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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 adviser.

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

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**国联证券股份有限公司**  
GUOLIAN SECURITIES CO., LTD.

*(a joint stock limited company established in the People's Republic of China with limited liability)*  
**(Stock Code: 01456)**

**WORK REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2023**  
**WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023**  
**DUTY REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2023**  
**ANNUAL REPORT FOR THE YEAR 2023**  
**FINAL ACCOUNTS REPORT FOR THE YEAR 2023**  
**PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023**  
**CHANGE OF AUDIT INSTITUTIONS FOR THE YEAR 2024**  
**DUTY PERFORMANCE ASSESSMENT AND REMUNERATION OF DIRECTORS**  
**FOR THE YEAR 2023**  
**DUTY PERFORMANCE ASSESSMENT AND REMUNERATION OF SUPERVISORS**  
**FOR THE YEAR 2023**  
**PROPRIETARY BUSINESS SCALE OF THE COMPANY**  
**FOR THE YEAR 2024**  
**ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS OF**  
**THE COMPANY FOR THE YEAR 2024**  
**CHANGE OF SUPERVISOR**  
**AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ITS ATTACHMENT**  
**AND**  
**NOTICE OF AGM**

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Notice convening the AGM of Guolian Securities Co., Ltd. to be held at the conference room at 4th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC, on Wednesday, 19 June 2024 at 1:30 p.m. is set out on pages 18 to 20 of this circular.

If you intend to appoint a proxy to attend the AGM, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon. In case of H Shareholders, the form of proxy shall be lodged with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible, but in any event, not less than 24 hours before the time scheduled for holding the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM.

24 May 2024

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	3
<b>NOTICE OF AGM</b> .....	18
<b>APPENDIX I – WORK REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2023</b> .....	21
<b>APPENDIX II – WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023</b> .....	29
<b>APPENDIX III – DUTY REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2023</b> .....	37
<b>APPENDIX IV – FINAL ACCOUNTS REPORT FOR THE YEAR 2023</b> .....	77
<b>APPENDIX V – ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS OF THE COMPANY FOR THE YEAR 2024</b> .....	84
<b>APPENDIX VI – COMPARISON TABLE ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION</b> .....	90
<b>APPENDIX VII – COMPARISON TABLE ON THE AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD</b> .....	107

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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)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Shanghai Stock Exchange
“AGM”	the annual general meeting of the Company to be held at the conference room at 4th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC on Wednesday, 19 June 2024 at 1:30 p.m.
“Articles of Association”	the articles of association of the Company
“Board” or “Board of Directors”	the board of Directors of the Company
“Company”	Guolian Securities Co., Ltd. (國聯證券股份有限公司), a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the main board of the Stock Exchange (stock code: 01456) and the A Shares of which are listed on the Shanghai Stock Exchange (stock code: 601456)
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guolian Fund”	Guolian Fund Management Company Limited* (國聯基金管理有限公司), 75.5% equity interest of which is held by the Company
“Guolian Group”	Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司)
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Stock Exchange and traded in HK dollars
“H Shareholder(s)”	holder(s) of H Share(s)

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## DEFINITIONS

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“HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	20 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information included herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures of the Board”	the rules of procedures of the Board of the Company
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company

*In case of any discrepancy between the Chinese version and the English version of this circular, the Chinese version shall prevail.*

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## LETTER FROM THE BOARD

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**国联证券股份有限公司**  
GUOLIAN SECURITIES CO., LTD.

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

**(Stock Code: 01456)**

*Executive Director:*

Mr. Ge Xiaobo (*Chairman of the Board*)

*Non-executive Directors:*

Mr. Hua Weirong  
Mr. Zhou Weiping  
Mr. Wu Weihua  
Ms. Li Suo  
Mr. Liu Hailin

*Independent Non-executive Directors:*

Mr. Wu Xingyu  
Mr. Chu, Howard Ho Hwa  
Mr. Gao Wei

*Registered Address in the PRC:*

No. 8 Jinrong One Street  
Wuxi, Jiangsu Province  
the PRC

*Headquarters/Principal Place of  
Business in the PRC:*

No. 8 Jinrong One Street  
Wuxi, Jiangsu Province  
the PRC

*Principal Place of*

*Business in Hong Kong:*  
40/F, Dah Sing Financial Centre  
248 Queen's Road East  
Wanchai  
Hong Kong

24 May 2024

*To the Shareholders*

Dear Sir or Madam,

**WORK REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2023**  
**WORK REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2023**  
**DUTY REPORT OF THE INDEPENDENT DIRECTORS FOR THE YEAR 2023**  
**ANNUAL REPORT FOR THE YEAR 2023**  
**FINAL ACCOUNTS REPORT FOR THE YEAR 2023**  
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**FOR THE YEAR 2024**  
**ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS OF**  
**THE COMPANY FOR THE YEAR 2024**  
**CHANGE OF SUPERVISOR**  
**AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND ITS ATTACHMENT**  
**AND**  
**NOTICE OF AGM**

### INTRODUCTION

Notice convening the AGM of the Company to be held at the conference room at 4th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC, on Wednesday, 19 June 2024 at 1:30 p.m. is set out on pages 18 to 20 of this circular.

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## LETTER FROM THE BOARD

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The purpose of this circular is to give you the notice of AGM and provide you with relevant resolution details to enable you to make informed decision on whether to vote for or against the resolutions to be proposed at the AGM for the following, to be approved by way of ordinary resolution(s) or special resolution(s):

### ORDINARY RESOLUTIONS

- (1) Work report of the Board of Directors for the year 2023;
- (2) Work report of the Supervisory Committee for the year 2023;
- (3) Duty report of the independent Directors for the year 2023;
- (4) Annual report for the year 2023;
- (5) Final accounts report for the year 2023;
- (6) Profit distribution plan for the year 2023;
- (7) Resolution on the change of audit institutions for the year 2024;
- (8) Resolution on the duty performance assessment and remuneration of Directors for the year 2023;
- (9) Resolution on the duty performance assessment and remuneration of Supervisors for the year 2023;
- (10) Resolution on the proprietary business scale of the Company for the year 2024;
- (11) Resolution on the estimated ordinary related party transactions of the Company for the year 2024;
  - 11.01 Estimated related party transactions with Wuxi Guolian Development (Group) Co., Ltd. and its associates
  - 11.02 Estimated related party transactions with other related legal persons and related natural persons
- (12) Resolution on the change of Supervisor;

### SPECIAL RESOLUTION

- (13) Resolution on the amendments to the Articles of Association and its attachment;
  - 13.01 Resolution on the amendments to the Articles of Association
  - 13.02 Resolution on the amendments to the Rules of Procedures of the Board

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## LETTER FROM THE BOARD

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**(1) Work report of the Board of Directors for the year 2023**

An ordinary resolution will be proposed at the AGM to consider and approve the work report of the Board of Directors for the year 2023, the text of which is set out in Appendix I to this circular.

**(2) Work report of the Supervisory Committee for the year 2023**

An ordinary resolution will be proposed at the AGM to consider and approve the work report of the Supervisory Committee for the year 2023, the text of which is set out in Appendix II to this circular.

**(3) Duty report of the independent Directors for the year 2023**

An ordinary resolution will be proposed at the AGM to consider and approve the duty report of the independent Directors for the year 2023, the text of which is set out in Appendix III to this circular.

**(4) Annual report for the year 2023**

An ordinary resolution will be proposed at the AGM to consider and approve the annual report for the year 2023, the text of which is set out in the Company's annual report published on the website of the Company and the HKEXnews website of the Stock Exchange on 11 April 2024.

**(5) Final accounts report for the year 2023**

An ordinary resolution will be proposed at the AGM to consider and approve the final accounts report for the year 2023, the text of which is set out in Appendix IV to this circular.

**(6) Profit distribution plan for the year 2023**

An ordinary resolution will be proposed at the AGM to consider and approve the profit distribution plan for the year 2023, the text of which is as follows:

The audited net profit of the parent company in 2023 was RMB587,568,168.76. According to the relevant requirements of the Company Law, Securities Law, Financial Rules for Financial Enterprises and Articles of Association, after appropriating statutory provident fund and general risk reserve totaling RMB181,509,357.55, the profit available for distribution for the year amounted to RMB406,058,811.21.

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## LETTER FROM THE BOARD

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The balance of the undistributed profit was RMB2,968,450,213.47 in previous year and decreased RMB11,907,462.61 of undistributed profit upon the disposal of investments in other equity instruments, and the accumulated undistributed profit for this year was RMB3,362,601,562.07.

With a comprehensive consideration of factors including the long-term development of the Company and the interests of the Shareholders, the Company's profit distribution plan for the year 2023 is as follows: based on the total share capital of 2,831,773,168 shares as at the end of 2023, a cash dividend of RMB1.42 (tax inclusive) per 10 shares will be distributed to all Shareholders, with total cash dividends of RMB402,111,789.86, and the undistributed profit of RMB2,960,489,772.21 will be carried forward to the next year. In the event of change in the total share capital of the Company before the equity record date of the implementation of the above dividend distribution, it is proposed that the distribution ratio per share will remain unchanged while the total distribution amount shall be adjusted accordingly. The cash dividends will be paid by the Company to Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 3 July 2024.

Such cash dividends are expected to be paid to the Shareholders on or about 8 August 2024, subject to the approval of the aforesaid profit distribution plan at the AGM. The cash dividend will be denominated and declared in RMB, and payable in RMB to A Shareholders and in HK dollars to H Shareholders respectively. The actual amount to be distributed in HK dollars will be converted based on the central parity of the exchange rate as announced by the People's Bank of China on the first business day after the date of the AGM.

According to the Notice on the Management of Personal Income Tax Impose after the Abolition of Guo Shui Fa [1993] No. 045 Document issued by the State Administration of Taxation (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)), the dividend received by foreign resident individual shareholders from the issuance of shares in Hong Kong by domestic non-foreign invested enterprises is subject to the payment of individual income tax according to the items of "interests, dividend and bonus income", which shall be withheld by the withholding agents according to relevant laws. The foreign resident individual shareholders who hold the shares issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant agreed treatment pursuant to the provisions in the tax agreements signed between the countries where they reside and China or the tax arrangements between Mainland and Hong Kong (Macau). The tax rate for dividends under the relevant tax agreements and tax arrangements is generally 10%, and for the purpose of simplifying tax administration, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividends, generally withhold individual income tax at the rate of 10%, and are not obligated to file an application. If the tax rate for dividends is not equal to 10%, the following provisions shall apply: (1) for citizens from countries which have entered into tax agreements/arrangements stipulating a tax rate of lower than 10%, the withholding agents will file applications on their behalf to seek entitlement of the relevant agreed preferential treatments, and upon approval by the tax authorities, the excess tax amounts withheld will be refunded; (2) for citizens from countries which have entered into tax agreements/arrangements stipulating a tax rate of higher than 10% but lower than 20%, the withholding agents will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends, and are not obligated to file an application; (3) for citizens from countries without tax agreements or are under other situations, the withholding agents will withhold the individual income tax at a tax rate of 20% when distributing dividends.



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## LETTER FROM THE BOARD

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According to the requirements of the Notice on the Withholding Corporate Income Tax on the Dividends Distributed by the Chinese Resident Enterprise to Foreign H Shares Non-resident Enterprise Shareholders (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the STA, when the Chinese resident enterprises distribute dividends of 2008 and subsequent years to foreign H Shares non-resident enterprise shareholders, they shall pay the withholding enterprise income tax at the unified rate of 10%.

Pursuant to provisions in the Notice on Tax Policy Regarding Shanghai-Hong Kong Stock Connect Pilot Programs Issued by the Ministry of Finance, the STA and CSRC (Cai Shui [2014] No. 81) (《財政部國家稅務總局證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the Notice on Tax Policy Regarding Shenzhen-Hong Kong Stock Connect Pilot Programs (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), for the dividends obtained by mainland individual investors from investing in H Shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, such H-share companies shall withhold individual income tax at the tax rate of 20%. For the dividends obtained by mainland securities investment funds by investing in shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the individual income tax will be levied pursuant to the provisions mentioned above. For the dividends obtained by mainland enterprise investors from investing in shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, such H-share companies shall not withhold and pay any income taxes on the dividends, as the income taxes shall be reported and paid by the investing enterprises on their own. Meanwhile, for the dividends obtained by mainland resident enterprises from holding relevant H Shares for consecutive 12 months, the corporate income taxes shall be exempted according to laws.

Pursuant to the current practices of Inland Revenue Department of Hong Kong, no withholding taxes shall be levied for the dividends distributed by the Company.

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## LETTER FROM THE BOARD

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### (7) Change of audit institutions for the year 2024

An ordinary resolution will be proposed at the AGM to consider and approve the change of audit institutions for the year 2024.

Reference is made to the announcement of the Company dated 26 March 2024 in relation to the proposed change of accounting firms.

Deloitte Touche Tohmatsu Certified Public Accountants LLP (“**Deloitte CPA LLP**”), the Company’s domestic auditor, and Deloitte Touche Tohmatsu (“**Deloitte Hong Kong**”), its overseas auditor, have been providing relevant auditing and review services to the Company for 8 consecutive years following the completion of the audits for the year 2023 and will reach the maximum number of consecutive years of engaging the same accounting firm by state-owned financial enterprises as stipulated in the Administrative Measures for State-owned Financial Enterprises to Select and Engage Accounting Firms (《**國有金融企業選聘會計師事務所管理辦法**》) issued by the Ministry of Finance of the People’s Republic of China. Accordingly, the Company is required to change its accounting firms for the year 2024.

Upon the recommendation of the audit committee of the Board, the Board proposes to appoint ShineWing Certified Public Accountants LLP and SHINEWING (HK) CPA Limited as the Company’s domestic and overseas accounting firms for the year 2024 to provide the relevant auditing and review services according to the Accounting Standards for Business Enterprises of the PRC and the International Financial Reporting Standards, respectively, and appoint ShineWing Certified Public Accountants LLP as the Company’s internal control auditor for the year 2024, each for a term of 1 year. The relevant expenses totaled RMB3.2 million.

The Company has fully communicated with Deloitte CPA LLP and Deloitte Hong Kong in respect of the proposed change of accounting firms and has been informed that they have no objection thereto. To the best knowledge of the Company and as confirmed by Deloitte CPA LLP and Deloitte Hong Kong, they have no disagreement with the Company and there are no other matters that need to be brought to the attention of the Shareholders or investors regarding the proposed change of accounting firms.

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## LETTER FROM THE BOARD

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### **(8) Duty performance assessment and remuneration of Directors for the year 2023**

An ordinary resolution will be proposed at the AGM to consider and approve the duty performance assessment and remuneration of Directors for the year 2023.

According to the laws, regulations and normative documents, including the Company Law, the Guidelines on the Governance of Securities Companies, the Guidelines on the Governance of Listed Companies, and the requirements of the Articles of Association and the Duty Performance Assessment and Remuneration Management System for Directors and Supervisors of the Company, and in light of the actual situation, the duty performance assessment of the Company's Directors and their remuneration for the year 2023 are explained below.

#### ***I. Composition of the Board***

The Board of the Company consists of 9 members, namely Mr. Ge Xiaobo, Mr. Hua Weirong, Mr. Zhou Weiping, Mr. Wu Weihua, Ms. Li Suo, Mr. Liu Hailin, Mr. Wu Xingyu, Mr. Chu, Howard Ho Hwa and Mr. Gao Wei.

#### ***II. Duty performance assessment of Directors for the year 2023***

##### ***(1) Performance of Duties***

In 2023, the Company convened a total of 10 Board meetings at which 59 resolutions were considered and approved. It convened 16 special committees of the Board meetings at which 33 resolutions were considered and approved and also 6 general meetings. The Directors of the Company diligently and responsibly carried out the work of the Board, guided the implementation of the Company's strategies, made scientific and efficient decisions on major issues, and implemented the resolutions of the general meeting. At the same time, the Directors further improved the construction of internal control compliance and corporate governance structure, perfected the internal control system, strengthened risk management, enhanced the standard of operation, safeguarded the legitimate rights and interests of the Company and all shareholders, and effectively ensured the sound operation and sustainable development of the Company. The details of the specific performance of duties are set out in the Work Report of the Board of Directors for the Year 2023 and the Duty Report of the Independent Directors for the Year 2023.

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## LETTER FROM THE BOARD

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### *(2) Assessment of Directors*

The Remuneration and Nomination Committee of the Board of Directors of the Company organised and implemented the annual assessment of the Directors in accordance with the requirements of the Duty Performance Assessment and Remuneration Management System for Directors and Supervisors of Guolian Securities Co., Ltd. The evaluation of duty performance by Directors shall be conducted by way of self-evaluation by Directors and mutual evaluation by independent Directors. The evaluation of duty performance shall include the degree of diligence, ability to perform duties, honest employment, compliance and honesty in practice, and fulfillment of the industry and the Company's culture and philosophy. The specific results are set as follows:

All Directors of the Company have been diligent and conscientious in performing their duties in strict accordance with the laws and regulations and the Articles of Association, and have conscientiously implemented the relevant requirements of honest employment, actively improved their ability to perform their duties, and put into practice the industry and the Company's culture and philosophy, with no unlawful and illegal acts or major risk events occurred, and have adequately safeguarded the rights and interests of the Company, the shareholders and the investors.

Based on the summary of the self-evaluation and mutual evaluation by the Directors, the results of the duty performance assessment of all Directors of the Company for the year 2023 were all competent.

### ***III. Remuneration of Directors for the year 2023***

The remuneration of the internal Directors of the Company is determined and paid according to the relevant remuneration management system, based on their specific duties and job content in the Company. They are only remunerated for their duties as senior management but not for the performance of their duties as Directors. The external non-independent Directors of the Company do not receive remuneration from the Company. The external independent Directors receive fixed allowances, which are paid according to the plan determined at the general meeting, i.e. RMB180,000 (including tax) per annum per person, payable equally on a monthly basis. The details of the actual payment are set out in the annual report of the Company dated 11 April 2024 published on the website of the Company and the HKExnews website of the Stock Exchange.

### **(9) Duty performance assessment and remuneration of Supervisors for the year 2023**

An ordinary resolution will be proposed at the AGM to consider and approve the duty performance assessment and remuneration of Supervisors for the year 2023.

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## LETTER FROM THE BOARD

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According to the laws, regulations and normative documents, including the Company Law, the Guidelines on the Governance of Listed Companies, the Guidelines on the Governance of Securities Companies and the requirements of the Articles of Association and the Duty Performance Assessment and Remuneration Management System for Directors and Supervisors of Guolian Securities Co., Ltd., and in light of the actual situation, the duty performance assessment of the Company's Supervisors and their remuneration for the year 2023 are explained below.

### ***I. Composition of the Supervisory Committee***

The Supervisory Committee of the Company consists of 5 members, namely Mr. Xu Faliang, Mr. Xu Kan, Ms. Xu Jingyan, Ms. Wu Lingyun and Mr. Zhou Min.

### ***II. Duty performance assessment of Supervisors for the year 2023***

#### *(1) Performance of Duties*

In 2023, the Company convened a total of 7 Supervisory Committee meetings at which 26 resolutions were considered and approved. The Supervisors of the Company exercised their duties independently in accordance with the law, participated in the decision-making of important matters of the Company, actively attended general meetings and Board meetings as non-voting attendees, supervised the performance of duties by Directors and senior management, regularly inspected the Company's financial and internal control systems, carefully reviewed the financial reports and expressed their opinions, safeguarded the standard of corporate governance, and practically protected shareholders' rights and interests. The details of the specific performance of duties are set out in the Work Report of the Supervisory Committee for the Year 2023.

#### *(2) Assessment*

The Company organised and implemented the evaluation of duty performance of the Supervisors for the year 2023 in accordance with the requirements of the Duty Performance Assessment and Remuneration Management System for Directors and Supervisors of Guolian Securities Co., Ltd. The evaluation of duty performance of Supervisors shall be conducted by way of self-evaluation and mutual evaluation by Supervisors. The evaluation of duty performance shall include the degree of diligence, ability to perform duties, honest employment, compliance and honesty in practice, and fulfillment of the industry and the Company's culture and philosophy. The specific assessment results are set as follows:

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## LETTER FROM THE BOARD

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All Supervisors of the Company have been diligent and conscientious in performing their duties in strict accordance with the laws and regulations and the Articles of Association, and have conscientiously implemented the relevant requirements of honest employment, actively improved their ability to perform their duties, and put into practice the industry and the Company's culture and philosophy, with no unlawful and illegal acts or major risk events occurred, and have adequately safeguarded the rights and interests of the Company, the shareholders and the investors.

Based on the summary of the self-evaluation and mutual evaluation of the Supervisors, the results of the duty performance assessment of all Supervisors of the Company for the year 2023 were all competent.

### ***III. Remuneration of Supervisors for the year 2023***

The remuneration of internal Supervisors of the Company is determined and paid according to the relevant remuneration management system, based on their specific duties and job content in the Company. External supervisors do not receive remuneration from the Company. The details of the actual payment of remuneration to the Supervisors are set out in the annual report of the Company dated 11 April 2024 published on the website of the Company and the HKExnews website of the Stock Exchange.

### **(10) The proprietary business scale of the Company for the year 2024**

An ordinary resolution will be proposed at the AGM to consider and approve the proprietary business scale of the Company for the year 2024.

To strengthen the Company's management on overall risk and guarantee the stable and sound operation of various businesses, in accordance with market conditions, the development strategies of the Company, risk preferences and relevant regulatory requirements, the fourteenth meeting of the fifth session of the Board of the Company considered and approved the proprietary business scale of the Company for the year 2024, which is hereby proposed to the AGM for consideration, the proposals are as follows:

1. *Proprietary equity securities and their derivatives  $\leq$  net capital x 80%*
2. *Proprietary non-equity securities and their derivatives  $\leq$  net capital x 400%*

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## LETTER FROM THE BOARD

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### (11) The estimated ordinary related party transactions of the Company for the year 2024

An ordinary resolution will be proposed at the AGM to consider and approve the following estimated ordinary related party transactions of the Company for the year 2024:

- 11.01 Estimated related party transactions with Wuxi Guolian Development (Group) Co., Ltd. and its associates
- 11.02 Estimated related party transactions with other related legal persons and related natural persons

The Company, in accordance with the requirements of relevant laws and regulations, the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, Guidelines No. 5 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – 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 Management System of the Related Party Transactions of the Company, has made projections about its possible ordinary related party transactions to be conducted in 2024 during the course of business operation based on the need of its daily operations and business development. For details, please refer to Appendix V to this circular.

### (12) Change of Supervisor

An ordinary resolution will be proposed at the AGM to consider and approve the change of Supervisor.

Reference is made to the announcement of the Company dated 29 April 2024 in relation to, among others, the proposed change of Supervisor.

The Supervisory Committee convened the eleventh meeting of the fifth session of the Supervisory Committee on 29 April 2024 to consider and approve the Resolution on the Change of Supervisor and Nomination of Candidate for Supervisor (《關於變更監事暨提名監事候選人的議案》). The Supervisory Committee nominated Ms. Xue Chunfang (薛春芳) (“**Ms. Xue**”) as a candidate for the shareholder representative Supervisor of the fifth session of the Supervisory Committee for a term commencing from the date of consideration and approval at the general meeting to the expiry of the term of office of the fifth session of the Supervisory Committee.

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## LETTER FROM THE BOARD

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Pursuant to Rule 13.51(2) of the Listing Rules, the biographical details of Ms. Xue are set out as follows:

Ms. Xue Chunfang, born in 1982, Chinese nationality with no right of permanent residency abroad, holds a master's degree in finance. She is currently the deputy secretary to the Party Committee and chairwoman of the labour union of the Company. She previously served as an employee and assistant manager of Guolian Trust Co., Ltd. (國聯信託股份有限公司), an employee and assistant general manager of the financial investment management department and a deputy general manager of the strategic development department of Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司), and was concurrently the chairwoman of the supervisory committee of Guolian Futures Co., Ltd. (國聯期貨股份有限公司).

As of the Latest Practicable Date, save as disclosed herein, Ms. Xue confirmed that (i) she did not hold any directorship in other listed companies in the last three years, nor was she holding any positions in any members of the Group; (ii) she is not connected with any other directors, supervisors, senior management, substantial Shareholders or controlling Shareholders of the Company; (iii) she does not hold any equity interest in the Company as defined under Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong); (iv) she does not have any other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules, nor is she being involved or has been involved in any activity that shall be disclosed pursuant to Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules; and (v) there is no other matter in relation to her appointment that shall be brought to the attention of the Shareholders or the Stock Exchange.

The remuneration of Ms. Xue will be determined based on her specific duties assumed in the Company and in accordance with the relevant remuneration and appraisal system of the Company, which includes basic remuneration, performance-based remuneration, various social insurances, staff welfares, and housing provident fund, etc. For details, please refer to the annual report published by the Company in due course.

With effect from the date of Ms. Xue's appointment, Mr. Xu Faliang will cease to act as a Supervisor of the fifth session of the Supervisory Committee and the chairman of the Supervisory Committee due to reaching the age of retirement.



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## LETTER FROM THE BOARD

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### **(13) Amendments to the Articles of Association and its attachment**

A special resolution will be proposed at the AGM to consider and approve the amendments to the Articles of Association and its attachment, the Rules of Procedures of the Board.

Reference is made to the announcement of the Company dated 26 March 2024 in relation to the proposed amendments to the Articles of Association.

The Company convened the fourteenth meeting of the fifth session of the Board on 26 March 2024, which considered and approved the Resolution on the Amendments to the Articles of Association and its Attachment, and proposed to amend the Articles of Association and its attachment, the Rules of Procedures of the Board accordingly pursuant to the Company Law (《公司法》), Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating 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》), Guidelines on the Articles of Association for Listed Companies (《上市公司章程指引》), Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – 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 regulations, and in light of the actual situation of the Company. The relevant amendments will take effect from the date upon the consideration and approval at the general meeting of the Company.

The above resolution has been approved by the Directors at the Board meeting, and will be proposed for consideration and approval by the Shareholders at the AGM. It is also proposed to authorize the Board and to authorize the Board for it to in turn authorize the management of the Company to deal with relevant filing matters of amendments to the Articles of Association and its attachment.

For details of the proposed amendments to the Articles of Association, please refer to Appendix VI to this circular.

For details of the proposed amendments to the Rules of Procedures of the Board, please refer to Appendix VII to this circular.

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## LETTER FROM THE BOARD

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### AGM

The AGM will be held at the conference room at 4th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC on Wednesday, 19 June 2024 at 1:30 p.m. to consider and, if thought fit, pass the resolutions on the matters set out in the notice of AGM, which is set out on pages 18 to 20 of this circular.

If you intend to appoint a proxy to attend and/or vote at the AGM, please complete and return the form of proxy in accordance with the instructions printed thereon not later than 1:30 p.m. on Tuesday, 18 June 2024 (Hong Kong time). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

In order to determine the list of Shareholders who are entitled to attend the AGM, the Company will close the register of members of H Shares during the period from Thursday, 13 June 2024 to Wednesday, 19 June 2024 (both days inclusive), during which period no transfer of Shares will be effected. In order to attend the AGM, all transfer documents accompanied by relevant share certificates must be lodged by Shareholders with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) no later than 4:30 p.m. on Wednesday, 12 June 2024. On Thursday, 13 June 2024, Shareholders registered in Computershare Hong Kong Investor Services Limited are entitled to attend the AGM.

In order to determine the entitlement to receive final dividends, which is subject to the approval of the Shareholders of the Company at the AGM, the final dividends will be distributed to Shareholders whose names appear on the register of members of the Company on Wednesday, 3 July 2024, and the register of members of the Company will be closed from Thursday, 27 June 2024 to Wednesday, 3 July 2024 (both days inclusive). In order to qualify for receiving such final dividends, the relevant share certificates accompanied by all transfer documents must be lodged with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) no later than 4:30 p.m. on Wednesday, 26 June 2024.

### VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the annual general meeting must be taken by poll. As such, the chairman of the AGM will exercise his power under the Articles of Association to demand a poll for all resolutions proposed at the AGM. Results of the poll voting will be published on the website of the Company and the HKEXnews website of the Stock Exchange after the AGM.

As at the Latest Practicable Date, to the best knowledge of the Company, Guolian Group, Guolian Trust Co., Ltd., Wuxi Guolian Municipal Electric Power Co., Ltd., Wuxi Minsheng Investment Co., Ltd., Wuxi Cotton Textile Group Co., Ltd. and Wuxi Huaguang Environmental & Energy Group Co., Ltd. had abstained from voting on resolution 11.01. Related enterprises and related natural persons of Directors, Supervisors and senior management of the Company and their close family members had abstained from voting on resolution 11.02. Save as disclosed above, no other Shareholders are considered to be required to abstain from voting on the relevant resolutions at the AGM.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board considers that all resolutions proposed at the AGM are in the interests of the Company and its Shareholders as a whole. As such, the Board recommends the Shareholders to vote in favor of the resolutions proposed at the AGM.

Yours Faithfully,  
By order of the Board  
**Guolian Securities Co., Ltd.**  
**Ge Xiaobo**  
*Chairman*

Wuxi, Jiangsu Province, the PRC

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## NOTICE OF AGM

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**国联证券股份有限公司**  
GUOLIAN SECURITIES CO., LTD.

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

**(Stock Code: 01456)**

### NOTICE OF 2023 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2023 annual general meeting (the “AGM”) of Guolian Securities Co., Ltd. (the “Company”) will be held at the conference room at 4th Floor, No. 8 Jinrong One Street, Wuxi, Jiangsu Province, the PRC on Wednesday, 19 June 2024 at 1:30 p.m. to consider and, if thought fit, pass the following resolutions of the Company. Capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 24 May 2024 unless the context otherwise requires:

#### ORDINARY RESOLUTIONS

- (1) Work report of the Board of Directors for the year 2023;
- (2) Work report of the Supervisory Committee for the year 2023;
- (3) Duty report of the independent Directors for the year 2023;
- (4) Annual report for the year 2023;
- (5) Final accounts report for the year 2023;
- (6) Profit distribution plan for the year 2023;
- (7) Resolution on the change of audit institutions for the year 2024;
- (8) Resolution on the duty performance assessment and remuneration of Directors for the year 2023;
- (9) Resolution on the duty performance assessment and remuneration of Supervisors for the year 2023;
- (10) Resolution on the proprietary business scale of the Company for the year 2024;

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## NOTICE OF AGM

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- (11) Resolution on the estimated ordinary related party transactions of the Company for the year 2024;

11.01 Estimated related party transactions with Wuxi Guolian Development (Group) Co., Ltd. and its associates

11.02 Estimated related party transactions with other related legal persons and related natural persons

- (12) Resolution on the change of Supervisor;

### SPECIAL RESOLUTION

- (13) Resolution on the amendments to the Articles of Association and its attachment;

13.01 Resolution on the amendments to the Articles of Association

13.02 Resolution on the amendments to the Rules of Procedures of the Board

By order of the Board  
**Guolian Securities Co., Ltd.**  
**Ge Xiaobo**  
*Chairman*

Wuxi, Jiangsu Province, the PRC

24 May 2024

*Notes:*

1. In order to determine the entitlement to attend and vote at the AGM of the Company to be held on Wednesday, 19 June 2024, the register of H Shareholders of the Company will be closed from Thursday, 13 June 2024 to Wednesday, 19 June 2024 (both days inclusive), during which period no transfer of shares will be effected.

H Shareholders whose names appear on the register of members of the Company on Thursday, 13 June 2024 shall be entitled to attend the AGM. In order to attend and vote at the AGM, the relevant share certificates accompanied by all transfer documents must be lodged with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 12 June 2024.

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## NOTICE OF AGM

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2. In order to determine the entitlement to receive final dividends, which is subject to the approval of the Shareholders of the Company at the AGM, the final dividends will be distributed to Shareholders whose names appear on the register of members of the Company on Wednesday, 3 July 2024, and the register of members of the Company will be closed from Thursday, 27 June 2024 to Wednesday, 3 July 2024 (both days inclusive). In order to qualify for receiving such final dividends, the relevant share certificates accompanied by all transfer documents must be lodged with Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) no later than 4:30 p.m. on Wednesday, 26 June 2024.
3. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy need not be a Shareholder.
4. The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.
5. In order to be valid, the form of proxy and other authorisation documents (if any) must be lodged with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders), before 1:30 p.m. on Tuesday, 18 June 2024 (Hong Kong time). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM should they so wish.
6. Shareholders or their proxies shall produce their identity documents and supporting documents in respect of Shares held or the form of proxy signed by the Shareholders or their attorney when attend the AGM.
7. The AGM is expected to be held for less than half a day. Shareholders who intend to attend the AGM shall arrange and bear their own transportation and accommodation expenses.
8. The name and address of the Company's H Shares registrar are as follows:  
  
Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong
9. Where there are joint registered holders of any Share(s), any one of such joint holders may attend and vote at the AGM, either in person or by proxy, in respect of such Share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the AGM, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

*As at the date of this notice, the executive Director of the Company is Mr. Ge Xiaobo; the non-executive Directors of the Company are Mr. Hua Weirong, Mr. Zhou Weiping, Mr. Wu Weihua, Ms. Li Suo and Mr. Liu Hailin; and the independent non-executive Directors of the Company are Mr. Wu Xingyu, Mr. Chu, Howard Ho Hwa and Mr. Gao Wei.*

According to the relevant requirements of laws and regulations and the Articles of Association, the major work of the Board of the Company for the year 2023 and the work arrangements for the year 2024 are hereby reported as follows:

**I. OPERATION OF THE COMPANY FOR THE YEAR 2023**

Pursuant to the Accounting Standards for Business Enterprises of the PRC, in 2023, the Company achieved an operating income of RMB2.955 billion on a consolidation basis, representing a year-on-year increase of 12.68%. Net profit attributable to shareholders of the parent company of RMB671 million was achieved, representing a year-on-year decrease of 12.51%. As at 31 December 2023, total assets of the Company amounted to RMB87.129 billion; and equity attributable to shareholders of the parent company was RMB17.769 billion and the annual weighted average returns on net assets was 3.89%.

**II. MAJOR WORK OF THE BOARD FOR THE YEAR 2023**

In 2023, the Board held a total of 10 meetings, considered and approved 59 resolutions, convened and held 6 general meetings (including 2 shareholders class meetings), and proposed, considered and approved 20 resolutions. The special committees under the Board held a total of 16 meetings, providing good support for the scientific decision-making of the Board. In 2023, the Board of the Company focused on the following work:

**(I) Acquisition of Guolian Fund and establishment of asset management subsidiary to expand business licences**

In the first half of 2023, with the consideration and approval of the Board, the Company completed the acquisition of the 75.5% equity interest in Guolian Fund. Through the acquisition, the Company successfully obtained a public-offered fund licence, shortened the business and team cultivation period, and enriched its product and service system. As of the end of 2023, the total asset management scale of Guolian Fund was RMB148.767 billion, of which, the non-monetary public-offered funds management scale exceeded RMB100 billion and ranked 44th in the industry, climbing up by 2 places from 2022. In September 2023, the Company obtained approval from the CSRC for the establishment of an asset management subsidiary, and completed the business registration in Qingdao City in the same month, realising the business layout of “securities companies can apply for another public offering licence besides participating in no more than two fund companies and be controlling shareholder of only one of them (一参一控一牌)” and laying an important foundation for the Company to accelerate its transformation into a pan-wealth management company.

**(II) Continuously moving forward the process of issuance of A Shares to specific subscribers**

After the full implementation of the registration system for share issuance, the Company submitted its application for the issuance of A Shares to specific subscribers to the Shanghai Stock Exchange in a timely manner following the latest requirements, and the application was accepted. During the reviewing period, the Company took the initiative to reduce the total amount of proceeds raised and refine the investment directions of the proceeds in response to the initiatives of the CSRC. As of the end of 2023, the Company had completed two rounds of responses to the exchange's review inquiry letters and was in the queuing status.

**(III) Optimisation of the organizational structure and network layout of the wealth management business**

To deepen the transformation of the Company's wealth management, optimise the service system and management system, and enhance the capability of wealth management services, the Board agreed to adjust the organizational structure of the wealth management business and set up the Wealth Management Committee, which underpinned by a branch office and 7 first-tier departments. In terms of business network layout, the Company actively integrated into the national strategies of "the integration of the Yangtze River Delta region" and "the development of the Guangdong-Hong Kong-Macao Greater Bay Area", and continued to strengthen its network layout in the Yangtze River Delta and the Pearl River Delta (including the Guangdong-Hong Kong-Macao Greater Bay Area).

**(IV) Optimisation of the asset-liability structure and reduction of the cost of debt financing**

Driven by the Board, the Company made full use of the various debt financing instruments to expand financing channels, meet the Company's large amount of capital requirements, accurately seize market opportunities for issuance, reduce financing costs, and optimise debt structure, thereby maintaining the Company's reasonable leverage level. The Company achieved a steady growth in asset size, which strongly supported the development of its businesses.



In 2023, the Company cumulatively added RMB17.856 billion through various debt financing instruments (excluding inter-bank borrowing transactions and issued floating-income type income certificates), and repaid the principal of matured debt financing of RMB13.236 billion cumulatively. The principal of the remaining amount of outstanding debt financing of the Company at the end of 2023 was RMB24.875 billion in total, with the average financing cost decreasing significantly year-on-year.

**(V) Performance of compliance management duties and effective operation of compliance management**

Focusing on the Company's compliance management targets, the Board actively performed its compliance management duties, reviewed the report on compliance management and the report on anti-money laundering on a regular basis, evaluated the effectiveness of compliance management and anti-money laundering work, supervised the continuous improvement of the compliance management system, and formulated the Management Measures for Honest Employment (《廉潔從業管理辦法》) to further define the management objectives and general requirements of honest employment and enhance the management standard of compliance and internal control. The Board has established a direct communication mechanism with the chief compliance officer to safeguard the independence of the chief compliance officer in discharging his duties and support the commencement of compliance work. In 2023, the Company did not experience any events of significant compliance risk and all business operations were carried out in a stable and orderly manner.

**(VI) Optimisation of the overall risk management system to ensure rapid business development**

In facing a relatively complex market environment, the Board of the Company reasonably determined risk preference and risk tolerance, regularly reviewed risk management reports, facilitated the building of a risk culture, continuously optimised the overall risk management system and enhanced the risk management capability, making the risk management system operate efficiently to ensure the rapid development of our businesses. In 2023, the Company's various businesses were carried out within the scope authorised by the Board, and various major risk control indicators complied with regulatory requirements. The Company's various risk limits and risk preference indicators did not exceed the risk tolerance level, and the overall risk situation was controllable.

**(VII) Standardised management of related party transactions and external guarantees**

The Company managed related party transactions and external guarantees in strict compliance with domestic and overseas regulatory regulations and carried out relevant information disclosure.

In 2023, the Company's various ordinary related party transactions were all within the approved annual caps. The Board of the Company considered and approved the Resolution on the Establishment of Guolian CMS Tech Fund and Related Party Transaction (《關於設立國聯招證科創基金暨關聯交易的議案》) and the Resolution on the Leasing and Renovation of Tower B of Shanghai Star Cube Building and Related Party Transaction (《關於上海星立方大廈B棟租賃與裝修暨關聯交易的議案》). In the process of consideration and approval of the related party transactions, all the related Directors have abstained from voting, and the independent Directors have conducted prior recognitions and provided independent opinions. In October 2023, the Board of the Company agreed to provide a guarantee in an aggregate amount of not more than USD100 million for Guolian Securities (H.K.) Co., Ltd and its wholly-owned subsidiaries for a valid term of 24 months. As of the end of 2023, the balance of external guarantee of the Company was zero.

**(VIII) Fulfillment of information disclosure obligations and protect investors' informed rights**

In strict compliance with the requirements of laws and regulations, the Listing Rules, and the Information Disclosure Management System of the Company (《公司信息披露事務管理制度》), the Company disclosed information in a timely and impartial manner. The information disclosed was true, accurate and complete, and did not contain any false statement, misleading representation or material omission. In 2023, the Company disclosed announcements through the Company's website, the stock exchange website and specified information disclosure media, and held three performance briefing meetings to communicate with investors regarding the Company's operating conditions, whereby had effectively protected investors' informed rights.

**(IX) Fulfillment of social responsibilities and demonstration of responsibilities of a state-owned enterprise**

The Company continued its involvement in the “Promotion of Rural Revitalisation Public Welfare Action by the Securities Industry (證券行業促進鄉村振興公益行動)”, set up Guolian Securities’ public welfare charitable trust, and continued to focus on the main theme of “One Company, One County” to carry out a series of assistance actions in terms of public welfare, education, ecology, culture and organization in five counties under the pairing assistance. The Company cooperated with the Wuxi Disabled Persons’ Federation concerning helping the disabled with employment, integration of education and investment, warm home project, and integration of party building to draw a “concentric circle” of assistance for the disabled together. When the Beijing-Tianjin-Hebei and Northeastern regions were ravaged by floods, the Company immediately sent drinking water, rice, flour and other urgently needed supplies to the people suffering by floods in Fangshan District, Beijing, and donated RMB250,000 to support flood relief and post-disaster reconstruction. It also organized staff to participate in the Red Cross’s clothing donation and voluntary blood donation, the museum’s voluntary lecturing, civilized city building and other voluntary activities to gather charitable momentum.

**(X) Strengthening cultural construction and creating specialized brands**

The Board attaches great importance to cultural construction work, and the Company gathers the synergy for corporate development through the enhancement of cultural construction. In 2023, the Company issued and implemented the “Action Outline for Further Consolidation and Promotion of the Cultural Construction of Guolian Securities (《國聯證券進一步鞏固推進文化建設的行動綱要》)” and the “Implementation Plan for the Construction of Guolian Securities’ Cultural Brand (《國聯證券文化品牌建設實施方案》)”, and continued to promote the deepening construction of the cultural system of “All for You (因您而行)” to create the featured cultural brand of Guolian. The Company has been selected for the list of practical cases of party building and cultural construction by SAC for two consecutive years and was awarded a BB grade by SAC in its annual evaluation of brokerage firms’ cultural construction practices.

**III. PERFORMANCE OF DUTIES BY DIRECTORS FOR THE YEAR 2023**

In 2023, in strict compliance with the requirements of laws and regulations, all Directors performed their duties diligently and responsibly in accordance with the provisions of the Articles of Association and the Rules of Procedures of the Board, actively attended meetings, made independent decisions, earnestly implemented the resolutions of general meetings, enhanced the implementation of the Company's strategic planning, and actively explored the Company's business innovation, transformation and development. By leveraging professional strengths, the special committees under the Board put forward opinions and suggestions on matters such as business strategy, financial reporting, internal control, risk management, senior management's compensation assessment and nomination respectively, playing an important role in the efficient and scientific decision-making of the Board.

The independent Directors performed their duties diligently, proactively attended various meetings, made various decisions independently, and were not affected by substantial shareholders and other interested parties or individuals of the Company, and actively safeguarded the interests of the Company and minority shareholders.

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**APPENDIX I****WORK REPORT OF THE BOARD OF  
DIRECTORS FOR THE YEAR 2023**

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In 2023, the attendance of the Directors of the Company at the meetings of the Board, special committees and general meetings was as follows:

Name	Meetings attended/held during the term of office					
	Board	Audit Committee	Nomination Committee	Risk Control Committee	Strategy Committee	General Meetings
Ge Xiaobo	10/10	N/A	N/A	3/3	3/3	6/6
Hua Weirong	10/10	N/A	5/5	3/3	2/3	6/6
Zhou Weiping	10/10	N/A	N/A	3/3	3/3	6/6
Wu Weihua	10/10	N/A	N/A	N/A	3/3	6/6
Li Suo	10/10	N/A	N/A	N/A	N/A	6/6
Liu Hailin	10/10	N/A	N/A	3/3	N/A	6/6
Wu Xingyu	10/10	5/5	5/5	3/3	N/A	6/6
Chu, Howard Ho Hwa	10/10	5/5	N/A	N/A	3/3	6/6
Gao Wei	10/10	5/5	5/5	N/A	N/A	6/6

*Notes:*

1. Mr. Ge Xiaobo is the chairman of the Strategy Committee and the Risk Control Committee.
2. Mr. Gao Wei is the chairman of the Remuneration and Nomination Committee.
3. Mr. Wu Xingyu is the chairman of the Audit Committee.

**IV. MAJOR WORK ARRANGEMENTS FOR THE YEAR 2024**

The year 2024 is a critical year to implement the Company's strategic targets of the "14th Five-Year Plan". The Board will accelerate the transformation and development of the Company while strictly adhering to the bottom line of compliance and risk control. In this regard, the Board will focus on the following aspects:

- (I) Focusing on the Company's annual business objectives, strengthening the implementation of business strategies, forging business strengths, forming differentiated advantages, and enhancing the Company's core competitiveness to create values for all shareholders.
- (II) Continuing to promote the work related to capital operation to expand the capital scale, strengthen the capital strength, enhance the Company's comprehensive competitiveness and risk resistance abilities, and better perform the function of serving the real economy.
- (III) Implementing the requirements of the Company Law, the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), and other laws and regulations, revising and improving the relevant systems of corporate governance to continuously enhance the standardized operation level.
- (IV) Practicing the cultural concept of "full compliance", improving the professional standard of compliance management, firmly grasping the bottom line of integrity and compliance, strengthening the management of subsidiaries and implementing the compliance management responsibilities of each entity to prevent major compliance risks.
- (V) Continuing to improve the comprehensive risk management system and maintain the efficient operation of the risk decision-making system to ensure that the Company's overall risks are within a controllable range. Strengthening the recalibration of key businesses, improving the risk management system of subsidiaries, continuously enhancing the automation level of risk management, optimising risk management tools, and increasing the foresight and sensitivity of risk management.
- (VI) Strengthening the construction of Guolian's "practice (行)" culture brand system, and continuously enhancing the soft power and competitiveness of the Company's culture to provide ideological guarantee, valuing guidance and spiritual impetus for the high-quality development of the Company.
- (VII) Through benchmarking against the standards of A+H listed companies, further improving the quality of information disclosure, strengthening the constructive interactions with investors, and maintaining the Company's healthy image in the capital market.

During the year 2023, the Supervisory Committee of the Company conducted comprehensive and pragmatic supervision of the decision-making process, operation and management, financial conditions, and performance of duties of Directors and senior management of the Company according to law and effectively protected the interests of the Company and all Shareholders in strict compliance with the relevant laws and regulations including the Company Law, the Securities Law and the requirements of the Articles of Association and the Rules of Procedures of the Supervisory Committee of Guolian Securities Co., Ltd. The main work of the Supervisory Committee for the year 2023 are hereby reported as follows:

**I. WORK OF THE SUPERVISORY COMMITTEE****(I) Attendance and Performance of Duties by Supervisors**

In 2023, the Supervisors of the Company attended 6 general meetings according to the law (including 2 shareholders class meetings) and 10 Board meetings as non-voting attendees, conducted supervision on the convening and decision-making process of Board meetings and considered that the Board has earnestly implemented the resolutions of general meetings, all Directors faithfully performed their fiduciary duties and diligent duties, and that the resolutions of the Board were in line with the requirements of the Company Law and other laws and regulations as well as the Articles of Association. There was no occurrence of behaviors that were detrimental to the interests of the Company and its Shareholders.

By attending the relevant meetings of the operating management as non-voting attendees, listening to reports, studying materials and other means, the Supervisors of the Company kept abreast of the Company's operation and management, supervised the operating management to fully comply with the regulatory requirements, implement the resolutions of the general meeting and the Board and improve corporate governance mechanisms in a timely manner to ensure the objective and impartial supervision over the performance of duties by the senior management of the Company. The Supervisory Committee believes that the operating management of the Company can diligently and responsibly perform their duties and fully implement the resolutions of the Board, organize and implement the Company's development plan and yearly business plan, and make the Company maintain stable business performance and good development momentum.

**(II) Meetings of the Supervisory Committee for the Year 2023**

The Supervisory Committee of the Company convened 7 meetings during the year 2023:

The third meeting of the fifth session of the Supervisory Committee was convened on 21 February 2023, which considered and approved the following: Resolution on the Argumentative Analysis Report regarding the Issuance of A Shares Proposal to Specific Subscribers by the Company (《關於公司向特定對象發行A股股票方案的論證分析報告的議案》).

The fourth meeting of the fifth session of the Supervisory Committee was convened on 28 March 2023, which considered and approved the followings: Annual Report for the Year 2022 (《2022年年度報告》), Social Responsibility and Environmental, Social and Governance Report for the Year 2022 (《2022年度社會責任暨環境、社會及管治報告》), Resolution on the Estimated Ordinary Related Party Transactions of the Company for the Year 2023 (《關於預計公司2023年度日常關聯交易的議案》), Final Accounts Report for the Year 2022 (《2022年度財務決算報告》), Profit Distribution Proposal for the Year 2022 (《2022年度利潤分配預案》), Report on Comprehensive Risk Management for the Year 2022 (《2022年度全面風險管理報告》), Report on the Compliance Management for the Year 2022 (《2022年度合規管理工作報告》), Report on Anti-Money Laundering for the Year 2022 (《2022年度反洗錢工作報告》), Internal Control Evaluation Report for the Year 2022 (《2022年度內部控制評價報告》), Resolution on the Proposal for Considering the Special Audit Report on Major Related Party Transactions of the Company for the Year 2022 (《關於提請審議公司2022年度重大關聯交易專項審計報告的議案》), Work Report of the Supervisory Committee for the Year 2022 (《2022年度監事會工作報告》), Resolution on the Remuneration Distribution of Supervisors for the Year 2022 (《2022年度監事薪酬分配議案》) and Resolution on the Application for Write-off of Accounts for Stock Pledged Risk Items (《關於申請股質風險項目賬面核銷的議案》).

The fifth meeting of the fifth session of the Supervisory Committee was convened on 28 April 2023, which considered and approved the followings: 2023 First Quarterly Report of Guolian Securities Co., Ltd. (《國聯證券股份有限公司2023年第一季度報告》).



The sixth meeting of the fifth session of the Supervisory Committee was convened on 9 June 2023, which considered and approved the followings: Resolution on the Reduction of the Total Proceeds from the Issuance of A Shares to Specific Subscribers by the Company and Adjustment to the Issuance Proposal (《關於調減公司向特定對象發行A股股票募集資金總額暨調整發行方案的議案》), Resolution on Plan for the Issuance of A Shares to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票預案(修訂稿)的議案》), Resolution on the Dilution of Current Returns by the Issuance of A Shares to Specific Subscribers by the Company and Remedial measures (Revised Version) (《關於公司向特定對象發行A股股票攤薄即期回報及填補措施(修訂稿)的議案》), Resolution on the Argumentative Analysis Report regarding the Issuance of A Shares Proposal to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票方案的論證分析報告(修訂稿)的議案》) and Resolution on the Feasibility Report for the Use of Proceeds from the Issuance of A Shares to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票募集資金使用的可行性報告(修訂稿)的議案》).

The seventh meeting of the fifth session of the Supervisory Committee was convened on 29 August 2023, which considered and approved the followings: 2023 Interim Report of Guolian Securities Co., Ltd. (《國聯證券股份有限公司2023年半年度報告》), Resolution on the Shareholders' Return Plan for the Next Three Years (2024-2026) (《關於未來三年(2024年-2026年)股東回報規劃的議案》), Resolution on the Formulation of Duty Performance Assessment and Remuneration Management System for Directors and Supervisors of Guolian Securities Co., Ltd. (《關於制訂〈國聯證券股份有限公司董事、監事履職考核與薪酬管理制度〉的議案》) and Resolution on the Consideration of 2023 Interim Report on Comprehensive Risk Management of Guolian Securities Co., Ltd. (《關於審議〈國聯證券股份有限公司2023年度中期全面風險管理報告〉的議案》).

The eighth meeting of the fifth session of the Supervisory Committee was convened on 27 October 2023, which considered and approved the followings: 2023 Third Quarterly Report of Guolian Securities Co., Ltd. (《國聯證券股份有限公司2023年第三季度報告》).

The ninth meeting of the fifth session of the Supervisory Committee was convened on 27 December 2023, which considered and approved the following: Resolution on the Renewal of the Continuous Related Party Transaction Framework Agreement with Guolian Group and the Determination of the Annual Caps (《關於與國聯集團續簽持續性關聯交易框架協議並確定年度上限的議案》).

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**APPENDIX II****WORK REPORT OF THE SUPERVISORY  
COMMITTEE FOR THE YEAR 2023**

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During the reporting period, the attendance of the Supervisors of the Company at the meetings of the Supervisory Committee was as follows:

Name	Position	Number of required attendances at the Supervisory Committee meetings	Number of actual attendances	Number of attendances in person	Number of attendances by communication	Number of attendances by proxy
Xu Faliang	Chairman of Supervisory Committee	7	7	7	0	0
Xu Kan	Supervisor	7	7	7	7	0
Xu Jingyan	Supervisor	7	7	7	7	0
Wu Lingyun	Supervisor	7	7	7	0	0
Zhou Min	Supervisor	7	7	7	0	0
Number of Supervisory Committee meetings convened during the year						7
Of which: Number of on-site meetings combined with meetings by communication						7

**II. OPINIONS OF THE SUPERVISORY COMMITTEE ON THE RELEVANT MATTERS  
OF THE COMPANY FOR THE YEAR 2023**

During the reporting period, by attending various meetings or attending such meetings as non-voting attendees, the Supervisory Committee of the Company inspected the finances of the Company, reviewed the regular reports of the Company, supervised the conduct of Directors and senior management in performing duties of the Company, the following independent opinions were formed:

**(I) Opinions on the Operation in Compliance with the Laws of the Company**

During the reporting period, the Company was able to regulate the operation and compliance management in accordance with relevant laws and regulations as well as the requirements of the Company's rules and regulations. All significant decision-making or major operating activities of the Company were approved by competent authorities, and the decision-making procedures were legal and valid. According to the requirements of the relevant laws and regulations, the Company established a comprehensive internal control system and all management systems were effectively implemented. During the reporting period, there was no significant violation of the laws and regulations by the Company, nor was the subject of any major administrative penalty or public censure. The Directors, Supervisors and senior management of the Company performed their duties faithfully and diligently, and none of them was found to violate the laws, regulations or the Articles of Association or to cause damages to the interests of the Company during the course of performing their duties.

**(II) Opinions on the Financial Conditions of the Company**

The Company's financial conditions were sound, and the financial system was complete and efficient. The financial report of the Company was prepared in accordance with Accounting Standards for Business Enterprises of the PRC and International Financial Reporting Standards, and was audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu respectively. The aforementioned auditors have issued auditors' reports with unqualified opinions. The financial report truly, accurately and completely reflected the financial conditions and operating results of the Company.

**(III) Opinions on Regular Reports and Profit Distribution of the Company**

The Supervisory Committee of the Company reviewed the regular reports prepared by the Board and was of the view that the Company operated in strict compliance with the accounting standards, and the regular reports fairly reflected the financial position and operating results during the reporting period. The preparation and review procedures of the regular reports of the Company have complied with the relevant laws, regulations, regulatory documents, and the relevant requirements of internal systems such as the Articles of Association. The content and format of the report complied with the various requirements of the regulatory authorities, and the information contained therein gave a true, accurate, complete and objective reflection of the operational management and financial position of the Company, etc. There was no violation of the confidentiality requirements for inside information by those involved in the preparation and review of the report. In addition, the Supervisory Committee considered the profit distribution-related resolution and was of the view that the profit distribution resolution of the Company and the plan for shareholders' return in next three years have complied with the relevant laws, regulations, regulatory documents and the relevant requirements of internal systems such as the Articles of Association, and was in line with the actual conditions of the Company, the interests of Shareholders as a whole and their long-term interests, which are beneficial to the long-term development of the Company.

**(IV) Opinions on Internal Control and Risk Management**

The Company attaches importance to the construction of internal rules, regulations and management systems, therefore establishing a relatively sound internal control system. It has consistently integrated the construction of internal control into the Company's operation and development, and adhered to the principle of "system and process first" in the course of business development to continuously improve the internal control system, standardize the implementation of systems and strengthen supervision and inspection, hence facilitating the sustainable and healthy development of the Company. During the reporting period, there were no major defects in the Company's internal control system construction and implementation, and the Company has effectively maintained the internal control related to financial reporting in accordance with the Fundamental Norms on Enterprise Internal Control (《企業內部控制基本規範》) and relevant requirements in all material aspects.

In 2023, the Company proactively implemented various regulatory requirements, optimised its comprehensive risk management system and continuously enhanced its risk management capabilities, with the risk management system operating normally and efficiently, and various risk indicators maintained at a reasonable level to safeguard the rapid development of its business. During the reporting period, the Company's businesses were conducted within the scope authorized by the Board and the major risk control indicators complied with the regulatory requirements. None of the Company's various risk limits and risk preference indicators had exceeded the risk tolerance level, and the overall risk situation was controllable.

**(V) Opinions on Compliance Management**

The Supervisory Committee of the Company considered the report on compliance management, report on anti-money laundering and other reports and considered that the Company's various businesses were operating soundly and no serious violation of laws or regulations or material compliance risk events had occurred.

**(VI) Opinions on Information Disclosure**

The Supervisory Committee closely monitored the information disclosure of the Company. In strict compliance with the requirements of the relevant laws and regulations such as the Administrative Measures for Information Disclosure of Listed Companies (《上市公司信息披露管理办法》), the Company disclosed information in a timely and fair manner to ensure that the information disclosed is true, accurate and complete, and there are no false record, misleading statement or major omission, which secured the legitimate rights and interests of shareholders and investors.

**(VII) Opinions on the Use of Proceeds**

The deposit and use of the proceeds of the Company have complied with the relevant regulations of the CSRC and the Shanghai Stock Exchange on the deposit and use of the proceeds of listed companies, without any changes in the use of the proceeds in a disguised way and any prejudice to the interests of Shareholders as well as violations in the use of proceeds.

**(VIII) Opinions on Debt Financing**

In 2023, through various types of credit debt financing (excluding inter-bank borrowing transactions), the Company obtained the cumulative principal amounts of RMB17.856 billion, and recorded a cumulative principal repayment of maturing debt financing of RMB13.236 billion, with a net increase of RMB4.620 billion in the balance of debt financing as compared with that of the end of the previous year. The Company conducted debt financing within the limit authorised at the general meetings and there was no case without or beyond the approval of the general meetings.

**(IX) Opinions on the Related Party Transactions**

In 2023, the Board of the Company considered and approved the Resolution on the Estimated Ordinary Related Party Transactions of the Company for the Year 2023 (《關於預計公司2023年度日常關聯交易的議案》). The Supervisory Committee is of the view that the pricing principles of the related party transactions are fair and reasonable, and there are no circumstances that would prejudice the interests of the Company and the shareholders as a whole and do not affect the independence of the Company. The estimated ordinary related party transactions are in line with the business development needs of the Company and are conducive to the promotion of the Company's business growth and in the interests of the Company and its shareholders as a whole. Throughout the year, the Company's various related party transactions are all within the approved annual caps.

**III. WORK PLAN OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2024**

- (I) To convene the meetings of the Supervisory Committee in strict compliance with the requirements of the laws and regulations, the Articles of Association and the Rules of Procedures of the Supervisory Committee. To attend general meetings and attend various meetings of the Board and management as non-voting attendees in fulfilling their daily supervisory duties.
- (II) To conscientiously fulfill the duties of the Supervisory Committee, supervise the implementation of the resolutions adopted at general meetings and Board meetings, and strengthen the supervision and management regarding the financial position and internal control of the Company. To carefully review the regular reports, accounting statements, and related financial information of the Company, pay attention to the preparation and review procedures of the Company's financial reports, and ensure that the contents of the regular reports of the Company can reflect the operation and management and financial position of the Company in a true, accurate and complete manner. To supervise and inspect the duty and responsibility performance of the Board and management in compliance management, risk management, and rectification of defects.
- (III) To strengthen self-building and improve self-capabilities of duties performance. All Supervisors will actively study and master the latest regulatory policies in depth, participate in the professional seminars and training organized by securities regulatory authorities, self-regulatory organizations, and other institutions, and enhance professional competence and overall quality to ensure that their supervisory work keeps abreast of the changes in the situation and market requirements, hence safeguarding shareholders' rights and interests effectively.

**Duty Report of the Independent Director for the Year 2023 (Wu Xingyu)**

In 2023, as an independent director of the fifth session of the Board of Guolian Securities Co., Ltd. (hereinafter referred to as the “**Company**”), I, in strict 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》), the Guidelines on the Governance of Listed Companies (《上市公司治理準則》), the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, Guidelines No. 2 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Business Handling (《上海證券交易所上市公司自律監管指南第2號—業務辦理》) of CSRC, the Articles of Association and the Independent Director System of Guolian Securities Co., Ltd. (《國聯證券股份有限公司獨立董事制度》), fulfilled my duties diligently and responsibly, actively attended relevant meetings and earnestly reviewed every resolution to effectively safeguard the interests of the Shareholders as a whole, especially the legitimate rights and interests of minority Shareholders. My duty report for the year 2023 is set out as follows:

**I. BASIC INFORMATION OF INDEPENDENT DIRECTOR****(I) Basic Information**

My working experience, professional background and positions held are as follows:

Mr. Wu Xingyu (吳星宇), born in 1976, Chinese nationality with no right of permanent residency abroad, holds a master’s degree, the non-practising member certificate of Chinese Public Accountant, the PRC lawyer’s qualification certificate and USA Chartered Financial Analyst (CFA) certificate. He is currently the director and chief financial officer of Land Space Technology Corporation Ltd.\* (藍箭航天空間科技股份有限公司) and independent Director of Sailvan Times Technology Co., Ltd.\* (賽維時代科技股份有限公司), and has been an independent non-executive Director of the Company since November 2018. He previously served as deputy general manager and chief financial officer of Aotecar New Energy Technology Co., Ltd. (奧特佳新能源科技股份有限公司)(002239.SZ), independent director of Anhui Tongfeng Electronics Company Limited (安徽銅峰電子股份有限公司)(600237.SH), Hubei Jumpcan Pharmaceutical Co., Ltd. (湖北濟川藥業股份有限公司)(600566.SH), vice president and secretary to the board of Shanying International Holdings Co., Ltd. (山鷹國際控股股份公司) (600567.SH), independent director of Beijing Tongrentang Co., Ltd. (北京同仁堂股份有限公司)(600085.SH) and independent director of Shanghai PRET Composites Co., Ltd. (上海普利特複合材料股份有限公司)(002324.SZ).

**(II) Independence**

I shall maintain my independence on an ongoing basis in strict compliance with the requirements for appointment as an independent director under the Company Law, the Guidelines on the Governance of Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating 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》) and other laws and regulations, as well as the Articles of Association.

Apart from being an independent director of the Company, I and my immediate family members do not hold any position in the Company or its subsidiaries, do not hold any position in any shareholder entity that directly or indirectly holds more than 5% of the Company's issued shares, do not hold any position in any of the Company's top 5 shareholder entities, do not directly or indirectly hold more than 1% of the Company's issued shares, and are not among the top 10 Shareholders of the Company. I and my immediate family members do not hold any positions in the subsidiaries of the Company's controlling shareholders or actual controllers, and I do not have any material business dealings with them, nor do I hold any positions in any entities and their controlling shareholders or actual controllers with which I have material business dealings. I have not provided any financial, legal, advisory and sponsorship services to the Company, its controlling shareholders, actual controllers or subsidiaries, and I have not obtained any additional undisclosed other benefits from the Company, its substantial shareholders or interested organisations and persons.



## II. ANNUAL PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTOR

## (I) Attendance at Meetings

## 1. Attendance at Board meetings and general meetings

During the reporting period, the Company convened 6 general meetings, including 1 annual general meeting, 3 extraordinary general meetings, and 2 shareholders class meetings. The Board convened a total of 10 meetings. I attended all the meetings, earnestly reviewed every resolution and expressed independent opinions according to the relevant regulations, thereby performing my duties diligently and faithfully, and I did not raise any objection to the resolutions passed by the Board and the general meetings of the Company.

Name	Number of required attendances	Number of attendances in person	Board meetings		Number of absence	Number of attendances at general meetings
			Number of attendances by communication	Number of attendances by proxy		
Wu Xingyu	10	10	9	0	0	6

## 2. Attendance at meetings of special committees of the Board

I am the chairman of the Audit Committee, a member of the Remuneration and Nomination Committee and the Risk Control Committee of the fifth session of the Board of the Company, and I attended 5 meetings of the Audit Committee, 5 meetings of the Remuneration and Nomination Committee and 3 meetings of the Risk Control Committee convened by the Company in person.

During the reporting period, following the provisions of the relevant working rules of the special committees, I carefully reviewed relevant documents and information before the meetings, conducted timely investigations and enquired about details from the relevant departments and personnel, actively attended the meetings of the Board and various special committees, and considered each issue in an earnest, professional and independent manner to express my opinions to faithfully perform my duties as an independent director and practically protect the overall interests of the Company and the legitimate rights and interests of all Shareholders, in particular minority Shareholders. I agree with all the resolutions of the special committee of the Board for the year 2023.

**(II) Performance of Duties**

I focused on the protection of the interests of the Company's Shareholders, risk control, related party transactions, major investment and financing, etc., and actively participated in the discussions and put forward professional recommendations, playing an active role in the scientific decision-making of the Board. I also participated in the Company's performance briefing meetings and general meetings on several occasions to communicate with the minority Shareholders. I regularly received reports on the work of the Company's internal audit department and analyses by the management, and regularly communicated with the external auditor to review the work plan of the accounting firms for the audit of the Company's annual report and related information.

I maintained close contact with other directors, senior management and relevant staff of the Company through various means such as on-set office at the Company, WeChat, video, telephone and email, and paid attention to the policies, regulations, industry developments and their impact on the Company.

The Company actively cooperated with me in the performance of my duties by providing the necessary support and assistance, organising relevant training and reporting on the Company's production and operation in a timely manner to enable me to make independent and impartial judgments based on the relevant materials.

**(III) Opinions Expressed**

In 2023, I expressed my prior approvals or independent opinions on the following matters considered by the Board:

1. Resolution on the Estimated Ordinary Related Party Transactions of the Company for the Year 2023 (《關於預計公司2023年度日常關聯交易的議案》);
2. Resolution on the Remuneration Distribution of Directors and Senior Management for the Year 2022 (《2022年度董事、高管薪酬分配議案》);
3. Profit Distribution Proposal for the Year 2022 (《2022年度利潤分配預案》);
4. Resolution on the Re-appointment of Audit Institutions for the Year 2023 (《關於續聘2023年度審計機構的議案》);

5. Internal Control Evaluation Report for the Year 2022 (《2022年度內部控制評價報告》);
6. Resolution on the Application for Write-off of Accounts for Stock Pledged Risk Items (《關於申請股質風險項目賬面核銷的議案》);
7. Resolution on the Removal of Mr. Wang Jinling as the Chief Information Officer (《關於免去汪錦嶺先生首席信息官職務的議案》);
8. Resolution on the Reduction of the Total Proceeds from the Issuance of A Shares to Specific Subscribers by the Company and Adjustment to the Issuance Proposal (《關於調減公司向特定對象發行A股股票募集資金總額暨調整發行方案的議案》);
9. Resolution on Plan for the Issuance of A Shares to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票預案(修訂稿)的議案》);
10. Resolution on the Dilution of Current Returns by the Issuance of A Shares to Specific Subscribers by the Company and Remedial measures (Revised Version) (《關於公司向特定對象發行A股股票攤薄即期回報及填補措施(修訂稿)的議案》);
11. Resolution on the Argumentative Analysis Report regarding the Issuance of A Shares Proposal to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票方案的論證分析報告(修訂稿)的議案》);
12. Resolution on the Feasibility Report for the Use of Proceeds from the Issuance of A Shares to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票募集資金使用的可行性報告(修訂稿)的議案》);
13. Resolution on the Shareholders' Return Plan for the Next Three Years (2024-2026) (《關於未來三年(2024年-2026年)股東回報規劃的議案》);

14. Resolution on the Extension of Validity Period of Resolution and Authorization of the Shareholders' General Meeting to Issue A Shares to Specific Subscribers (《關於延長向特定對象發行A股股票股東大會決議有效期及授權有效期的議案》);
15. Resolution on the Establishment of Guolian CMS Tech Fund and Related Party Transaction (《關於設立國聯招證科創基金暨關聯交易的議案》);
16. Resolution on the Renewal of Providing Guarantee for Guolian Securities (Hong Kong) Limited (《關於為國聯證券(香港)有限公司提供擔保續期的議案》);
17. Resolution on the Appointment of the Chief Information Officer of the Company (《關於聘任公司首席信息官的議案》);
18. Resolution on the Renewal of the Continuous Related Party Transaction Framework Agreement with Guolian Group and the Determination of the Annual Caps (《關於與國聯集團續簽持續性關聯交易框架協議並確定年度上限的議案》);
19. Resolution on the Leasing and Renovation of Tower B of Shanghai Star Cube Building and Related Party Transaction (《關於上海星立方大廈B棟租賃與裝修暨關聯交易的議案》);
20. Resolution on the Appointment of the Vice President of the Company (《關於聘任公司副總裁的議案》).

In addition, I considered and approved the Resolution on the Leasing and Renovation of Tower B of Shanghai Star Cube Building and Related Party Transaction (《關於上海星立方大廈B棟租賃與裝修暨關聯交易的議案》) at the sixth meeting of the Audit Committee of the Board, and also recommended the Company to further supplement the necessity of selecting a related party to standardise the renovation in the announcement. The Company adopted the above recommendations and improved them in the announcement.

**(IV) Other Work**

In 2023, I did not propose the convening of an extraordinary general meeting of shareholders, the convening of a Board meeting, the dismissal of an accounting firm, the appointment of an independent external auditor and consultant, nor the public solicitation of shareholders' rights from shareholders.

**III. AREAS FOCUSED BY THE INDEPENDENT DIRECTOR DURING HIS PERFORMANCE  
OF DUTIES DURING THE YEAR****(I) Related Party Transactions that should be Disclosed**

On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Estimated Ordinary Related Party Transactions of the Company for the Year 2023 (《關於預計公司2023年度日常關聯交易的議案》). I am of the opinion that the pricing principle of relevant related party transactions is fair and reasonable. There is no circumstance that will jeopardize the interests of the Company and all the Shareholders of the Company as a whole or will affect the independence of the Company. It is expected that these estimated ordinary related party transactions are in line with the business development needs of the Company, conducive to promoting the business growth of the Company, and are in the interests of the Company and its Shareholders as a whole. During the voting process of this resolution, the related directors had abstained from voting, and the decision-making procedures were legal and in compliance with the regulations.

On 27 October 2023, the twelfth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Establishment of Guolian CMS Tech Fund and Related Party Transaction (《關於設立國聯招證科創基金暨關聯交易的議案》). I am of the opinion that the related party transaction is conducive to the development of the Company's offshore asset management business, and is in the interests of the Company and the Shareholders as a whole. There is no circumstance that will jeopardize the interests of the Company and the minority Shareholders or will affect the independence of the Company. During the voting process of the related party transaction, the related directors had abstained from voting, and the decision-making procedures were legal and in compliance with the regulations.

On 27 December 2023, the thirteenth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Renewal of the Continuous Related Party Transaction Framework Agreement with Guolian Group and the Determination of the Annual Caps (《關於與國聯集團續簽持續性關聯交易框架協議並確定年度上限的議案》) and the Resolution on the Leasing and Renovation of Tower B of Shanghai Star Cube Building and Related Party Transaction (《關於上海星立方大廈B棟租賃與裝修暨關聯交易的議案》). I am of the opinion that the various types of related party transactions contracted in the framework agreement for related party transactions are the daily operating business of the Company, Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司) and its associates. The pricing principle and transaction principle are fair and reasonable and are entered into on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole. There is no circumstance that will jeopardize the legitimate interests of the Company and its minority Shareholders. The related party transaction was mainly to meet the office space needs of the Company, which was conducive to enhancing work efficiency and helping to improve the brand image and influence of the Company. There is no circumstance that will jeopardize the legitimate interests of the Company and its minority Shareholders. During the voting process, the related directors had abstained from voting, and the decision-making procedures were legal and in compliance with the regulations.

The aforesaid related party transactions have been disclosed by the Company in a timely manner.

**(II) Plans for the Changes or Waivers of Commitments by the Company and Related Parties**

In 2023, there was no change or waiver of commitments by the Company and related parties.

**(III) External Guarantee and Funds Appropriation**

On 28 March 2023, in accordance with the relevant regulations and requirements, I, based on my understanding of the relevant situation of the Company, expressed explanations and independent opinions regarding the external guarantees of the Company as of 31 December 2022 and believed that the Company managed external guarantees in strict accordance with the relevant laws and regulations and regulatory documents, specified the management requirements for external guarantees in the Articles of Association, the Policy on the Management of the External Guarantee of Guolian Securities Co., Ltd. (《國聯證券股份有限公司對外擔保管理制度》) and other rules and regulations, conscientiously fulfilled the corresponding review procedures and made true, accurate and complete information disclosure in a timely manner, to strictly control the risks of external guarantees and fully protect the legitimate rights and interests of the Company and all Shareholders.

On 27 October 2023, the twelfth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Renewal of Providing Guarantee for Guolian Securities (Hong Kong) Limited (《關於為國聯證券(香港)有限公司提供擔保續期的議案》), which approved the provision of a guarantee up to US\$100 million in total by the Company for Guolian Securities (Hong Kong) Limited and its wholly-owned subsidiaries, with a validity of 24 months from the date of consideration and approval by the Board. I am of the opinion that the provision of guarantees by the Company for its wholly-owned subsidiary, Guolian Securities (Hong Kong) Limited, and its wholly-owned subsidiaries will help it to reduce its finance costs and satisfy its capital requirements for business development and operation. The guarantee, consideration and voting procedures of the meeting are in compliance with the relevant provisions of Guideline No. 8 on Supervision and Administration of Listed Companies – Regulatory Requirements for Fund Transactions and External Guarantees of Listed Companies (《上市公司監管指引第8號—上市公司資金往來、對外擔保的監管要求》) and the Articles of Association, and there is no circumstance that will jeopardize the legitimate interests of the Company and the minority Shareholders. The guarantee resolution was approved.

**(IV) Refinancing**

During the reporting period, the Company's application for the issuance of A Shares to specific subscribers was accepted by The Shanghai Stock Exchange. During the reviewing period, the Company took the initiative to reduce the total amount of proceeds and refine the investment direction of the proceeds in response to the advocacy of the CSRC. I have expressed my independent opinion on the resolutions on the adjustments to the issuance proposal and the argumentative analysis report and approved the Company to facilitate the relevant work according to the adjusted issuance of A Shares proposal to specific subscribers. As of the end of 2023, the Company had completed two rounds of replies to review inquiry letters from the Stock Exchange and is currently in the queuing status for review.

**(V) Appointment or Removal of Senior Management**

On 12 April 2023, the seventh meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Removal of Mr. Wang Jinling as the Chief Information Officer (《關於免去汪錦嶺先生首席信息官職務的議案》). I am of the opinion that the removal of Mr. Wang Jinling as the chief information officer of the Company will not materially affect the Company's operation, development and corporate governance, and that the relevant procedures are complete, in compliance with the laws, regulations and regulatory documents as well as the Articles of Association, and I approved such resolution.

On 27 October 2023, the Company convened the fifth meeting of the Remuneration and Nomination Committee of the fifth session of the Board, and on the basis of carefully review of the Resolution on the Appointment of the Chief Information Officer of the Company (《關於聘任公司首席信息官的議案》), I approved the aforesaid resolution and submitted it to the Board for consideration.



On 27 October 2023, the twelfth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Appointment of the Chief Information Officer of the Company (《關於聘任公司首席信息官的議案》). I am of the opinion that, having reviewed the biographical details of Mr. Huang Wei, I have not found any violation of the relevant provisions of the Company Law, the Securities Law, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating Institutions, the Administrative Measures for Information Technology in Institutions Operating Securities Funds (《證券基金經營機構信息技術管理辦法》) and the Articles of Association on the part of Mr. Huang Wei, and he has not been subject to any market ban as determined by the CSRC, or the ban has not yet been lifted. The educational background, working experience and professional capabilities of Mr. Huang Wei are sufficient to fulfill the requirements for the performance of his duties as the chief information officer of the Company. The nomination and appointment procedures of Mr. Huang Wei are in compliance with relevant laws and regulations and the Articles of Association. I approved the appointment of Mr. Huang Wei as the chief information officer of the Company.

On 27 December 2023, the Company convened the sixth meeting of the Remuneration and Nomination Committee of the fifth session of the Board, at which I carefully reviewed the materials and approved the Resolution on the Appointment of the Vice President of the Company (《關於聘任公司副總裁的議案》), and submitted it to the Board for consideration.

On 27 December 2023, the thirteenth meeting of the fifth session of the Board considered and approved the Resolution on the Appointment of the Vice President of the Company (《關於聘任公司副總裁的議案》). I am of the opinion that, having reviewed the biographical details of Mr. Xu Chun, I have not found any violation of the relevant provisions of the Company Law, the Securities Law and the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating Institutions on the part of Mr. Xu Chun, and he has not been subject to any market ban as determined by the CSRC, or the ban has not yet been lifted. The educational background, working experience and professional capabilities of Mr. Xu Chun are sufficient to fulfill the requirements for the performance of his duties as the vice president of the Company. The nomination and appointment procedures of Mr. Xu Chun are in compliance with relevant laws and regulations and the Articles of Association. I approved the appointment of Mr. Xu Chun as the vice president of the Company.

**(VI) Remuneration of Directors and Senior Management**

In January 2023, the Remuneration and Nomination Committee of the Board of the Company organised and implemented the annual performance assessment of the management team. On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Remuneration Distribution of Directors and Senior Management for the Year 2022 (《2022年度董事、高管薪酬分配議案》). I reviewed the aforesaid resolution and related documents, and considered that the remuneration distribution plan of Directors and senior management of the Company for the year 2022 was in line with the assessment methods and remuneration system as well as the actual operation of the Company, which are beneficial to its long-term development.

**(VII) Engagement or Change of Accounting Firms**

On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Re-appointment of Audit Institutions for the Year 2023 (《關於續聘2023年度審計機構的議案》). I expressed my independent opinions: the Company will re-appoint Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu as the external audit institutions of the Company, and the engagement procedures of which have complied with the relevant laws and regulations. I approved to re-appoint them as the external audit institutions of the Company for the year 2023 to audit the financial report and the effectiveness of internal control of the Company in 2023 and issue an audit report.

**(VIII) Cash Dividend and Other Investors' Return**

As considered at the sixth meeting of the fifth session of the Board of the Company, in view of the steady progress of the issuance of shares to specific subscribers by the Company, the Company will not implement profit distribution for the year 2022 for the time being, taking into account the Company's long-term interests, sustainable development and shareholders' interests. The profit distribution proposal complied with the relevant laws, regulations, regulatory documents, and the relevant requirements of internal systems such as the Articles of Association, and was in line with the actual conditions of the Company, the interests of Shareholders as a whole and their long-term interests, which are beneficial to its long-term development.

The eleventh meeting of the fifth session of the Board and the third extraordinary general meeting for the year 2023 considered and approved the Resolution on the Shareholders' Return Plan for the Next Three Years (2024-2026) (《關於未來三年(2024年-2026年)股東回報規劃的議案》), which is in compliance with the Company Law, the Securities Law and the relevant regulations on cash dividend distribution for listed companies of the CSRC, is conducive to the long-term development of the Company, and there is no circumstance that will jeopardize the interests of the Company's minority shareholders.

**(IX) Implementation of Information Disclosure**

In 2023, the Company strictly complied with the relevant requirements of information disclosure to ensure truthfulness, accuracy, completeness, timeliness and impartiality in the disclosure of information. There was no false record, misleading statement or major omission, which secured the interest of investors and enhanced the transparency of the Company. The financial information in the Company's financial accounting reports and periodic reports have all been considered and approved by the Audit Committee, the Board or the general meeting, and the review procedures are lawful and compliant, adequately disclosing the Company's operating conditions to investors, and not infringing the interests of minority shareholders.

**(X) Implementation of Internal Control**

On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Internal Control Evaluation Report for the Year 2022 (《2022年度內部控制評價報告》). The Company has maintained effective internal control over financial reporting in all material aspects in accordance with the requirements of the corporate internal control system and related provisions, free from any material defect in internal control over financial reporting, and no major material defect in internal control over non-financial reporting was discovered.

**(XI) Operation of the Audit Committee, the Remuneration and Nomination Committee and the Risk Control Committee**

As the chairman of the Audit Committee, a member of the Remuneration and Nomination Committee and the Risk Control Committee of the Company, I am of the opinion that the aforesaid committees have earnestly carried out various tasks and performed their professional functions to the fullest extent, and considered matters in their respective scope of responsibilities and operated regularly during the reporting period.

**IV. OVERALL EVALUATION AND SUGGESTIONS**

I had complied with the relevant requirements under the laws, regulations, Articles of Association and the Independent Director System of Guolian Securities Co., Ltd., and had adequate time and commitment to perform my duties during my terms of office. I was not affected by the substantial shareholders of the Company and other interested units or individuals of the Company when making my independent judgments in the decision-making of the Company and had protected the legitimate interest of the Company and the Shareholders.

In 2024, I will continue to fulfill my duties faithfully and diligently, give full play to the functions of independent Directors and use my professional knowledge and experience to provide advice and suggestions for the development of the Company to safeguard the overall interest of the Company and the legitimate rights and interests of all Shareholders and promote the sustainable and healthy development of the Company.

**Duty Report of the Independent Director for the Year 2023 (Chu, Howard Ho Hwa)**

In 2023, as an independent director of the fifth session of the Board of Guolian Securities Co., Ltd. (hereinafter referred to as the “**Company**”), I, in strict 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》), the Guidelines on the Governance of Listed Companies (《上市公司治理準則》), the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, Guidelines No. 2 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Business Handling (《上海證券交易所上市公司自律監管指南第2號—業務辦理》) of CSRC, the Articles of Association and the Independent Director System of Guolian Securities Co., Ltd. (《國聯證券股份有限公司獨立董事制度》), fulfilled my duties diligently and responsibly, actively attended relevant meetings and earnestly reviewed every resolution to effectively safeguard the interests of the Shareholders as a whole, especially the legitimate rights and interests of minority Shareholders. My duty report for the year 2023 is set out as follows:

**I. BASIC INFORMATION OF INDEPENDENT DIRECTOR****(I) Basic Information**

My working experience, professional background and positions held are as follows:

Mr. Chu, Howard Ho Hwa (朱賀華), born in 1964, a resident of Hong Kong, China, holds a master’s degree in business administration. He is currently a fund partner of Go Capital Limited, an independent non-executive director of BOE Varitronix Limited (0710.HK) and an independent non-executive director of Crypto Flow Technology Limited (8198.HK), and has been an independent non-executive Director of the Company since June 2019. He previously served as the director of ABN AMRO Asia Corporate Finance Ltd., co-CEO and co-founder of Hong Kong MyRice.com, director of HSBC Investment Bank, chief investment officer of Shanghai Century Acquisition Corporation, assistant to chairman of United Energy Group Limited (0467.HK), chief financial officer of Trony Solar (2468.HK, delisted), independent non-executive director of Directel Holdings Limited (8337.HK), independent non-executive director of China Kingstone Mining Holdings Limited (1380.HK), chief financial officer of China Smart Electric Group Limited\* (中國智能電氣集團有限公司), independent non-executive director of Weichai Power Co., Ltd. (2338.HK) and the chief executive officer of mReferral Corporation (HK) Limited.

**(II) Independence**

I shall maintain my independence on an ongoing basis in strict compliance with the requirements for appointment as an independent director under the Company Law, the Guidelines on the Governance of Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating 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》) and other laws and regulations, as well as the Articles of Association.

Apart from being an independent director of the Company, I and my immediate family members do not hold any position in the Company or its subsidiaries, do not hold any position in any shareholder entity that directly or indirectly holds more than 5% of the Company's issued shares, do not hold any position in any of the Company's top 5 shareholder entities, do not directly or indirectly hold more than 1% of the Company's issued shares, and are not among the top 10 Shareholders of the Company. I and my immediate family members do not hold any positions in the subsidiaries of the Company's controlling shareholders or actual controllers, and I do not have any material business dealings with them, nor do I hold any positions in any entities with which I have material business dealings and their controlling shareholders or actual controllers. I have not provided financial, legal, advisory and sponsorship services to the Company, its controlling shareholders, actual controllers or subsidiaries, and I have not obtained any additional undisclosed other benefits from the Company, its substantial shareholders or interested organisations and persons.

## II. ANNUAL PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTOR

## (I) Attendance at Meetings

## 1. Attendance at Board meetings and general meetings

During the reporting period, the Company convened 6 general meetings, including 1 annual general meeting, 3 extraordinary general meetings, and 2 shareholders class meetings. The Board convened a total of 10 meetings. I attended all the meetings, earnestly reviewed every resolution and expressed independent opinions according to the relevant regulations, thereby performing my duties diligently and faithfully, and I did not raise any objection to the resolutions passed by the Board and the general meetings of the Company.

Name	Number of required attendances	Number of attendances in person	Board meetings		Number of absence	Number of attendances at general meetings
			Number of attendances by communication	Number of attendances by proxy		
Chu, Howard Ho Hwa	10	10	9	0	0	6

## 2. Attendance at meetings of special committees of the Board

I am a member of the Audit Committee and the Strategy Committee of the fifth session of the Board of the Company. I attended 5 meetings of the Audit Committee and 3 meetings of the Strategy Committee convened by the Company in person.

During the reporting period, following the provisions of the relevant working rules of the special committees, I carefully reviewed relevant documents and information before the meetings, conducted timely investigations and enquired about details from the relevant departments and personnel, actively attended the meetings of the Board and various special committees, and considered each issue in an earnest, professional and independent manner to express my opinions, and put forward professional recommendations to the Board to assist it in making scientific decisions to practically protect the overall interests of the Company and the legitimate rights and interests of all Shareholders, in particular minority Shareholders. I agree with all the resolutions of the special committee of the Board for the year 2023.

**(II) Performance of Duties**

I focused on the protection of the interests of the Company's Shareholders, compliance management, related party transactions, major investment and financing, etc., and communicated with the minority Shareholders by attending general meetings. I regularly received reports on the work of the Company's internal audit department and analyses by the management, and regularly communicated with the external auditor to review the work plan of the accounting firms for the audit of the Company's annual report and related information.

I made full use of the opportunities to participate in the meetings of the Board and special committees and other working hours to maintain close contact with other directors, senior management and relevant staff of the Company through various means such as on-set office at the Company, video, telephone and email to understand the status of the Company's day-to-day operation and the regularity of its operation.

The Company actively cooperated with me in the performance of my duties by providing the necessary support and assistance, organising relevant training and reporting on the Company's production and operation in a timely manner to enable me to make independent and impartial judgments based on the relevant materials.

**(III) Opinions Expressed**

In 2023, I expressed my prior approvals or independent opinions on the following matters considered by the Board:

1. Resolution on the Estimated Ordinary Related Party Transactions of the Company for the Year 2023 (《關於預計公司2023年度日常關聯交易的議案》);
2. Resolution on the Remuneration Distribution of Directors and Senior Management for the Year 2022 (《2022年度董事、高管薪酬分配議案》);
3. Profit Distribution Proposal for the Year 2022 (《2022年度利潤分配預案》);
4. Resolution on the Re-appointment of Audit Institutions for the Year 2023 (《關於續聘2023年度審計機構的議案》);
5. Internal Control Evaluation Report for the Year 2022 (《2022年度內部控制評價報告》);



6. Resolution on the Application for Write-off of Accounts for Stock Pledged Risk Items (《關於申請股質風險項目賬面核銷的議案》);
7. Resolution on the Removal of Mr. Wang Jinling as the Chief Information Officer (《關於免去汪錦嶺先生首席信息官職務的議案》);
8. Resolution on the Reduction of the Total Proceeds from the Issuance of A Shares to Specific Subscribers by the Company and Adjustment to the Issuance Proposal (《關於調減公司向特定對象發行A股股票募集資金總額暨調整發行方案的議案》);
9. Resolution on Plan for the Issuance of A Shares to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票預案(修訂稿)的議案》);
10. Resolution on the Dilution of Current Returns by the Issuance of A Shares to Specific Subscribers by the Company and Remedial measures (Revised Version) (《關於公司向特定對象發行A股股票攤薄即期回報及填補措施(修訂稿)的議案》);
11. Resolution on the Argumentative Analysis Report regarding the Issuance of A Shares Proposal to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票方案的論證分析報告(修訂稿)的議案》);
12. Resolution on the Feasibility Report for the Use of Proceeds from the Issuance of A Shares to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票募集資金使用的可行性報告(修訂稿)的議案》);
13. Resolution on the Shareholders' Return Plan for the Next Three Years (2024-2026) (《關於未來三年(2024年-2026年)股東回報規劃的議案》);
14. Resolution on the Extension of Validity Period of Resolution and Authorization of the Shareholders' General Meeting to Issue A Shares to Specific Subscribers (《關於延長向特定對象發行A股股票股東大會決議有效期及授權有效期的議案》);

15. Resolution on the Establishment of Guolian CMS Tech Fund and Related Party Transaction (《關於設立國聯招證科創基金暨關聯交易的議案》);
16. Resolution on the Renewal of Providing Guarantee for Guolian Securities (Hong Kong) Limited (《關於為國聯證券(香港)有限公司提供擔保續期的議案》);
17. Resolution on the Appointment of the Chief Information Officer of the Company (《關於聘任公司首席信息官的議案》);
18. Resolution on the Renewal of the Continuous Related Party Transaction Framework Agreement with Guolian Group and the Determination of the Annual Caps (《關於與國聯集團續簽持續性關聯交易框架協議並確定年度上限的議案》);
19. Resolution on the Leasing and Renovation of Tower B of Shanghai Star Cube Building and Related Party Transaction (《關於上海星立方大廈B棟租賃與裝修暨關聯交易的議案》);
20. Resolution on the Appointment of the Vice President of the Company (《關於聘任公司副總裁的議案》).

**(IV) Other Work**

In 2023, I did not propose the convening of an extraordinary general meeting of shareholders, the convening of a Board meeting, the dismissal of an accounting firm, the appointment of an independent external auditor and consultant, or the public solicitation of shareholders' rights from shareholders.

**III. AREAS FOCUSED BY THE INDEPENDENT DIRECTOR DURING HIS PERFORMANCE  
OF DUTIES DURING THE YEAR****(I) Related Party Transactions that should be Disclosed**

On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Estimated Ordinary Related Party Transactions of the Company for the Year 2023 (《關於預計公司2023年度日常關聯交易的議案》). I am of the opinion that the pricing principle of relevant related party transactions is fair and reasonable. There is no circumstance that will jeopardize the interests of the Company and all the Shareholders of the Company as a whole or will affect the independence of the Company. It is expected that these estimated ordinary related party transactions are in line with the business development needs of the Company, conducive to promoting the business growth of the Company, and are in the interests of the Company and its Shareholders as a whole. During the voting process of this resolution, the related directors had abstained from voting, and the decision-making procedures were legal and in compliance with the regulations.

On 27 October 2023, the twelfth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Establishment of Guolian CMS Tech Fund and Related Party Transaction (《關於設立國聯招證科創基金暨關聯交易的議案》). I am of the opinion that the related party transaction is conducive to the development of the Company's offshore asset management business, and is in the interests of the Company and the Shareholders as a whole. There is no circumstance that will jeopardize the interests of the Company and the minority Shareholders or will affect the independence of the Company. During the voting process of the related party transaction, the related directors had abstained from voting, and the decision-making procedures were legal and in compliance with the regulations.

On 27 December 2023, the thirteenth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Renewal of the Continuous Related Party Transaction Framework Agreement with Guolian Group and the Determination of the Annual Caps (《關於與國聯集團續簽持續性關聯交易框架協議並確定年度上限的議案》) and the Resolution on the Leasing and Renovation of Tower B of Shanghai Star Cube Building and Related Party Transaction (《關於上海星立方大廈B棟租賃與裝修暨關聯交易的議案》). I am of the opinion that the various types of related party transactions contracted in the framework agreement for related party transactions are the daily operating business of the Company, Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司) and its associates. The pricing principle and transaction principle are fair and reasonable and are entered into on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole. There is no circumstance that will jeopardize the legitimate interests of the Company and its minority Shareholders. The related party transaction was mainly to meet the office space needs of the Company, which was conducive to enhancing work efficiency and helping to improve the brand image and influence of the Company. There is no circumstance that will jeopardize the legitimate interests of the Company and its minority Shareholders. During the voting process, the related directors had abstained from voting, and the decision-making procedures were legal and in compliance with the regulations.

The aforesaid related party transactions have been disclosed by the Company in a timely manner.

**(II) Plans for the Changes or Waivers of Commitments by the Company and Related Parties**

In 2023, there was no change or waiver of commitments by the Company and related parties.

**(III) External Guarantee and Funds Appropriation**

On 28 March 2023, in accordance with the relevant regulations and requirements, I, based on my understanding of the relevant situation of the Company, expressed explanations and independent opinions regarding the external guarantees of the Company as of 31 December 2022 and believed that the Company managed external guarantees in strict accordance with the relevant laws and regulations and regulatory documents, specified the management requirements for external guarantees in the Articles of Association, the Policy on the Management of the External Guarantee of Guolian Securities Co., Ltd. (《國聯證券股份有限公司對外擔保管理制度》) and other rules and regulations, conscientiously fulfilled the corresponding review procedures and made true, accurate and complete information disclosure in a timely manner, to strictly control the risks of external guarantees and fully protect the legitimate rights and interests of the Company and all Shareholders.

On 27 October 2023, the twelfth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Renewal of Providing Guarantee for Guolian Securities (Hong Kong) Limited (《關於為國聯證券(香港)有限公司提供擔保續期的議案》), which approved the provision of a guarantee of up to US\$100 million in total by the Company for Guolian Securities (Hong Kong) Limited and its wholly-owned subsidiaries, with a validity of 24 months from the date of consideration and approval by the Board. I am of the opinion that the provision of guarantees by the Company for its wholly-owned subsidiary, Guolian Securities (Hong Kong) Limited, and its wholly-owned subsidiaries will help it to reduce its finance costs and satisfy its capital requirements for business development and operation. The guarantee, consideration and voting procedures of the meeting are in compliance with the relevant provisions of Guideline No. 8 on Supervision and Administration of Listed Companies – Regulatory Requirements for Fund Transactions and External Guarantees of Listed Companies (《上市公司監管指引第8號—上市公司資金往來、對外擔保的監管要求》) and the Articles of Association, and there is no circumstance that will jeopardize the legitimate interests of the Company and the minority Shareholders. The guarantee resolution was approved.

**(IV) Appointment or Removal of Senior Management**

On 12 April 2023, the seventh meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Removal of Mr. Wang Jinling as the Chief Information Officer (《關於免去汪錦嶺先生首席信息官職務的議案》). I am of the opinion that the removal of Mr. Wang Jinling as the chief information officer of the Company will not materially affect the Company's operation, development and corporate governance, and the relevant procedures are complete, in compliance with the laws, regulations and regulatory documents as well as the Articles of Association, and I approved such resolution.

On 27 October 2023, the twelfth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Appointment of the Chief Information Officer of the Company (《關於聘任公司首席信息官的議案》). On 27 December 2023, the thirteenth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Appointment of the Vice President of the Company (《關於聘任公司副總裁的議案》). On the basis of carefully reviewing the aforesaid resolutions and based on my independent judgment, I have expressed my independent opinion on the terms of appointment, nomination and appointment/removal procedures of the relevant senior management and agreed to their appointment.

**(V) Remuneration of Directors and Senior Management**

On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Remuneration Distribution of Directors and Senior Management for the Year 2022 (《2022年度董事、高管薪酬分配議案》). I reviewed the aforesaid resolution and related documents, and considered that the remuneration distribution plan of Directors and senior management of the Company for the year 2022 was in line with the assessment methods and remuneration system as well as the actual operation of the Company, which are beneficial to its long-term development.

**(VI) Engagement or Change of Accounting Firms**

On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Re-appointment of Audit Institutions for the Year 2023 (《關於續聘2023年度審計機構的議案》). I expressed my independent opinions: the Company will re-appoint Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu as the external audit institutions of the Company, and the engagement procedures of which have complied with the relevant laws and regulations. I approved to re-appoint them as the external audit institutions of the Company for the year 2023 to audit the financial report and the effectiveness of internal control of the Company in 2023 and issue an audit report.

**(VII) Cash Dividend and Other Investors' Return**

As considered at the sixth meeting of the fifth session of the Board of the Company, in view of the steady progress of the issuance of shares to specific subscribers by the Company, the Company will not implement profit distribution for the year 2022 for the time being, taking into account the Company's long-term interests, sustainable development and shareholders' interests. The profit distribution proposal complied with the relevant laws, regulations, regulatory documents, and the relevant requirements of internal systems such as the Articles of Association, and was in line with the actual conditions of the Company, the interests of Shareholders as a whole and their long-term interests, which are beneficial to its long-term development.

The eleventh meeting of the fifth session of the Board and the third extraordinary general meeting for the year 2023 considered and approved the Resolution on the Shareholders' Return Plan for the Next Three Years (2024-2026) (《關於未來三年(2024年-2026年)股東回報規劃的議案》), which is in compliance with the Company Law, the Securities Law and the relevant regulations on cash dividend distribution for listed companies of the CSRC, is conducive to the long-term development of the Company, and there is no circumstance that will jeopardize the interests of the Company's minority shareholders.

**(VIII) Implementation of Information Disclosure**

In 2023, the Company strictly complied with the relevant requirements of information disclosure to ensure truthfulness, accuracy, completeness, timeliness and impartiality in the disclosure of information. There was no false record, misleading statement or major omission, which secured the interest of investors and enhanced the transparency of the Company. The financial information in the Company's financial accounting reports and periodic reports have all been considered and approved by the Audit Committee, the Board or the general meeting, and the review procedures are lawful and compliant, adequately disclosing the Company's operating conditions to investors, and not infringing on the interests of minority shareholders.

**(IX) Implementation of Internal Control**

On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Internal Control Evaluation Report for the Year 2022 (《2022年度內部控制評價報告》). The Company has maintained effective internal control over financial reporting in all material aspects in accordance with the requirements of the corporate internal control system and related provisions, free from any material defect in internal control over financial reporting, and no major material defect in internal control over non-financial reporting was discovered.

**(X) Operation of the Audit Committee and the Strategy Committee**

As a member of the Audit Committee and the Strategy Committee of the Company, I am of the opinion that the aforesaid committees have earnestly carried out various tasks and performed their professional functions to the fullest extent, and considered matters in their respective scope of responsibilities and operated in a regular manner during the reporting period.



**IV. OVERALL EVALUATION AND SUGGESTIONS**

I had complied with the relevant requirements under the laws, regulations, Articles of Association and the Independent Director System of Guolian Securities Co., Ltd., and had adequate time and commitment to perform my duties during my terms of office. I was not affected by the substantial shareholders of the Company and other interested units or individuals of the Company when making my independent judgments in the decision-making of the Company and had protected the legitimate interest of the Company and the Shareholders.

In 2024, I will continue to fulfill my duties faithfully and diligently, give full play to the functions of independent Directors and use my professional knowledge and experience to provide advice and suggestions for the development of the Company to safeguard the overall interest of the Company and the legitimate rights and interests of all Shareholders and promote the sustainable and healthy development of the Company.

**Duty Report of the Independent Director for the Year 2023 (Gao Wei)**

In 2023, as an independent director of the fifth session of the Board of Guolian Securities Co., Ltd. (hereinafter referred to as the “**Company**”), I, in strict 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》), the Guidelines on the Governance of Listed Companies (《上市公司治理準則》), the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, Guidelines No. 2 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Business Handling (《上海證券交易所上市公司自律監管指南第2號—業務辦理》) of CSRC, the Articles of Association and the Independent Director System of Guolian Securities Co., Ltd. (《國聯證券股份有限公司獨立董事制度》), fulfilled my duties diligently and responsibly, actively attended relevant meetings and earnestly reviewed every resolution to effectively safeguard the interests of the Shareholders as a whole, especially the legitimate rights and interests of minority Shareholders. My duty report for the year 2023 is set out as follows:

**I. BASIC INFORMATION OF INDEPENDENT DIRECTOR****(I) Basic Information**

My working experience, professional background and positions held are as follows:

Mr. Gao Wei (高偉), born in 1966, Chinese nationality with no right of permanent residency abroad, holds a degree of doctor of laws and the Chinese lawyer qualification certificate. He is currently the chief representative of Beijing Representative Office of The Hong Kong Chartered Governance Institute, company secretary of Zhongguancun Science-Tech Leasing Co., Ltd. (1601.HK), independent non-executive director of Best Mart 360 Holdings Limited, arbitrator of China International Economic and Trade Arbitration Commission, China Maritime Arbitration Commission, Beijing Arbitration Commission and Shanghai Arbitration Commission, and has been an independent non-executive Director of the Company since October 2022. He previously served as the director, general manager and legal representative of Sinotrans Air Transportation Development Company Limited (600270. SH, delisted), secretary to the board and general counsel of Sinotrans Limited (0598. HK), secretary to the board and financial officer of Zhongguancun Science-Tech Leasing Co., Ltd., one of the vice-chairmen of the Board Secretary Committee of China Association for Public Companies and a council member and vice chairman of The Hong Kong Chartered Governance Institute.

**(II) Independence**

I shall maintain my independence on an ongoing basis in strict compliance with the requirements for appointment as an independent director under the Company Law, the Guidelines on the Governance of Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating 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》) and other laws and regulations, as well as the Articles of Association.

Apart from being an independent director of the Company, I and my immediate family members do not hold any position in the Company or its subsidiaries, do not hold any position in any shareholder entity that directly or indirectly holds more than 5% of the Company's issued shares, do not hold any position in any of the Company's top 5 shareholder entities, do not directly or indirectly hold more than 1% of the Company's issued shares, and are not among the top 10 Shareholders of the Company. I and my immediate family members do not hold any positions in the subsidiaries of the Company's controlling shareholders or actual controllers, and I do not have any material business dealings with them, nor do I hold any positions in any entities with which I have material business dealings and their controlling shareholders or actual controllers. I have not provided financial, legal, advisory and sponsorship services to the Company, its controlling shareholders, actual controllers or subsidiaries, and I have not obtained any additional undisclosed other benefits from the Company, its substantial shareholders or interested organisations and persons.

## II. ANNUAL PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTOR

## (I) Attendance at Meetings

## 1. Attendance at Board meetings and general meetings

During the reporting period, the Company convened 6 general meetings, including 1 annual general meeting, 3 extraordinary general meetings, and 2 shareholders class meetings. The Board convened a total of 10 meetings. I attended all the meetings, earnestly reviewed every resolution and expressed independent opinions according to the relevant regulations, thereby performing my duties diligently and faithfully, and I did not raise any objection to the resolutions passed by the Board and the general meetings of the Company.

Name	Number of required attendances	Number of attendances in person	Board meetings		Number of absence	Number of attendances at general meetings
			Number of attendances by communication	Number of attendances by proxy		
Gao Wei	10	10	9	0	0	6

## 2. Attendance at meetings of special committees of the Board

I am the chairman of the Remuneration and Nomination Committee and a member of the Audit Committee of the fifth session of the Board of the Company, and I attended 5 meetings of the Remuneration and Nomination Committee and 5 meetings of the Audit Committee convened by the Company in person.

During the reporting period, according to the provisions of the relevant working rules of the special committees, I carefully reviewed relevant documents and information before the meetings, conducted timely investigations and enquired about details from the relevant departments and personnel, actively attended the meetings of the Board and various special committees, and considered each issue in an earnest, professional and independent manner to express my opinions to faithfully perform my duties as an independent director and practically protect the overall interests of the Company and the legitimate rights and interests of all Shareholders, in particular minority Shareholders. I agree with all the resolutions of the special committee of the Board for the year 2023.

**(II) Performance of Duties**

I focused on corporate governance, protection of the interests of the Company's Shareholders, related party transactions, major investment and financing, etc., and actively participated in the discussions and put forward professional recommendations, playing an active role in the scientific decision-making of the Board. I also participated in the Company's general meetings to communicate with the minority Shareholders. I regularly received reports on the work of the Company's internal audit department and analyses by the management, and regularly communicated with the external auditor to review the work plan of the accounting firms for the audit of the Company's annual report and related information.

I maintained close contact with other directors, senior management and relevant staff of the Company through various means such as on-set office at the Company, WeChat, video, telephone and email, paid attention to the policies, regulations, industry developments and their impact on the Company, and advised on the optimisation of the Company's management system and processes.

The Company had actively cooperated with me in the performance of my duties by providing the necessary support and assistance, organising relevant training and reporting on the Company's production and operation in a timely manner to enable me to make independent and impartial judgments based on the relevant materials.

**(III) Opinions Expressed**

In 2023, I expressed my prior approvals or independent opinions on the following matters considered by the Board:

1. Resolution on the Estimated Ordinary Related Party Transactions of the Company for the Year 2023 (《關於預計公司2023年度日常關聯交易的議案》);
2. Resolution on the Remuneration Distribution of Directors and Senior Management for the Year 2022 (《2022年度董事、高管薪酬分配議案》);
3. Profit Distribution Proposal for the Year 2022 (《2022年度利潤分配預案》);
4. Resolution on the Re-appointment of Audit Institutions for the Year 2023 (《關於續聘2023年度審計機構的議案》);

5. Internal Control Evaluation Report for the Year 2022 (《2022年度內部控制評價報告》);
6. Resolution on the Application for Write-off of Accounts for Stock Pledged Risk Items (《關於申請股質風險項目賬面核銷的議案》);
7. Resolution on the Removal of Mr. Wang Jinling as the Chief Information Officer (《關於免去汪錦嶺先生首席信息官職務的議案》);
8. Resolution on the Reduction of the Total Proceeds from the Issuance of A Shares to Specific Subscribers by the Company and Adjustment to the Issuance Proposal (《關於調減公司向特定對象發行A股股票募集資金總額暨調整發行方案的議案》);
9. Resolution on Plan for the Issuance of A Shares to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票預案(修訂稿)的議案》);
10. Resolution on the Dilution of Current Returns by the Issuance of A Shares to Specific Subscribers by the Company and Remedial measures (Revised Version) (《關於公司向特定對象發行A股股票攤薄即期回報及填補措施(修訂稿)的議案》);
11. Resolution on the Argumentative Analysis Report regarding the Issuance of A Shares Proposal to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票方案的論證分析報告(修訂稿)的議案》);
12. Resolution on the Feasibility Report for the Use of Proceeds from the Issuance of A Shares to Specific Subscribers by the Company (Revised Version) (《關於公司向特定對象發行A股股票募集資金使用的可行性報告(修訂稿)的議案》);
13. Resolution on the Shareholders' Return Plan for the Next Three Years (2024-2026) (《關於未來三年(2024年-2026年)股東回報規劃的議案》);

14. Resolution on the Extension of Validity Period of Resolution and Authorization of the Shareholders' General Meeting to Issue A Shares to Specific Subscribers (《關於延長向特定對象發行A股股票股東大會決議有效期及授權有效期的議案》);
15. Resolution on the Establishment of Guolian CMS Tech Fund and Related Party Transaction (《關於設立國聯招證科創基金暨關聯交易的議案》);
16. Resolution on the Renewal of Providing Guarantee for Guolian Securities (Hong Kong) Limited (《關於為國聯證券(香港)有限公司提供擔保續期的議案》);
17. Resolution on the Appointment of the Chief Information Officer of the Company (《關於聘任公司首席信息官的議案》);
18. Resolution on the Renewal of the Continuous Related Party Transaction Framework Agreement with Guolian Group and the Determination of the Annual Caps (《關於與國聯集團續簽持續性關聯交易框架協議並確定年度上限的議案》);
19. Resolution on the Leasing and Renovation of Tower B of Shanghai Star Cube Building and Related Party Transaction (《關於上海星立方大廈B棟租賃與裝修暨關聯交易的議案》);
20. Resolution on the Appointment of the Vice President of the Company (《關於聘任公司副總裁的議案》).

**(IV) Other Work**

In 2023, I did not propose the convening of an extraordinary general meeting of shareholders, the convening of a Board meeting, the dismissal of an accounting firm, the appointment of an independent external auditor and consultant, or the public solicitation of shareholders' rights from shareholders.

**III. AREAS FOCUSED BY THE INDEPENDENT DIRECTOR DURING HIS PERFORMANCE  
OF DUTIES DURING THE YEAR****(I) Related Party Transactions that should be Disclosed**

On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Estimated Ordinary Related Party Transactions of the Company for the Year 2023 (《關於預計公司2023年度日常關聯交易的議案》). I am of the opinion that the pricing principle of relevant related party transactions is fair and reasonable. There is no circumstance that will jeopardize the interests of the Company and all the Shareholders of the Company as a whole or will affect the independence of the Company. It is expected that these estimated ordinary related party transactions are in line with the business development needs of the Company, conducive to promoting the business growth of the Company, and are in the interests of the Company and its Shareholders as a whole. During the voting process of this resolution, the related directors had abstained from voting, and the decision-making procedures were legal and in compliance with the regulations.

On 27 October 2023, the twelfth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Establishment of Guolian CMS Tech Fund and Related Party Transaction (《關於設立國聯招證科創基金暨關聯交易的議案》). I am of the opinion that the related party transaction is conducive to the development of the Company's offshore asset management business, is in the interests of the Company and the Shareholders as a whole. There is no circumstance that will jeopardize the interests of the Company and the minority Shareholders or will affect the independence of the Company. During the voting process of the related party transaction, the related directors had abstained from voting, and the decision-making procedures were legal and in compliance with the regulations.



On 27 December 2023, the thirteenth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Renewal of the Continuous Related Party Transaction Framework Agreement with Guolian Group and the Determination of the Annual Caps (《關於與國聯集團續簽持續性關聯交易框架協議並確定年度上限的議案》) and the Resolution on the Leasing and Renovation of Tower B of Shanghai Star Cube Building and Related Party Transaction (《關於上海星立方大廈B棟租賃與裝修暨關聯交易的議案》). I am of the opinion that the various types of related party transactions contracted in the framework agreement for related party transactions are the daily operating business of the Company, Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司) and its associates. The pricing principle and transaction principle are fair and reasonable and are entered into on normal commercial terms, and are in the interests of the Company and the Shareholders as a whole. There is no circumstance that will jeopardize the legitimate interests of the Company and its minority Shareholders. The related party transaction is mainly to meet the office space needs of the Company, which was conducive to enhancing work efficiency and helping to improve the brand image and influence of the Company. There is no circumstance that will jeopardize the legitimate interests of the Company and its minority Shareholders. During the voting process, the related directors had abstained from voting, and the decision-making procedures were legal and in compliance with the regulations.

The aforesaid related party transactions have been disclosed by the Company in a timely manner.

## **(II) External Guarantee and Funds Appropriation**

On 28 March 2023, in accordance with the relevant regulations and requirements, I, based on my understanding of the relevant situation of the Company, expressed explanations and independent opinions regarding the external guarantees of the Company as of 31 December 2022 and believed that the Company managed external guarantees in strict accordance with the relevant laws and regulations and regulatory documents, specified the management requirements for external guarantees in the Articles of Association, the Policy on the Management of the External Guarantee of Guolian Securities Co., Ltd. (《國聯證券股份有限公司對外擔保管理制度》) and other rules and regulations, conscientiously fulfilled the corresponding review procedures and made true, accurate and complete information disclosure in a timely manner, to strictly control the risks of external guarantees and fully protect the legitimate rights and interests of the Company and all Shareholders.

On 27 October 2023, the twelfth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Renewal of Providing Guarantee for Guolian Securities (Hong Kong) Limited (《關於為國聯證券(香港)有限公司提供擔保續期的議案》), which approved the provision of a guarantee of up to US\$100 million in total by the Company for Guolian Securities (Hong Kong) Limited and its wholly-owned subsidiaries, with a validity of 24 months from the date of consideration and approval by the Board. I am of the opinion that the provision of guarantees by the Company for its wholly-owned subsidiary, Guolian Securities (Hong Kong) Limited, and its wholly-owned subsidiaries will help it to reduce its finance costs and satisfy its capital requirements for business development and operation. The guarantee, consideration and voting procedures of the meeting comply with the relevant provisions of Guideline No. 8 on Supervision and Administration of Listed Companies – Regulatory Requirements for Fund Transactions and External Guarantees of Listed Companies (《上市公司監管指引第8號—上市公司資金往來、對外擔保的監管要求》) and the Articles of Association, and there is no circumstance that will jeopardize the legitimate interests of the Company and the minority Shareholders. The guarantee resolution was approved.

### **(III) Appointment or Removal of Senior Management**

On 12 April 2023, the seventh meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Removal of Mr. Wang Jinling as the Chief Information Officer (《關於免去汪錦嶺先生首席信息官職務的議案》). I am of the opinion that the removal of Mr. Wang Jinling as the chief information officer of the Company will not materially affect the Company's operation, development and corporate governance, and that the relevant procedures are complete, in compliance with the laws, regulations and regulatory documents as well as the Articles of Association, and I approved such resolution.

On 27 October 2023, the Company convened the fifth meeting of the Remuneration and Nomination Committee of the fifth session of the Board, and on the basis of carefully reviewing the Resolution on the Appointment of the Chief Information Officer of the Company (《關於聘任公司首席信息官的議案》), I approved the aforesaid resolution and submitted it to the Board for consideration.

On 27 October 2023, the twelfth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Appointment of the Chief Information Officer of the Company (《關於聘任公司首席信息官的議案》). I am of the opinion that, having reviewed the biographical details of Mr. Huang Wei, I have not found any violation of the relevant provisions of the Company Law, the Securities Law, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating Institutions, the Administrative Measures for Information Technology in Institutions Operating Securities Funds (《證券基金經營機構信息技術管理辦法》) and the Articles of Association on the part of Mr. Huang Wei, and he has not been subject to any market ban as determined by CSRC, or the ban has not yet been lifted. The educational background, working experience and professional capabilities of Mr. Huang Wei are sufficient to fulfill the requirements for the performance of his duties as the chief information officer of the Company. The nomination and appointment procedures of Mr. Huang Wei are in compliance with relevant laws and regulations and the Articles of Association. I approved the appointment of Mr. Huang Wei as the chief information officer of the Company.

On 27 December 2023, the Company convened the sixth meeting of the Remuneration and Nomination Committee of the fifth session of the Board, at which I carefully reviewed the materials and approved the Resolution on the Appointment of the Vice President of the Company (《關於聘任公司副總裁的議案》), and submitted it to the Board for consideration.

On 27 December 2023, the thirteenth meeting of the fifth session of the Board considered and approved the Resolution on the Appointment of the Vice President of the Company (《關於聘任公司副總裁的議案》). I am of the opinion that, having reviewed the biographical details of Mr. Xu Chun, I have not found any violation of the relevant provisions of the Company Law, the Securities Law and the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating Institutions on the part of Mr. Xu Chun, and he has not been subject to any market ban as determined by the CSRC, or the ban has not yet been lifted. The educational background, working experience and professional capabilities of Mr. Xu Chun are sufficient to fulfill the requirements for the performance of his duties as the vice president of the Company. The nomination and appointment procedures of Mr. Xu Chun comply with relevant laws and regulations and the Articles of Association. I approved the appointment of Mr. Xu Chun as the vice president of the Company.

**(IV) Remuneration of Directors and Senior Management**

In January 2023, the Remuneration and Nomination Committee of the Board of the Company organised and implemented the annual performance assessment of the management team. On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Remuneration Distribution of Directors and Senior Management for the Year 2022 (《2022年度董事、高管薪酬分配議案》). I reviewed the aforesaid resolution and related documents, and considered that the remuneration distribution plan of Directors and senior management of the Company for the year 2022 was in line with the assessment methods and remuneration system as well as the actual operation of the Company, which are beneficial to its long-term development.

**(V) Engagement or Change of Accounting Firms**

On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Resolution on the Re-appointment of Audit Institutions for the Year 2023 (《關於續聘2023年度審計機構的議案》). I expressed my independent opinions: the Company will re-appoint Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu as the external audit institutions of the Company, and the engagement procedures of which have complied with the relevant laws and regulations. I approved to re-appoint them as the external audit institutions of the Company for the year 2023 to audit the financial report and the effectiveness of internal control of the Company in 2023 and issue an audit report.

**(VI) Cash Dividend and Other Investors' Return**

As considered at the sixth meeting of the fifth session of the Board of the Company, in view of the steady progress of the issuance of shares to specific subscribers by the Company, the Company will not implement profit distribution for the year 2022 for the time being, taking into account the Company's long-term interests, sustainable development and shareholders' interests. The profit distribution proposal complied with the relevant laws, regulations, regulatory documents, and the relevant requirements of internal systems such as the Articles of Association, and was in line with the actual conditions of the Company, the interests of Shareholders as a whole and their long-term interests, which are beneficial to its long-term development.

The eleventh meeting of the fifth session of the Board and the third extraordinary general meeting for the year 2023 considered and approved the Resolution on the Shareholders' Return Plan for the Next Three Years (2024-2026) (《關於未來三年(2024年-2026年)股東回報規劃的議案》), which is in compliance with the Company Law, the Securities Law and the relevant regulations on cash dividend distribution for listed companies of the CSRC, is conducive to the long-term development of the Company, and there is no circumstance that will jeopardize the interests of the Company's minority shareholders.

**(VII) Implementation of Information Disclosure**

In 2023, the Company strictly complied with the relevant requirements of information disclosure to ensure truthfulness, accuracy, completeness, timeliness and impartiality in the disclosure of information. There was no false record, misleading statement or major omission, which secured the interest of investors and enhanced the transparency of the Company. The financial information in the Company's financial accounting reports and periodic reports have all been considered and approved by the Audit Committee, the Board or the general meeting, and the review procedures are lawful and compliant, adequately disclosing the Company's operating conditions to investors, and not infringing on the interests of minority shareholders.

**(VIII) Implementation of Internal Control**

On 28 March 2023, the sixth meeting of the fifth session of the Board of the Company considered and approved the Internal Control Evaluation Report for the Year 2022 (《2022年度內部控制評價報告》). The Company has maintained effective internal control over financial reporting in all material aspects in accordance with the requirements of the corporate internal control system and related provisions, free from any material defect in internal control over financial reporting, and no major material defect in internal control over non-financial reporting were discovered.

**(IX) Operation of the Remuneration and Nomination Committee and the Audit Committee**

As the chairman of the Remuneration and Nomination Committee and a member of the Audit Committee of the Company, I am of the opinion that the aforesaid committees have earnestly carried out various tasks and played their professional functions to the fullest extent, and considered matters in their respective scope of responsibilities and operated in a regular manner during the reporting period.

**IV. OVERALL EVALUATION AND SUGGESTIONS**

I had complied with the relevant requirements under the laws, regulations, Articles of Association and the Independent Director System of Guolian Securities Co., Ltd., and had adequate time and commitment to perform their duties during my terms of office. I was not affected by the substantial shareholders of the Company and other interested units or individuals of the Company when making my independent judgments in the decision-making of the Company and had protected the legitimate interest of the Company and the Shareholders.

In 2024, I will continue to fulfill my duties faithfully and diligently, give full play to the functions of independent Directors and use my professional knowledge and experience to provide advice and suggestions for the development of the Company to safeguard the overall interest of the Company and the legitimate rights and interests of all Shareholders and promote the sustainable and healthy development of the Company.

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## APPENDIX IV FINAL ACCOUNTS REPORT FOR THE YEAR 2023

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In 2023, owing to continuous depreciation of Renminbi and cautious sentiment of foreign investment in the domestic market, economic growth fell short of expectations and market trading sentiment was sluggish, the SSE Composite Index fell by 3.7% as compared with the beginning of the year, the SZSE Component Index fell by 13.5% as compared with the beginning of the year, the yield of the 10-year China Bonds fell by 28bp as compared with the beginning of the year and market activities declined. According to the statistics of WIND, the daily average stocks and funds trading volume on the market decreased by 2.9% year-on-year as compared with 2022, which resulted in the expecting profitability of securities companies being affected, and combined with the recently disclosed performance forecasts of 11 securities companies, the operating income has dropped by an average of about 2%. The Company has withstood such pressure, maintained its strategic focus, operated steadily and strictly adhered to the bottom line of compliance and risk control, whereby the overall business layout has become more reasonable, diversified and stable.

According to the financial report prepared in accordance with the Accounting Standards for Business Enterprises of the PRC, as at the end of the reporting period, the total assets in the consolidated financial statement of the Company amounted to RMB87.129 billion and total shareholder interests amounted to RMB18.124 billion. During the reporting period, operating income amounted to RMB2.955 billion and net profit of RMB675 million.

## APPENDIX IV FINAL ACCOUNTS REPORT FOR THE YEAR 2023

The final accounts during the reporting period are set out as follows:

### Financial Position and Operating Results

*Unit: RMB'0,000*

Item	Consolidated			Parent Company		
	As at the end of 2023	As at the end of 2022	Change	As at the end of 2023	As at the end of 2022	Change
Total assets	8,712,887	7,438,200	17%	8,557,185	7,371,469	16%
Total liabilities	6,900,532	5,762,144	20%	6,812,737	5,719,077	19%
Total shareholder interests	1,812,356	1,676,055	8%	1,744,447	1,652,392	6%
Total interests attributable to shareholders of the parent company	1,776,869	1,676,055	6%			
Operating income	295,546	262,294	13%	206,045	225,553	-9%
Total operating expenses	214,366	166,000	29%	140,184	123,521	13%
Operating profit	81,180	96,294	-16%	65,861	102,032	-35%
Total profit	82,542	96,543	-15%	65,982	102,211	-35%
Net profit	67,455	76,728	-12%	58,757	86,398	-32%
Total consolidated income	101,137	66,266	53%	92,056	73,826	25%
Weighted average returns on net assets	3.89%	4.62%	-16%	3.46%	5.30%	-35%
Gearing ratio	76.79%	73.64%	4%	77.21%	73.74%	5%
Basic earnings per share (RMB/share)	0.24	0.27	-11%			
Net asset value per share attributable to Shareholders of the Company	6.27	5.92	6%			

*Note:* Any discrepancies in this report between totals and sums of figures listed are due to rounding.



## APPENDIX IV FINAL ACCOUNTS REPORT FOR THE YEAR 2023

### I. BALANCE SHEET

As at the end of the reporting period, total assets of the Company were RMB87.129 billion; total liabilities were RMB69.005 billion; total shareholder interests were RMB18.124 billion. Of which, total assets of parent company were RMB85.572 billion; total liabilities were RMB68.127 billion; total shareholder interests were RMB17.444 billion. On the basis of stringent risk control, the Company implemented financial statements improvement strategy in a stable manner to improve its profitability effectively.

#### Condensed Balance Sheet:

*Unit: RMB'0,000*

Item	Consolidated			Parent Company		
	As at the end of 2023	As at the end of 2022	Year-on-year Change	As at the end of 2023	As at the end of 2022	Year-on-year Change
<b>Total assets</b>	<b>8,712,887</b>	<b>7,438,200</b>	<b>17%</b>	<b>8,557,185</b>	<b>7,371,469</b>	<b>16%</b>
Of which: Monetary capital	981,615	1,003,279	-2%	861,483	943,241	-9%
Clearing settlement funds	397,896	299,474	33%	397,385	298,887	33%
Refundable deposits	46,595	59,223	-21%	46,130	58,953	-22%
Financial assets held for trading	3,902,724	3,243,584	20%	3,249,039	2,893,582	12%
Derivative financial assets	174,724	97,988	78%	174,724	97,988	78%
Other debt investments	708,336	836,329	-15%	708,336	836,329	-15%
Investment in other equity instruments	360,040	292,619	23%	360,040	292,619	23%
Margin accounts receivable	1,012,666	881,567	15%	1,012,666	881,567	15%
Financial assets held under resale agreements	530,691	326,382	63%	529,551	326,382	62%
Accounts receivable	127,221	122,570	4%	121,975	122,194	0%
Other assets	256,966	232,805	10%	282,378	230,100	23%
<b>Total liabilities</b>	<b>6,900,532</b>	<b>5,762,144</b>	<b>20%</b>	<b>6,812,737</b>	<b>5,719,077</b>	<b>19%</b>
Of which: Amount of agency sales of securities	904,610	1,079,728	-16%	904,418	1,079,725	-16%
Financial liabilities held for trading	116,275	157,898	-26%	108,755	153,012	-29%
Derivative financial liabilities	44,764	50,108	-11%	44,764	50,108	-11%
Financial assets sold under repurchase agreements	1,442,156	1,499,268	-4%	1,428,471	1,492,397	-4%
Short-term financing instrument payables	25,581	70,530	-64%	25,581	70,530	-64%
Bonds payable	2,506,227	1,948,899	29%	2,504,195	1,946,906	29%
Placements from financial institutions	531,401	90,022	490%	531,401	90,022	490%
Remuneration payable to employees	49,248	44,029	12%	22,732	25,664	-11%
Tax payable	5,350	6,384	-16%	2,803	4,959	-43%
Other liabilities	1,103,124	741,943	49%	1,102,100	740,631	49%
<b>Total shareholder interests</b>	<b>1,812,356</b>	<b>1,676,055</b>	<b>8%</b>	<b>1,744,447</b>	<b>1,652,392</b>	<b>6%</b>
<b>Total interests attributable to shareholders of the parent company</b>	<b>1,776,869</b>	<b>1,676,055</b>	<b>6%</b>			

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## APPENDIX IV FINAL ACCOUNTS REPORT FOR THE YEAR 2023

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As at the end of the reporting period, the assets of the Company increased by RMB12.747 billion, or 17% as compared with the end of last year, which was mainly due to the increase in investment assets and financial assets held under resale agreements:

- 1) Through adhering to the principle of value investment, the Company closely followed the market trends, strictly controlled risk exposures to constantly expand the capital intermediary business and enrich trading varieties, and actively explored differentiated and diversified trading opportunities, whereby achieved an increase in financial assets held for trading, other debt investments, investment in other equity instruments, derivative financial assets and other assets by RMB6.995 billion as compared with the end of last year;
- 2) The scale of bond pledge repurchase business increased, as a result of which financial assets held under resale agreements increased by RMB2.043 billion as compared with the end of last year;
- 3) The margin accounts receivable increased by RMB1.311 billion as compared with the end of last year due to the increase of the margin financing and securities lending business scale.

As at the end of the reporting period, the liabilities of the Company increased by RMB11.384 billion, or 20% as compared with the end of last year, mainly due to the increase in financing scale and liabilities formed by transaction business:

- 1) Current short-term financing instrument payables, bonds payable, placements from financial institutions and financial assets sold under repurchase agreements increased by RMB8.966 billion as compared with the end of last year as the Company had expanded its financing channels in supporting the development of business;
- 2) Other liabilities of the margin deposits payable of derivative contracts, financial liabilities held for trading and derivative financial liabilities increased by RMB3.142 billion as compared with the end of last year as the Company actively created quality structured products and expanded its OTC derivatives business.

## APPENDIX IV FINAL ACCOUNTS REPORT FOR THE YEAR 2023

### II. FINANCIAL INCOME AND EXPENDITURE

During the reporting period, the Company recorded an operating income of RMB2.955 billion. Total operating expenses incurred were RMB2.144 billion. Total profit recorded was RMB825 million. Net profit attributable to shareholders of parent company was RMB671 million. Basic earnings per share were RMB0.24. Of which, operating income of parent company was RMB2.060 billion. Total operating expenses incurred were RMB1.402 billion. Total profit recorded was RMB660 million. Net profit was RMB588 million. The Company maintained its focus, operated steadily, making its revenue growth better than the industry average.

#### Condensed Profit and Loss Statement:

*Unit: RMB'0,000*

Item	Consolidated			Parent Company		
	As at the end of 2023	As at the end of 2022	Year-on-year Change	As at the end of 2023	As at the end of 2022	Year-on-year Change
<b>Operating income</b>	<b>295,546</b>	<b>262,294</b>	<b>13%</b>	<b>206,045</b>	<b>225,553</b>	<b>-9%</b>
Net fee and commission income	155,417	129,755	20%	81,017	81,138	0%
Of which: Net fee income from brokerage business	51,500	54,962	-6%	51,500	54,962	-6%
Net fee income from investment banking business	48,860	47,684	2%	195	275	-29%
Net fee income from asset management business	44,313	19,389	129%	18,977	18,505	3%
Net interest income	8,145	12,068	-33%	5,921	8,604	-31%
Investment gains	54,543	73,243	-26%	46,851	76,202	-39%
Gains on change in fair value	67,701	42,018	61%	62,969	54,477	16%
<b>Total operating expenses</b>	<b>214,366</b>	<b>166,000</b>	<b>29%</b>	<b>140,184</b>	<b>123,521</b>	<b>13%</b>
Of which: Taxes and surcharges	1,985	1,679	18%	1,493	1,316	13%
Operating and administrative expenses	215,241	164,055	31%	141,578	121,467	17%
Credit impairment losses	-2,860	266	-1176%	-2,887	738	-491%
Operating profit	81,180	96,294	-16%	65,861	102,032	-35%
<b>Total profit</b>	<b>82,542</b>	<b>96,543</b>	<b>-15%</b>	<b>65,982</b>	<b>102,211</b>	<b>-35%</b>
<b>Net profit</b>	<b>67,455</b>	<b>76,728</b>	<b>-12%</b>	<b>58,757</b>	<b>86,398</b>	<b>-32%</b>
<b>Of which: Net profit attributable to shareholders of parent company</b>	<b>67,132</b>	<b>76,728</b>	<b>-13%</b>			
Basic earnings per share (Unit: RMB)	0.24	0.27	-11%			

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## APPENDIX IV FINAL ACCOUNTS REPORT FOR THE YEAR 2023

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During the reporting period, the Company recorded a year-on-year increase in operating income by RMB333 million, or 13%, mainly due to the increase in income from the proprietary trading business and fund management business:

- 1) Affected by the decline in market activities, the net handling fee income from the brokerage business decreased by RMB35 million year-on-year;
- 2) In 2023, the equity market continued to remain sluggish, with the decline rate narrowed as compared with that of 2022, and the activities of the bond market significantly increased. The Company's investment income and gains on change in fair value amounted to RMB1.222 billion, representing a year-on-year increase of RMB70 million or 6.06%;
- 3) In 2023, both the number and scale of equity financing issuances in the market decreased, but the investment banking equity business of the Company overcame the adverse market impact and completed six equity projects, ranking 21st in terms of the number of IPO sponsors, while the bond business also maintained a positive upward trend, with the number of underwriters and underwriting scale achieved an year-on-year increase of 22.22% and 30.94% respectively, and the net handling fee income from investment banking business increased by RMB12 million year-on-year;
- 4) The Company expanded its financing channels to support the growth of its business scale, with interest expenses increased year-on-year, and net interest income decreased by RMB39 million year-on-year;
- 5) Net handling fee income from the Company's asset management business increased by RMB249 million year-on-year. Of which, the entrusted funds of the securities asset management business amounted to RMB117.293 billion, representing a year-on-year increase of 14.94%, with the revenue increased by RMB14 million. During the reporting period, the Company acquired 75.5% equity interests in ZhongRong Fund, resulting in an increase of RMB236 million in net income from fund management business. As of the end of 2023, the total asset management scale of Guolian Fund was RMB148.767 billion, of which, the non-monetary public-offered funds management scale exceeded RMB100 billion and ranking 44th in the industry, climbing up by 2 places from 2022.

During the reporting period, the Company further strengthened talent management and risk control:

- 1) the Company recorded operating and administrative expenses amounting to RMB2.152 billion, representing a year-on-year increase of RMB512 million, or 31%, in support of business transformation, introducing high-end talents, enhancing performance appraisal and strengthening system construction;

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## APPENDIX IV FINAL ACCOUNTS REPORT FOR THE YEAR 2023

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- 2) the Company accrued credit impairment losses of RMB-29 million, representing a year-on-year decrease of RMB31 million, in strengthening risk management and strictly limiting the risk exposure of high-risk businesses while expanding its business scale.

During the reporting period, the Company recorded a year-on-year decrease in total profits by RMB140 million, or 15%.

### III. SHAREHOLDER INTERESTS AND NET CAPITAL

As at the end of the reporting period, total shareholder interests of the Company were RMB18.124 billion, representing an increase of RMB1.363 billion as compared with the end of last year. The increase was mainly due to the realization of a net profit of RMB675 million, the realization of other net consolidated income after tax of RMB337 million from other bond investments and investment in other equity instruments, and the increase in minority interests of RMB352 million as a result of acquisition of fund subsidiaries.

Due to the supplement of net capital for the issuance of subordinated bonds during the reporting period, the net capital of the Company at the end of the period was RMB14.902 billion, representing a decrease of RMB1.458 billion as compared with the end of last year. At the end of the period, the ratio of net capital divided by net assets of the Company was 85.42% and each risk control indicator has complied with the requirements of the Administrative Measures for Risk Control Indicators of Securities Companies (《證券公司風險控制指標管理辦法》). The asset structure of the Company remained sound and the liquidity was strong.

During the reporting period, the Company facilitated the transformation and upgrading of the business model under the principle of “risk measurable, controllable and tolerable”, and closely kept up the pace with the market to expand the scale of capital and asset steadily, through which financial leverage enhanced reasonably, business structure became more diversified, costs and expenses linked to performance, and all indicators remained at reasonable position.

Looking forward to 2024, the Company will implement the latest requirements for building a modern capital market with China characteristics, study the macroeconomic and capital market situation both domestically and abroad, strive to effectively grasp business opportunities and avoid significant market and credit risks, so as to promote the Company’s development to a new stage. The Company will shift its development focus from “shoring up of weakness” to “forging of strengths”, and strive to develop differentiated advantages in certain niche markets and businesses while continuing to expand its capital and business scale. The Company will continuously adhere to the strategic direction of pan-wealth management transformation, constantly improve the core competitiveness of the main businesses and the service capability of the middle-back end management, and develop the brand as a securities company with emerging and growing wealth management characteristics.

**I. IMPLEMENTATION OF ORDINARY RELATED PARTY TRANSACTIONS OF THE COMPANY FOR THE YEAR 2023**

The 2022 annual general meeting of the Company considered and approved the Resolution on the Estimated Ordinary Related Party Transactions of the Company for the Year 2023 (《關於預計公司2023年度日常關聯交易的議案》), which approved the Company to conduct related party transactions with Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司) (hereinafter referred to as “**Guolian Group**”) and its associates, other related legal persons, related natural persons, and the implementation is as follows.

**(I) Related party transactions with Guolian Group and its associates***Unit: RMB'0,000*

Type of transactions	Content of transactions	Annual cap for 2023	Actual amount in 2023
Securities and financial product services	Income from securities brokerage (including seat leasing) services	Due to uncertainties of the occurrence and volume of such business, the estimated cap will be the actual transaction amount.	123.57
	Income from futures IB services		43.59
	Income from agency sales of financial products services		169.61
	Income from asset management		272.16
	Income from underwriting and sponsorship		407.48
	Income from financial advisory and investment consultancy fee		515.95
	Expenses of futures trading fee		185.93
	Expenses of insurance premiums		21.00
Property leasing and related services	Rental income	Incomes will not exceed	53.94
	Rental expenses	RMB3 million; Expenses will not exceed	1,214.28
	Property and related expenses	RMB33.7 million <sup>Note 1</sup> .	751.55

- Notes:*
1. Lease property expenses include rental expenses (including interest expenses on lease liabilities) and depreciation expenses of related right-of-use assets.
  2. The Company has implemented IFRS 16 since 1 January 2019. The actual amounts of leased properties include rental expenses (including interest expenses on lease liabilities) and depreciation expenses for related right-of-use assets. In 2023, the total depreciation expenses of relevant right-of-use assets was be RMB11,503,300.

## (II) Related party transactions with other related legal persons

Unit: RMB'0,000

Type of transactions	Content of transactions	Related legal persons	Annual cap for 2023	Actual amount in 2023	
Securities and financial product services	Income from securities brokerage (including seat leasing) services	Zhonghai Fund Management Co., Ltd.	Due to uncertainties of the occurrence and volume of such business, the estimated cap will be the actual transaction amount.	235.69	
		Wuxi Rural Commercial Bank Co., Ltd.		2.91	
		Jiangsu Xinfang Industrial Co., Ltd.* (江蘇新紡實業股份有限公司)		0.01	
		Wuxi Xinfang Group Co., Ltd.* (無錫新紡集團有限公司)		0.01	
		Wuxi Jinhong Telecommunications Group Co., Ltd.		1.73	
		Wuxi Municipal Xinfang Group Limited* (無錫市新發集團有限公司)		3.00	
		Income from agency sales of financial products services		Zhonghai Fund Management Co., Ltd.	0.42
		Income from asset management		Zhonghai Fund Management Co., Ltd.	0.20
				Jiangsu Xinfang Industrial Co., Ltd.* (江蘇新紡實業股份有限公司)	1.81
				Wuxi Xinfang Odino Elevator Co., Ltd.* (無錫新紡歐迪諾電梯有限公司)	1.01
				Wuxi Jinhong Telecommunications Group Co., Ltd.	11.58
				Wuxi Municipal Xinfang Group Limited* (無錫市新發集團有限公司)	83.21
				Income from investment consultancy fee	Wuxi Jinhong Telecommunications Group Co., Ltd.
Securities and financial product transactions	Inter-bank borrowings	Wuxi Rural Commercial Bank Co., Ltd.	Due to uncertainties of the occurrence and volume of such business, the estimated cap will be the actual transaction amount.	Daily maximum balance of RMB40,000,000, with interest expenses of RMB2,100	
	Derivatives trading	Founder Securities Co., Ltd.		Loss on income swap investment of RMB794,600	

**(III) Related party transactions with related natural persons**

The Company obtained income of RMB16,600, RMB79,900 and RMB8,700 from the provision of securities brokerage services, investment consultancy services and asset management services for related natural persons, respectively. The maximum balance for subscription of pledged dealer-quoted repurchase products of the Company by related natural persons in a single day is RMB120,000 and the maximum amount for the subscription of income certificate of the Company in a single day is RMB450,000.

**II. ESTIMATED ORDINARY RELATED PARTY TRANSACTIONS OF THE COMPANY FOR THE YEAR 2024****(I) Estimated related party transactions with Guolian Group and its associates**

Type of transactions	Content of transactions	Caps for and descriptions of estimated transactions
Securities and financial product services	The Company provides securities brokerage (including seat leasing) services, futures IB services, entrusted asset management services, agency sales of financial products services, financial advisory services, underwriting and sponsorship services, securities investment consultancy services and other financial services approved by CSRC to related parties.  Related parties provide management services of trust schemes, futures brokerage services, futures investment consultancy services, commercial insurance services and other financial services approved by CSRC and the National Administration of Financial Regulation to the Company.	Due to uncertainties of the occurrence and volume of such business, the estimated cap will be the actual transaction amount.
Securities and financial product transactions	The Company conducts sales under repurchase agreements in the inter-bank and exchanges market with related parties; inter-bank borrowings; subscribes for the trust schemes, bonds, asset-backed securities and other securities and financial products issued by related parties; related parties subscribe for the income certificates, bonds, asset-backed securities, pledged dealer-quoted repurchase transactions and other securities and financial products issued by the Company; the parties conduct financial derivatives transactions, bonds and other fixed-income products transactions.	Due to uncertainties of the occurrence and volume of such business, the estimated cap will be the actual transaction amount.
Property leasing and related services	Related parties lease properties from the Company.  The Company lease properties from related parties and related parties provide relevant services, including but not limited to equipment leasing, property management, security and utility services.	Property leasing incomes will not exceed RMB3 million; property expenses and property leasing expenses will not exceed RMB58.31 million.



The connected transactions between the Company and Guolian Group and its associates stipulated in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited are conducted under Securities and Financial Framework Agreement and Property Leasing and Related Services Framework Agreement entered into by the Company and Guolian Group in December 2023, and in accordance with the annual caps for 2024 to 2026 as determined by the thirteenth meeting of the fifth session of Board of the Company.

**(II) Estimated related party transactions with other related legal persons**

Type of transactions	Content of transactions	Caps for and descriptions of estimated transactions
Securities and financial product services	<p>The Company provides securities brokerage (including seat leasing) services, futures IB services, entrusted asset management services, agency sales of financial products services, financial advisory services, underwriting and sponsorship services, securities investment consultancy services and other financial services approved by CSRC to related parties.</p> <p>Related parties provide fund management services, commercial bank deposit services and other financial services approved by CSRC and the National Administration of Financial Regulation to the Company.</p>	Due to uncertainties of the occurrence and volume of such business, the estimated cap will be the actual transaction amount.
Securities and financial product transactions	The Company conducts held under resale agreements or sales under repurchase agreements in the inter-bank and exchanges market with related parties; inter-bank borrowings; inter-bank deposits; subscribes for the funds, wealth management products, bonds, asset-backed securities and other securities and financial products issued by related parties; related parties subscribe for the income certificates, bonds, asset-backed securities, pledged dealer-quoted repurchase transactions and other securities and financial products issued by the Company; the parties conduct financial derivatives transactions, bonds and other fixed-income products transactions.	Due to uncertainties of the occurrence and volume of such business, the estimated cap will be the actual transaction amount.

**(III) Estimated related party transactions with related natural persons**

During the ordinary course of business of the Company, the related natural persons accept financial services approved by the CSRC, such as securities brokerage services and asset management services provided by the Company, or subscribe for wealth management products, income certificates, and pledged dealer-quoted repurchase products of the Company according to the laws, regulations and regulatory requirements. Due to uncertainties of the occurrence and volume of such business, the estimated cap will be the actual transaction amount.

**III. INTRODUCTION OF RELATED PARTIES AND RELATED RELATIONSHIP****(I) Guolian Group and its associates**

Guolian Group and its associates include: Guolian Group; companies directly or indirectly controlled by Guolian Group other than the Company and its holding subsidiaries; important upstream and downstream companies of Guolian Group and its controlled companies; companies that are directly or indirectly controlled by the directors, supervisors and senior management of Guolian Group, or they serve as directors or senior management of companies other than the Company and its holding subsidiaries.

**(II) Other related legal persons**

Enterprises other than the Company and its holding subsidiaries that are directly or indirectly controlled by the Directors, Supervisors and senior management of the Company and their close family members, or in which they serve as directors or senior management (excluding the above listed related parties).

**(III) Related natural persons**

The Directors, Supervisors and senior management of the Company and their close family members; the directors, supervisors and senior management of Guolian Group.

**IV. PRICING PRINCIPLES AND BASIS FOR RELATED PARTY TRANSACTIONS****(I) Securities and financial product services**

Service fees and commissions for securities and financial products shall be determined based on arms' length negotiations according to the relevant laws and regulations and by reference to market price.

**(II) Securities and financial product transactions**

Securities and financial product transactions will be conducted on arms' length negotiations between the mutual parties at the market price or market rate applicable to that type of securities and financial products at the time.

**(III) Property leasing and related services**

The rents of the leased properties of both parties refer to the current market rent levels of properties with similar location and scale to the relevant leased properties, and are determined on arms' length negotiations between the mutual parties.

**V. THE PURPOSE OF RELATED PARTY TRANSACTIONS AND THE IMPACT ON THE COMPANY**

- (I) Relevant related party transactions are part of the normal business of the Company, which could contribute to the development of the Company's business.
- (II) Relevant related party transactions are priced with reference to market prices, which are fair, and there is no situation that harms the interests of the Company and the shareholders of the Company as a whole.
- (III) The principal business of the Company does not rely on related parties due to the above-mentioned related party transactions, and relevant related party transactions do not affect the independence of the Company.

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**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

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Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 11.24 ..... If one fourth or more of the directors or two (2) or more independent directors think that the information is insufficient or the elaboration is unclear, they may jointly propose to the Board of Directors to postpone the board meeting or review certain matters at a later time, and the Board of Directors shall adopt such proposal.</p>	<p>Article 11.24 ..... If one fourth or more of the directors or two (2) or more independent directors think that the <b><u>meeting materials are incomplete, insufficiently demonstrated or not provided in a timely manner, they may submit a written proposal to the Board of Directors to postpone the meeting or postpone the consideration of the matter,</u></b> <del>information is insufficient or the elaboration is unclear, they may jointly propose to the Board of Directors to postpone the board meeting or review certain matters at a later time,</del> and the Board of Directors shall adopt such proposal.</p>	<p>Amended according to the Article 37 of the Measures for the Administration of Independent Directors of Listed Companies (hereinafter referred to as the “Measures for Independent Directors”).</p>

APPENDIX VI

COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 12.02 An independent director shall meet the following basic conditions:</p> <p>(1) having the qualifications as a director of a listed company in accordance with the laws, administrative regulations and other relevant provisions;</p> <p>(2) being faithful and honest;</p> <p>(3) being familiar with the laws of securities, administrative regulations, rules and other statutory documents, and having the necessary operation and management capacity to perform its duties;</p> <p>(4) having not less than five years of working experience in the fields of securities, finance, laws and accounting;</p> <p>(5) having the necessary time and effort to fulfill his/her duties;</p> <p>(6) being independent as required by securities regulatory authorities;</p> <p>(7) being complied with the requirements for independent directors in the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating Institutions, the Rules for Independent Directors of Listed Companies, and the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on Shanghai Stock Exchange – Standardized Operation;</p> <p>(8) other conditions stipulated by the Articles of Association.</p>	<p>Article 12.02 An independent director shall meet the following basic conditions:</p> <p>(1) having the qualifications as a director of a listed company <b><u>and a director of securities companies</u></b> in accordance with the laws, administrative regulations and other relevant provisions;</p> <p>(2) <b><u>being faithful and honest having good personal morality and no bad records such as major breach of trust;</u></b></p> <p>(3) <b><u>possessing basic knowledge of the operation of a listed company,</u></b> being familiar with the <del>laws of securities</del> <b><u>laws, regulations and rules,</u></b> administrative regulations, rules and other statutory documents, and having the necessary operation and management capacity to perform its duties;</p> <p>(4) having not less than five years of working experience in the fields of <del>securities, finance, laws and</del>, accounting <b><u>or economics is required for his/her performance of the duties as an independent director;</u></b></p> <p><del>(5) having the necessary time and effort to fulfill his/her duties;</del></p> <p><del>(6) being independent as required by securities regulatory authorities</del> <b><u>meeting the independence requirements of laws, administrative regulations and other relevant provisions;</u></b></p> <p><b><u>(6) other conditions as stipulated in the laws, administrative regulations, requirements of the CSRC, business rules of the stock exchange and the Articles of Association.</u></b></p> <p><b><u>In principle, an independent director may serve as an independent director for at most three domestically listed companies and should ensure that he/she has sufficient time and energy to effectively perform his/her duties as an independent director.</u></b></p> <p><del>(7) being complied with the requirements for independent directors in the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating Institutions, the Rules for Independent Directors of Listed Companies, and the Guidelines No. 1 on Self-Regulatory and Supervision for Listed Companies on Shanghai Stock Exchange – Standardized Operation;</del></p> <p><del>(8) other conditions stipulated by the Articles of Association.</del></p>	<p>Amended according to Article 7 of the Measures for Independent Directors and Article 6 of the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management and Practitioners of Securities and Fund Operating 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》) (hereinafter referred to as the “Order 195”).</p>

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 12.03 The following persons shall not act as an independent director:</p> <p>(1) persons employed by a listed company or its subsidiaries and their immediate family members and close social relationship (immediate family members shall include spouse, parents and children, while close social relationship shall include brothers and sisters, parents-in-law, daughters-in-law, sons-in-law, brothers-in-law and sisters-in-law, brothers and sisters of spouse);</p> <p>(2) natural persons who directly or indirectly hold more than 1% issued shares of a listed company, natural person shareholders who are among the top 10 shareholders of a listed company, or natural persons who control more than 5% of the equity of a listed company, and lineal relatives of such persons as mentioned above;</p> <p>(3) persons and their immediate family members and close social relationship employed by the shareholder entities which hold or control 5% or more of a listed company's equity or which are top five shareholder entities of a listed company, or institutes which have business contact or interest relationship with a listed company;</p>	<p>Article 12.03 The following persons shall not act as an independent director:</p> <p>(1) persons employed by a <del>listed company</del> <b><u>the Company</u></b> or its subsidiaries and their <b><u>spouses, parents and children</u></b> immediate family members and close social relationship (<del>immediate family members shall include spouse, parents and children,</del> while close social relationship shall include brothers and sisters, <del>parents-in-law, daughters-in-law, sons-in-law,</del> brothers-in-law and sisters-in-law, <b><u>parents of spouse, brothers and sisters of spouse, spouses of children, parents-in-law of children</u></b>);</p> <p>(2) natural <del>persons</del> <b><u>person shareholders</u></b> who directly or indirectly hold more than 1% issued shares of a <del>listed company</del> <b><u>the Company, or natural person shareholders</u></b> who are among the top 10 shareholders of a <del>listed company</del> <b><u>the Company, and their spouses, parents and children,</u></b> or natural persons who control more than 5% of the equity of a listed company, and lineal relatives of such persons as mentioned above;</p> <p>(3) <del>persons and their immediate family members and close social relationship employed by the shareholders entities which</del> <b><u>who</u></b> hold or control 5% or more of a <del>listed company's</del> equity <b><u>of the Company</u></b> or which are <del>who hold positions with the top five shareholders</del> <b><u>shareholder entities of a listed company the Company, and their spouses, parents and children,</u></b> or institutes which have business contact or interest relationship with a listed company;</p>	<p>Amended according to Article 6 of the Measures for Independent Directors and Article 9 of the Order 195.</p>

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>(4) persons who hold positions in the actual controller of the Company and its subsidiaries;</p> <p>(5) persons who provide financial, legal or consulting services to a listed company and its controlling shareholders or each of its subsidiaries, and the immediate family members of such persons, including all persons of the task force of the intermediary agency providing such services, supervising officer of each level, persons signing for the report, partner and major persons in charge;</p> <p>(6) a person who serves as a director, supervisor or senior management in an entity that has material business dealings with the Company and its controlling shareholders or their respective subsidiaries, or a person who serves as a director, supervisor or senior management in the controlling shareholder(s) of such entity;</p> <p>(7) persons who had been persons under six categories above within the preceding year;</p> <p>(8) persons who are employed by other securities companies in a capacity other than independent directors;</p>	<p>(4) persons who hold positions in the <b><u>subsidiaries of the controlling shareholders, actual controller of the Company, and their spouses, parents and children</u></b> and its subsidiaries;</p> <p>(5) persons who provide financial, legal, or consulting <b><u>or sponsoring</u></b> services to a listed company <b><u>the Company</u></b> and its controlling shareholders, <b><u>actual controller</u></b> or each of <b><u>their</u></b> its subsidiaries, and the immediate family members of such persons, including <b><u>but not limited to</u></b> all persons of the task force of the intermediary agency providing such services, supervising officer of each level, persons signing for the report, partner, <b><u>directors, senior management</u></b> and major persons in charge;</p> <p>(6) a person who serves as a director, supervisor or senior management in an entity that has <b><u>persons who have</u></b> material business dealings with the Company and its controlling shareholders, <b><u>actual controller</u></b> or their respective subsidiaries, or a person who serves as a director, supervisor or senior management in the controlling shareholder(s) of such entity <b><u>persons who hold positions in entities with which the Company has material business dealings and their controlling shareholders or actual controllers</u></b>;</p> <p>(7) persons who had been persons under six categories above within the <del>preceding year</del> <b><u>last 12 months</u></b>;</p> <p>(8) persons who are employed by other securities companies in a capacity other than independent directors;</p>	

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>(9) failed to comply with Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;</p> <p>(10) other persons recognized by the laws, administrative regulations, department rules, the China Securities Regulatory Commission and securities regulatory authorities or the stock exchange in the place where the Company's shares are listed, unfit to serve as independent directors.</p> <p>.....</p>	<p><b><u>(9) persons who hold positions in the Company and its related parties in the last three years;</u></b></p> <p><b><u>(10) persons whose immediate family members or close social relationship hold positions in the Company and its related parties;</u></b></p> <p><b><u>(11) persons who have interest relationship with the senior management, other directors, supervisors and other persons holding important positions in the Company and its related parties;</u></b></p> <p><b><u>(12) persons who hold positions in institutions which conduct business with or are interested in the Company;</u></b></p> <p><b><u>(13) the existence of other circumstances that may preclude the exercise of independent and objective judgment;</u></b></p> <p>(14) failed to comply with Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;</p> <p><del>(105)</del> other persons recognized by the laws, administrative regulations, department rules, the China Securities Regulatory Commission and securities regulatory authorities or the stock exchange in the place where the Company's shares are listed, unfit to serve as independent directors.</p> <p><b><u>The subsidiaries of the controlling shareholders and actual controller of the Company referred to in provisions (4) to (6) of the preceding paragraph exclude enterprises that are under common control of the same state-owned assets administration institution as the Company but do not constitute related parties of the Company in accordance with the relevant provisions.</u></b></p> <p><b><u>The independent directors shall review their own independence annually, and submit the review results to the Board of Directors. The Board of Directors shall assess the independence of the existing independent directors annually and issue special opinions thereon, which shall be disclosed together with the annual report.</u></b></p> <p>.....</p>	



**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 12.04 The nomination, election and replacement of independent directors shall be conducted in a regulated manner in accordance with the laws:</p> <p>(1) The Board of Directors, the Supervisory Committee or any shareholder(s) individually or collectively holding 1% or more of the issued shares of the Company may nominate candidates for independent directors for election by the shareholders' general meeting;</p>	<p>Article 12.04 The nomination, election and replacement of independent directors shall be conducted in a regulated manner in accordance with the laws:</p> <p>(1) The Board of Directors, the Supervisory Committee or any shareholder(s) individually or collectively holding 1% or more of the issued shares of the Company may nominate candidates for independent directors for election by the shareholders' general meeting; <b><u>the aforesaid nominators shall not nominate any person that has interest relationship with him/her or other persons with close relationship that may affect independent duty performance as candidates for independent director;</u></b></p> <p><b><u>An investors protection organization established according to law may publicly request shareholders to entrust it to exercise the rights of nominating independent directors on their behalf.</u></b></p>	<p>Amended according to Articles 9, 10, 11, 14, 15 and 20 of the Measures for Independent Directors and Articles 3.5.6 and 3.5.12 of the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation (hereinafter referred to as the “Standardized Operation”).</p>

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>(2) The nominator of an independent director shall obtain the consent of the nominee before nomination. The nominator shall have a full understanding of the profession, academic credentials, job title, detailed work experiences and all part-time jobs of the nominee and voice an opinion on the qualification and independence of the nominee to be an independent director. The nominee shall publish a statement that he/she does not have any relationship with the Company that may influence his independent and objective judgment. Prior to the shareholders' general meeting for election of independent directors, the Board of Directors of the Company shall publish such information as required;</p>	<p>(2) The nominator of an independent director shall obtain the consent of the nominee before nomination. The nominator shall have a full understanding of the profession, academic credentials, job title, detailed work experiences and all part-time jobs, <b><u>whether there exists any adverse records such as material dishonesty</u></b> of the nominee and voice an opinion on <b><u>his/her satisfying the independence and other conditions</u></b> <del>the qualification and independence of the nominee to be serve as</del> an independent director. The nominee shall publish a statement that he/she <del>does not have any relationship with the Company that may influence his independent and objective judgment</del> <b><u>satisfies the independence and other conditions to serve as an independent director. The Remuneration and Nomination Committee of the Board of Directors of the Company shall review the qualifications of the nominees, and form specific review opinions.</u></b> Prior to the shareholders' general meeting for election of independent directors, the Board of Directors of the Company shall <b><u>disclose the relevant</u></b> <del>publish such information as required</del> <b><u>and submit the relevant materials of all candidates for independent director to the stock exchange, and the relevant submission materials shall be true, accurate and complete. If the stock exchange raises an objection thereto, the Company shall not submit it to the shareholders' general meeting for election. If the proposal has already been submitted for consideration at the shareholders' general meeting, it shall be cancelled;</u></b></p>	

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>(3) Independent directors shall serve for the same term of office as other directors and may serve consecutive terms if re-elected, provided that the total time of consecutive terms shall not exceed 6 years;</p> <p>(4) If any independent director has not attended the Board meetings in person for three times consecutively, the Board of Directors shall propose to the general meeting for the removal of such independent director;</p> <p>(5) An independent director may be removed from his office by the Company through statutory procedures before the expiration of his term of office. In the case of any early removal, the Company shall make a special disclosure thereof;</p>	<p>(3) Independent directors shall serve for the same term of office as other directors and may serve consecutive terms if re-elected, provided that the total time of consecutive terms shall not exceed 6 years; <b><u>any independent director who has served the Company for six consecutive years shall not be nominated as a candidate for independent director of the Company within 36 months from the date of the occurrence of such fact;</u></b></p> <p>(4) If any independent director has not attended the Board meetings in person for <del>three</del><b>two</b> times consecutively, <b><u>and did not appoint another independent director to attend the meetings on his or her behalf, the Board of Directors shall, within thirty days from the date of such fact, propose to convene a shareholders' general meeting to remove such independent director from his or her position</u></b> <del>the Board of Directors shall propose to the general meeting for the removal of such independent director;</del></p> <p>(5) An independent director may be removed from his office by the Company through statutory procedures before the expiration of his term of office. In the case of any early removal, the Company shall make a special disclosure thereof <b><u>promptly disclose the specific reasons and grounds. If the independent directors have any objections thereto, the Company shall disclose them in a timely manner;</u></b></p> <p><b><u>Where the independent director fails to comply with the provisions (1) or (5) of Article 12.02 hereof, he/she shall immediately cease to perform his/her duties and resign from his/her position. If he/she fails to resign, the Board of Directors shall immediately remove him/her from office as required after becoming aware of or should be aware of the fact.</u></b></p> <p><b><u>Where an independent director resigns or is dismissed from office due to the circumstances specified in the preceding paragraph, and results in the proportion of independent directors in the Board of Directors or its special committees failing to comply with the provisions of the laws and regulations or the Articles of Association, or there is a lack of accounting professionals among the independent directors, the Company shall complete the by-election within 60 days from the date of the occurrence of the aforesaid circumstances.</u></b></p>	

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>(6) An independent director may resign prior to the expiration of his term of office by submitting a written resignation report to the Board of Directors and make an explanation of any circumstance which he thinks has something to do with his resignation or should attract the attention of the shareholders or creditors of the Company. If the resignation of any independent director results in the number of independent directors or directors being less than the quorum legally prescribed or stipulated by the Articles of Association, such independent director shall still perform his duties in accordance with the provisions of laws, regulations and the Articles of Association before a newly-elected independent director takes office. The Board of Directors shall convene the shareholders' general meeting for such new election within two months. If the shareholders' general meeting is not so convened, the independent director may no longer perform his duties.</p>	<p>(6) An independent director may resign prior to the expiration of his term of office by submitting a written resignation report to the Board of Directors and make an explanation of any circumstance which he thinks has something to do with his resignation or should attract the attention of the shareholders or creditors of the Company. <b><u>The Company shall disclose the reasons for and concerns about the resignation of an independent director.</u></b> If the resignation of any independent director results in the <del>number</del> <b>proportion</b> of independent directors <b><u>in the Board of Directors or its special committees failing to comply with the provisions of the laws and regulations or the Articles of Association or there is a lack of accounting professionals among the independent directors</u></b> or <del>directors being less than the quorum legally prescribed or stipulated by the Articles of Association,</del> <b><u>the independent director who intends to resign shall continue to perform his/her duties until the date on which a new independent director is elected. The Company shall complete the by-election within 60 days from the date on which the independent director tendered his/her resignation.</u></b> <del>such independent director shall still perform his duties in accordance with the provisions of laws, regulations and the Articles of Association before a newly-elected independent director takes office. The Board of Directors shall convene the shareholders' general meeting for such new election within two months. If the shareholders' general meeting is not so convened, the independent director may no longer perform his duties.</del></p>	

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
Newly added	<p><b><u>Article 12.05 Independent directors shall perform the following duties:</u></b></p> <p><b><u>(1) to participate in the decision-making of the Board of Directors and express clear opinions on the matters considered;</u></b></p> <p><b><u>(2) to supervise the matters of potential material conflict of interests between the Company and its controlling shareholders, actual controller, directors and senior management, facilitating the Board of Directors to make decisions in the interests of the Company as a whole and protect the legitimate rights and interests of minority shareholders;</u></b></p> <p><b><u>(3) to provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making standard of the Board of Directors;</u></b></p> <p><b><u>(4) to perform other duties as required by laws, administrative regulations, requirements of the CSRC and the Articles of Association.</u></b></p> <p><b><u>If the independent director discovers any circumstances that may affect his/her independence regarding matters being considered, he/she shall duly declare it to the Company and withdraw from the consideration. During his/her term of office, if there are matters that can significantly affect his/her independence, he/she shall promptly notify the Company, propose solutions, and if necessary, resign.</u></b></p>	Newly added according to Article 17 of the Measures for Independent Directors and Article 3.5.15 of the Standardized Operation.

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 12.05 In addition to the powers conferred by the Company Law, relevant laws and regulations, the independent directors shall have the following special powers:</p> <p>(1) to perform related procedures for the connected transactions according to the relevant requirements of the laws of China, regulations, department rules, local laws and provisions of the stock exchange in the place where the Company's shares are listed;</p> <p>(2) to propose the appointment and termination of accounting firms to the Board;</p> <p>(3) to propose the convening of extraordinary general meetings to the Board;</p> <p>(4) to propose the convening of Board meetings;</p> <p>(5) to publicly solicit proxies from shareholders before general meetings;</p>	<p>Article 12.05<del>6</del> In addition to the powers conferred by the Company Law, relevant laws and regulations, the independent directors shall have the following special powers:</p> <p>(1) <del>to perform related procedures for the connected transactions according to the relevant requirements of the laws of China, regulations, department rules, local laws and provisions of the stock exchange in the place where the Company's shares are listed</del> <b><u>to independently engage intermediaries to provide audit, consulting or inspection services on specific matters of the Company;</u></b></p> <p>(2) <del>to propose the appointment and termination of accounting firms to the Board;</del></p> <p>(3) <del>to propose the convening of extraordinary general meetings to the Board;</del></p> <p>(4) <del>3</del> to propose the convening of Board meetings;</p> <p>(5) <del>4</del> to publicly solicit <b><u>shareholders' right proxies from shareholders before general meetings according to law;</u></b></p> <p>(5) <b><u>to express independent opinions on matters that may prejudice the rights and interests of the Company or minority shareholders;</u></b></p>	<p>Amended according to Article 18 of the Measures for Independent Directors.</p>

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>(6) to engage external audit institutions or advisory institutions independently to provide auditing and consultation for specific matters of the Company, the relevant costs of which shall be undertaken by the Company.</p> <p>The power set out in provisions (1) shall be exercised by the independent directors in accordance with the relevant requirements of the laws of China, regulations, department rules, local laws and provisions of the stock exchange in the place where the Company's shares are listed; the exercise of the power set out in provisions (2) shall be subject to the consent of half or more of all the independent directors before discussing at the Board of Directors; the exercise of the power set out in provisions (3), (4) and (5) above shall be subject to the consent of half or more of all the independent directors. The exercise of the power set out in provision (6) above shall be subject to the consent of all independent directors. Where any such proposal is not adopted or any such power cannot be exercise normally, the Company shall disclose the relevant information.</p>	<p><b><u>(6) other functions and powers prescribed by the laws, administrative regulations, requirements of the CSRC and the Articles of Association.</u></b></p> <p><b><u>An independent director's exercise of functions and powers set forth in provisions (1) to (3) of the preceding paragraph shall be subject to the consent of a majority of all independent directors.</u></b></p> <p><b><u>The Company shall disclose in a timely manner if an independent director exercises the functions and powers specified in provision (1). If the aforesaid functions and powers cannot be normally exercised, the Company shall disclose the specific circumstances and the reasons thereof.</u></b></p> <p><del>(6) to engage external audit institutions or advisory institutions independently to provide auditing and consultation for specific matters of the Company, the relevant costs of which shall be undertaken by the Company.</del></p> <p><del>The power set out in provisions (1) shall be exercised by the independent directors in accordance with the relevant requirements of the laws of China, regulations, department rules, local laws and provisions of the stock exchange in the place where the Company's shares are listed; the exercise of the power set out in provisions (2) shall be subject to the consent of half or more of all the independent directors before discussing at the Board of Directors; the exercise of the power set out in provisions (3), (4) and (5) above shall be subject to the consent of half or more of all the independent directors. The exercise of the power set out in provision (6) above shall be subject to the consent of all independent directors. Where any such proposal is not adopted or any such power cannot be exercise normally, the Company shall disclose the relevant information.</del></p>	

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
Newly added	<p><b><u>Article 12.07 Independent opinions issued by the independent directors on material matters shall at least include the following:</u></b></p> <p><b><u>(1) basic information of the material matters;</u></b></p> <p><b><u>(2) the basis of opinions, including the procedures performed, the documents reviewed and the contents of on-site inspection;</u></b></p> <p><b><u>(3) the legality and compliance of the material matters;</u></b></p> <p><b><u>(4) the impact on the rights and interests of the Company and minority shareholders, the potential risks and the effectiveness of the measures adopted by the Company;</u></b></p> <p><b><u>(5) conclusive opinions expressed. If a qualified opinion, objection is given or being unable to express an opinion on material matters, the relevant independent directors shall explicitly explain the reasons or obstacles for being unable to express opinions. The independent directors shall sign and confirm their independent opinions issued, and report such opinions to the Board of Directors in a timely manner and disclose the same together with relevant announcements of the Company.</u></b></p>	Newly added according to Article 3.5.24 of the Standardized Operation.
Article 12.06 Independent directors shall attend the Board meeting as scheduled, get an understanding of the production and operation of the Company, research and obtain information and data required for making decisions on their own initiative. Independent directors shall submit an annual report on their work to the Company’s annual shareholders’ general meeting.	Article 12.06 <del>8</del> Independent directors shall attend the Board meeting as scheduled, get an understanding of the production and operation of the Company, research and obtain information and data required for making decisions on their own initiative. Independent directors shall submit an annual <u>work</u> report <del>on their work</del> to the Company’s annual shareholders’ general meeting, <b><u>in which they shall make a statement about the performance of their duties.</u></b>	Amended according to Article 33 of the Measures for Independent Directors.



**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 12.07 In addition to their duties set out above, independent directors shall express independent opinions on the following matters to the Board of Directors or the shareholders' general meeting:</p> <p>(1) nomination, appointment and removal of directors;</p> <p>(2) appointment and removal of senior management of the Company;</p> <p>(3) remuneration of directors and senior management of the Company;</p> <p>(4) failure of the Board of Directors to prepare a preliminary cash profit distribution plan;</p> <p>(5) existing or new borrowing or other fund transactions of the Company to or with the shareholders, actual controller and its connected persons of the Company, the total amount of which exceeds 0.5% of the latest audited net capital of the Company, and whether or not the Company has adopted effective measures to recover these arrears;</p> <p>(6) to make a special explanation of, and express an independent opinion on, the accumulative or current guarantees provided by the Company to external parties and the implementation of CSRC's provisions on guarantees in the annual report;</p> <p>(7) any plan of any affiliate of the Company to settle debts with assets;</p> <p>(8) matters which independent directors think may harm the rights and interests of minority shareholders;</p> <p>(9) other matters stipulated in the Articles of Association or the listing rules of the stock exchange of the place where the shares of the Company are listed.</p>	Deleted	Rules have changed, with a corresponding expression in Article 12.07.
<p>Article 12.08 Independent directors shall express one of the following types of opinions on the matters set out above:</p> <p>(1) Consent;</p> <p>(2) Qualified opinions and the reasons for that;</p> <p>(3) Objection and the reasons for that;</p> <p>(4) Being unable to express an opinion and the reasons for that.</p>	Deleted	Rules have changed and will not be specified.

**APPENDIX VI**

**COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 12.09 The Company shall establish a work system for independent directors and the secretary of the Board of Directors shall actively assist independent directors in performing their duties. The Company shall ensure that independent directors have the same right of information as other directors, provide independent directors with relevant materials and information in a timely manner, inform independent directors of the operation of the Company on a regular basis and, when necessary, organise an on-the-spot investigation for independent directors. For matters that need to be decided by the Board of Directors, the Company shall notify independent directors in advance pursuant to statutory limit of time and provide sufficient information at the same time. If independent directors consider that the information is insufficient, they may request the Company to supplement. If 2 or more independent directors consider that the information is insufficient or the elaboration is unclear, they may jointly propose in writing to the Board of Directors to postpone the convening of board meeting or the review of such matter, and the Board of Directors shall adopt it.</p> <p>.....</p>	<p>Article 12.09 The Company shall establish a work system for independent directors and the secretary of the Board of Directors shall actively assist independent directors in performing their duties. The Company shall ensure that independent directors have the same right of information as other directors, provide independent directors with relevant materials and information in a timely manner, inform independent directors of the operation of the Company on a regular basis and, when necessary, organise an on-the-spot investigation for independent directors.</p> <p><del>For matters that need to be decided by the Board of Directors, the Company shall notify independent directors in advance pursuant to statutory limit of time and provide sufficient information at the same time. If independent directors consider that the information is insufficient, they may request the Company to supplement.</del> <b><u>For the purpose of convening a Board meeting, the Company shall send the meeting notice to the independent directors in a timely manner, and provide relevant meeting materials to them within the notice period prescribed by laws, administrative regulations, requirements of the CSRC or the Articles of Association, and provide effective communication channels to the independent directors. For the purpose of convening a meeting of a special committee of the Board, the Company shall, in principle, provide relevant materials and information no later than three days before the date fixed for holding such special committee meeting. The aforesaid meeting materials shall be kept by the Company for at least ten years.</u></b></p> <p>If <b><u>more than 2</u></b> <del>or more</del> independent directors consider that the <b><u>meeting</u></b> information is <b><u>incomplete, insufficiently supported by evidence, or not provided in a timely manner</u></b> <del>insufficient or the elaboration is unclear</del>, they may jointly propose in writing to the Board of Directors to postpone the convening of board meeting or the review of such matter, and the Board of Directors shall adopt it.</p> <p>.....</p>	<p>Amended according to Articles 36 and 37 of the Measures for Independent Directors.</p>

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 12.10 The Company shall provide necessary working conditions for independent directors to perform their duties. The secretary of the Board of Directors shall actively provide support for independent directors to perform their duties, including briefing and provision of information.</p>	<p>Article 12.10 The Company shall provide necessary working conditions <b><u>and personnel support</u></b> for independent directors to perform their duties, <b><u>and designate specialized departments and personnel such as the office of the Board of Directors and the secretary of the Board of Directors, to assist independent directors in performing their duties.</u></b> The secretary of the Board of Directors shall <b><u>ensure the unimpeded information channel between independent directors and other directors, senior management and other relevant personnel, and ensure that independent directors have access to adequate resources and necessary professional opinions when performing their duties</u></b> actively provide support for independent directors to perform their duties, including briefing and provision of information.</p>	<p>Amended according to Article 35 of the Measures for Independent Directors.</p>
<p>Article 12.12 The Company shall grant adequate allowances to independent directors at a standard rate prepared by the Board of Directors and approved by the shareholders' general meeting, which is to be disclosed in the annual report of the Company.</p> <p>Other than such allowances, independent directors shall not receive any additional, undisclosed benefits from the Company or its major shareholders or any other interested entity or individual.</p>	<p>Article 12.12 The Company shall grant <del>adequate allowances to</del> <b><u>the independent directors allowances commensurate with their duties</u></b> at a standard rate prepared by the Board of Directors and approved by the shareholders' general meeting, which is to be disclosed in the annual report of the Company.</p> <p>Other than such allowances, independent directors shall not receive any <del>additional, undisclosed</del> benefits from the Company or its major shareholders, <b><u>actual controller</u></b> or any other interested entity or individual.</p>	<p>Amended according to Article 41 of the Measures for Independent Directors.</p>

**APPENDIX VI                      COMPARISON TABLE ON THE AMENDMENTS  
TO THE ARTICLES OF ASSOCIATION**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 14.03 The secretary of the Board shall perform the following duties:</p> <p>.....</p> <p>(7) urge the directors, supervisors and senior management to observe the laws and regulations, the relevant regulations of the stock exchanges and the Articles of Association and earnestly fulfill their commitments; when becoming aware of that the Company, directors, supervisors and senior management make or may possibly make a decision in violation of the relevant provisions, remind related personnel and immediately report it to the stock exchanges;</p> <p>.....</p> <p>(12) perform other duties as required by the laws, administrative regulations, department rules, the securities regulatory authorities and the stock exchanges where the Company is listed.</p>	<p>Article 14.03 The secretary of the Board shall perform the following duties:</p> <p>.....</p> <p>(7) urge the directors, supervisors and senior management to observe the laws and regulations, the relevant regulations of the stock exchanges and the Articles of Association and earnestly fulfill their commitments; when becoming aware of that the Company, directors, supervisors and senior management make or may possibly make a decision in violation of the relevant provisions, remind related personnel and immediately report it to the <b><u>securities regulatory authorities and</u></b> stock exchanges;</p> <p>.....</p> <p>(12) perform other duties as required by the laws, administrative regulations, department rules, the securities regulatory authorities and the stock exchanges where the Company is listed.</p>	<p>Amended according to Article 4.4.2 of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and actual conditions.</p>
<p>Article 17.20 Implementation of the profit distribution plan:</p> <p>After the shareholders' general meeting of the Company adopts a profit distribution plan by way of resolution, the Board of Directors of the Company shall promptly complete the distribution of dividends (or shares) within two months of the convening of shareholders' general meeting.</p>	<p>Article 17.20 Implementation of the profit distribution plan:</p> <p>After the shareholders' general meeting of the Company adopts a profit distribution plan by way of resolution, <b><u>or after</u></b> the Board of Directors of the Company <b><u>has formulated a specific plan in accordance with the conditions and caps of the interim dividend distribution for the following year as considered and approved at the annual general meeting,</u></b> <del>shall promptly complete the</del> distribution of dividends (or shares) <b><u>shall be completed</u></b> within two months <del>of the convening of shareholders' general meeting.</del></p>	<p>Amended according to Article 155 of the Guidelines on the Articles of Association for Listed Companies.</p>

APPENDIX VII

COMPARISON TABLE ON THE AMENDMENTS  
TO THE RULES OF PROCEDURES OF THE BOARD

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 13 The independent directors shall refer to directors who hold no positions other than directors in the Company, and have no relationship with the Company in which they are employed and its substantial shareholders as to hindering their independent and objective judgment.</p>	<p>Article 13 The independent directors shall refer to directors who hold no positions other than director in the Company, and have no <b>direct or indirect interest in</b> <del>relationship with the Company in which they are employed</del> and its substantial shareholders, <b>actual controller, or other relationships that may affect</b> <del>as to hindering</del> their independent and objective judgment.</p>	<p>Amended according to the Article 2 of the Measures for the Administration of Independent Directors of Listed Companies (hereinafter referred to as the “Measures for Independent Directors”).</p>
<p>Newly added</p>	<p><b><u>Article 14 Independent directors shall perform the following duties:</u></b>  <b><u>(1) to participate in the decision-making of the Board of Directors and express clear opinions on the matters considered;</u></b>  <b><u>(2) to supervise the matters of potential material conflict of interests between the Company and its controlling shareholders, actual controller, directors and senior management, facilitating the Board of Directors to make decisions in the interests of the Company as a whole and protect the legitimate rights and interests of minority shareholders;</u></b>  <b><u>(3) to provide professional and objective advice on the operation and development of the Company and promote the improvement of the decision-making standard of the Board of Directors;</u></b>  <b><u>(4) to perform other duties as required by laws, administrative regulations, requirements of the CSRC and the Articles of Association.</u></b>  <b><u>If the independent director discovers any circumstances that may affect his/her independence regarding matters being considered, he/she shall duly declare it to the Company and withdraw from the consideration. During his/her term of office, if there are matters that can significantly affect his/her independence, he/she shall promptly notify the Company, propose solutions, and if necessary, resign.</u></b></p>	<p>Newly added according to Article 17 of the Measures for Independent Directors and Article 3.5.15 of the Standardized Operation.</p>

APPENDIX VII

COMPARISON TABLE ON THE AMENDMENTS  
TO THE RULES OF PROCEDURES OF THE BOARD

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 14 In addition to the powers conferred by the Company Law, and other laws and administrative regulations and the Articles of Association, the independent directors shall have the following special powers:</p> <p>(1) to perform related procedures for the connected transactions according to the relevant requirements of the laws of China, regulations, department rules, local laws and provisions of the stock exchange in the place where the Company's shares are listed;</p> <p>(2) to propose the appointment and termination of accounting firms to the Board;</p> <p>(3) to propose the convening of extraordinary general meetings to the Board;</p> <p>(4) to propose the convening of Board meetings;</p> <p>(5) to publicly solicit proxies from shareholders before general meetings;</p> <p>(6) to engage external audit institutions or advisory institutions independently to provide auditing and consultation for specific matters of the Company, the relevant costs of which shall be undertaken by the Company.</p>	<p>Article 14<del>5</del> In addition to the powers conferred by the Company Law, and other laws and administrative regulations and the Articles of Association, the independent directors shall have the following special powers:</p> <p>(1) <del>to perform related procedures for the connected transactions according to the relevant requirements of the laws of China, regulations, department rules, local laws and provisions of the stock exchange in the place where the Company's shares are listed</del> <b><u>to independently engage intermediaries to provide audit, consulting or inspection services on specific matters of the Company;</u></b></p> <p>(2) <del>to propose the appointment and termination of accounting firms to the Board;</del></p> <p>(<del>3</del>2) to propose the convening of extraordinary general meetings to the Board;</p> <p>(<del>4</del>3) to propose the convening of Board meetings;</p> <p>(<del>5</del>4) to publicly solicit <b><u>shareholders' right proxies from shareholders before general meetings according to law;</u></b></p> <p><b><u>(5) to express independent opinions on matters that may prejudice the rights and interests of the Company or minority shareholders;</u></b></p> <p>(6) <del>to engage external audit institutions or advisory institutions independently to provide auditing and consultation for specific matters of the Company, the relevant costs of which shall be undertaken by the Company.</del> <b><u>to perform other functions and powers prescribed by the laws, administrative regulations, requirements of the CSRC and the Articles of Association.</u></b></p>	<p>Amended according to Articles 18 and 39 of the Measures for Independent Directors.</p>

**APPENDIX VII**

**COMPARISON TABLE ON THE AMENDMENTS  
TO THE RULES OF PROCEDURES OF THE BOARD**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>The power set out in provisions (1) shall be exercised by the independent directors in accordance with the relevant requirements of the laws of China, regulations, department rules, local laws and provisions of the stock exchange in the place where the Company's shares are listed. The exercise of the power set out in provisions (2) by the independent directors shall be subject to the consent of half or more of all the independent directors before discussing at the Board of Directors. The exercise of the power set out in provisions (3), (4) and (5) above shall be subject to the consent of half or more of all the independent directors. The exercise of the power set out in provision (6) above shall be subject to the consent of all independent directors. Where any such proposal is not adopted or any such power cannot be exercise normally, the Company shall disclose the relevant information.</p>	<p><b><u>An independent director's exercise of functions and powers set forth in provisions (1) to (3) of the preceding paragraph shall be subject to the consent of a majority of all independent directors.</u></b>  <b><u>The Company shall disclose in a timely manner if an independent director exercises the functions and powers specified in provision (1). If the aforesaid functions and powers cannot be normally exercised, the Company shall disclose the specific circumstances and the reasons thereof.</u></b>  <b><u>The Company shall bear the expenses incurred by the independent directors in engaging professional agencies and exercising other powers.</u></b></p> <p><del>The power set out in provisions (1) shall be exercised by the independent directors in accordance with the relevant requirements of the laws of China, regulations, department rules, local laws and provisions of the stock exchange in the place where the Company's shares are listed. The exercise of the power set out in provisions (2) by the independent directors shall be subject to the consent of half or more of all the independent directors before discussing at the Board of Directors. The exercise of the power set out in provisions (3), (4) and (5) above shall be subject to the consent of half or more of all the independent directors. The exercise of the power set out in provision (6) above shall be subject to the consent of all independent directors. Where any such proposal is not adopted or any such power cannot be exercise normally, the Company shall disclose the relevant information.</del></p>	

**APPENDIX VII**

**COMPARISON TABLE ON THE AMENDMENTS TO THE RULES OF PROCEDURES OF THE BOARD**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>Article 16 In addition to their duties set out above, independent directors shall express independent opinions on the following matters to the Board of Directors or the shareholders’ general meeting:</p> <p>(1) nomination, appointment and removal of directors;</p> <p>(2) appointment and removal of senior management of the Company;</p> <p>(3) remuneration of directors and senior management of the Company;</p> <p>(4) failure of the Board of Directors to prepare a preliminary cash profit distribution plan;</p> <p>(5) existing or new borrowing or other fund transactions of the Company to or with the shareholders, actual controller and its connected persons of the Company, the total amount of which exceeds 0.5% of the latest audited net capital of the Company, and whether or not the Company has adopted effective measures to recover these arrears;</p>	<p>Article 16 <b><u>Independent opinions issued by the independent directors on material matters shall at least include the following:</u></b></p> <p><b><u>(1) basic information of the material matters;</u></b></p> <p><b><u>(2) the basis of opinions, including the procedures performed, the documents reviewed and the contents of on-site inspection;</u></b></p> <p><b><u>(3) the legality and compliance of the material matters;</u></b></p> <p><b><u>(4) the impact on the rights and interests of the Company and minority shareholders, the potential risks and the effectiveness of the measures adopted by the Company;</u></b></p> <p><b><u>(5) conclusive opinions expressed. If a qualified opinion, objection is given or being unable to express an opinion on material matters, the relevant independent directors shall explicitly explain the reasons or obstacles for being unable to express opinions. The independent directors shall sign and confirm their independent opinions issued, and report such opinions to the Board of Directors in a timely manner and disclose the same together with relevant announcements of the Company.</u></b></p> <p><del>In addition to their duties set out above, independent directors shall express independent opinions on the following matters to the Board of Directors or the shareholders’ general meeting:</del></p> <p><del>(1) nomination, appointment and removal of directors;</del></p> <p><del>(2) appointment and removal of senior management of the Company;</del></p> <p><del>(3) remuneration of directors and senior management of the Company;</del></p> <p><del>(4) failure of the Board of Directors to prepare a preliminary cash profit distribution plan;</del></p> <p><del>(5) existing or new borrowing or other fund transactions of the Company to or with the shareholders, actual controller and its connected persons of the Company, the total amount of which exceeds 0.5% of the latest audited net capital of the Company, and whether or not the Company has adopted effective measures to recover these arrears;</del></p>	<p>Amended according to Article 3.5.24 of the Standardized Operation and Articles 35 and 41 of the Measures for Independent Directors.</p>



**APPENDIX VII**

**COMPARISON TABLE ON THE AMENDMENTS  
TO THE RULES OF PROCEDURES OF THE BOARD**

Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
<p>(6) to make a special explanation of, and express an independent opinion on, the accumulative or current guarantees provided by the Company to external parties and the implementation of CSRC's provisions on guarantees in the annual report;</p> <p>(7) any plan of any affiliate of the Company to settle debts with assets;</p> <p>(8) matters which independent directors think may harm the rights and interests of minority shareholders;</p> <p>(9) other matters stipulated in the Articles of Association or the Listing Rules of the Stock Exchange.</p> <p>Independent directors shall express one of the following types of opinions on the matters set out above: consent; qualified opinions and the reasons for that; objection and the reasons for that; being unable to express an opinion and the reasons for that. The Company shall provide necessary working conditions for independent directors to perform their duties. The secretary of the Board of Directors shall actively provide support for independent directors to perform their duties, including briefing and provision of information. The Company shall grant adequate allowances to independent directors.</p>	<p><del>(6) to make a special explanation of, and express an independent opinion on, the accumulative or current guarantees provided by the Company to external parties and the implementation of CSRC's provisions on guarantees in the annual report;</del></p> <p><del>(7) any plan of any affiliate of the Company to settle debts with assets;</del></p> <p><del>(8) matters which independent directors think may harm the rights and interests of minority shareholders;</del></p> <p><del>(9) other matters stipulated in the Articles of Association or the Listing Rules of the Stock Exchange.</del></p> <p><del>Independent directors shall express one of the following types of opinions on the matters set out above: consent; qualified opinions and the reasons for that; objection and the reasons for that; being unable to express an opinion and the reasons for that.</del></p> <p>The Company shall provide necessary working conditions <b>and personnel support</b> for independent directors to perform their duties. The secretary of the Board of Directors shall actively provide support for independent directors to perform their duties, including briefing and provision of information. The Company shall grant <del>adequate allowances to the independent directors</del> <b>allowances commensurate with their duties.</b></p>	

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**APPENDIX VII****COMPARISON TABLE ON THE AMENDMENTS  
TO THE RULES OF PROCEDURES OF THE BOARD**

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Sequence number and content of original article	Sequence number and content of new article	Basis of the amendments
Article 15 Independent directors shall attend the Board meeting as scheduled, get an understanding of the production and operation of the Company, research and obtain information and data required for making decisions on their own initiative. Independent directors shall submit an annual report on their work to the Company's annual shareholders' general meeting.	Article 15 <del>7</del> Independent directors shall attend the Board meeting as scheduled, get an understanding of the production and operation of the Company, research and obtain information and data required for making decisions on their own initiative. Independent directors shall submit an annual <u>work</u> report <del>on their work</del> to the Company's annual shareholders' general meeting, <b><u>in which they shall make a statement about the performance of their duties.</u></b>	Amended according to Article 33 of the Measures for Independent Directors.

*Note:* The clause number and the clause number quoted in the text will be adjusted accordingly.