reporting period, I performed the powers and duties of Independent Director in accordance with laws and prudently and objectively expressed independent opinions on share repurchase of the Company, related party transactions, profit distribution, the election of the Board, the reappointment of auditors and other significant matters which may affect the interests of the Shareholders of the Company, the minority Shareholders in particular. I also expressed professional opinions at the Board meetings and facilitated the decision-making of the Board to be in line with the overall interests of the Company effectively protecting the interests of the minority Shareholders. During the reporting period, I did not propose the holding of Board meetings, or propose to the Board that an extraordinary general meeting should be held, or independently appoint intermediaries to carry out audit, consultancy or verification on specific matters of the Company.

**3. Communication with internal audit offices and accounting firms**

During the reporting period, I actively carried out communication with internal audit departments and accounting firms of the Company, listened to the internal audit work report of the Company each quarter and reviewed relevant internal audit reports from time to time to deeply understand the establishment and implementation of internal control systems of the Company. It maintained close communication with the certified public accountant responsible for annual audit, conducted sufficient communication and discussions with the certified public accountant responsible for annual audit, continuously followed the progress of annual audit and urged to improve the audit quality, safeguarding the objectivity and fairness of the audit results.

**4. Communication with minority Shareholders**

During the reporting period, I attached great importance to communication and exchanges with minority Shareholders, widely listened to the opinions and suggestions of minority Shareholders and performed duties and responsibilities in strict compliance with relevant provisions at the same time. For proposals to be considered by the Board and its special committees and matters requiring Independent Directors to express opinions, I carefully reviewed relevant materials, fully understood relevant information, conducted independent and objective judgment by leveraging on my own knowledge and experience and prudently expressed professional opinions. I was not affected by substantial Shareholders of the Company and other entities and individuals having an interest in the Company in making judgments and expressing opinions. In addition, I actively paid attention to the performance of commitments of the Company and Shareholders and prevented the legitimate rights and interests of minority Shareholders from being infringed. During the reporting period, the Company and Shareholders were not identified as violating relevant commitments.

**5. On-site work in the Company**

During the reporting period, I actively leveraged on the opportunities of attending on-site Board meetings and general meetings, listened to reports of the Company on operation management, corporate governance, capital operation, compliance and risk control and financial management, fully communicated with the participating Directors and management on the content of the proposals, participated in filed inspections to deeply understand the operation and management development and the progress of significant matters of the Company and proposed opinions and suggestions on the future development of the Company in combination with my own professional knowledge and work experience. In September 2023, I actively participated in the closing ceremony of the first staff sports meeting of the Company and experienced the Company's corporate culture and spiritual outlook. In November 2023, I participated in the field investigation of the Company's Directors and Supervisors on the Guangdong Branch and the organizations based in Guangzhou, the Shenzhen Branch and the organizations based in Shenzhen, and gained an in-depth understanding of the work effectiveness of the Company's branches in terms of synergy and linkage, business transformation, compliance and internal control. In addition, I maintained close communication with other Directors, the secretary to the Board and other senior management of the Company through telephone, emails and other means, actively obtained materials for decision-making and comprehensively learned about the business development, operation and management of the Company in a timely manner to practically perform the duties of Independent Director.

**6. Assisting the work of Independent Directors by the Company**

During the reporting period, I received the active cooperation and strong support from the Board, the Supervisory Committee, the operation and management and relevant staff of the Company in performing the duties of Independent Director and exercising the authorities of Independent Director. The management of the Company attached great importance to the communication and exchanges with Independent Directors, diligently reported the operation and management of the Company and the progress of significant matters to the Board and the Independent Directors and provided complete working conditions and personnel support to the performing the duties and the exercising the authorities by the Independent Directors. During the reporting period, I participated in regular trainings organized by regulatory authorities or other institutions and completed the requirements on continuous trainings under the coordination of the Company. I participated in the special training on the interpretation of the reform policy of the registration system of listed companies held by the China Association for Public Companies in March 2023, and participated in the follow-up training for independent directors held by the Shanghai Stock Exchange in December 2023. In addition, I was kept duly informed of the Company's operations and management, latest policies and regulations in the securities market and other relevant information through materials including Newsletter of Directors and Supervisors and Regulations of Securities Market and Case Analysis produced by the Company on a regular basis. I actively participated in the special training on the "Hong Kong Listing Rules in the Context of New Regulatory Requirements in Mainland China" organized by the Company to continuously enhance my duty performance capabilities.

**III. KEY MATTERS OF INDEPENDENT DIRECTORS DURING DUTY PERFORMANCE FOR THE YEAR****1. Related party transactions to be disclosed**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company was held, at which the Proposal regarding the Projected Routine Related Party/Connected Transactions of the Company for 2023 was considered and approved. I carefully reviewed the proposal and made the following independent opinions:

The projected related party/connected transactions of the Company in 2023 were the public services or transactions provided by the Company in the securities market, which were conducted in the ordinary course of business of the Company and at fair value, without prejudice to the interests of the Company and its minority Shareholders; the operations of relevant businesses promoted the Company's business growth, which were in line with the Company's practical business needs and were conducive to the Company's long-term development; relevant related party transactions should be disclosed in relevant periodic reports of the Company under the SSE Listing Rules.

On 21 June 2023, the 38th meeting of the seventh session of the Board of the Company was held, at which the Proposal regarding the Participation in the Establishment of Funds by a Wholly-owned Subsidiary of the Company and its Related Party/Connected Transactions was considered and approved. It approved the establishment of Shanghai Haitong Leading Area Industry Guiding Fund of Funds Partnership (Limited Partnership) (上海海通引領區產業引導母基金合夥企業(有限合夥)) with Haitong Capital Investment Co., Ltd., a wholly-owned subsidiary of the Company, as a general partner, the executive partner and the manager, with Shanghai Guosheng (Group) Co., Ltd. and China Pacific Insurance (Group) Co., Ltd., related legal persons/connected persons of the Company, jointly investing in the fund. The Partnership will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the Company. The form of the fund is a limited partnership with the total capital contribution of RMB4,000 million, of which Haitong Capital, as a general partner, proposed to contribute RMB1,300 million with a contribution proportion of 32.5%; Shanghai Guosheng Group, as a limited partner, proposed to contribute RMB800 million with a contribution proportion of 20%; China Pacific Insurance, as a limited partner, proposed to contribute RMB300 million with a contribution proportion of 7.5%; and other limited partners proposed to contribute RMB1,600 million with a total contribution proportion of 40%. I carefully reviewed the proposal and made the following independent opinions:

For entering into the partnership agreement by Haitong Capital Investment Co., Ltd., a wholly-owned subsidiary of the Company with Shanghai Guosheng (Group) Co., Ltd. and China Pacific Insurance (Group) Co., Ltd., related legal persons/connected persons of the Company, and other independent third parties, to jointly set up the partnership fund, the agreement was entered into by the Company in usual and ordinary course of business on ordinary commercial terms and fair pricing principle, without prejudicing the interests of the Company and its minority Shareholders, and in the interests of the Company and all Shareholders as a whole; the operations of relevant businesses can promote the synergy of various business lines of the Company and drive the development of various businesses of the Company in all respects, which is more conducive to improving the Company's profit and boosting the long-term core competitiveness of the Company. The decision-making procedures on the related party/connected transaction were in line with relevant laws, regulations and regulatory documents at home and abroad as well as relevant provisions of the Articles of Association. Hence, the related party/connected transaction of the Company was approved.

## **2. External guarantees and appropriation of fund**

On 30 March 2023, in accordance with the relevant requirements, I conducted a prudent inspection on the Company's external guarantees as of 31 December 2022 and issued a special statement and independent opinion on the external guarantees of the Company under the principles of strict self-discipline, standardized operation and seeking truth from facts.

The Company stringently controlled the guarantee risk in strict accordance with the relevant laws, regulations and the Articles of Association, and the matters concerning external guarantees of the Company were submitted to the Board or the general meeting of the Company for consideration and approval in accordance with their authority of approval. The Company did not provide external guarantees in violation of the stipulated decision-making procedures during the reporting period, and adequately protected the legitimate rights and interests of the Company and all Shareholders.

**3. Regular reports**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company was held, at which the 2022 Annual Report of the Company (A Share + H Share) was considered and approved. I carefully reviewed the report and made the following independent opinions:

The Company strictly abided by the financial system of a joint-stock company and operated properly; the content and format of the 2022 Annual Report of the Company were in compliance with all requirements of the CSRC and the Shanghai Stock Exchange and the information contained herein fairly, comprehensively and truthfully reflected the operation, management and financial conditions of the Company in 2022 in all aspects; and the information disclosed in the 2022 Annual Report of the Company was truthful, accurate and complete without false records, misleading statements or significant omissions.

**4. Appointment or change of accounting firms**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company considered and approved the Proposal of the Company on Renewal of Engagement of Auditing Firms. It was agreed to re-appoint PricewaterhouseCoopers as the external auditor of the Company in 2023 with the appointment term of one year, being responsible for providing relevant domestic and overseas audit and review services in accordance with PRC GAAP and IFRS Accounting Standards, respectively. The expenses for audit including internal control services was RMB8.8 million, which comprised the expense for audit of financial and special supervision report of RMB8.24 million and expense for audit of internal control of RMB0.56 million, representing an increase of RMB2.9 million over that in 2022, which is mainly attributed to the increase in the audit scope and the audit workload as a result of the business development of the Company. I carefully reviewed the proposal and made the following independent opinions:

Upon review of the eligibility of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers re-appointed by the Company had independent legal person qualification and were qualified to engage in auditing of securities and futures related businesses. The appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers could satisfy the Company's needs for the audit work. The decision-making procedures for the appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers complied with the laws, regulations and the Articles of Association and did not damage the interest of the Company and Shareholders. It was approved to re-appoint PricewaterhouseCoopers Zhong Tian LLP as the external auditor of the Company for the provision of domestic audit services in 2023, and re-appoint PricewaterhouseCoopers as the external auditor of the Company for the provision of overseas audit services, which was submitted to the general meeting of the Company for consideration after being considered and approved by the Board.

## 5. Election of the Board and appointment of senior management

On 30 June 2023, the 39th meeting (extraordinary meeting) of the seventh session of the Board of the Company considered and approved the Proposal on the Appointment of Deputy General Manager, the Proposal on Appointment of Secretary to the Board and Joint Company Secretary, the Proposal on the Appointment of Chief Compliance Officer and the Proposal on the Appointment of Chief Risk Officer. I carefully reviewed the proposal and made the following independent opinions:

After reviewing the brief biographical details of Mr. Jiang Chengjun, Mr. Pan Guangtao, Mr. Zhang Xinjun, Mr. Pei Changjiang, Ms. Zhao Huiwen and Mr. Shi Xu, I had not found any circumstances where the abovementioned persons were not allowed to serve as senior management of the Company as stipulated in Article 146 of the Company Law, nor any circumstances where the abovementioned persons had been banned from the market by the CSRC and such ban had not been lifted, or had been publicly condemned or criticized by the stock exchanges, which was in compliance with the relevant provisions of the Company Law, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Business Institutions, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association, and the abovementioned persons were qualified to serve as senior management of listed companies and securities companies. The appointment of the abovementioned senior management was approved.

On 30 August 2023, the 41st meeting of the seventh session of the Board of the Company considered and approved the Proposal on the Re-election of the Board of the Company. I carefully reviewed the proposal and made the following independent opinions:

The term of office of the seventh session of the Board has expired. Mr. Zhou Jie, Mr. Li Jun and Mr. Zhao Yonggang, as the executive Director candidates, and Mr. Tu Xuanxuan, Mr. Shi Lei, Ms. Xiao Hehua and Mr. Xu Jianguo, as the non-executive Director candidates, meet the qualification requirements to serve as directors of listed companies as stipulated in relevant laws, regulations and the Articles of Association, have the required work experience for performing the duties of directors, there is no circumstance where they have been banned from the market by the CSRC and such ban has not been lifted, and they meet the conditions as stipulated in the Company Law and other laws and regulations and the Articles of Association and the nomination procedures are legal and effective. Mr. Zhou Yu, Mr. Fan Ren Da Anthony, Mr. Mao Fugen and Mr. Mao Huigang, as the Independent Non-executive Director candidates, meet the corresponding conditions and qualifications as candidates of Independent Directors, have the independence and the required work experience for performing the duties of Independent Directors and the nomination procedures are legal and effective. They are not under circumstances where they are not allowed to serve as Independent Directors of the Company as stipulated in the Company Law and the Articles of Association, have not been punished by the CSRC and other relevant authorities and publicized by the stock exchanges and meet the conditions required under the Measures for the Administration of Independent Directors of Listed Companies and the Code of Corporate Governance for Listed Companies. The nomination of the above 11 director candidates (including 4 Independent Director candidates) was approved and the proposal was approved to be submitted to the general meeting of the Company for consideration.



On 12 October 2023, the first meeting (extraordinary meeting) of the eighth session of the Board of the Company considered and approved the Proposal on the Appointment of Members of the Senior Management. I carefully reviewed the proposal and made the following independent opinions:

After reviewing the brief biographical details of Mr. Li Jun, Mr. Mao Yuxing, Mr. Jiang Chengjun, Mr. Pan Guangtao, Mr. Zhang Xinjun, Mr. Pei Changjiang, Mr. Chen Chunqian, Mr. Zhang Xiangyang, Ms. Zhao Huiwen and Mr. Shi Xu, I had not found any circumstances where the abovementioned persons were not allowed to serve as senior management of the Company as stipulated in Article 146 of the Company Law, nor any circumstances where the abovementioned persons had been banned by the CSRC from serving as directors, supervisors and senior management of listed companies and such ban had not been lifted, or being publicly determined by the stock exchanges as unsuitable to be directors, supervisors and senior management of listed companies and such period has not expired. The abovementioned persons were in compliance with the relevant provisions of the Company Law, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Business Institutions, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association and the abovementioned persons were qualified to serve as senior management of listed companies and securities companies. The appointment of the abovementioned senior management was approved.

## **6. Cash dividends and share repurchase**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company considered and approved the 2022 Profit Distribution Proposal of the Company. The Company will declare cash dividend for the profit distribution for 2022, and a cash dividend of RMB2.10 (inclusive of tax) for every 10 shares will be distributed to A shareholders and H shareholders registered on the record date for the 2022 annual dividend distribution. Based on the total number of 13,064,200,000 shares in issue of the Company, the total cash dividends amount to RMB2,743,482,000.00, representing 41.91% of the net profit attributable to the shareholders of the parent company on a consolidated basis in 2022. The retained profit available for distribution to investors in 2022 would be carried forward to the next year. After the profit distribution plan for 2022 of the Company was considered and approved at the general meeting of the Company, the cash dividends would be distributed within two months from the date of convening such general meeting. I carefully reviewed the proposal and made the following independent opinions:

The Board made the 2022 Annual Profit Distribution Proposal after taking into account a number of factors, such as the interests of Shareholders and the development of the Company, in accordance with relevant requirements specified in the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation, the Articles of Association and the Financial Rules for Financial Enterprises. The proposal was in line with the laws, regulations and regulatory documents, the Company's actual situation, the interests of Shareholders as a whole and their long-term interests, and was conducive to the long-term development of the Company. The Company agreed to submit the proposal to the Board for consideration, which was submitted to the general meeting for consideration after being considered and approved by the Board.

On 30 August 2023, the 41st meeting of the seventh session of the Board of the Company considered and approved the Resolution on the Plan of Repurchase of A Shares of the Company through Centralized Price Bidding. To safeguard the value of the Company and the interests of Shareholders, the Company proposed to repurchase its A Shares through centralized price bidding with its own funds. The total fund amount for the proposed repurchase was in a range from RMB300 million to RMB600 million and the price of the shares proposed to be repurchased was no more than RMB12.80 per share. The period of the repurchase was within three months from the date on which the Board considered and approved the plan on the repurchase of A shares. I carefully reviewed the proposal and made the following independent opinions:

I believe that the repurchase of shares by the Company complied with relevant provisions of the Company Law, the Securities Law of the People's Republic of China, the Opinions on Supporting Repurchase Shares by Listed Company, the Self-Regulatory Supervision Guidelines for Listed Companies on Shanghai Stock Exchange No. 7 – Share Repurchases and other relevant laws, regulations and normative documents. The voting procedures at the Board meeting complied with relevant provisions of relevant laws, regulations and the Articles of Association. The implementation of the share repurchase by the Company was in line with the actual operation and financial conditions of the Company and was conducive to safeguarding the value of the Company and the interests of Shareholders, promoting the healthy, stable and sustainable development of the Company and protecting the long-term interests of investors. The share repurchase of the Company was necessary. The Company proposed to use its own funds for the share repurchase. The total fund amount for the share repurchase was in a range from RMB300 million (inclusive) to RMB600 million (inclusive), the proportion of which in the scale of the Company's total assets was small. It will not have material impact on the daily operation, debt repayment capability and profitability of the Company and will not affect the listing status of the Company. The share repurchase of the Company was feasible. The share repurchase was implemented through centralized price bidding. It will not prejudice the interests of the Company and all of its Shareholders, especially the interests of the minority Shareholders. In summary, I am of the view that the share repurchase by the Company is legal and in compliance with regulations, and that the share repurchase is necessary and feasible and in the interests of the Company and all Shareholders. Therefore, the Independent Directors have approved the plan on the share repurchase.

#### **7. Provision for asset impairment**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company considered and approved the Proposal regarding the Provision for Asset Impairment of the Company. The Company accrued RMB1,665,648,900 for impairment losses on credit and RMB65,121,000 for impairment losses on other assets for 2022, totaling RMB1,730,769,900 for impairment losses on assets. The impact on net profit exceeds 10% of the audited net profit of the Company for 2021. I carefully reviewed the proposal and made the following independent opinions:

This provision for impairment of assets was made in compliance with the GAAP and relevant requirements of the Company's accounting policies. It reflected the financial conditions of the Company as of 31 December 2022 and the operation results of the Company in 2022 on a true and fair basis. Currently, the Company is under normal operation and all businesses are stable with a sound asset structure and strong liquidity and all risk control indicators in compliance with regulatory requirements. Hence, this provision for impairment of assets of the Company was agreed.

On 30 August 2023, the 41st meeting of the seventh session of the Board of the Company considered and approved the Proposal regarding the Provision for Asset Impairment of the Company. The Company accrued RMB1,203,824,400 for impairment losses on credit and RMB9,877,900 for impairment losses on other assets from January to June 2023, totaling RMB1,213,702,300 for impairment losses on assets. The impact on net profit exceeds 10% of the audited net profit of the Company for 2022. I carefully reviewed the proposal and made the following independent opinions:

This provision for impairment of assets was made in compliance with the GAAP and relevant requirements of the Company's accounting policies. It reflected the financial conditions of the Company as of 30 June 2023 and the operation results of the Company from January to June 2023 on a true and fair basis, and could help provide investors with better accounting information in terms of truthfulness, reliability and accuracy, which was in the interests of the Company and its minority Shareholders. Hence, this provision for impairment of assets of the Company was agreed.

## **8. Implementation of internal control**

On 30 March 2023, the 36th meeting of the seventh session of the Board of the Company considered and approved the 2022 Annual Internal Control Evaluation Report of the Company. I carefully reviewed the report and made the following independent opinions:

The Company made the relevant internal control system covering all levels and aspects of its operation and management, after taking into account its needs in terms of operation and management, under the laws, regulations, regulatory documents and the basic principle of internal control. In the process of actual operation, a regularized management framework was formed, the operation and management risks could be effectively controlled, and the safety and integrity of the Company's assets as well as the interests of the Company and all Shareholders were protected. The internal control assessment report of the Company completely, truly and accurately reflected the actual situation of the Company's internal control, without false representation, misleading statements or material omissions. Hence, the conclusion drawn in the 2022 Internal Control Evaluation Report was agreed.

**9. Implementation of information disclosure**

During the reporting period, the Company disclosed its significant information in a true, accurate, complete, timely and fair manner without any false representation, misleading statements or material omission in strict compliance with the requirements of the domestic and overseas laws and regulations on information disclosure, to ensure that investors were informed of the material matters of the Company in a timely manner, protect the interests of investors and enhance the transparency of the Company. During the reporting period, the Company disclosed 58 temporary announcements, 4 periodic reports, 1 social responsibility report for its A shares and 162 announcements, notices and circulars for its H shares.

**10. Operations of the Board and its special committees**

During the reporting period, the Board and its special committees conducted work according to laws and regulations, the Articles of Association and relevant terms of reference. The special committees provided effective and professional advice on the significant events under consideration by giving full play to the expertise of Independent Directors, which facilitated the Board's scientific decision-making. During the reporting period, the Company held 27 meetings in total, including ten Board meetings, two work meetings of Independent Directors on annual reports, six meetings of the Audit Committee, three meetings of the Nomination, Remuneration and Assessment Committee, three meetings of the Development Strategy and ESG Management Committee and three meetings of the Compliance and Risk Control Committee.

**IV. OVERALL EVALUATION AND SUGGESTIONS**

During the reporting period, I fulfilled my duties in good faith, diligently and independently in strict accordance with relevant laws and regulations, the Articles of Association, etc., continued to pay attention to the Company's operation and development, share repurchase, related party transactions, external guarantees, information disclosure, profit distribution and other matters that are closely related to the Shareholders of the Company, and prudently expressed independent opinions to promote the standardized operation of the Company, so as to safeguard the legitimate rights and interests of the Company and all Shareholders.

In 2024, I will continue to fully perform the duties and make independent judgments regarding all works of the Board and its special committees as well as special meetings of Independent Directors, listen to reports on the progress of significant matters of the Company on operation and management, corporate governance, information disclosure, internal control, compliance and risk management and financial management and the implementation of resolutions of general meetings and Board meetings through actively participating in meetings and field inspections, maintain the communication and cooperation among the Board, the Supervisory Committee and management, further enhance my duty performance capabilities, put forward constructive opinions and suggestions to facilitate high-quality development of the Company, continue to improve the scientific decision-making of the Board and the corporate governance level of the Company, and earnestly safeguard the interests of the Company and all Shareholders, especially minority Shareholders.

Haitong Securities Co., Ltd.  
Independent Director: Zhou Yu  
12 June 2024

**Annex:****2023 DUTY PERFORMANCE REPORT OF INDEPENDENT DIRECTOR OF  
HAITONG SECURITIES CO., LTD.**

Fan Ren Da Anthony

In accordance with relevant laws and regulations and relevant provisions of the Articles of Association, as an Independent Director of Haitong Securities Co., Ltd. (hereinafter referred to as the Company), I have faithfully and diligently performed all duties, displayed my role in participating in decision-making, supervision and balancing and professional consultancy in the Board, safeguarded the overall interests of the listed company and protected the legitimate rights and interests of minority Shareholders. I hereby report my work in 2023 as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTOR****1. Working experience and professional background**

During the reporting period, the term of the office of the seventh session of the Board of the Company expired. The 2023 first extraordinary general meeting held by the Company on 12 October 2023 considered and approved the Proposal on the Election of Independent Directors of the Eighth Session of the Board, and I was elected as an Independent Director of the eighth session of the Board of the Company with effect from 12 October 2023. My working experience and professional background are as follows:

Mr. Fan Ren Da Anthony was born in 1960 and is a holder of doctor's degree in economics. Mr. Fan has been an Independent Non-executive Director of the Company since 12 October 2023. Mr. Fan has been the chairman of the board of directors and managing director of AsiaLink Capital Limited (東源資本有限公司) since October 2003, an executive director of Tenfu (Cayman) Holdings Company Limited (listed on the Hong Kong Stock Exchange under the stock code of 6868) since May 2021 and a non-executive director of Hilong Holding Limited (listed on the Hong Kong Stock Exchange under the stock code of 1623) since July 2022. Mr. Fan served as an independent non-executive director of Hong Kong Resources Holdings Company Limited (listed on the Hong Kong Stock Exchange under the stock code of 2882) from September 2008 to February 2024. Mr. Fan is also an independent non-executive director of each of Uni-President China Holdings Ltd. (stock code: 220), Shanghai Industrial Urban Development Group Limited (stock code: 563), CITIC Resources Holdings Limited (stock code: 1205), Technovator International Limited (stock code: 1206), China Dili Group (stock code: 1387), Neo-Neon Holdings Limited (stock code: 1868) and China Development Bank International Investment Limited (stock code: 1062), all being companies listed on the Hong Kong Stock Exchange. Mr. Fan is an independent non-executive director of Semiconductor Manufacturing International Corporation (listed on the SSE under the stock code of 688981 and listed on the Hong Kong Stock Exchange under the stock code of 981). Mr. Fan is the chairman of the Asian Independent Non-Executive Directors Association (亞洲獨立非執行董事協會).

**2. Other positions held concurrently**

Name	Position	Positions in Other Entities	
		Name of Entity	Position
Fan Ren Da Anthony	Independent Non-executive Director	AsiaLink Capital Limited (東源資本有限公司)	Chairman of the Board of Directors and Managing Director
		Tenfu (Cayman) Holdings Company Limited (天福(開曼)控股有限公司)	Executive Director
		Hilong Holding Limited (海隆控股有限公司)	Non-executive Director
		CITIC Resources Holdings Limited (中信資源控股有限公司)	Independent Non-executive Director
		Uni-President China Holdings Ltd. (統一企業中國控股有限公司)	Independent Non-executive Director
		China Dili Group (中國地利集團)	Independent Non-executive Director
		Shanghai Industrial Urban Development Group Limited (上海實業城市開發集團有限公司)	Independent Non-executive Director
		Technovator International Limited (同方泰德國際科技有限公司)	Independent Non-executive Director
		China Development Bank International Investment Limited (國開國際投資有限公司)	Independent Non-executive Director
		Neo-Neon Holdings Limited (同方友友控股有限公司)	Independent Non-executive Director
		Semiconductor Manufacturing International Corporation (中芯國際集成電路製造有限公司)	Independent Non-executive Director

**3. Statement of independence**

As an Independent Director of the Company, I perform my duties independently, and have no connected relationship with any of the substantial Shareholders of the Company or other entities or individuals having an interest in the Company which will affect my independence.

**II. DUTY PERFORMANCE BY INDEPENDENT DIRECTOR FOR THE YEAR****1. Attendance at meetings***(1) Attendance at Board meetings and general meetings*

During the reporting period, the Company held ten Board meetings in total, among which, the seventh session of the Board held eight meetings and the eighth session of the Board held two meetings. As an Independent Director of the eighth session of the Board, I attended the two Board meetings held by the Company since my appointment. During the reporting period, the Company held two general meetings in total. The Company held the 2022 annual general meeting on 16 June 2023 and the 2023 first extraordinary general meeting on 12 October 2023. The Company held no general meeting since my appointment. I carefully reviewed the meeting materials before the meeting, actively participated in the discussion and expressed professional and independent opinions at the meeting, exercised my voting rights in accordance with the law, did not raise any objection to the proposals of the Board and did not cast negative votes or abstain.

My attendance at Board meetings and general meetings is as follows:

Name	Board Meetings			General Meetings		
	Number of required attendances	Number of attendances in person	Number of attendances by way of correspondence	Number of attendances by proxy	Number of absences	Number of attendances
Fan Ren Da						
Anthony	2	2	1	0	0	0

*(2) Attendance at special committee meetings of the Board*

The Board of the Company has set up the Audit Committee, the Nomination, Remuneration and Assessment Committee, the Compliance and Risk Management Committee and the Development Strategy and ESG Management Committee. During the reporting period, the Audit Committee of the eighth session of the Board held one meeting and the Nomination, Remuneration and Assessment Committee of the eighth session of the Board held one meeting. As a member of the Audit Committee and a member of the Nomination, Remuneration and Assessment Committee of the Board of the Company, I attended the abovementioned special

committee meetings, carefully discussed the Company's financial reports, the implementation plan for the reform of the wage determination mechanism and other meeting documents, and provided professional opinions and advice for the scientific decision-making of the Board by virtue of my own professional background and working experience, and did not cast negative votes or abstain.

### ***(3) Attendance at special meetings of Independent Directors***

In accordance with the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號-規範運作》) and other relevant provisions and with reference to the actual conditions of the Company, the Company held no special meetings of Independent Directors during the reporting period. The Company will carry out work on special meetings of Independent Directors in strict compliance with relevant requirements in the future.

## **2. Performance of powers and duties of Independent Director**

During the reporting period, I performed the powers and duties of Independent Director in accordance with laws and prudently and objectively expressed independent opinions on significant matters which may affect the interests of the Shareholders of the Company, the minority Shareholders in particular. I also expressed professional opinions at the Board meetings and facilitated the decision-making of the Board to be in line with the overall interests of the Company effectively protecting the interests of the minority Shareholders. During the reporting period, I did not propose the holding of Board meetings, or propose to the Board that an extraordinary general meeting should be held, or independently appoint intermediaries to carry out audit, consultancy or verification on specific matters of the Company.

## **3. Communication with internal audit offices and accounting firms**

During the reporting period, I actively carried out communication with internal audit departments and accounting firms of the Company since my appointment, listened to reports related to the Company's internal audit to understand the establishment and implementation of internal control systems of the Company. It continuously followed the progress of the audit to safeguard the objectivity and fairness of the audit results.



**4. Communication with minority Shareholders**

During the reporting period, I attached great importance to communication and exchanges with minority Shareholders, and performed duties and responsibilities in strict compliance with relevant provisions. For proposals to be considered by the Board and its special committees and matters requiring Independent Directors to express opinions, I carefully reviewed relevant materials, fully understood relevant information, conducted independent and objective judgment by leveraging on my own knowledge and experience and prudently expressed professional opinions. I was not affected by substantial Shareholders of the Company and other entities and individuals having an interest in the Company in making judgments and expressing opinions. In addition, I actively paid attention to the performance of commitments of the Company and Shareholders and prevented the legitimate rights and interests of minority Shareholders from being infringed. During the reporting period, the Company and Shareholders were not identified as violating relevant commitments.

**5. On-site work in the Company**

During the reporting period, I actively listened to reports of the Company on operation management, corporate governance, capital operation, compliance and risk control and financial management through participating in meetings and field inspections, paid full attention to the operation and management development and the progress of significant matters of the Company and maintained close communication with other Directors, the secretary to the Board and other senior management of the Company through telephone, emails and other means, actively obtained materials for decision-making and comprehensively learned about the business development, operation and management of the Company in a timely manner to practically perform the duties of Independent Director.

**6. Assisting the work of Independent Directors by the Company**

During the reporting period, I received the active cooperation and strong support from the Board, the Supervisory Committee, the operation and management and relevant staff of the Company in performing the duties of Independent Director and exercising the authorities of Independent Director. The management of the Company attached great importance to the communication and exchanges with Independent Directors, diligently reported the operation and management of the Company and the progress of significant matters to the Board and the Independent Directors and provided complete working conditions and personnel support to the performing the duties and the exercising the authorities by the Independent Directors. During the reporting period, I participated in regular trainings organized by regulatory authorities or other institutions and completed the requirements on continuous trainings under the coordination of the Company. I participated in the follow-up training for independent directors held by the Shanghai Stock Exchange in December 2023. In addition, I was kept duly informed of the Company's operations and management, latest policies and regulations in the securities

market and other relevant information through materials including Newsletter of Directors and Supervisors and Regulations of Securities Market and Case Analysis produced by the Company on a regular basis to continuously enhance my duty performance capabilities.

### **III. KEY MATTERS OF INDEPENDENT DIRECTORS DURING DUTY PERFORMANCE FOR THE YEAR**

#### **1. Appointment of senior management**

On 12 October 2023, the first meeting (extraordinary meeting) of the eighth session of the Board of the Company considered and approved the Proposal on the Appointment of Members of the Senior Management. I carefully reviewed the proposal and made the following independent opinions:

After reviewing the brief biographical details of Mr. Li Jun, Mr. Mao Yuxing, Mr. Jiang Chengjun, Mr. Pan Guangtao, Mr. Zhang Xinjun, Mr. Pei Changjiang, Mr. Chen Chunqian, Mr. Zhang Xiangyang, Ms. Zhao Huiwen and Mr. Shi Xu, I had not found any circumstances where the abovementioned persons were not allowed to serve as senior management of the Company as stipulated in Article 146 of the Company Law, nor any circumstances where the abovementioned persons had been banned by the CSRC from serving as directors, supervisors and senior management of listed companies and such ban had not been lifted, or being publicly determined by the stock exchanges as unsuitable to be directors, supervisors and senior management of listed companies and such period has not expired. The abovementioned persons were in compliance with the relevant provisions of the Company Law, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Business Institutions, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association and the abovementioned persons were qualified to serve as senior management of listed companies and securities companies. The appointment of the abovementioned senior management was approved.

#### **2. Implementation of information disclosure**

During the reporting period, the Company disclosed its significant information in a true, accurate, complete, timely and fair manner without any false representation, misleading statements or material omission in strict compliance with the requirements of the domestic and overseas laws and regulations on information disclosure, to ensure that investors were informed of the material matters of the Company in a timely manner, protect the interests of investors and enhance the transparency of the Company.

**3. Operations of the Board and its special committees**

During the reporting period, the Board and its special committees conducted my work according to laws and regulations, the Articles of Association and relevant terms of reference. The special committees provided effective and professional advice on the significant events under consideration by giving full play to the expertise of Independent Directors, which facilitated the Board's scientific decision-making.

**IV. OVERALL EVALUATION AND SUGGESTIONS**

During the reporting period, I fulfilled my duties in good faith, diligently and independently in strict accordance with relevant laws and regulations, the Articles of Association, etc., continued to pay attention to the Company's operation and development, information disclosure, internal control and other matters that are closely related to the Shareholders of the Company, and prudently expressed independent opinions to promote the standardized operation of the Company, so as to safeguard the legitimate rights and interests of the Company and all Shareholders.

In 2024, I will continue to fully perform the duties, exercise my functions and powers, and make independent judgments regarding all works of the Board and its special committees as well as special meetings of Independent Directors, listen to reports on the operation and management, corporate governance, information disclosure, internal control and capital operation of the Company through actively participating in meetings and field inspections, maintain the close communication among the Board, the Supervisory Committee and management, continuously enhance my duty performance capabilities, put forward professional opinions and suggestions to facilitate high-quality development of the Company, and earnestly safeguard the interests of the Company and all Shareholders, especially minority Shareholders.

Haitong Securities Co., Ltd.  
Independent Director: Fan Ren Da Anthony  
12 June 2024

**Annex:**

**2023 DUTY PERFORMANCE REPORT OF INDEPENDENT DIRECTOR OF  
HAITONG SECURITIES CO., LTD.**

Mao Fugen

In accordance with relevant laws and regulations and relevant provisions of the Articles of Association, as an Independent Director of Haitong Securities Co., Ltd. (hereinafter referred to as the Company), I have faithfully and diligently performed all duties, displayed my role in participating in decision-making, supervision and balancing and professional consultancy in the Board, safeguarded the overall interests of the listed company and protected the legitimate rights and interests of minority Shareholders. I hereby report my work in 2023 as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTOR**

**1. Working experience and professional background**

During the reporting period, the term of the office of the seventh session of the Board of the Company expired. The 2023 first extraordinary general meeting held by the Company on 12 October 2023 considered and approved the Proposal on the Election of Independent Directors of the Eighth Session of the Board, and I was elected as an Independent Director of the eighth session of the Board with effect from 12 October 2023. My working experience and professional background are as follows:

Mr. Mao Fugen was born in 1963 and is a holder of doctor's degree in economics and a professor. Mr. Mao has successively served as a lecturer, deputy professor and professor of the School of Accounting of Xiamen University from January 1990 to October 2023. Mr. Mao has served as an independent director of AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司, listed on the Hong Kong Stock Exchange under the stock code of 2357) since May 2021, Zhonghong Pulin Medical Products Co., Ltd. (中紅普林醫療用品股份有限公司, listed on the SZSE under the stock code of 300981) since July 2021, Huatai United Securities Co., Ltd. since October 2019, Unicom Intelligent Network Technology Co., Ltd. (聯通智網科技股份有限公司) since April 2023 and Zhaolian Financial Consumer Co., Ltd. (招聯金融消費股份有限公司) since December 2023.

**2. Other positions held concurrently**

Name	Position	Positions in Other Entities	
		Name of Entity	Position
Mao Fugen	Independent Non-executive Director	Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司)	Independent Director
		AviChina Industry & Technology Company Limited (中國航空科技工業股份有限公司)	Independent Director
		Zhonghong Pulin Medical Products Co., Ltd. (中紅普林醫療用品股份有限公司)	Independent Director
		Unicom Intelligent Network Technology Co., Ltd. (聯通智網科技股份有限公司)	Independent Director
		Zhaolian Financial Consumer Co., Ltd. (招聯金融消費股份有限公司)	Independent Director

**3. Statement of independence**

As an Independent Director of the Company, I perform my duties independently, and have no connected relationship with any of the substantial Shareholders of the Company or other entities or individuals having an interest in the Company which will affect my independence.

**II. DUTY PERFORMANCE BY INDEPENDENT DIRECTOR FOR THE YEAR****1. Attendance at meetings***(1) Attendance at Board meetings and general meetings*

During the reporting period, the Company held ten Board meetings in total, among which, the seventh session of the Board held eight meetings and the eighth session of the Board held two meetings. As an Independent Director of the eighth session of the Board, I attended the two Board meetings held by the Company since my appointment. During the reporting period, the Company held two general meetings in total. The Company held the 2022 annual general meeting on 16 June 2023 and the 2023 first extraordinary general meeting on 12 October 2023. The Company held no general meeting since my appointment. I carefully reviewed the meeting materials before the meeting, actively participated in the discussion and expressed professional and independent opinions at the meeting, exercised my voting rights in accordance with the law, did not raise any objection to the proposals of the Board and did not cast negative votes or abstain.

My attendance at Board meetings and general meetings is as follows:

Name	Board Meetings			General Meetings		
	Number of required attendances	Number of attendances in person	Number of attendances by way of correspondence	Number of attendances by proxy	Number of absences	Number of attendances
Mao Fugen	2	2	1	0	0	0

***(2) Attendance at special committee meetings of the Board***

The Board of the Company has set up the Audit Committee, the Nomination, Remuneration and Assessment Committee, the Compliance and Risk Management Committee and the Development Strategy and ESG Management Committee. During the reporting period, the Audit Committee of the eighth session of the Board held one meeting, the Nomination, Remuneration and Assessment Committee of the eighth session of the Board held one meeting, and the Compliance and Risk Management Committee of the eighth session of the Board held one meeting. As the chairman of the Audit Committee, a member of the Nomination, Remuneration and Assessment Committee and a member of the Compliance and Risk Management Committee, I attended the abovementioned special committee meetings, carefully discussed the Company's financial performance, the implementation plan for the reform of the wage determination mechanism, the management measures on integrity and other meeting documents, and provided professional opinions and advice for the scientific decision-making of the Board by virtue of my own professional background and working experience, and did not cast negative votes or abstain.

***(3) Attendance at special meetings of Independent Directors***

In accordance with the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號–規範運作》) and other relevant provisions and with reference to the actual conditions of the Company, the Company held no special meetings of Independent Directors during the reporting period. The Company will carry out work on special meetings of Independent Directors in strict compliance with relevant requirements in the future.

**2. Performance of powers and duties of Independent Director**

During the reporting period, I performed the powers and duties of Independent Director in accordance with laws and prudently and objectively expressed independent opinions on significant matters which may affect the interests of the Shareholders of the Company, the minority Shareholders in particular. I also expressed professional opinions at the Board meetings and facilitated the decision-making of the Board to be in line with the overall interests of the Company effectively protecting the interests of the minority Shareholders. During the reporting period, I did not propose the holding of Board meetings, or propose to the Board that an extraordinary general meeting should be held, or independently appoint intermediaries to carry out audit, consultancy or verification on specific matters of the Company.

**3. Communication with internal audit offices and accounting firms**

During the reporting period, I actively carried out communication with internal audit departments and accounting firms of the Company since my appointment, listened to reports related to the Company's internal audit to understand the establishment and implementation of internal control systems of the Company. It continuously followed the progress of the audit to safeguard the objectivity and fairness of the audit results.

**4. Communication with minority Shareholders**

During the reporting period, I attached great importance to communication and exchanges with minority Shareholders, and performed duties and responsibilities in strict compliance with relevant provisions. For proposals to be considered by the Board and its special committees and matters requiring Independent Directors to express opinions, I carefully reviewed relevant materials, fully understood relevant information, conducted independent and objective judgment by leveraging on my own knowledge and experience and prudently expressed professional opinions. I was not affected by substantial Shareholders of the Company and other entities and individuals having an interest in the Company in making judgments and expressing opinions. In addition, I actively paid attention to the performance of commitments of the Company and Shareholders and prevented the legitimate rights and interests of minority Shareholders from being infringed. During the reporting period, the Company and Shareholders were not identified as violating relevant commitments.

**5. On-site work in the Company**

During the reporting period, I actively listened to reports of the Company on operation management, corporate governance, capital operation, compliance and risk control and financial management through participating in meetings and field inspections, paid full attention to the operation and management development and the progress of significant matters of the Company and maintained close communication with other Directors, the secretary to the Board and other senior management of the Company through telephone, emails and other means, actively obtained materials for decision-making and comprehensively learned about the business development, operation and management of the Company in a timely manner to practically perform the duties of Independent Director. In November 2023, I actively participated in the field investigation of the Company's Directors and Supervisors on the Guangdong Branch and the organizations based in Guangzhou, the Shenzhen Branch and the organizations based in Shenzhen, and gained an in-depth understanding of the work effectiveness of the Company's branches in terms of synergy and linkage, business transformation, compliance and internal control.

## 6. Assisting the work of Independent Directors by the Company

During the reporting period, I received the active cooperation and strong support from the Board, the Supervisory Committee, the operation and management and relevant staff of the Company in performing the duties of Independent Director and exercising the authorities of Independent Director. The management of the Company attached great importance to the communication and exchanges with Independent Directors, diligently reported the operation and management of the Company and the progress of significant matters to the Board and the Independent Directors and provided complete working conditions and personnel support to the performing the duties and the exercising the authorities by the Independent Directors. During the reporting period, I participated in regular trainings organized by regulatory authorities or other institutions and completed the requirements on continuous trainings under the coordination of the Company. I participated in the follow-up training for independent directors held by the Shanghai Stock Exchange in December 2023. In addition, I was kept duly informed of the Company's operations and management, latest policies and regulations in the securities market and other relevant information through materials including Newsletter of Directors and Supervisors and Regulations of Securities Market and Case Analysis produced by the Company on a regular basis to continuously enhance my duty performance capabilities.

## III. KEY MATTERS OF INDEPENDENT DIRECTORS DURING DUTY PERFORMANCE FOR THE YEAR

### 1. Appointment of senior management

On 12 October 2023, the first meeting (extraordinary meeting) of the eighth session of the Board of the Company considered and approved the Proposal on the Appointment of Members of the Senior Management. I carefully reviewed the proposal and made the following independent opinions:

After reviewing the brief biographical details of Mr. Li Jun, Mr. Mao Yuxing, Mr. Jiang Chengjun, Mr. Pan Guangtao, Mr. Zhang Xinjun, Mr. Pei Changjiang, Mr. Chen Chunqian, Mr. Zhang Xiangyang, Ms. Zhao Huiwen and Mr. Shi Xu, I had not found any circumstances where the abovementioned persons were not allowed to serve as senior management of the Company as stipulated in Article 146 of the Company Law, nor any circumstances where the abovementioned persons had been banned by the CSRC from serving as directors, supervisors and senior management of listed companies and such ban had not been lifted, or being publicly determined by the stock exchanges as unsuitable to be directors, supervisors and senior management of listed companies and such period has not expired. The abovementioned persons were in compliance with the relevant provisions of the Company Law, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Business Institutions, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association and the abovementioned persons were qualified to serve as senior management of listed companies and securities companies. The appointment of the abovementioned senior management was approved.



**2. Implementation of information disclosure**

During the reporting period, the Company disclosed its significant information in a true, accurate, complete, timely and fair manner without any false representation, misleading statements or material omission in strict compliance with the requirements of the domestic and overseas laws and regulations on information disclosure, to ensure that investors were informed of the material matters of the Company in a timely manner, protect the interests of investors and enhance the transparency of the Company.

**3. Operations of the Board and its special committees**

During the reporting period, the Board and its special committees conducted my work according to laws and regulations, the Articles of Association and relevant terms of reference. The special committees provided effective and professional advice on the significant events under consideration by giving full play to the expertise of Independent Directors, which facilitated the Board's scientific decision-making.

**IV. OVERALL EVALUATION AND SUGGESTIONS**

During the reporting period, I fulfilled my duties in good faith, diligently and independently in strict accordance with relevant laws and regulations, the Articles of Association, etc., continued to pay attention to the Company's operation and development, information disclosure, internal control and other matters that are closely related to the Shareholders of the Company, and prudently expressed independent opinions to promote the standardized operation of the Company, so as to safeguard the legitimate rights and interests of the Company and all Shareholders.

In 2024, I will continue to fully perform the duties, exercise my functions and powers, and make independent judgments regarding all works of the Board and its special committees as well as special meetings of Independent Directors, listen to reports on the operation and management, corporate governance, information disclosure, internal control and capital operation of the Company through actively participating in meetings and field inspections, maintain the close communication among the Board, the Supervisory Committee and management, continuously enhance my duty performance capabilities, put forward professional opinions and suggestions to facilitate high-quality development of the Company, and earnestly safeguard the interests of the Company and all Shareholders, especially minority Shareholders.

Haitong Securities Co., Ltd.  
Independent Director: Mao Fugen  
12 June 2024

**Annex:****2023 DUTY PERFORMANCE REPORT OF INDEPENDENT DIRECTOR OF  
HAITONG SECURITIES CO., LTD.**

Mao Huigang

In accordance with relevant laws and regulations and relevant provisions of the Articles of Association, as an Independent Director of Haitong Securities Co., Ltd. (hereinafter referred to as the Company), I have faithfully and diligently performed all duties, displayed my role in participating in decision-making, supervision and balancing and professional consultancy in the Board, safeguarded the overall interests of the listed company and protected the legitimate rights and interests of minority Shareholders. I hereby report my work in 2023 as follows:

**I. BASIC INFORMATION ABOUT INDEPENDENT DIRECTOR****1. Working experience and professional background**

During the reporting period, the term of the office of the seventh session of the Board of the Company expired. The 2023 first extraordinary general meeting held by the Company on 12 October 2023 considered and approved the Proposal on the Election of Independent Directors of the Eighth Session of the Board, and I was elected as an Independent Director of the eighth session of the Board with effect from 12 October 2023. My working experience and professional background are as follows:

Mr. Mao Huigang was born in 1972 and is a holder of master's degree in law. Mr. Mao has been an independent non-executive Director of the Company since 12 October 2023. He has worked at Shanghai Jin Mao Law Firm (上海市金茂律師事務所) since September 1994, serving as a lawyer, partner, managing partner and director. Mr. Mao is also a member of the Standing Committee of the Third Session of National People's Congress of Huangpu District, Shanghai, an arbitrator of the Shanghai International Economic and Trade Arbitration Commission, an arbitrator of the Shanghai Arbitration Commission, a councilor of the Shanghai Bar Association and the director of the Arbitration Special Committee of the Shanghai Bar Association. Mr. Mao worked as an independent director of Shanghai Rural Commercial Bank Co., Ltd. (上海農村商業銀行股份有限公司, listed on the SSE under the stock code of 601828) from April 2017 to November 2023. Mr. Mao has been an independent director of Bright Dairy & Food Co., Ltd. (光明乳業股份有限公司, listed on the SSE under the stock code of 600597) since December 2020.

**2. Other positions held concurrently**

Name	Position	Positions in Other Entities	
		Name of Entity	Position
Mao Huigang	Independent Non-executive	Shanghai Jin Mao Law Firm (上海市金茂律師事務所)	Director
	Director	Bright Dairy & Food Co., Ltd. (光明乳業股份有限公司)	Independent Director

**3. Statement of independence**

As an Independent Director of the Company, I perform my duties independently, and have no connected relationship with any of the substantial Shareholders of the Company or other entities or individuals having an interest in the Company which will affect my independence.

**II. DUTY PERFORMANCE BY INDEPENDENT DIRECTOR FOR THE YEAR****1. Attendance at meetings***(1) Attendance at Board meetings and general meetings*

During the reporting period, the Company held ten Board meetings in total, among which, the seventh session of the Board held eight meetings and the eighth session of the Board held two meetings. As an Independent Director of the eighth session of the Board, I attended the two Board meetings held by the Company since my appointment. During the reporting period, the Company held two general meetings in total. The Company held the 2022 annual general meeting on 16 June 2023 and the 2023 first extraordinary general meeting on 12 October 2023. The Company held no general meeting since my appointment. I carefully reviewed the meeting materials before the meeting, actively participated in the discussion and expressed professional and independent opinions at the meeting, exercised my voting rights in accordance with the law, did not raise any objection to the proposals of the Board and did not cast negative votes or abstain.

My attendance at Board meetings and general meetings is as follows:

Name	Board Meetings			General Meetings		
	Number of required attendances	Number of attendances in person	Number of attendances by way of correspondence	Number of attendances by proxy	Number of absences	Number of attendances
Mao Huigang	2	2	1	0	0	0

***(2) Attendance at special committee meetings of the Board***

The Board of the Company has set up the Audit Committee, the Nomination, Remuneration and Assessment Committee, the Compliance and Risk Management Committee and the Development Strategy and ESG Management Committee. During the reporting period, the Nomination, Remuneration and Assessment Committee of the eighth session of the Board held one meeting, and the Compliance and Risk Management Committee of the eighth session of the Board held one meeting. As the chairman of the Nomination, Remuneration and Assessment Committee and a member of the Compliance and Risk Management Committee, I attended the abovementioned special committee meetings, carefully discussed the implementation plan for the reform of the wage determination mechanism, the management measures on integrity and other meeting documents of the Company, and provided professional opinions and advice for the scientific decision-making of the Board by virtue of my own professional background and working experience, and did not cast negative votes or abstain.

***(3) Attendance at special meetings of Independent Directors***

In accordance with the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號–規範運作》) and other relevant provisions and with reference to the actual conditions of the Company, the Company held no special meetings of Independent Directors during the reporting period. The Company will carry out work on special meetings of Independent Directors in strict compliance with relevant requirements in the future.

**2. Performance of powers and duties of Independent Director**

During the reporting period, I performed the powers and duties of Independent Director in accordance with laws and prudently and objectively expressed independent opinions on significant matters which may affect the interests of the Shareholders of the Company, the minority Shareholders in particular. I also expressed professional opinions at the Board meetings and facilitated the decision-making of the Board to be in line with the overall interests of the Company effectively protecting the interests of the minority Shareholders. During the reporting period, I did not propose the holding of Board meetings, or propose to the Board that an extraordinary general meeting should be held, or independently appoint intermediaries to carry out audit, consultancy or verification on specific matters of the Company.

**3. Communication with internal audit offices and accounting firms**

During the reporting period, I actively carried out communication with internal audit departments and accounting firms of the Company since my appointment, listened to reports related to the Company's internal audit to understand the establishment and implementation of internal control systems of the Company. It continuously followed the progress of the audit to safeguard the objectivity and fairness of the audit results.

**4. Communication with minority Shareholders**

During the reporting period, I attached great importance to communication and exchanges with minority Shareholders, and performed duties and responsibilities in strict compliance with relevant provisions. For proposals to be considered by the Board and its special committees and matters requiring Independent Directors to express opinions, I carefully reviewed relevant materials, fully understood relevant information, conducted independent and objective judgment by leveraging on my own knowledge and experience and prudently expressed professional opinions. I was not affected by substantial Shareholders of the Company and other entities and individuals having an interest in the Company in making judgments and expressing opinions. In addition, I actively paid attention to the performance of commitments of the Company and Shareholders and prevented the legitimate rights and interests of minority Shareholders from being infringed. During the reporting period, the Company and Shareholders were not identified as violating relevant commitments.

**5. On-site work in the Company**

During the reporting period, I actively listened to reports of the Company on operation management, corporate governance, capital operation, compliance and risk control and financial management through participating in meetings and field inspections, paid full attention to the operation and management development and the progress of significant matters of the Company and maintained close communication with other Directors, the secretary to the Board and other senior management of the Company through telephone, emails and other means, actively obtained materials for decision-making and comprehensively learned about the business development, operation and management of the Company in a timely manner to practically perform the duties of Independent Director. In November 2023, I actively participated in the field investigation of the Company's Directors and Supervisors on the Guangdong Branch and the organizations based in Guangzhou, the Shenzhen Branch and the organizations based in Shenzhen, and gained an in-depth understanding of the work effectiveness of the Company's branches in terms of synergy and linkage, business transformation, compliance and internal control.

**6. Assisting the work of Independent Directors by the Company**

During the reporting period, I received the active cooperation and strong support from the Board, the Supervisory Committee, the operation and management and relevant staff of the Company in performing the duties of Independent Director and exercising the authorities of Independent Director. The management of the Company attached great importance to the communication and exchanges with Independent Directors, diligently reported the operation and management of the Company and the progress of significant matters to the Board and the Independent Directors and provided complete working conditions and personnel support to the performing the duties and the exercising the authorities by the Independent Directors. During the reporting period, I participated in regular trainings organized by regulatory authorities or other institutions and completed the requirements on continuous trainings under the coordination of the Company. I participated in the follow-up training for independent directors held by the Shanghai Stock Exchange in December 2023. In addition, I was kept duly informed of the Company's operations and management, latest policies and regulations in the securities market and other relevant information through materials including Newsletter of Directors and Supervisors and Regulations of Securities Market and Case Analysis produced by the Company on a regular basis to continuously enhance my duty performance capabilities.

**III. KEY MATTERS OF INDEPENDENT DIRECTORS DURING DUTY PERFORMANCE FOR THE YEAR****1. Appointment of senior management**

On 12 October 2023, the first meeting (extraordinary meeting) of the eighth session of the Board of the Company considered and approved the Proposal on the Appointment of Members of the Senior Management. I carefully reviewed the proposal and made the following independent opinions:

After reviewing the brief biographical details of Mr. Li Jun, Mr. Mao Yuxing, Mr. Jiang Chengjun, Mr. Pan Guangtao, Mr. Zhang Xinjun, Mr. Pei Changjiang, Mr. Chen Chunqian, Mr. Zhang Xiangyang, Ms. Zhao Huiwen and Mr. Shi Xu, I had not found any circumstances where the abovementioned persons were not allowed to serve as senior management of the Company as stipulated in Article 146 of the Company Law, nor any circumstances where the abovementioned persons had been banned by the CSRC from serving as directors, supervisors and senior management of listed companies and such ban had not been lifted, or being publicly determined by the stock exchanges as unsuitable to be directors, supervisors and senior management of listed companies and such period has not expired. The abovementioned persons were in compliance with the relevant provisions of the Company Law, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Business Institutions, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Articles of Association and the abovementioned persons were qualified to serve as senior management of listed companies and securities companies. The appointment of the abovementioned senior management was approved.

**2. Implementation of information disclosure**

During the reporting period, the Company disclosed its significant information in a true, accurate, complete, timely and fair manner without any false representation, misleading statements or material omission in strict compliance with the requirements of the domestic and overseas laws and regulations on information disclosure, to ensure that investors were informed of the material matters of the Company in a timely manner, protect the interests of investors and enhance the transparency of the Company.

**3. Operations of the Board and its special committees**

During the reporting period, the Board and its special committees conducted my work according to laws and regulations, the Articles of Association and relevant terms of reference. The special committees provided effective and professional advice on the significant events under consideration by giving a full play to the expertise of Independent Directors, which facilitated the Board's scientific decision-making.

**IV. OVERALL EVALUATION AND SUGGESTIONS**

During the reporting period, I fulfilled my duties in good faith, diligently and independently in strict accordance with relevant laws and regulations, the Articles of Association, etc., continued to pay attention to the Company's operation and development, information disclosure, internal control and other matters that are closely related to the Shareholders of the Company, and prudently expressed independent opinions to promote the standardized operation of the Company, so as to safeguard the legitimate rights and interests of the Company and all Shareholders.

In 2024, I will continue to fully perform the duties, exercise my functions and powers, and make independent judgments regarding all works of the Board and its special committees as well as special meetings of Independent Directors, listen to reports on the operation and management, corporate governance, information disclosure, internal control and capital operation of the Company through actively participating in meetings and field inspections, maintain the close communication among the Board, the Supervisory Committee and management, continuously enhance my duty performance capabilities, put forward professional opinions and suggestions to facilitate high-quality development of the Company, and earnestly safeguard the interests of the Company and all Shareholders, especially minority Shareholders.

Haitong Securities Co., Ltd.  
Independent Director: Mao Huigang  
12 June 2024

**FINAL ACCOUNTS REPORT OF  
HAITONG SECURITIES CO., LTD. FOR THE YEAR OF 2023<sup>1</sup>**

**Dear Shareholders,**

The year 2023 was the first year of full implementation of the guiding spirit of the 20th National Congress of the CPC. Guided by Xi Jinping Thoughts on Socialism with Chinese Characteristics for a New Era, the Company comprehensively implemented the guiding spirit of the 20th National Congress of the CPC, deeply studied and implemented the guiding spirit of the Central Financial Work Conference and General Secretary Xi Jinping's important speech during his visit to Shanghai, completely, accurately and comprehensively implemented the new development concept, served the establishment of the new development pattern and focused on promoting high-quality development to fully promote the implementation of the decision-making and deployment of Shanghai Municipal Party Committee and Shanghai Municipal Government (上海市委市政府) and Shanghai SASAC (上海市國資委) under the general principle of "making progress while maintaining stability". Focusing on the difficulties, some businesses developed well, but the overall operating data declined.

The final accounts of the Company for the year of 2023 are reported as follows:

**I. RESULTS OF OPERATION**

**Revenue** In 2023, the revenue of the Group was RMB22.953 billion, decreasing by RMB2.995 billion or 11.54% as compared to RMB25.948 billion for last year. In particular:

1. Net commission income from brokerage business was RMB3.830 billion, decreasing by RMB843 million or 18.06% as compared to RMB4.673 billion for last year, which was mainly due to the decrease of revenue generated from commission income from securities brokerage business;
2. Net commission income from investment banking business was RMB3.421 billion, decreasing by RMB758 million or 18.14% as compared to RMB4.179 billion for last year, which was mainly due to the decrease of revenue generated from securities underwriting business;
3. Net commission income from asset management business was RMB1.914 billion, decreasing by RMB339 million or 15.07% as compared to RMB2.253 billion for last year, which was mainly due to the decrease of revenue generated from fund management business;

<sup>1</sup> Unless otherwise stated, financial data in this report are based on the audited consolidated statements (A Shares) and are presented in Renminbi, and the data involving net profit, net assets and total comprehensive income are based on those attributable to the owners of the parent company. Principal financial indicators in this report are based on the China Enterprise Accounting Standards (CEAS).



4. Net interest income was RMB4.089 billion, decreasing by RMB2.121 billion or 34.16% as compared to RMB6.210 billion for last year, which was mainly due to the increase in borrowing interest expenses;
5. Investment income and gains from changes in fair value amounted to RMB1.025 billion in total, increasing by RMB1.273 billion as compared to RMB-248 million for last year, which was mainly due to the increase in investment income of financial instruments;
6. Other operating income was RMB7.839 billion, decreasing by RMB183 million or 2.28% as compared to RMB8.022 billion for last year.

**Operating expenses** In 2023, the operating expenses of the Group were RMB21.502 billion, increasing by RMB3.465 billion or 19.21% as compared to RMB18.037 billion for last year. In particular:

1. Business and management fee was RMB11.097 billion, increasing by RMB1.152 billion or 11.58% as compared to RMB9.945 billion for last year, which was mainly due to the increase in expenses related to operating business activities;
2. Credit impairment loss was RMB3.189 billion, increasing by RMB1.523 billion or 91.44% as compared to RMB1.666 billion for last year, which was mainly due to the increase in impairment loss on financial assets held under resale agreements;
3. Other asset impairment loss was RMB308 million, increasing by RMB243 million or 372.23% as compared to RMB65 million for last year, which was mainly due to the increase in impairment loss on goodwill;
4. Other operating costs were RMB6.672 billion, increasing by RMB552 million or 9.02% as compared to RMB6.120 billion for last year, which was mainly due to the increase in cost of sales of a subsidiary.

**Net profit attributable to shareholders of the parent company** In 2023, the Group recorded net profit attributable to shareholders of the parent company of RMB1.008 billion, decreasing by RMB5.537 billion or 84.59% as compared to RMB6.545 billion for last year.

## II. FINANCIAL CONDITION

**Assets** As at the end of 2023, the total assets of the Group were RMB754.587 billion, increasing by RMB978 million or 0.13% as compared to RMB753.609 billion as at the end of last year. The major changes include: financial assets such as financial assets held for trading, other debt investment and investment in other equity instruments increased by RMB23.039 billion, financial assets held under resale agreements increased by RMB4.138 billion, bank balances and cash, security deposits and refundable deposits decreased by RMB20.866 billion, and long-term receivables and finance lease receivables decreased by RMB4.599 billion.

Financial assets of the Group such as financial assets held for trading, other debt investment and investment in other equity instruments accounted for 39% of the Group's total assets. Bank balances and cash, security deposits and refundable deposits accounted for 24% of the total assets. Long-term receivables and finance lease receivables accounted for 13% of the total assets. Advances to customers on margin financing accounted for 9% of the total assets. Financial assets held under resale agreements accounted for 5% of the total assets. Fixed assets, right-of-use assets, construction in progress and investment properties accounted for 3% of the Group's total assets. Most assets were with relatively strong liquidity, and the Group's assets were well-structured with high liquidity.

**Liabilities** As at the end of 2023, the total liabilities of the Group were RMB579.787 billion, increasing by RMB3.800 billion or 0.66% as compared to RMB575.987 billion as at the end of last year. The major changes include: short-term financing bills payable and bonds payable increased by RMB14.783 billion, sale and repurchase financial assets increased by RMB10.870 billion, placements from banks and other financial institutions increased by RMB8.436 billion, short-term borrowings and long-term borrowings decreased by RMB17.463 billion, accounts payable to brokerage clients and accounts payable to underwriters decreased by RMB8.988 billion.

## III. CASH FLOW

The net cash flow from operating activities was RMB3.053 billion, and in particular, the cash inflow was RMB64.005 billion, accounting for 23.64% of the total cash inflow, mainly attributable to the cash from interest, fee and commission of RMB24.270 billion, the cash receipts from other operating activities of RMB24.947 billion; the cash outflow was RMB60.951 billion, accounting for 20.80% of the total cash outflow, mainly attributable to the net increase in the financial assets held for trading of RMB14.854 billion, and the cash payment relating to other operating activities of RMB15.844 billion.

The net cash flow from investing activities was RMB-8.803 billion, and in particular, the cash inflow was RMB38.501 billion, accounting for 14.22% of the total cash inflow, primarily comprising cash from disposal of investment of RMB36.089 billion; the cash outflow was RMB47.304 billion, accounting for 16.14% of the total cash outflow, primarily comprising cash payment for investment of RMB46.502 billion.

The net cash flow from financing activities was RMB-16.540 billion, and in particular, the cash inflow was RMB168.241 billion, accounting for 62.14% of the total cash inflow, primarily comprising cash receipts from bond issue of RMB114.035 billion and cash receipts from borrowings of RMB54.141 billion; the cash outflow was RMB184.781 billion, accounting for 63.06% of the total cash outflow, primarily comprising cash paid for repayment of debts of RMB170.288 billion.

The above report is hereby proposed for consideration and approval at the general meeting.

**Board of Directors of Haitong Securities Co., Ltd.**

12 June 2024

**PROPOSAL REGARDING THE PROJECTED EXTERNAL GUARANTEES  
OF THE COMPANY IN 2024**

In response to the business development of the Company and in order to meet the external guarantee demands of the Company and its majority-owned subsidiaries, the Company has projected the external guarantees of the Company and its majority-owned subsidiaries in 2024 and developed an external guarantee plan in accordance with the relevant rules of the Shanghai Stock Exchange. Pursuant to the relevant requirements of laws, regulations and the Articles of Association, the Company has projected the external guarantees for the period from the date of consideration and approval by the 2023 annual general meeting until the date of the conclusion of the 2024 annual general meeting, as follows:

**I. SUMMARY OF THE GUARANTEES****1. Financing Guarantees**

The total amount of financing guarantees provided by the Company and its majority-owned subsidiaries for their subsidiaries shall not exceed RMB42.3 billion equivalent (including existing guarantees, extensions or renewals of existing guarantees and new guarantees), of which the total amount of guarantees provided for the guaranteed parties with a debt-to-asset ratio exceeding 70% shall not exceed RMB30.3 billion equivalent. Among the above guarantees, Haitong International Securities Group Limited, an indirect wholly-owned subsidiary of the Company, provides guarantees to banks for the business development of its subsidiaries with an amount of no more than RMB10 billion equivalent. The types of guarantees include, but are not limited to, guarantees for public or non-public issuance of onshore or offshore debt financing instruments (including but not limited to straight bonds, subordinated bonds, perpetual bonds, ultra-short-term financing bills, short-term financing bills, medium-term notes, etc.), loans from domestic or overseas financial institutions (including but not limited to bank facilities, bank loans, syndicated loans, etc.) and other onshore or offshore debt financing instruments as approved by, filed with or permitted by regulatory authorities and other relevant authorities in accordance with relevant regulations. The forms of guarantees include security (including general security and joint and several liability security), mortgage, pledge or mixed guarantee and other forms of guarantees as stipulated under relevant laws and regulations.

The details are as follows:

Guarantor	Guaranteed party	Direct or indirect shareholding percentage of the guarantor in the guaranteed party (%)	Debt-to-asset ratio of the guaranteed party as of the end of 2023 (%)	Balance of financing guarantee as of the end of April 2024	Estimated amount of financing guarantee	The financing guarantee amount		Guarantee provided for related party or not	Whether there is a counter guarantee
						as a percentage of the latest audited net assets of the listed company (%)	Projected validity period of the guarantee		
<b>1. Guarantees provided for entities with a debt-to-asset ratio exceeding 70%</b>									
Haitong Securities Co., Ltd.	Haitong International Holdings Limited	100	92.83	0				No	No
Haitong Securities Co., Ltd.	Haitong International Finance Holdings 2015 Limited	100	100	RMB4,761 million				No	No
Haitong Securities Co., Ltd.	Haitong International Finance Holdings Limited	100	100	RMB10,300 million			From the date of consideration and approval by the 2023 annual general meeting until the date of the conclusion of the 2024 annual general meeting	No	No
Haitong Securities Co., Ltd.	Haitong Bank, S.A.	100	81.35	RMB4,545 million	Not exceeding RMB30.3 billion equivalent	17.33		No	No
Haitong Securities Co., Ltd.	Haitong International Securities Group Limited	100	79.95	0				No	No
Haitong Unitrust International Financial Leasing Co., Ltd.	Haitong UT Brilliant Limited	100	100.21	RMB3,132 million				No	No
Haitong Unitrust International Financial Leasing Co., Ltd.	Haitong UT Leasing HK Limited	100	70.84	0				No	No

Guarantor	Guaranteed party	Direct or indirect shareholding percentage of the guarantor in the guaranteed party (%)	Debt-to-asset ratio of the guaranteed party as of the end of 2023 (%)	Balance of financing guarantee as of the end of April 2024	Estimated amount of financing guarantee	The financing guarantee amount		Guarantee provided for related party or not	Whether there is a counter guarantee
						as a percentage of the latest audited net assets of the listed company (%)	Projected validity period of the guarantee		
<b>2. Guarantees provided for entities with a debt-to-asset ratio of less than 70%</b>									
Haitong Unitrust International Financial Leasing Co., Ltd.	Haitong Unitrust International Financial Leasing (Tianjin) Co., Ltd.	100	64.71	0	Not exceeding RMB2 billion equivalent	1.14	From the date of consideration and approval by the 2023 annual general meeting until the date of the conclusion of the 2024 annual general meeting	No	No
Haitong International Securities Group Limited	Haitong International Securities Company Limited	100	64.75	RMB8,336 million	Not exceeding			No	No
Haitong International Securities Group Limited	Haitong International Securities Group (Singapore) Pte. Ltd.	100	22.91	RMB429 million	RMB10 billion equivalent	5.72		No	No

## 2. Transaction Guarantees

Haitong International Securities Group Limited and its subsidiaries will provide guarantees for several transactions conducted by their subsidiaries under the International Swaps and Derivatives Association (ISDA) Master Agreement, the Global Master Repurchase Agreement (GMRA), the Global Master Securities Lending Agreement (GMSLA) and other agreements, some of which will be unlimited guarantees. Such guarantees will be issued in accordance with normal practices in the international banking industry and capital market to ensure the normal development of relevant businesses. Meanwhile, given that the guarantors are companies with limited liabilities, the substantive cap of such guarantees is the net asset value of the guarantor, and the purposes and risk attributes of the guarantees also differ from the debt financing guarantees above.

### 3. Other Types of Guarantees Including Net Capital Guarantee

The total amount of other types of guarantees such as net capital guarantee provided by the Company and its majority-owned subsidiaries shall not exceed RMB1.5 billion equivalent.

The above guarantee allocation is based on the current forecast for business operations. The Board proposes that the general meeting authorize (1) the management of the Company, within the estimated total amount of 2024, to transfer the amount of guarantee among the subsidiaries of the Company (including the subsidiaries newly established or included in the scope of consolidated statements during the authorization period) depending on possible changes. Among them, subsidiaries with a debt-to-asset ratio exceeding 70% can only obtain guarantee from those subsidiaries with a debt-to-asset ratio exceeding 70% at the time of deliberation at the general meeting; and (2) subject to the aforesaid factors including amount, type, form, guaranteed party and period of guarantee, the management or the authorized Directors of the Company, in their absolute discretion, to handle all specific matters involved in the above guarantees, including but not limited to signing documents and performing approval and filing procedures with relevant regulatory authorities, and fulfill the corresponding information disclosure obligations in a timely manner in accordance with relevant laws and regulations when the Company or its subsidiaries provide guarantees.

## II. BASIC INFORMATION OF THE GUARANTEED PARTIES

### 1. Haitong International Holdings Limited

Establishment date: 24 July 2007

Registered address: 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong

Registered capital: HK\$11,179,726,140

Principal business: Investment holding

Relationship with the Company: The guaranteed party is a wholly-owned subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: HK\$108,542 million; net assets: HK\$7,786 million; revenue: HK\$6,565 million; net profit: HK\$-8,156 million.

**2. Haitong International Finance Holdings 2015 Limited**

Establishment date: 23 December 2014

Registered address: Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands

Registered capital: USD1

Principal business: SPV, for the purpose of issuing bonds in overseas capital market

Relationship with the Company: The guaranteed party is an indirect wholly-owned subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: USD674 million; net assets: USD1; revenue: USD15 million; net profit: nil.

**3. Haitong International Finance Holdings Limited**

Establishment date: 19 September 2013

Registered address: Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands

Registered capital: USD1

Principal business: SPV, for the purpose of issuing bonds in overseas capital market

Relationship with the Company: The guaranteed party is an indirect wholly-owned subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: USD973 million; net assets: USD1; revenue: USD22 million; net profit: nil.

**4. Haitong UT Brilliant Limited**

Establishment date: 1 December 2020

Registered address: 11/F., Central Tower 28 Queen's Road Central, Central, Hong Kong

Registered capital: USD1

Principal business: SPV, for the purpose of issuing bonds in overseas capital market



Relationship with the Company: The guaranteed party is an indirect wholly-owned subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: USD300 million; net assets: USD-0.6311 million; revenue: USD14.3743 million; net profit: USD-64.7 thousand.

#### **5. Haitong UT Leasing HK Limited**

Establishment date: 25 April 2017

Registered address: 40/F., Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong

Registered capital: USD253 million

Principal business: Operating lease, finance lease, sales of aircraft, sales of subsisting leases, aircraft asset management, advisory business related to financing business

Relationship with the Company: The guaranteed party is an indirect subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: RMB7,149 million; net assets: RMB2,085 million; total revenue: RMB608 million; net profit: RMB130 million.

#### **6. Haitong Unitrust International Financial Leasing (Tianjin) Co., Ltd.**

Establishment date: 6 December 2011

Registered address: Room 1-1-2019, Financial Trade Center South Zone, No. 6975, Aisa Road, Tianjin Pilot Free Trade Zone (Dongjiang Free Trade Port Zone)

Registered capital: RMB210 million

Principal business: Financial leasing business; leasing business; purchase of leased properties from domestic and abroad; residual value disposal and repair of leased properties; lease transaction consulting and guarantee business (exclusive of financing guarantee)

Relationship with the Company: The guaranteed party is an indirect subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: RMB1,165 million; net assets: RMB411 million; revenue: RMB295 million; net profit: RMB108 million.

#### **7. Haitong International Securities Group Limited**

Establishment date: 19 June 1996

Registered address: Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda

Registered capital: HK\$2 billion

Principal business: Investment holding

Relationship with the Company: The guaranteed party is an indirect wholly-owned subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: HK\$74,531 million; net assets: HK\$14,944 million; revenue: HK\$-2,083 million; net profit: HK\$-8,117 million.

#### **8. Haitong International Securities Company Limited**

Establishment date: 6 March 1973

Registered address: 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong

Registered capital: HK\$11.5 billion

Principal business: Securities trading and advising on securities

Relationship with the Company: The guaranteed party is an indirect wholly-owned subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: HK\$28,743 million; net assets: HK\$10,132 million; revenue: HK\$1,607 million; net profit: HK\$-1,494 million.

#### **9. Haitong International Securities Group (Singapore) Pte. Ltd.**

Establishment date: 13 March 2013

Registered address: 10 Collyer Quay, #19-01 - #19-05 Ocean Financial Centre, Singapore

Registered capital: SGD730,550,721

Principal business: Acting as a business management subsidiary in Singapore

Relationship with the Company: The guaranteed party is an indirect wholly-owned subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year (separate): Total assets: HK\$7,960 million; net assets: HK\$6,136 million; revenue: HK\$351 million; net profit: HK\$60.53 million.

#### **10. Haitong Bank, S.A.**

Establishment date: 1 April 1993

Registered address: Rua Alexandre Herculano, 38 1269-180 Lisbon

Registered capital: EUR871,278,000

Principal business: Merger and acquisition advisory, capital market, fixed income, credit, asset management, and other businesses approved by the Portuguese Securities Market Commission

Relationship with the Company: The guaranteed party is an indirect wholly-owned subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: EUR3,499 million; net assets: EUR652 million; net income: EUR76.09 million; net profit attributable to the parent company: EUR17.26 million.

#### **11. Shanghai Haitong Securities Asset Management Company Limited**

Establishment date: 26 June 2012

Registered address: Rooms 01-12, Level 32, No. 689 Guangdong Road, Huangpu District, Shanghai

Registered capital: RMB2,200 million

Principal business: Securities asset management

Relationship with the Company: The guaranteed party is an indirect wholly-owned subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: RMB5,902 million; net assets: RMB5,729 million; revenue: RMB537 million; net profit: RMB263 million.

## **12. Haitong Capital Investment Co., Ltd.**

Establishment date: 23 October 2008

Registered address: Rooms 07-12, Level 26, No. 689 Guangdong Road, Shanghai

Registered capital: RMB7,500 million

Principal business: Engaging in equity investment business and other businesses permitted by the China Securities Regulatory Commission

Relationship with the Company: The guaranteed party is an indirect wholly-owned subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: RMB12,060 million; net assets: RMB9,790 million; revenue: RMB229 million; net profit: RMB34 million.

## **13. Haitong Banco de Investimento do Brasil S.A.**

Establishment date: 1973

Registered address: Av. Brigadeiro Faria Lima, 3729 – 8th Floor Itaim Bibi, CEP 04538-905, Sao Paulo – Brazil

Registered capital: BRL420 million

Principal business: Investment banking

Relationship with the Company: The guaranteed party is an indirect wholly-owned subsidiary of the Company

Financial data of the guaranteed party at the end of the latest year/for the latest year: Total assets: EUR1,185 million; net assets: EUR78.21 million; revenue: EUR-0.38 million; net profit: EUR-9.05 million.

**III. KEY CONTENT OF GUARANTEE AGREEMENTS**

The aforementioned guarantee limit is the maximum guarantee amount that the Company can estimate, and it has been considered and approved by the Board and will be submitted to the 2023 annual general meeting for consideration. Within the guarantee limit approved by the general meeting, the Company will not hold separate Board meetings or general meetings to discuss specific guarantees (except in the case of new guaranteed parties). Prior to the signing of specific agreements, the Company's management is authorized to handle guarantee matters within the guarantee limit based on actual operating conditions and the requirements of financial institutions. The specific guarantee amount, guarantee type, guarantee period and other matters shall be subject to the actual agreements signed.

**IV. NECESSITY AND REASONABLENESS OF THE GUARANTEE**

Given the distinction and isolation of business categories in domestic and overseas markets, the practices of using independent special purpose vehicles (SPVs) as operating entities in overseas markets, and the operating and financial conditions of each subsidiary, the Company and its majority-owned subsidiaries need to provide credit enhancement for financing, transactions, etc. by means of guarantee to facilitate smooth business operation.

The creditworthiness of each guaranteed party is good. The main purpose of the Company and its majority-owned subsidiaries in providing the guarantees is to satisfy the production and operation needs of the subsidiaries, which is conducive to their stable operation and long-term development. The guaranteed parties have the ability to repay their debts, and the overall guarantee risk is controllable.

The above proposal is hereby presented to the general meeting for consideration.

**Board of Directors of Haitong Securities Co., Ltd.**

12 June 2024

**PROPOSAL REGARDING THE PROJECTED ROUTINE RELATED  
PARTY/CONNECTED TRANSACTIONS OF THE COMPANY IN 2024**

Dear Shareholders,

The Company has forecasted the routine related party/connected transactions to be conducted in 2024, details of which are as follows:

**I. BASIC INFORMATION OF ROUTINE RELATED PARTY/CONNECTED  
TRANSACTIONS****(I) Summary of Related Party/Connected Transactions**

The Company has been approved by the China Securities Regulatory Commission to engage in securities business and provide trading and intermediary services for securities and other financial products. The transaction counterparties and the target clients may also include related parties/connected persons of the Company. For the purposes of sound management and information disclosure for its related party transactions/connected transactions, the Company, in accordance with the Company Law of the PRC (《中華人民共和國公司法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》) (the “Shanghai Stock Exchange Listing Rules”), the Guidelines No.5 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號-交易與關聯交易》), and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and requirements of other laws and regulations, as well as the Articles of Association and the Management Measures for Related Party Transactions of the Company (《關聯交易管理辦法》), has made projections about its routine related party transactions/connected transactions to be conducted in 2024 based on the need of its routine operations and business development.

**(II) Implementation of Routine Related Party Transactions/Connected Transactions of  
the Company in 2023*****1. Continuing connected transactions under the Hong Kong Listing Rules***

The Company and Shanghai Guosheng (Group) Co., Ltd. (“**Shanghai Guosheng Group**”) and its associates entered into the Related Party/Connected Transaction Framework Agreement between Shanghai Guosheng (Group) Co., Ltd. and Haitong Securities Co., Ltd. (the “**Framework Agreement**”) on 30 December 2022. The Framework Agreement specified the scope, pricing basis and approval and supervision procedures of the connected transactions and related services and estimated the annual caps for such continuing connected transactions for the period from 2023 to 2025.

The aforesaid Framework Agreement was considered and approved at the 34th meeting of the seventh session of the Board (extraordinary meeting). Pursuant to relevant laws and regulations and internal rules of the Company, Mr. Tu Xuanxuan, a related Director, has abstained from voting thereon, and the Independent Directors of the Company have expressed their prior approval opinions and independent opinions with respect to the signing of the Framework Agreement. The Company has announced and disclosed the relevant Board approvals and signing of the Framework Agreement in accordance with the relevant requirements of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

In the year of 2023 (the “**reporting period**”), the continuing connected transactions in relation to the securities and financial products transactions (the “**Securities and Financial Products Transactions**”) and the securities and financial services (the “**Securities and Financial Services**”) conducted between the Group and Shanghai Guosheng Group and its associates are as follows:

*Unit: RMB’0,000*

<b>Transaction</b>	<b>Estimated annual cap for 2023</b>	<b>Actual transaction amount for 2023</b>
Securities and Financial Products Transactions		
Inflow <sup>(1)</sup>	250,000.00	12,261.22
Outflow <sup>(2)</sup>	210,000.00	333.06
Securities and Financial Services		
Revenue generated	10,000.00	950.59
Expenses paid	3,000.00	147.22

*Notes:*

- (1) “Inflow” refers to the total amount of cash inflows of the Group arising from the Securities and Financial Products Transactions, including the sale of fixed income products and equity products, the interest to be received from derivatives related to fixed income products and borrowing/repurchase through financing transactions.
- (2) “Outflow” refers to the total amount of cash outflows of the Group arising from the Securities and Financial Products Transactions, including the purchase of fixed income products and equity products, the interest to be paid for derivatives related to fixed income products and lending/reverse repurchase through financing transactions.

The overseas auditor engaged by the Company, PricewaterhouseCoopers, has performed review procedures on the above continuing connected transactions, and issued an assurance report to the Board confirming that: (1) nothing has come to its attention that caused it to believe that the disclosed continuing connected transactions have not been approved by the Board; (2) for the transactions involving provision of goods or services by the Group, nothing has come to its attention that caused it to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group; (3) nothing has come to its attention that caused it to believe that the transactions were not entered into, in all material respects, in accordance with the agreements governing such transactions; and (4) in relation to the total amount of continuing connected transactions set out in the above table, nothing has come to its attention that caused it to believe that the amount of such continuing connected transactions exceeded the annual caps set by the Company.

The independent non-executive Directors have reviewed the above continuing connected transactions, and confirmed that such transactions were entered into (1) in the usual course of business of the Group; (2) on normal commercial terms or better; and (3) in accordance with the agreements governing such transactions, the terms of which are fair and reasonable, and are in the interest of the Shareholders as a whole.

## 2. Routine related party transactions under the Shanghai Stock Exchange Listing Rules

- (1) Related party transactions with Shanghai Guosheng (Group) Co., Ltd. and Shanghai Guosheng Group Assets Co., Ltd.

*Unit: RMB' 0,000*

<b>Transaction</b>	<b>Transaction amount for 2023</b>	<b>Percentage of the amount of similar transactions</b>	<b>Remarks</b>
Net fee and commission income	181.03	0.02%	Asset management fee and commission income received from related parties
Net fee and commission income	37.93	0.00%	Securities trading fee and commission income received from related parties
Net interest income	47.74	0.01%	Net interest income from margin deposits of related parties



<b>Transaction</b>	<b>Transaction amount for 2023</b>	<b>Percentage of the amount of similar transactions</b>	<b>Remarks</b>
Net gains or losses from trading of derivative financial instruments (Note)	120.09	0.34%	During the reporting period, the amount of notional principal was RMB109 million  As at the end of the reporting period, the balance of notional principal was RMB52 million

*Note:* The realized and unrealized investment income generated from trading of derivatives between the related parties as the counterparties and the Company, with losses shown as negative values.

*Unit: RMB' 0,000*

<b>Item</b>	<b>Balance as at 31 December 2023</b>	<b>Percentage of the amount of similar transactions</b>	<b>Remarks</b>
Accounts receivable	49.49	0.00%	Balance of service fees receivable from related parties
Accounts payable	5,161.44	0.34%	Balance of margin deposits payable to related parties on derivative financial instruments
Accounts payable to brokerage clients	0.02	0.00%	Balance of margin deposits from clients placed by related parties
Derivative financial assets	159.11	0.07%	Balance of derivative financial assets generated from trading of derivatives with related parties

- (2) Related party transactions with companies (other than the Company and its subsidiaries), where the Company's Directors, Supervisors and senior management served as directors or senior management, and other related corporate legal persons

*Unit: RMB' 0,000*

<b>Transaction</b>	<b>Transaction amount for 2023</b>	<b>Percentage of the amount of similar transactions</b>	<b>Remarks</b>
Fee and commission income	17,850.97	1.91%	Income from asset management business, income from sales service and income from investment consulting service received from related parties
Fee and commission income	13.21	0.00%	Securities trading fee and commission income received from related parties
Interest income from margin deposits	51.52	0.01%	Interest income from margin deposits of related parties
Interest income from bank deposits	3,553.55	0.90%	Interest income from bank deposits of related parties
Interest expenses on credit repo transactions	155.68	0.45%	During the reporting period, the amount of credit repo transactions was RMB8,000 million

Period: 1-7 days

<b>Transaction</b>	<b>Transaction amount for 2023</b>	<b>Percentage of the amount of similar transactions</b>	<b>Remarks</b>
Interest expenses on securities lending transactions	94.13	0.08%	During the reporting period, the amount of securities lending transactions was RMB3,650 million  Period: 1 day-11 months
Interest expenses on repurchase transactions	16.67	0.01%	During the reporting period, the amount of repurchase transactions was RMB1,300 million  Period: 1-7 days
Interest expenses on gold leasing	3,073.71	2.58%	During the reporting period, the amount of gold leasing was RMB4,740 million  Period: 356-365 days
Interest expenses on bank loans	3,010.66	0.76%	Interest expenses on bank loans paid to related parties
Business and management expenses	54.29	0.00%	Expenses such as fund sales service fees paid to related parties
Net gains or losses from trading of derivative financial instruments (Note)	-639.97	-1.82%	During the reporting period, the amount of notional principal was RMB77,132 million  As at the end of the reporting period, the balance of notional principal was RMB10,719 million

*Note:* The realized and unrealized investment income generated from trading of derivatives between the related parties as the counterparties and the Company, with losses shown as negative values.

*Unit: RMB' 0,000*

<b>Item</b>	<b>Balance as at 31 December 2023</b>	<b>Percentage of the amount of similar transactions</b>	<b>Remarks</b>
Bank deposits	362,119.50	2.64%	Balance of bank deposits placed by the Company with related parties
Accounts receivable	1,305.31	0.11%	Balance of performance fees and prepaid business margin receivable from related parties
Derivative financial assets	1,242.82	0.55%	Balance of derivative financial assets generated from trading of derivatives with related parties
Accounts payable to brokerage clients	4,561.76	0.04%	Balance of margin deposits from clients placed by related parties
Short-term borrowings	181,995.34	5.86%	Balance of short-term borrowings granted by related parties to the Company
Long-term borrowings	32,077.24	0.76%	Balance of long-term borrowings granted by related parties to the Company
Accounts payable	6.14	0.00%	Balance of service fees and unpaid business margin payable to related parties

<b>Item</b>	<b>Balance as at 31 December 2023</b>	<b>Percentage of the amount of similar transactions</b>	<b>Remarks</b>
Financial assets sold under repurchase agreements	483,528.24	4.30%	Balance of financial assets sold under repurchase agreements arising from gold leasing business with related parties
Derivative financial liabilities	1,336.14	1.12%	Balance of derivative financial liabilities generated from trading of derivatives with related parties
Financial liabilities held for trading	286.93	0.01%	Balance of financial liabilities held for trading generated from trading of derivatives with related parties

Certain related legal persons which are securities companies, carried out spot trading with the Company as qualified counterparties. During the reporting period, the total trading amount was RMB39,958 million.

**(III) Projected Transaction Amount and Transaction Type of the Routine Related Party Transactions/Connected Transactions**

The Company estimated the routine related party transactions/connected transactions for the year of 2024 and for the period ending conclusion of the 2024 annual general meeting.

**1. Shanghai Guosheng Group and its associates**

The Company entered into the Related Party Transactions/Connected Transaction Framework Agreement between Shanghai Guosheng (Group) Co., Ltd. and Haitong Securities Co., Ltd. with Shanghai Guosheng Group and its Associates, which has been approved at the 34th meeting (extraordinary meeting) of the seventh session of the Board, according to the Hong Kong Listing Rules and the Shanghai Stock Exchange Listing Rules. Such agreement was signed by the Company with Shanghai Guosheng Group on 30 December 2022, to assess the continuing connected transactions/related party transaction caps for 2023-2025.

<b>Type of transaction</b>	<b>Scope of transaction</b>	<b>Caps for and descriptions of projected transactions</b>
Securities and Financial Products Services	To be implemented according to the framework agreement signed on 30 December 2022	To be implemented according to the framework agreement signed on 30 December 2022, and the transaction amounts are subject to the 2024 annual caps agreed in the agreement.
Securities and Financial Products Transactions	To be implemented according to the framework agreement signed on 30 December 2022	To be implemented according to the framework agreement signed on 30 December 2022, and the transaction amounts are subject to the 2024 annual caps agreed in the agreement.

2. *Related party transactions with companies (other than the Company and its subsidiaries), where the Company's Directors, Supervisors and senior management hold positions as directors or senior management, and other related corporate legal persons*

Type of transaction	Scope of transaction	Caps for and descriptions of projected transactions
Securities and Financial Product Services	Providing securities and futures brokerage services, lease of trading rights, targeted asset management services, asset custody and operation outsourcing services to related parties; bank deposits and deposit interest in related parties; providing third-party fund depository services by related parties; agency sale of financial products of related parties; providing underwriting, sponsorship and financial consultation services to related parties; providing stock pledge, margin financing and securities lending services to related parties; providing investment consultation services to related parties; related parties providing banking credit, borrowing and other services to the Company; providing financial leasing to related parties; paying dividends to related parties and making joint investment with related parties.	Due to uncertainties of the occurrence and volume of such business, the projected cap will be the actual transaction amount.
Securities and Financial Product Transactions	Resale or repurchase in the interbank market with related parties; conducting bond proprietary trading in the interbank market with related parties; carrying out receivables transfer with related parties; subscribing for bonds, funds, wealth management products or trust plans issued by related parties; related parties subscribing for funds, asset management plans, wealth management products, over-the-counter derivatives and private placement bonds issued by the Company; conducting transfer of the listed shares in the NEEQ with related parties and making joint investment with related parties.	Due to uncertainties of the occurrence and volume of such business, the projected cap will be the actual transaction amount.

**II. RELATED PARTIES EXPECTED TO HAVE RELATED PARTY/CONNECTED  
TRANSACTIONS IN 2024 AND DESCRIPTION OF THEIR RELATED  
RELATIONSHIPS****1. Shanghai Guosheng (Group) Co., Ltd. and Its Associates**

Shanghai Guosheng (Group) Co., Ltd. is a large state-owned investment holding company focusing on capital operation, which was established in April 2007. As at 31 December 2023, Shanghai Guosheng (Group) Co., Ltd. and its wholly-owned subsidiary, Shanghai Guosheng Group Assets Co., Ltd., in aggregate held 10.38% equity interest of the Company. According to Rule 6.3.3(2)(4) of the Shanghai Stock Exchange Listing Rules, Shanghai Guosheng (Group) Co., Ltd. and its wholly-owned subsidiary, Shanghai Guosheng Group Assets Co., Ltd., constitute related parties of the Company. Shanghai Guosheng (Group) Co., Ltd. and its associates constitute connected persons of the Company pursuant to Rules 14A.07(1) and (4) and 14A.13(1) of the Hong Kong Listing Rules.

**2. Other Related Companies**

Pursuant to Rule 6.3.3(2)(3) of the Shanghai Stock Exchange Listing Rules, in the event that the Directors, Supervisors and senior management of the Company hold the positions of directors (excluding those who are independent directors of both parties) or senior management of a company (other than the Company, its majority-owned subsidiaries or other entities controlled by it), such company will constitute a related party of the Company, but not a connected person of the Company under the Hong Kong Listing Rules.

**III. PRICING PRINCIPLES****1. Securities and Financial Product Services**

It mainly includes but is not limited to the following arising from relevant business: fee charged from securities brokerage on behalf of client, sales service fees of securities and financial products, entrusted assets management fee and performance-based compensation, investment consulting fee, underwriting fees of investment banks, financial advisory fees, accounts receivable, accounts payable, etc., which shall be determined with reference to market price, industry practices and prices determined by the third party.

**2. Securities and Financial Products Transactions**

It mainly includes but is not limited to the following arising from relevant business: interest income from margin deposits, investment income, financial assets held for trading, etc., which shall be determined with reference to market price, industry practices and prices determined by the third party.

The above routine related party/connected transactions will not prejudice the interests of the Company and its Shareholders, especially its minority Shareholders.



**IV. REASONS FOR THE TRANSACTIONS AND IMPACT ON THE COMPANY**

1. The above related party transactions/connected transactions are conducted in the ordinary course of the Company's business and will generate a stream of recurring revenue for the Company, which promotes the development of the Company's business, and has no material impact on the normal operations of the Company;
2. The above related party transactions/connected transactions are fair, and the prices under these transactions are determined with reference to the market price, without prejudice to the interests of the Company;
3. The above related party transactions/connected transactions do not prejudice the independence of the Company as the principal business of the Company does not rely on the related parties/connected persons as a result of the above related party transactions/connected transactions.

**V. CONSIDERATION PROCEDURES OF RELATED PARTY TRANSACTION****1. Approval by the Board**

The Company held the fourth meeting of the eighth session of the Board on 28 March 2024, at which the Board considered and approved the Proposal Regarding the Projected Routine Related Party/Connected Transactions of the Company in 2024. 4 related/connected Directors abstained from voting and the proposal was approved with 6 affirmative votes, 0 negative vote and 0 abstention of the related/connected Directors.

**2. Approval at the Special Meeting of the Independent Directors**

The Company held a special meeting of Independent Directors on 27 March 2024, at which all the Independent Directors considered and approved the Proposal Regarding the Projected Routine Related Party/Connected Transactions of the Company in 2024. The Independent Directors were of the view that: the projected related party/connected transactions of the Company in 2024 are publicly available services or transactions provided by the Company in the securities market, and are conducted in the ordinary course of business of the Company at fair price, without prejudice to the interests of the Company or its minority Shareholders; carrying out the relevant business activities will promote the Company's business growth, and is in line with the Company's practical business needs and conducive to the Company's long-term development; relevant related party transactions should be disclosed in relevant periodic reports of the Company under the Shanghai Stock Exchange Listing Rules.

Each of the aforesaid related party/connected transactions will be submitted to the general meeting for consideration item by item, and related party/connected shareholders shall abstain from voting.

**Board of Directors of Haitong Securities Co., Ltd.**

12 June 2024