



(GDR under the Symbol: HTSC)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

The Board hereby announces the audited annual results of the Company and its subsidiaries for the year ended December 31, 2023. This announcement contains the full text of the annual results announcement of the Company for 2023, which is in compliance with the requirements of the Hong Kong Listing Rules for the information set out in the preliminary announcement of annual results.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE ANNUAL REPORT

This 2023 annual results announcement of the Company will be available on the website of London Stock Exchange (www.londonstockexchange.com), the website of National Storage Mechanism (data.fca.org.uk/#/nsm/nationalstoragemechanism), and the website of the Company (www.htsc.com.cn), respectively.

The annual report of the Company for 2023 will be available on the website of London Stock Exchange (www.londonstockexchange.com), the website of the National Storage Mechanism (data.fca.org.uk/#/nsm/nationalstoragemechanism) and the website of the Company in due course on or before April 30, 2024.

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the section headed “Definitions” in this announcement.

Huatai Securities Co., Ltd.

March 28, 2024

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IMPORTANT NOTICE

The Board of Directors, the Supervisory Committee, Directors, Supervisors and senior management of the Company undertake that the information in this annual report is true, accurate and complete and contains no false record, misleading statement or material omission, and assume individual and joint legal liabilities to the information in this report.

This report was considered and approved at the seventh meeting of the sixth session of the Board of the Company.

Director(s) absent from the meeting

| | | | |
|--|---|--|---------------------------------|
| Position of absent Director Independent Director | Name of absent Director Wang Bing | Reasons for absence Business engagement | Name of proxy Wang Quansheng |
|--|---|--|---------------------------------|

None of the Directors and Supervisors had objections towards this report.

The annual financial report prepared in accordance with the CASBE and the IFRS was audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu, respectively, which issued a standard unqualified audit report to the Company.

Zhang Wei, the person in charge of the Company, Jiao Xiaoning, the person in charge of accounting, and Zhang Xiaodi, the officer in charge of the accounting office of the Company (head of accounting department), hereby warrant and guarantee that the financial report contained in the annual report is true, accurate and complete.

The profit distribution proposal or the reserve capitalization proposal for the Reporting Period have been considered and approved by the Board.

According to the 2023 annual financial statements of the Company, the net profit of the Parent Company for 2023 reached RMB10,466,720,027.50. According to relevant provisions of the Company Law, Securities Law, Financial Rules for Financial Enterprises (《金融企業財務規則》) and the Articles of Association, the Company had appropriated 10% statutory surplus reserve, 10% general risk reserve and 10% trading risk reserve of RMB3,140,016,008.25 in total, after which the profit available for distribution for the year was RMB7,326,704,019.25. Taking into account the balance of undistributed profit in previous years, as of December 31, 2023, the undistributed profit presented in the financial statements of the Parent Company of the Company as at the end of period was RMB26,560,767,758.75.

According to relevant requirements of the CSRC, the gains arising from the fair value changes in distributable profit of securities companies shall not be used for cash distribution to shareholders. As at the end of December 2023, the accumulated fair value changes in distributable profit of the Parent Company were RMB2,874,964,524.65, after deduction of which as required, the profit of the Parent Company available for distribution to investors in cash amounted to RMB23,685,803,234.10.

After comprehensive consideration of factors such as the interests of shareholders and the development of the Company, the 2023 profit distribution proposal of the Company is as follows:

1. The Company will distribute cash dividend of RMB0.43 (tax inclusive) per share based on the Company's existing total share capital of 9,029,384,840.00 shares, with the total cash dividend of RMB3,882,635,481.20 (tax inclusive), representing 30.45% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2023.

If the total share capital of the Company changes as a result of repurchase and cancellation of shares granted in the equity incentive during the period from the disclosure date of this proposal to the record date of the implementation of the dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution accordingly. The remaining profits available for distribution to investors will be carried forward to the next year.

2. Cash dividend is denominated and declared in RMB and paid to holders of A Shares (including the depositary of GDRs) and the investors of Southbound Trading in RMB and to holders of H Shares (excluding the investors of Southbound Trading) in HKD. The actual distribution amount in HKD shall be calculated at the rate of average basic exchange rate of RMB against HKD issued by the PBOC five business days prior to the date of the 2023 Annual General Meeting of the Company.

Forward-looking statements including future plans and development strategies involved in this annual report do not constitute the Company's substantive commitments to investors. The investors are advised to pay attention to investment risks.

There is no non-operating misappropriation of funds of the Company by any controlling shareholders and their related parties during the Reporting Period.

The Company has not provided any external guarantees in violation of the stipulated decision-making procedures during the Reporting Period.

During the Reporting Period, there exists no such circumstance that more than half of the Directors could not guarantee the authenticity, accuracy and integrity of the annual report disclosed by the Company.

The report is prepared by the Company in both Chinese and English. In the event of any inconsistency, the Chinese version shall prevail.

Warning on Major Risks

Domestic and external macroeconomy and monetary policies, laws and regulations on financial and securities industries, changing trends in real economy and financial industries and other factors may all have an impact on the Company's business. Meanwhile, like other companies in the securities industry, inherent risks in the securities market such as market volatility and market liquidity may also affect the Company's business.

Main risks in business operation faced by the Company include: policy risks arising from national macro-control measures, changes in laws, regulations, relevant regulatory policies and transaction rules in capital market and securities industry, which will adversely influence the business of securities companies; compliance risks arising from business management or professional activities of the Company or its employees violating laws, regulations or codes, which cause the Company bearing legal responsibility, being subject to regulatory measures and disciplinary sanctions, suffering from property or business reputation loss; legal risks arising from the Company's failure to abide by provisions and requirements of laws and regulations, which expose the Company to litigations, compensation and fines and suffer from loss; market risks arising from fluctuations in market prices (interest rates, exchange rates, stock prices and commodity prices, etc.), which make the Company suffer from loss in assets; credit risks arising from default of financiers, issuers or counterparties, etc., which make the Company suffer from loss; liquidity risks arising from the Company's inability to obtain sufficient funds at a reasonable cost in time to pay matured debts, fulfil other payment obligations and satisfy the capital needs for normal business; information technology risks such as technical failure or data leakage of the Company's information system resulting from internal and external reasons, which incur losses due to the system's failure to consequently guarantee the stability, high-efficiency and safety of transactions and business management in business realization, response speed, processing capacity, data security and so on; operational risks arising from loss-causing incomplete or problematic internal procedures, personnel, systems or external incidents; reputational risk of negative comments on the Company by investors, issuers, regulatory authorities, disciplinary organizations, the public and the media arising from the Company's behaviors or external events, and its employees' violation of integrity rules, professional ethics, business norms, and industrial rules and regulations, which may damage the brand value of the Company, hinder its normal operation, and even undermine the market and social stability; money laundering risks arising from the utilization of the Company's products or services by criminals to engage in money laundering activities which lead to negative effects on the Company's legitimacy, reputation, compliance, operation and other aspects; integrity risks arising from abuse of official power for personal gain by the employees of the Company, which may cause harm or negative impact to the Company. Besides, with the advancement of the Company's internationalization strategy, the Company's business expands into the United States, the United Kingdom, Singapore, Hong Kong and other countries and regions, and the Company is exposed to more complex market environment and regulatory requirements.

DEFINITIONS

In this report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

DEFINITIONS OF CAPITALIZED TERMS AND EXPRESSIONS

| | |
|---------------------------------|---|
| A Share(s) | domestic share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB |
| AoP | Assets on Platform |
| APP | Application |
| Articles of Association | the articles of association of the Company, as amended, supplemented or otherwise modified from time to time |
| AssetMark | AssetMark Financial Holdings, Inc., a holding subsidiary of Huatai International |
| Bank of Jiangsu | Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司) |
| Beijing Stock Exchange | the Beijing Stock Exchange (北京證券交易所) |
| Board or Board of Directors | the board of Directors of the Company |
| CAGR | compound annual growth rate |
| CASBE | the China Accounting Standards for Business Enterprises (中國企業會計準則) |
| China or the PRC | the People's Republic of China |
| China Southern Asset Management | China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司) |
| Communications Holding | Jiangsu Communications Holding Co., Ltd. (江蘇交通控股有限公司) |
| Company Law | Company Law of the People's Republic of China 《中華人民共和國公司法》), as amended from time to time |

| | |
|----------------------------|---|
| CSRC | the China Securities Regulatory Commission (中國證券監督管理委員會) |
| Director(s) | director(s) of the Company |
| FICC | fixed income, currency and commodity |
| Futures IB Business | a business activity in which securities firms, as commissioned by futures companies, introduce clients to participate in futures transactions of futures companies and provide other related services |
| GDR | global depository receipt |
| Govtor Capital | Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司) |
| Group, Our Group, we or us | the Company and its subsidiaries, and their respective predecessors |
| Guoxin Group | Jiangsu Guoxin Investment Group Limited (江蘇省國信集團有限公司, formerly known as Jiangsu Guoxin Asset Management Group Limited (江蘇省國信資產管理集團有限公司)) |
| H Share(s) | foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK dollars |
| HKEX | Hong Kong Exchanges and Clearing Limited (香港交易及結算所有限公司) |
| HK\$, HKD or HK dollars | the lawful currency of Hong Kong |
| Hong Kong | the Hong Kong Special Administrative Region of the PRC |
| Hong Kong Stock Exchange | The Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司) |

| | |
|---|---|
| HTSC, Huatai Securities, our Company, Company or Parent Company | a joint stock company incorporated in the PRC with limited liability under the corporate name 华泰证券股份有限公司 (Huatai Securities Co., Ltd.), converted from our predecessor 华泰证券有限责任公司 (Huatai Securities Limited Liability Company) on December 7, 2007, carrying on business in Hong Kong as “HTSC”, and was registered as a registered non-Hong Kong company under Part 16 of the Companies Ordinance under the Chinese approved name of “華泰六八八六股份有限公司” and English name of “Huatai Securities Co., Ltd.”; the H Shares of which have been listed on the main board of Hong Kong Stock Exchange since June 1, 2015 (Stock Code: 6886); the A Shares of which have been listed on the SSE since February 26, 2010 (Stock Code: 601688); and the global depository receipts of which have been listed on the London Stock Exchange plc since June 2019 (Symbol: HTSC), unless the context otherwise requires, including its predecessor |
| Huatai Asset Management | Huatai Securities (Shanghai) Asset Management Co., Ltd. (華泰證券(上海)資產管理有限公司), a wholly-owned subsidiary of the Company |
| Huatai Financial Holdings (Hong Kong) | Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股(香港)有限公司), a wholly-owned subsidiary of Huatai International |
| Huatai Futures | Huatai Futures Co., Ltd. (華泰期貨有限公司), a wholly-owned subsidiary of the Company |
| Huatai Innovative Investment | Huatai Innovative Investment Co., Ltd. (華泰創新投資有限公司), a wholly-owned subsidiary of the Company |
| Huatai International | Huatai International Financial Holdings Company Limited (華泰國際金融控股有限公司), a wholly-owned subsidiary of the Company |
| Huatai-PineBridge | Huatai-PineBridge Fund Management Co., Ltd. (華泰柏瑞基金管理有限公司) |
| Huatai Purple Gold Investment | Huatai Purple Gold Investment Co., Ltd. (華泰紫金投資有限責任公司), a wholly-owned subsidiary of the Company |
| Huatai Securities (USA) | Huatai Securities (USA), Inc. (華泰證券(美國)有限公司), a wholly-owned subsidiary of Huatai International |
| Huatai United Securities | Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司), a wholly-owned subsidiary of the Company |

| | |
|--|---|
| IFRS(s) | the International Financial Reporting Standards |
| IPO(s) | the initial public offering |
| IT | information technology |
| Jiangsu Equity Exchange | Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司), a holding subsidiary of the Company |
| Jiangsu SASAC | State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government (江蘇省政府國有資產監督管理委員會) |
| Jiangsu Securities Regulatory Bureau | Jiangsu Securities Regulatory Bureau of the CSRC (中國證監會江蘇監管局) |
| Listing Rules or Hong Kong Listing Rules | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time) |
| London Stock Exchange or LSE | the London Stock Exchange plc (倫敦證券交易所) |
| Model Code | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules |
| MSCI | Morgan Stanley Capital International Index |
| NEEQ | the National Equities Exchange and Quotations for small and medium-sized enterprises |
| NMAU | the number of monthly active users |
| OTC | over-the-counter |
| PBOC | the People's Bank of China |
| QFII | qualified foreign institutional investor |
| Reporting Period | the year ended December 31, 2023 |
| Securities Law | Securities Law of the People's Republic of China (《中華人民共和國證券法》), as amended from time to time |
| SFC | the Securities and Futures Commission of Hong Kong (香港證券及期貨事務監察委員會) |

| | |
|--------------------------------|---|
| SFO | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| Shanghai Brilliance | Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. (上海新世紀資信評估投資服務有限公司) |
| Shanghai Clearing House | the Interbank Market Clearing House Co., Ltd. (銀行間市場清算所股份有限公司) |
| Shanghai Stock Exchange or SSE | the Shanghai Stock Exchange (上海證券交易所) |
| Shenzhen Stock Exchange | the Shenzhen Stock Exchange (深圳證券交易所) |
| Singapore Subsidiary | Huatai Securities (Singapore) Pte. Limited, a wholly-owned subsidiary of Huatai International |
| Huatai Foundation | Jiangsu Huatai Foundation (江蘇省華泰公益基金會) |
| STAR Market | science and technology innovation board of SSE |
| Supervisor(s) | supervisor(s) of the Company |
| Supervisory Committee | the supervisory committee of the Company |
| TAMP | Turn-key Asset Management Platform, a technological platform providing services such as investment products and strategies, assets portfolio management, customer relationship management and asset custody, as well as corporate operation |
| USD or US dollar | the lawful currency of the United States of America |
| VAR | value at risk |
| Wind Information | Wind Information Co., Ltd. (萬得信息技術股份有限公司), a service provider of financial data, information and software in Mainland China |
| % | per cent. |

In the 2023 Annual Report, any discrepancies between the total shown and the sum of the amounts listed are due to rounding; and any discrepancies in the change percentages of an item are due to the difference of currency unit of the item.

CEO'S LETTER

Dear Shareholders:

As times forge ahead, a bright future is expected.

The global economy was under unprecedented changes in 2023: the wave of artificial intelligence brought about the possibility on new industrial reshaping; China is experiencing the accelerating transition from old economic drivers to new ones; and the restructuring of the division of work in global industries and trade patterns accelerated. The driving model of social and economic growth was experiencing profound changes. As a bridge connecting real economies and the capital market, securities companies strengthen the awareness of serving the nation with financial services and undertake the historical mission in serving the building of modern industrial systems. Huatai Securities has always adhered to the orientation of national strategies and makes choices based on the long-term trends of real economies for years. We initiatively gave up short-term revenue from serving outdated industries with high pollution and high energy consumption over ten years ago. We firmly served and supported the first batch of scientific and technological innovation enterprises in China in entering the capital market. We integrated global resources and promoted the manufacturing industry in China to constantly achieve upgrading and transformation. The Company resonated with the pulse of the times through reforms, practiced the original aspiration in serving real economies and strived to develop core competitiveness across cycles.

In 2023, the Company's asset size and profitability steadily ranked in the forefront of the industry. As of the end of 2023, total assets of the Group amounted to RMB905,508 million and total equity attributable to shareholders of the Company amounted to RMB179,108 million. In 2023, the Group recorded total revenue, other income and gains of RMB52,260 million and a profit for the year attributable to shareholders of the Company of RMB12,751 million. The overall business size of the Company also expanded steadily. It served over 21 million customers and assets under customers' accounts amounted nearly RMB5 trillion. The rapid size growth, the steady increase in customers and the increasingly diversified business layout also reflected the rapid development of China's economy, which also boosted the Company's firm confidence and strength in achieving common growth with customers and making progress with the times.

Serving new quality productive forces and seizing revolutionary innovation opportunities.

New quality productive forces have become the main line for the development of China's economy in the future. For years, the Company has accompanied various scientific and technological innovation enterprises with different endowments in their startup, development and even leading the sector. It has a profound understanding of the inner logic of scientific and technological innovation and industrial growth in resources demand, organizational models, target setting and results delivering. Such difficult but correct process developed the outstanding reputation and professional quality of the Company in serving scientific and technological innovation enterprises, leading the sustainable development of all businesses of the Company. The Company will further explore new quality productive forces in the early stage of incubation, prospectively seize innovation opportunities in leading future development and move forward with more industrial giants in the future.

Deeply tapping into the upper and down streams of industrial chains and smoothening channels for conversion of innovation results. It is required to fully display of the capabilities of the capital market in resources allocation and asset pricing and introduce more medium – and long-term capitals to accelerate the transformation of scientific and technological results. The Company persistently focused on key industries, deeply deployed on the upper and down streams of industrial chains, coordinated resources in the full business chains covering research, investment banking and investment and provided enterprises with full life cycle services. In terms of technology and advanced manufacturing, the Company continuously strengthened participation in industrial chains on semiconductors, new energy vehicles, consumer electronics and high-end equipment and vigorously deployed on artificial intelligence, quantum technology and other new tracks. In terms of energy and environmental protection, the Company focused on lithium battery and photovoltaic sectors and achieved complete layout on all links of industrial chains from upstream materials and midstream products to downstream application. In terms of healthcare, the Company paid close attention to the technological innovation capability of pharmaceutical enterprises and has developed various benchmark projects with market influence in pharmaceutical, innovative drugs, medical devices and medical services as well as other sectors.

Facilitating domestic economic cycle and participating in high-level international competitions. The great achievements in China’s economy were accomplished in integrating with global economy and continuous opening up. The new round of industrial upgrading will be realized in high-level international competition and cooperation. Adhering to the origin of investment banking and leveraging on the domestic and overseas integrated service structures and professional capabilities, the Company provides enterprises with customized solutions on overseas listing and financing, cross-border M&As and regional business splitting and assists enterprises in expanding new markets, seeking new increments and integrating into the global innovation network. The Company also actively recommends high-quality Chinese assets to international investors to pool more international high-quality capitals for the establishment of new ecosystems on opening and innovation in China and facilitate the brand building on “making China a favored destination for foreign investment”. The Company’s comprehensive strength in international business was increasingly enhanced during the process. In 2023, total assets of Huatai International exceeded HK\$200 billion, ranking it in the forefront of the leading Chinese-funded securities firms in Hong Kong.

China’s economy is advancing towards high-quality development amid market headwinds. Huatai Securities will adhere to the “two-pronged” (雙輪驅動) development strategy of wealth management and institutional services under technology empowerment, constantly enhance its financial service capabilities and integrate its own development into the general high-quality development of the nation.

Adhering to the investor-oriented concept. For the wealth management business, the Company will focus on “creating value for its customers”, develop leading financial products, asset allocation strategies and operation service systems, improve the professional capabilities of investment advisory teams and provide customers with customized and customized wealth management services to practically enhance investors’ sense of accomplishment. Meanwhile, the Company will consolidate the financial middle platform, strengthen the comprehensive empowerment of integrated operation driven by the headquarters on investment advisory teams, facilitate the high-efficient linkage of “investors-advisors-platforms” and develop a leading wealth management brand in the securities industry with high recognition.

Improving the “One Huatai” service system. The Company will classify and focus on the demands of key corporate and institutional customers for financial services based on the profound understanding of industrial development and bottom assets in the investment banking business. With the linkage and coordination with institutional sales, it will efficiently integrate resources in the entire business chains covering research, investment trading and prime brokerage, leverage on capability advantages in asset discovery, transaction pricing and risk management and achieve integrated operation on customer value to develop the best financial service solutions cross various markets and categories for customers.

Unleashing the value of integration of “business + technology”. The Company will comprehensively deepen the support of technology to business operation and continuously explore new business and operation models with its leading technology capabilities. It will also actively embrace cutting-edge technologies, speed up in the deep integration of AI technology and the financial sector and explore new quality productive forces of securities companies.

Enhancing bottom-line thinking and risk management capabilities. The Company will adhere to the concept that “compliance is the bottom line and risk management is a capability”, fully adapt to the scaled, advanced and international development of its businesses, establish and improve domestic and overseas integrated risk management systems and build the core competitiveness of the Company in long-term and steady development.

Initiatively undertaking and fulfilling responsibilities and acting as the “watchman” of the capital market. The Company will promote enterprises to continuously improve governance with professional services, strictly control the quality of listed companies and allow investors to share the growth dividends of high-quality enterprises. Meanwhile, it will actively perform social responsibilities and continue to carry out more professional and pragmatic public welfare programs in rural revitalization, ecological and environmental protection and the development of young talents to make its contributions in promoting social fairness and justice and facilitating sustainable development.

Born and grown here, we have a shared destiny with the land where we are deeply rooted. The new journey of high-quality development has been initiated and the wave of innovative technologies is rising. We will keep an insight on the trend of changes, continuously carry out self-revolution and always insist on difficult but correct things. We will always grow with our customers and create long-term value in serving real economies!

CEO Zhou Yi
March 28, 2024

COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. COMPANY INFORMATION

| | |
|--|-----------------------------|
| Chinese name of the Company | 华泰证券股份有限公司 |
| Abbreviation of Chinese name of the Company | 华泰證券 |
| English name of the Company | HUATAI SECURITIES CO., LTD. |
| Abbreviation of English name of the Company | HTSC |
| Legal representative of the Company | Zhang Wei |
| Chief Executive Officer and chairman of the Executive Committee of the Company | Zhou Yi |
| Authorized representatives of the Company | Zhou Yi, Zhang Hui |

Registered capital and net capital of the Company

Unit: Yuan Currency: RMB

| | As at the end of the Reporting Period | As at the end of the previous year |
|--------------------|--|---------------------------------------|
| Registered capital | 9,074,663,335.00 | 9,075,589,027.00 |
| Net capital | 94,076,764,232.03 | 92,975,958,998.68 |

Note: Subsequent to the Reporting Period, the registered capital of the Company was changed to RMB9,029,384,840.00.

Qualifications of each business line of the Company

According to the business license issued by Jiangsu Provincial Market Regulation Administration, the business scope of the Company includes: licensed items: securities business; securities investment consultancies; sales of public offering securities investment funds; custody of securities investment fund (Projects that need to be approved by law shall be carried out upon approval by relevant authorities, and the specific business projects are subject to the approval results) general items: providing intermediary referrals by securities company for futures companies (Except for projects that need to be approved by law, business activities can be conducted independently with the business license in accordance with the laws)

Please refer to “Appendix I: Main Business Qualifications” in this report for the main business qualifications of the Company.

II. CONTACT

Secretary of the Board

| | |
|---------|---|
| Name | Zhang Hui |
| Address | 11/F, Building 1, No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC |
| Tel. | 025-83387272, 83387780, 83389157 |
| Fax | 025-83387784 |
| Email | zhanghui@htsc.com |

Joint company secretary

| | |
|---------|---|
| Name | Zhang Hui |
| Address | 11/F, Building 1, No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC |

Joint company secretary

| | |
|---------|---|
| Name | Kwong Yin Ping Yvonne |
| Address | 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong, the PRC |

III. BASIC INFORMATION

| | |
|---|--|
| Registered address of the Company | No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC |
| Historical changes in registered address of the Company | In July 2015, the Company has completed the change in business registration, and its registered address was changed from "No. 90 East Zhongshan Road, Nanjing, Jiangsu Province, the PRC" to "No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC" |
| Office address of the Company | No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC |
| Postal code of office address of the Company | 210019 |
| Principal place of business in Hong Kong | 62/F, The Center, 99 Queen's Road Central, Hong Kong, the PRC |
| Company website | http://www.htsc.com.cn |
| Email | boardoffice@htsc.com |
| Main exchange | 025-83389999 |
| Customer service hotline | 95597 or 4008895597 |
| Company fax | 025-83387784 |
| Business License Unified Social Credit Code | 91320000704041011J |
| Index of changes during the Reporting Period | No change during the Reporting Period |

IV. INFORMATION DISCLOSURE AND LOCATION FOR INSPECTION OF DOCUMENTS

| | |
|---|---|
| Names and websites of newspapers for disclosure of annual report of the Company | China Securities Journal (https://www.cs.com.cn), Shanghai Securities News (https://www.cnstock.com), Securities Times (http://www.stcn.com), Securities Daily (http://www.zqrb.cn) |
| Websites of the stock exchanges for disclosure of annual report of the Company | Shanghai Stock Exchange (http://www.sse.com.cn), Hong Kong Stock Exchange (http://www.hkexnews.hk), London Stock Exchange (https://www.londonstockexchange.com) |
| Location for inspection of annual report of the Company (A Share) | No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC |
| Location for inspection of annual report of the Company (H Share) | No. 228 Middle Jiangdong Road, Nanjing, Jiangsu Province, the PRC; 62/F, The Center, 99 Queen's Road Central, Hong Kong, the PRC |
| Index of changes during the Reporting Period | No change during the Reporting Period |

V. SHARES/DEPOSITORY RECEIPTS OF THE COMPANY

| Type of shares/ depository receipts | Stock exchange for listing | Stock name | Stock code |
|--|----------------------------|-----------------------------|------------|
| A Share | Shanghai Stock Exchange | 華泰證券 | 601688 |
| H Share | Hong Kong Stock Exchange | HTSC | 6886 |
| GDR | London Stock Exchange | Huatai Securities Co., Ltd. | HTSC |

The Company did not change the stock name.

VI. OTHER INFORMATION OF THE COMPANY

(I) *Historical development of the Company, mainly including the reorganization and capital increases in the previous years*

The predecessor of the Company was Jiangsu Securities Company (江蘇省證券公司), which was established in December 1990 as approved by the headquarters of the PBOC, obtained the business license on April 9, 1991, and officially opened for business on May 26, 1991. In 1994, the Economic Reform Commission of Jiangsu Province approved the conversion of the Company to be a directional stock raising company. In June 1997, the Company changed its name to “江蘇證券有限責任公司” (Jiangsu Securities Co., Ltd.). In March 1999, the Company changed its name to “华泰證券有限責任公司” (Huatai Securities Limited Liability Company), and approved by the CSRC, the Company was converted into “华泰證券股份有限公司” (Huatai Securities Co., Ltd.) in its entirety on November 29, 2007. On December 7, 2007, the Company completed the business registration for such changes. In July 2009, the Company acquired Xintai Securities Co., Ltd. (信泰證券有限責任公司). In February 2010, the Company was successfully listed on the Shanghai Stock Exchange. In June 2015, the Company was listed on the Main Board of the Hong Kong Stock Exchange. In June 2019, the GDR issued by the Company was listed and traded on the Main Market of the London Stock Exchange.

Major capital changes of the Company:

When it was established on April 9, 1991, the registered capital of the Company was RMB10,000,000.

The registered capital of the Company increased to RMB202,000,000 in June 1994.

The registered capital of the Company increased to RMB404,000,000 in June 1997.

The registered capital of the Company increased to RMB828,000,000 in May 1998.

The registered capital of the Company increased to RMB850,320,000 in December 1999.

The registered capital of the Company increased to RMB2,200,000,000 in April 2001.

The registered capital of the Company increased to RMB4,500,000,000 in November 2007.

The registered capital of the Company increased to RMB4,815,438,725 on July 30, 2009.

In February 2010, the Company completed its initial public offering of 784,561,275 RMB-denominated ordinary shares (A Shares) on the Shanghai Stock Exchange, after which the Company's registered capital was RMB5,600,000,000.

In June 2015, the Company completed its listing on the Main Board of the Hong Kong Stock Exchange and commenced trading. After the exercise of the over-allotment option, the Company issued 1,562,768,800 H Shares in total, and the total share capital of the Company changed to 7,162,768,800 shares. Due to the issuance and listing of H Shares, the relevant state-owned shareholders transferred 156,276,880 state-owned shares (A Shares) of the Company held by them to the National Council for Social Security Fund of the PRC in the form of H Shares, on the basis of 10% of the number of H Shares issued this time. The changes in share capital structure of the Company were as follows: 5,443,723,120 A Shares, which accounted for 76% of the total number of shares; and 1,719,045,680 H Shares, which accounted for 24% of the total number of shares.

In August 2018, the Company completed the non-public issuance of 1,088,731,200 RMB-denominated ordinary shares (A Shares) by way of "Non-Public Issuance to Specific Investors", after which the Company's registered capital was RMB8,251,500,000. The changes in share capital structure of the Company were as follows: 6,532,454,320 A Shares, which accounted for 79% of the total number of shares; and 1,719,045,680 H Shares, which accounted for 21% of the total number of shares.

In June 2019, the GDR issued by the Company was listed and traded on the Main Market of the London Stock Exchange. After the exercise of the over-allotment option, the Company issued 82,515,000 GDR in total, representing the underlying securities of 825,150,000 A Shares, after which the Company's registered capital was RMB9,076,650,000. The changes in share capital structure of the Company were as follows: 7,357,604,320 A Shares, which accounted for 81% of the total number of shares; and 1,719,045,680 H Shares, which accounted for 19% of the total number of shares.

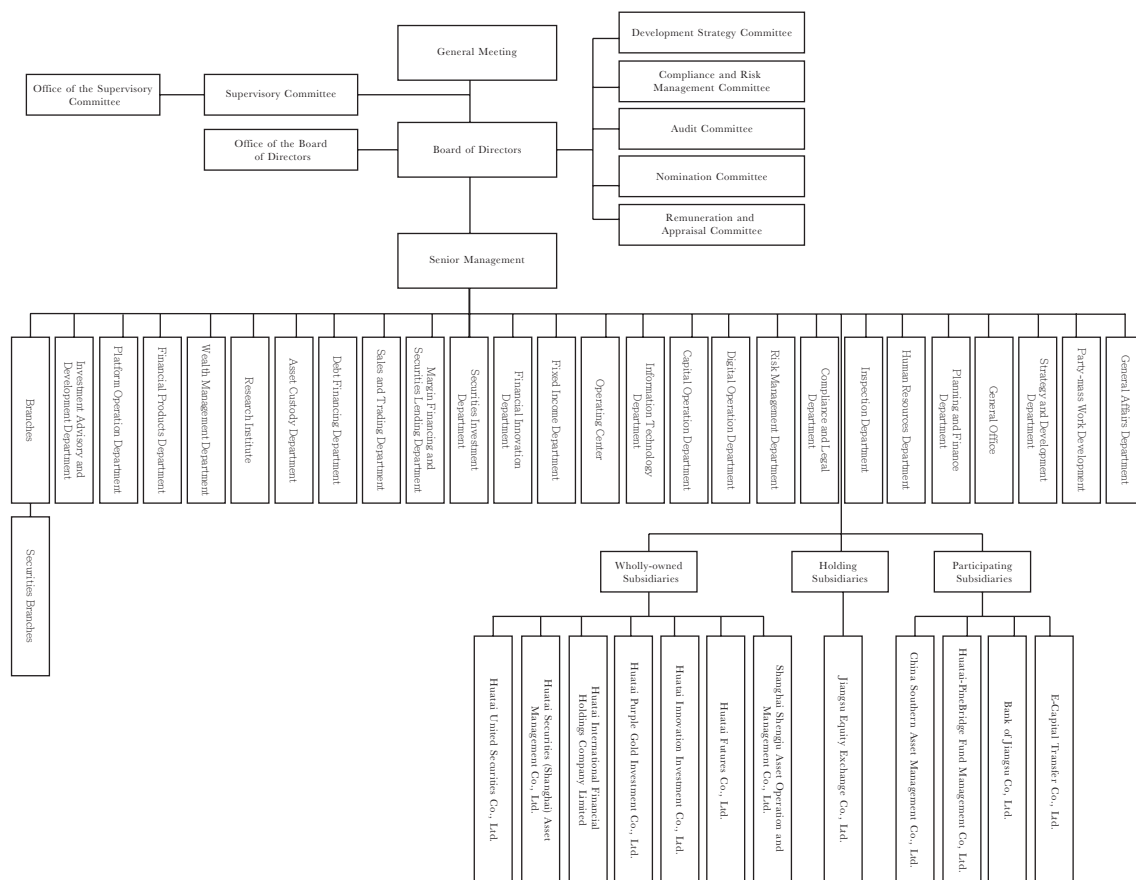
In September 2022, the Company completed the repurchase and cancellation of 1,060,973 restricted A shares, after which the Company's registered capital was RMB9,075,589,027. The changes in share capital structure of the Company were as follows: 7,356,543,347 A Shares, which accounted for 81% of the total number of shares; and 1,719,045,680 H Shares, which accounted for 19% of the total number of shares.

In September 2023, the Company completed the repurchase and cancellation of 925,692 restricted A shares, after which the Company's registered capital was RMB9,074,663,335. The changes in share capital structure of the Company were as follows: 7,355,617,655 A Shares, which accounted for 81% of the total number of shares; and 1,719,045,680 H Shares, which accounted for 19% of the total number of shares.

In January 2024, the Company completed the repurchase and cancellation of 45,278,495 restricted A shares, after which the Company's registered capital was RMB9,029,384,840. The changes in share capital structure of the Company were as follows: 7,310,339,160 A Shares, which accounted for 81% of the total number of shares; and 1,719,045,680 H Shares, which accounted for 19% of the total number of shares.

(II) Organization Structure of the Company

Organization Structure of HTSC



(III) The First-level Onshore and Offshore Subsidiaries of the Company

Unit: Ten Thousand Yuan Currency: RMB

| Name of the subsidiary | Address | Date of establishment | Registered capital | Responsible person | Telephone No. |
|---|--|------------------------------|---------------------------|---------------------------|----------------------|
| Huatai United Securities Co., Ltd. | Room 401, Building B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan Fifth Road, Nanshan Street, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, the PRC | September 5, 1997 | 99,748.00 | Jiang Yu | 010-56839300 |
| Huatai Securities (Shanghai) Asset Management Co., Ltd. | Room 1222, 6 Jilong Road, China (Shanghai) Pilot Free Trade Zone | October 16, 2014 | 260,000.00 | Cui Chun | 021-28972188 |
| Huatai International Financial Holdings Company Limited | 62/F, The Center, 99 Queen's Road Central, Hong Kong, the PRC | April 5, 2017 | HK\$ 10,200,000,002.00 | Wang Lei | 852-36586000 |
| Huatai Purple Gold Investment Co., Ltd. | No. 180 Hanzhong Road, Nanjing, Jiangsu Province, the PRC | August 12, 2008 | 600,000.00 | Cao Qun | 025-83389999 |
| Huatai Innovative Investment Co., Ltd. | No. 234 Wuyi Road, Changning District, Shanghai, the PRC | November 21, 2013 | 350,000.00 | Sun Ying | 010-58034345 |
| Huatai Futures Co., Ltd. | 10/F (whole floor), No. 1 Mingzhu Third Street, Hengli Town, Nansha District, Guangzhou, the PRC | July 10, 1995 | 393,900.00 | Hu Zhi | 020-83901155 |
| Shanghai Shengju Asset Operation and Management Co., Ltd. | No. 12 Dongfang Road, China (Shanghai) Pilot Free Trade Zone | July 14, 2009 | 12,100.00 | Lu Chunguang | 021-28972221 |
| Jiangsu Equity Exchange Co., Ltd. | 3/F, Building 10, Financial City, No. 377 Middle Jiangdong Road, Jianye District, Nanjing, Jiangsu Province, the PRC | July 4, 2013 | 20,000.00 | Sun Hanlin | 025-89620288 |

Note: In March 2024, Jiangsu Equity Exchange Co., Ltd. held a board meeting, at which Mr. Zhang Anzhong was elected as the chairman of the board of directors. Mr. Sun Hanlin no longer served as the chairman of the board of directors of Jiangsu Equity Exchange Co., Ltd.

(IV) Number and Distribution of Securities Branches and Other Branches of the Company

As of the end of the Reporting Period, the Company has 28 securities branch offices and 242 securities branches. For details of the number and distribution of branch offices and securities branches of the Company, please refer to “Appendix II: List of Branch Offices and Securities Branches” in this report.

| Provinces, Municipalities and Regions | Number of Securities Branches | Provinces, Municipalities and Regions | Number of Securities Branches | Provinces, Municipalities and Regions | Number of Securities Branches |
|---------------------------------------|-------------------------------|---------------------------------------|-------------------------------|---------------------------------------|-------------------------------|
| Anhui Province | 5 | Beijing | 7 | Inner Mongolia Autonomous Region | 3 |
| Hebei Province | 1 | Fujian Province | 4 | Guangdong Province | 23 |
| Guangxi Zhuang Autonomous Region | 2 | Hainan Province | 2 | Shanxi Province | 1 |
| Henan Province | 3 | Heilongjiang Province | 5 | Jilin Province | 3 |
| Hubei Province | 28 | Hunan Province | 3 | Jiangxi Province | 3 |
| Jiangsu Province | 92 | Liaoning Province | 7 | Shandong Province | 7 |
| Shanghai | 16 | Sichuan Province | 7 | Guizhou Province | 1 |
| Chongqing | 1 | Tianjin | 4 | Gansu Province | 1 |
| Shaanxi Province | 2 | Qinghai Province | 1 | Xinjiang Uygur Autonomous Region | 1 |
| Ningxia Hui Autonomous Region | 1 | Zhejiang Province | 8 | | |

VII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS

(I) Key Accounting Data and Financial Indicators for the Past Three Years

Unit: Thousand Yuan Currency: RMB

| Item | 2023 | 2022 | | Increase/decrease (%) | 2021 |
|---|--------------|------------------|-------------------|-----------------------|--------------|
| | | After adjustment | Before adjustment | | |
| Total revenue, other income and gains | 52,260,421 | 46,824,372 | 46,824,372 | 11.61 | 51,926,404 |
| Profit before income tax | 14,204,664 | 12,228,038 | 12,228,038 | 16.16 | 16,272,562 |
| Profit of this year-attributable to shareholders of the Company | 12,750,633 | 11,053,987 | 11,052,696 | 15.35 | 13,346,106 |
| Net cash (used in)/generated from operating activities | (28,475,553) | 70,290,567 | 70,290,567 | N/A | (65,337,094) |
| Total amount of other comprehensive income after tax this year | 315,999 | 1,195,949 | 1,195,949 | (73.58) | (626,084) |

Unit: Thousand Yuan Currency: RMB

| Item | At the end of 2023 | At the end of 2022 | | Increase/ decrease (%) | At the end of 2021 |
|---|-----------------------|---------------------|----------------------|------------------------------|-----------------------|
| | | After adjustment | Before adjustment | | |
| Total assets | 905,508,389 | 846,570,990 | 846,567,016 | 6.96 | 806,650,833 |
| Total liabilities | 723,290,957 | 678,714,380 | 678,718,307 | 6.57 | 654,615,049 |
| Total equity attributable to shareholders of the Company | 179,108,367 | 165,095,102 | 165,087,201 | 8.49 | 148,422,810 |
| Total shareholders' equity | 182,217,432 | 167,856,610 | 167,848,709 | 8.56 | 152,035,784 |
| Total share capital (shares) | 9,074,663,335 | 9,075,589,027 | 9,075,589,027 | (0.01) | 9,076,650,000 |

Key Financial Indicators

| Key financial indicators | 2023 | 2022 | | Increase/ decrease (%) | 2021 |
|--|-------|---------------------|----------------------|--------------------------------------|-------|
| | | After adjustment | Before adjustment | | |
| Basic earnings per share (RMB/share) | 1.35 | 1.18 | 1.18 | 14.41 | 1.47 |
| Diluted earnings per share (RMB/share) | 1.33 | 1.16 | 1.16 | 14.66 | 1.46 |
| ROE (%) | 8.12 | 7.49 | 7.49 | Increase of 0.63 percentage point | 9.84 |
| Debt-to-assets ratio (%) ^{Note 1} | 76.05 | 75.81 | 75.81 | Increase of 0.24 percentage point | 76.93 |
| Net assets attributable to the Company's ordinary shareholders per share (RMB/share) ^{Note 2} | 16.91 | 16.24 | 16.24 | 4.11 | 15.25 |

Note 1: Debt-to-assets ratio = (total liabilities – accounts payable to brokerage clients)/(total assets – accounts payable to brokerage clients).

Note 2: Net assets attributable to the Company's ordinary shareholders per share were net of the effect of perpetual bonds.

Description of key accounting data and financial indicators of the Company:

Since January 1, 2023, the Group has applied amendments to IAS 12, and retrospectively adjusted the accounting statements for previous years. In the current reporting period, the application of other new IFRSs and the amendments to IFRSs has had no material impact on the Group's financial positions and performance for the current and prior periods. For details, please refer to Note 3 "Principal accounting policies" to the financial reports in this report.

Net Capital of the Parent Company and Risk Control Indicators

Unit: Yuan Currency: RMB

| Item | As of the end of the Reporting Period | As of the end of the previous year |
|--|--|---|
| Net capital | 94,076,764,232.03 | 92,975,958,998.68 |
| Net assets | 155,053,212,660.64 | 143,638,401,461.64 |
| Risk coverage ratio (%) | 247.80 | 240.14 |
| Net capital/net assets (%) | 60.67 | 64.73 |
| Net capital/liabilities (%) | 22.15 | 23.14 |
| Net assets/liabilities (%) | 36.51 | 35.76 |
| Value of proprietary equity securities and derivatives/net capital (%) | 28.58 | 45.73 |
| Value of proprietary non-equity securities and derivatives/net capital (%) | 366.74 | 316.80 |
| Core net capital | 62,717,842,821.35 | 61,983,972,665.79 |
| Supplementary net capital | 31,358,921,410.68 | 30,991,986,332.89 |
| Total risk capital provision | 37,964,151,783.74 | 38,717,728,473.17 |
| Total on-balance and off-balance assets | 507,398,204,994.55 | 483,308,624,857.94 |
| Capital leverage ratio (%) | 13.98 | 14.10 |
| Liquidity coverage ratio (%) | 152.51 | 166.57 |
| Net stable funding ratio (%) | 130.84 | 129.33 |

(II) Key Accounting Data and Financial Indicators for the Past Five Years

The financial conditions for the past five years are as follows:

1. Profitability

Unit: Thousand Yuan Currency: RMB

| Item | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|-------------|-------------|-------------|-------------|-------------|
| Total revenue, other income and gains | 52,260,421 | 46,824,372 | 51,926,404 | 40,534,436 | 32,436,781 |
| Total expenses | 40,640,541 | 35,815,380 | 38,283,823 | 31,233,707 | 23,577,265 |
| Share of profits of associates and joint ventures | 2,584,784 | 1,219,046 | 2,629,981 | 4,203,647 | 2,726,449 |
| Profit before income tax | 14,204,664 | 12,228,038 | 16,272,562 | 13,504,376 | 11,585,965 |
| Profit of this year-attributable to shareholders of the Company | 12,750,633 | 11,053,987 | 13,346,106 | 10,822,497 | 9,001,644 |

2. Assets

Unit: Thousand Yuan Currency: RMB

| Item | December 31, 2023 | December 31, 2022 | December 31, 2021 | December 31, 2020 | December 31, 2019 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total assets | 905,508,389 | 846,570,990 | 806,650,833 | 716,751,235 | 562,180,638 |
| Total liabilities | 723,290,957 | 678,714,380 | 654,615,049 | 584,439,200 | 436,525,930 |
| Accounts payable to brokerage clients | 144,701,360 | 152,551,723 | 147,501,833 | 136,387,634 | 89,817,920 |
| Total equity attributable to shareholders of the Company | 179,108,367 | 165,095,102 | 148,422,810 | 129,071,500 | 122,537,479 |
| Total equity | 182,217,432 | 167,856,610 | 152,035,784 | 132,312,035 | 125,654,708 |
| Total share capital (shares) | 9,074,663,335 | 9,075,589,027 | 9,076,650,000 | 9,076,650,000 | 9,076,650,000 |

3. Key Financial Indicators

| Item | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-------|-------|-------|-------|-------|
| Dividend per share (RMB) | 0.43 | 0.45 | 0.45 | 0.40 | 0.30 |
| Basic earnings per share (RMB/share) | 1.35 | 1.18 | 1.47 | 1.20 | 1.04 |
| Dilutive earnings per share (RMB/share) | 1.33 | 1.16 | 1.46 | 1.19 | 1.03 |
| ROE (%) | 8.12 | 7.49 | 9.84 | 8.61 | 7.94 |
| Debt-to-assets ratio (%) ^{Note 1} | 76.05 | 75.81 | 76.93 | 77.20 | 73.40 |
| Net assets attributable to ordinary shareholders of the Company per share (RMB/share) ^{Note 2} | 16.91 | 16.24 | 15.25 | 14.22 | 13.50 |

Note 1: Debt-to-assets ratio = (total liabilities – accounts payable to brokerage clients)/(total assets – accounts payable to brokerage clients).

Note 2: Net assets attributable to the Company's ordinary shareholders per share were net of the effect of perpetual bonds.

VIII. DIFFERENCES IN FINANCIAL DATA PREPARED IN ACCORDANCE WITH DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

There is no difference between the net profit attributable to shareholders of the Company for 2023 and 2022 and the net assets attributable to shareholders of the Company as of December 31, 2023 and December 31, 2022 set out in the consolidated financial statements prepared in accordance with the CASBE and in the consolidated financial statements prepared in accordance with the IFRSs.

IX. ITEMS MEASURED UNDER FAIR VALUE

Unit: Thousand Yuan Currency: RMB

| Name of items | Balance at the end of last year | Balance at the end of the year | Change in the current period | Effect on the profit of the current period in amount |
|---|---------------------------------|--------------------------------|------------------------------|--|
| Financial assets at fair value through profit or loss | 350,804,545 | 413,079,384 | 62,274,839 | 28,044,218 |
| Equity instruments at fair value through other comprehensive income | 241,587 | 124,506 | (117,081) | – |
| Debt instruments at fair value through other comprehensive income | 10,504,379 | 16,262,000 | 5,757,621 | 392,760 |
| Derivative financial instruments | 6,150,176 | (621,760) | (6,771,936) | (15,460,438) |
| Financial liabilities at fair value through profit or loss | 48,575,559 | 52,671,166 | 4,095,607 | (843,164) |

MANAGEMENT DISCUSSION AND ANALYSIS AND REPORT OF THE BOARD

I. DESCRIPTIONS OF OUR INDUSTRY DURING THE REPORTING PERIOD

Our Group conducts business operations in the securities industry, and the operating results of such industry are closely related to the development trend of the capital market, which is generally characterized by strong cyclicity and volatility. Principal businesses of the Group have always been focusing on capital market services, and its performance is affected by multiple factors such as the domestic and overseas economic environment, policy environment and market environment. During the Reporting Period, in response to the needs of domestic and overseas clients, the Group continued to enhance its ability to provide diversified products and services across markets and cycles, and continuously optimized its business model and business structure amidst the complex and volatile market environment, thus maintaining a momentum of steady development with positive outlook, with its major financial indicators and market position of its principal business outperforming most peers in the industry. Details of industry position of the Group's principal businesses during the Reporting Period, please refer to "Management Discussion and Analysis and Report of the Board" in the section headed "Operation Discussion and Analysis" of this report.

Through setting the strategic goal of accelerating the construction of a strong financial country and focusing on promoting high-quality financial development, China has put forward a higher positioning and more far-reaching planning for financial development, and charted the course for the in-depth reform and development of the capital market, giving more play to the pivotal function of the capital market to enable it to play a bigger role in serving the real economy to transform and develop. Given the facts that progress has been made in building a modern capital market system with Chinese characteristics, the comprehensive registration system has been further promoted, and a new round of reform of the capital market has been continuously deepened, China's multi-level capital market functions continues to be improved and iterated, with unprecedented and profound changes in the development of the capital market ecosystem, which also create new potential, new opportunities and challenges for the transformation and development of the securities industry. Meanwhile, the high-standard and systematic opening up of the capital market, the cultivation of first-class investment banks and investment institutions, and the policy guidance on appropriate expansion of capital headroom for quality institutions will also guide securities companies to optimize their business structure and asset allocation and continue to enhance their product and service innovation capabilities, so as to provide clients with life-cycle integrated financial services of quality and to give full play to the positive role in serving the real economy, national strategies and individual wealth management. In addition, the increasingly complex and volatile internal and external market environments have imposed higher requirements for integrated client services and intensive business operations in the securities industry, where quality securities companies with leading capital strength, outstanding professional capabilities, sound synergy mechanisms and vertically integrated control would have more competitive advantages.

II. DESCRIPTIONS OF OUR BUSINESS DURING THE REPORTING PERIOD

The Group is a leading technology-driven securities group in the industry, with a highly collaborative business model, a cutting-edge digital platform and an extensive and engaging customer base. Our principal businesses comprise wealth management business, institutional services business, investment management business and international business. The Group constructs a client-oriented organizational structure and mechanism, provides comprehensive securities and financial services for individual and institutional clients through a platform-based and integrated operation, and aims to become a leading investment bank with strong domestic advantages and global influence.

1. *Wealth management business*

We provide customers with diversified wealth management services, including securities, futures and options brokerage, financial products sales, fund investment advisory business, and capital-based intermediary business through mobile APP, professional PC platforms, subsidiaries and securities and futures branch offices, Huatai International and its affiliated overseas subsidiaries, in online and offline modes, domestic and overseas linkage. For securities, futures and options brokerage, we mainly execute trades on behalf of our clients in stocks, funds, bonds, futures and options, etc. to provide trading services. For financial products sales business, we mainly provide customers with a variety of financial products sales services and asset allocation services, and the related financial products are managed by the Group and other financial institutions. Our fund investment advisory business mainly entails upon acceptance of clients' engagement, selecting specific category, amount and timing of trading of investment funds on behalf of our clients within the scope of clients' authorization in accordance with terms of agreement and submitting trading applications including, among others, subscription, redemption and conversion. In respect of capital-based intermediary business, we provide diversified financing services including margin financing and securities lending as well as stock pledged repurchase. Key performance drivers to wealth management business include fee and commission income, interest income, etc.

2. *Institutional services business*

With institutional sales serving as a link, we integrate investment banking, institutional investor services and investment trading business resources to provide various types of corporate and institutional clients with all-round comprehensive financial services, which mainly include investment banking business, prime brokerage business, research and institutional sales business and investment and trading business.

- (1) Investment banking business primarily consists of domestic and overseas equity financing, bond financing, financial advisory, OTC business, etc. For equity financing business, we provide issuance and underwriting domestic and overseas IPO, equity refinancing and depository receipts for our clients. For bond financing business, we provide services including various types of domestic and overseas bond financing and asset securitization for our clients. For financial advisory business, we provide services including industrial merger and acquisition, share acquisition, financing advisory, corporate restructure and public offering REITs for our clients. For OTC business, we provide clients with NEEQ listing and follow-on financing services, and relevant OTC businesses engaged in by Jiangsu Equity Exchange. Key performance drivers to investment banking business include underwriting and sponsorship fees, financial advisory fees, etc. for stocks, bonds and merger and acquisition business.
- (2) Prime brokerage business mainly includes the provision of asset custody and fund services for various types of asset management institutions, such as private and public funds, including settlement, liquidation, reporting and valuation. In addition, it also provides margin trading, sales of financial products and other value-added services for clients of prime brokerage. Key performance drivers to prime brokerage business include fees for fund custody and service business.

- (3) Research and institutional sales business mainly consists of research business and institutional sales business. For research business, we provide various professional research and advisory services for internal and external clients. For institutional sales business, we promote and sell diversified securities products and services to various institutional clients. Key performance drivers to research and institutional sales business include incomes from services concerning various research and other institutions.
- (4) Investment and trading business mainly includes equity trading, FICC trading and OTC derivative transaction. The Group conducts equity, FICC and other financial instruments transactions, and reduces investment risks and increases investment returns through various trading strategies and techniques. At the same time, in order to meet customers' needs for investment and financing as well as risk management, we also engage in market making business and OTC derivatives business. In terms of equity trading, we invest and trade stocks, ETFs and derivatives, and engage in market making services for stocks in the STAR Market, financial derivatives and financial products. In terms of FICC trading, we invest and trade all kinds of FICC and derivatives in the interbank and exchange bond markets, and engage in market making services for interbank and exchange markets as well as carbon emissions trading. In terms of OTC derivative transactions, we develop and trade OTC financial products for customers, mainly including equity return swaps, OTC options and structured notes. Key performance drivers to investment and trading business include investment incomes from equity, FICC products and derivatives, etc.

3. *Investment management business*

We accept fund entrustments from clients, develop and provide various financial products for our clients and manage their assets through our professional investment and research platform as well as our substantial client base, effectively satisfying their investment and financing needs. Our investment management business mainly consists of securities firm asset management, private equity fund management and asset management for fund companies, etc. For securities firm asset management, we participate in the operation of securities firm asset management business through our wholly-owned subsidiary Huatai Asset Management; such business includes collective asset management business, single asset management business, specialized asset management business and public offering fund management business (which is operated on a differentiated basis from our public offering fund management business for fund companies under the Group). For private equity fund management business, we operate private equity funds business, which includes investment and management of private equity funds, through our wholly-owned subsidiary Huatai Purple Gold Investment. For asset management business for fund companies, the Group holds non-controlling interests in two public offering fund management companies, namely China Southern Asset Management and Huatai-PineBridge, through which we participate in the operation of asset management business for fund companies. Key performance drivers to asset management business include management fee income, investment income, etc.

4. *International business*

In overseas markets and with Huatai International as its holding platform for international business, the Group operates international business through the wholly-owned subsidiaries of Huatai International including Huatai Financial Holdings (Hong Kong), AssetMark, Huatai Securities (USA) and the Singapore Subsidiary. Based on the Hong Kong market, it steadily deploys on the US, Europe, the Southeast Asia and other major markets.

- (1) The operations of the Group in Hong Kong are mainly conducted by Huatai Financial Holdings (Hong Kong), a wholly-owned subsidiary of Huatai International, which comprehensively connects with full business chain system of the Group and provides one-stop cross-border integrated financial services for domestic and foreign customers.
- (2) AssetMark is a leading turn-key asset management platform in the United States and a third-party financial service institution that provides a series of services and an advanced and convenient technology platform for investment advisors in respect of investment strategies and asset portfolios management, customer relations management and asset custody.
- (3) Huatai Securities (USA) owns the US broker-dealer license and the US proprietary trading license. It also obtained the business qualification for securities trading with institutional investors in Canada and market access to major stock exchanges in Europe. It became an introducing broker for US futures products.
- (4) The Singapore Subsidiary owns the licenses on capital market services and the waiver of licensing requirements on wealth management advisory issued by Monetary Authority of Singapore and conducts securities trading and corporate financing businesses.

Key performance drivers to international business include wealth management income, investment banking income, investment income, asset management income, etc.

III. AWARDS AND HONORS

(I) Key awards and honors of the Group

The selection of “2022 Financial Technology Development Award” held by the People’s Bank of China:

The “Elephant FICC multi-asset real-time pricing, market making and risk hedge platform” was awarded the first prize; the “investment banking cloud platform of Huatai Securities” was awarded the second prize; and the “intelligent research platform (Ruijian) (睿鑑)” was awarded the third prize

The selection of “2023 Golden Bull Award for the Securities Industry” (2023 年證券業金牛獎) held by China Securities Journal:

The Company was awarded “Golden Bull Award for Financial Technology of Securities Companies” (證券公司金融科技金牛獎)

The selection of “Creation of Best Practice of Board of Directors of Public Companies 2023” (2023 上市公司董事會最佳實踐創建活動) organized by China Association for Public Companies:

The Company was awarded “Best Practice Case of Board of Directors of Public Companies 2023” (2023 上市公司董事會最佳實踐案例)

The selection of “Gold List of Financial Institutions in China” held by Financial News:

The Company was awarded the “Prize for Companies with the Best Cultural Construction of the Year” (年度最佳文化建設公司獎)

(II) Key awards and honors of the business segments of the Company

| | | |
|-----------------------------------|--|---|
| <p>Wealth management business</p> | <p>Shanghai Stock Exchange:</p> <p>The Company was awarded “2022 Top 10 Options Brokers” (2022 年度十佳期權經紀商) and other awards</p> <p>Shenzhen Stock Exchange:</p> <p>The Company was awarded “2022 Outstanding Options Brokers” (2022 年度期權優秀經紀商獎), “2022 Prize for Promotion of New Options” (2022 年度期權新品種推廣獎) and other awards</p> <p>HKEX:</p> <p>The Company was awarded “2022 Outstanding Broker Award of Southbound Trading” (2022 年港股通卓越券商獎)</p> <p>The selection of “2023 Junding Award in China’s Securities Industry” (2023 年中國證券業君鼎獎) organized by Securities Times:</p> <p>The Company was awarded “2023 Junding Award for All-round Wealth Management Broker in China’s Securities Industry” (2023 年中國證券業全能財富經紀商君鼎獎) and “2023 Junding Award for Fund Investment Advisor in China’s Securities Industry” (2023 年中國證券業基金投顧君鼎獎)</p> <p>The selection of the “First Golden Bull Award for Fund Investment Advisory” (第一屆基金投顧金牛獎) held by China Securities Journal:</p> <p>The Company was awarded the “Golden Bull Award for Fund Investment Advisory Institution” (基金投顧機構金牛獎)</p> | <p>The selection of the “First Junding Prize for Digital Transformation in China’s Securities Industry” (首屆中國證券業數字化轉型君鼎獎) organized by Securities Times:</p> <p>“ZhangLe Fortune Path” (漲樂財富通) was awarded “Junding Prize for Top Ten Brand APPs in China’s Securities Industry” (中國證券業十大品牌 APP 君鼎獎) and “Junding Prize for Investment Advisory Service APP in China’s Securities Industry” (中國證券業投顧服務 APP 君鼎獎)</p> <p>The selection of the “2023 Yinghua Prize for Brokers on Wealth Management in China” (2023 年中國券商財富管理英華獎) organized by China Fund News:</p> <p>“ZhangLe Fortune Path” (漲樂財富通) was awarded the “Demonstration Case of Outstanding Brokerage Application” (優秀券商 APP 示範案例)</p> <p>The Asset:</p> <p>“ZhangLe Global” (漲樂全球通) was recognized as “Best Mobile Brokerage Application (Hong Kong Area)” (香港地區最佳手機券商APP)</p> |
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| <p>Institutional services business</p> | <p>Shanghai Stock Exchange:</p> <p>The Company was awarded “Rating A in Comprehensive Evaluation on Stock Market Makers on the STAR Market in 2023” (2023 年度科創板股票做市商綜合評價 A 評級) and “Rating AA in Comprehensive Evaluation on Main Market Makers for Listed Funds in 2023” (2023 年度上市基金主做市商綜合評價 AA 評級)</p> <p>Huatai United Securities was awarded “2022 Outstanding Supporting Unit for Comprehensive Services and Consultancy for SOEs” (2022 年度央企綜合服務諮詢支持優秀單位), “2022 Outstanding Underwriter of Corporate Bonds” (2022 年度公司債券優秀承銷商), “2022 Outstanding Underwriter of Industrial Bonds” (2022 年度產業債券優秀承銷商) and “2022 Outstanding Underwriter in Serving National Strategies” (2022 年度服務國家戰略優秀承銷商)</p> <p>Shenzhen Stock Exchange:</p> <p>The Company was awarded “Rating AA in Comprehensive Evaluation on Main Market Makers for Listed Funds in 2023” (2023 年度上市基金主做市商綜合評價 AA 評級)</p> | <p>China Foreign Exchange Trade System:</p> <p>The Company was awarded “Most Popular Market Maker of Interest Rate Bonds in the Market” (最受市場歡迎的利率債做市商) and the “Most Popular Market Maker of Credit Bonds in the Market” (最受市場歡迎的信用債做市商)</p> <p>The selection of “Institutional Investor • Caixin All – China Research Team Awards” (機構投資者•財新資本市場分析師成就獎) in 2023:</p> <p>The Company was awarded “Best Analyst Team (Mainland China) No. 3” (最佳分析師團隊(大陸)第三名), “Best Analyst Team (Overseas) No. 7” (最佳分析師團隊(海外)第七名), “Best Sales Teams (Mainland China) No. 1” (最佳銷售團隊(大陸)第一名), “Best Sales Teams (Overseas) No. 5” (最佳銷售團隊(海外)第五名), “Best Sales Teams with Progress (Overseas) No. 1” (最佳進步銷售團隊(海外)第一名), “Best Team on Corporate Relations (Mainland China) No. 1” (最佳企業關係團隊(大陸)第一名), etc.</p> <p>The selection of “2023 Junding Award in China’s Securities Industry” (2023 年中國證券業君鼎獎) organized by Securities Times:</p> <p>The Company was awarded the “2023 Junding Award for Industrial Service Research Institute in China’s Securities Industry” (2023 年中國證券業產業服務研究所君鼎獎)</p> |
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| | <p>Huatai United Securities was awarded “2022 Outstanding Underwriter of Corporate Bonds” (2022年度優秀公司債券承銷商) and “2022 Outstanding Duration Management Institution of Products with Fixed Income” (2022年度優秀固定收益產品存續期管理機構)</p> <p>The selection of the “Sixteenth Session of Best Investment Bank” (第十六屆最佳投行) organized by New Fortune (《新財富》):</p> <p>Huatai United Securities was awarded “Best Domestic Investment Bank” (本土最佳投行), “Best Investment Bank in Practicing ESG” (最佳踐行ESG投行), “Best Investment Bank in Equity Underwriting” (最佳股權承銷投行), “Best Investment Bank in Bond Underwriting” (最佳債權承銷投行), “Best Refinancing Investment Bank” (最佳再融資投行), “Best IPO Investment Bank” (最佳IPO投行), “Best Investment Bank in Mergers and Acquisitions” (最佳併購投行), “Best Investment Bank in Serving Overseas Markets” (海外市場能力最佳投行), etc.</p> | <p>Huatai United Securities was awarded “2023 Junding Award for Equity Financing and Investment Banking in China’s Securities Industry” (2023年中國證券業股權融資投行君鼎獎), “2023 Junding Award for M&As and Reorganization Financial Advisory in China’s Securities Industry” (2023年中國證券業併購重組財務顧問君鼎獎) and “2023 Junding Award for Programs on Serving Private Enterprises in China’s Securities Industry” (2023年中國證券業服務民企項目君鼎獎)</p> |
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| <p>Investment management business</p> | <p>Shanghai Stock Exchange:</p> <p>Huatai Asset Management was awarded “Outstanding Manager for Asset Securitization Business for 2022” (2022 年度資產證券化業務優秀管理人) and “Outstanding Participant in Public REITs on Infrastructure for 2022” (2022 年度優秀基礎設施公募 REITs 參與人)</p> <p>China Southern Asset Management was awarded “2022 Outstanding Bond Investment Institution (Category of Other Asset Management)” (2022 年度優秀債券投資機構 (其他資管類))</p> <p>Huatai-PineBridge was awarded “Top Ten ETF Managers” (十佳ETF管理人)</p> <p>Shenzhen Stock Exchange:</p> <p>Huatai Asset Management was awarded “Outstanding Manager for Special Asset-backed Plans for 2022” (2022 年度優秀資產支持專項計劃管理人)</p> <p>The selection of “2023 Junding Award in China’s Securities Industry” (2023 年中國證券業君鼎獎) organized by Securities Times:</p> <p>Huatai Asset Management was awarded “2023 Junding Award for All-round Asset Management Agency in China’s Securities Industry” (2023 年中國證券業全能資管機構君鼎獎)</p> | <p>The selection of “ChinaVenture Awards for 2022” (投中2022年度榜) held by ChinaVenture Investment:</p> <p>Huatai Purple Gold Investment was awarded “Best Chinese Equity Investment Institutions in Returns TOP 10” (中國最佳回報私募股權投資機構 TOP10), “Best Chinese Private Equity Investment Institutions TOP 20” (中國最佳中資私募股權投資機構 TOP20), “Best China Private Equity Investment Institutions TOP 30” (中國最佳私募股權投資機構 TOP30), “Best Chinese Subsidiaries of Brokers for Private Funds TOP 5” (中國最佳券商私募基金子公司 TOP5), “Best Institutions for Investment in Medical Devices Fields TOP 20 in China’s Medical and Health Service Industry” (中國醫療及健康服務產業最佳醫療器械領域投資機構 TOP20), “Best Institutions for Investment in Medical Services Fields TOP 10 in China’s Medical and Health Service Industry” (中國醫療及健康服務產業最佳醫療服務領域投資機構 TOP10), etc.</p> <p>China Securities Journal:</p> <p>China Southern Asset Management was awarded “Golden Bull Award for Fund Investment Advisory Services” (基金投顧顧問服務金牛獎)</p> <p>Huatai-PineBridge was awarded “Golden Bull Fund Company for Passive Investment” (被動投資金牛基金公司) and “Fund Company with Special Contributions at the 20th Anniversary” (20 周年特別貢獻基金公司)</p> |
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| | <p>The selection of “2023 Golden Bull Award for Collective Asset Management Programs of Chinese Securities Companies” (2023 年中國證券公司集合資管計劃金牛獎) organized by China Securities Journal:</p> <p>Huatai Asset Management was awarded “2023 Golden Bull Collective Asset Manager of Securities Companies” (2023 年度金牛券商集合資產管理人), etc.</p> <p>The selection of “Offshore China Fund Awards 2022” organized by Chinese Asset Management Association of Hong Kong and Bloomberg:</p> <p>Huatai Asset Management was awarded “Prize for Best Cross-border Business of the Year” (年度最佳跨境業務獎), “Prize for Best Innovative Product of the Year” (年度最佳創新產品獎), etc.</p> | <p>Shanghai Securities News:</p> <p>China Southern Asset Management was awarded “Golden Fund • Fund Management Company for Passive Investment Award” (金基金•被動投資基金管理公司獎)</p> <p>Huatai-PineBridge was awarded “Golden Fund • Fund Management Company for Passive Investment Award” (金基金•被動投資基金管理公司獎)</p> <p>Securities Times:</p> <p>China Southern Asset Management was awarded “Star Fund Company Award for Three-year Passive Investment” (三年被動投資明星基金公司獎)</p> <p>Huatai-PineBridge was awarded “Top 10 Star Fund Companies” (十大明星基金公司獎) and “Star Fund Company Award for Three-year Passive Investment” (三年被動投資明星基金公司獎)</p> |
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| <p>International business</p> | <p>The Selection of “Financial Institution Awards” (金融機構大獎) organized by Bloomberg Businessweek:</p> <p>Huatai International was awarded “Annual Outstanding Technology Securities Company Award” (年度科技證券公司卓越大獎), “Annual Outstanding Award for Financial Derivatives Institutions” (年度金融衍生產品機構卓越大獎), “Outstanding Award for High-end Customer Products and Services” (優端客戶級別產品及服務卓越大獎), “Risk Management Excellence Award” (風險管理卓越大獎), “Excellence Award for Digital Innovation” (數碼創新卓越大獎), “Outstanding Initial Public Offering Project Award” (首次公開招股項目卓越大獎) and “Corporate Financing Excellence Award (the Greater Bay Area of the PRC)” (企業融資卓越大獎(中國大灣區))</p> <p>The selection of “2023 List of Awards” (2023 獎項榜單) organized by Asiamoney, an international reputable financial magazine:</p> <p>Huatai International was awarded “Best Securities Company in Hong Kong” (香港地區最佳券商) and “Most Innovative Investment Bank in the Greater Bay Area” (大灣區最具創新性投資銀行)</p> | <p>The selection of “2022 Annual Awards” (2022 年度獎項) organized by PDI (Private Debt Investor), an internationally renowned private debt industry magazine:</p> <p>Huatai International was awarded “Best Private Debt Investor (Asia-Pacific Region)” (最佳私募債投資機構(亞太區)), “Best Real Estate Private Debt Investment Fund Manager (Asia-Pacific Region)” (最佳地產私募債投資基金經理(亞太區)) and “Best Superior Private Debt Investor (Asia-Pacific Region)” (最佳優先級私募債投資機構(亞太區))</p> <p>The selection of “2022 AAA National Awards (China)” (2022 年度 AAA 國家獎(中國區)) organized by The Asset:</p> <p>Huatai International was awarded “Best Local Corporate and Institutional Advisor Award (Broker)” (最佳本地企業及機構顧問獎(券商類)) and “Best Private Bond Advisor Award” (最佳私募債券顧問獎)</p> |
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IV. ANALYSIS OF CORE COMPETITIVENESSES DURING THE REPORTING PERIOD

(I) A first-class comprehensive securities group led by the “two-pronged” strategy

Focusing on the strategic vision of “striving to become a first-class investment bank with both domestic advantages and global influence”, the Group firmly strode forward with the development of the times and resonated with national strategies. Since 2019, the Group has officially determined and comprehensively implemented the “two-pronged” (雙輪驅動) strategy on wealth management and institutional services under technology empowerment, actively seized opportunities in market reform and promoted the transformation and upgrading in various aspects in an orderly manner, including the comprehensive market-based systems and mechanisms, the customer-driven organizational structure, the intelligent operation of service systems as well as cross-border linkage in business development. It has achieved historical breakthroughs in market-based, digital and international development, embarked on a differentiated development path and ranked among the leaders in the industry in terms of comprehensive strength. Under the guidance of the “two-pronged” strategy, the Group has over 21 million customers and the total assets of client accounts reached nearly RMB5 trillion. Its asset size and profitability ranked in the forefront of the industry and its high-quality development took over the lead in the industry. The Group maintained its leading position in the industry in terms of the development of wealth management, investment banking, investment and trading and other core businesses and ranked among the leading Chinese-funded securities firms in Hong Kong in term of the development strength of the international business. As the first international securities group listed in Shanghai, Hong Kong and London, the Group has developed the first-class brand image with wide influence and recognition in domestic and overseas markets. The MSCI ESG rating of the Company has maintained the highest level among domestic securities companies since 2021. During the Reporting Period, it became the first institution in the domestic securities industry with the rating raised to AA from A, reaching the world-leading level. During the Reporting Period, Standard & Poor’s kept the long-term issuer rating of “BBB+” with stable prospect for the Company and its subsidiary Huatai International, which is the highest level among Chinese securities companies.

(II) Platform-based, integrated and comprehensive service systems covering the full business chains

The Group always adheres to the original intention of customer services and the fundamentals of financial services, continuously promotes the upgrading of organization with “One Customer” internally, “One Huatai” externally and the “integrated operation” internally and externally with the focus on building the platform-based, integrated and ecological systems covering the full business chains and the new development model. In the field of personal customer services, the Group established and improved the integrated development model driven by the headquarters and linked with the headquarters and branches. Based on the classification and hierarchy of customers and the orientation of buy-side services, the Group actively explored new content operation model and continuously developed core capabilities of platforms to empower clients and investment advisors and constantly enhanced the capabilities on professional trading and asset allocation services, consolidating and strengthening the leading position and professional brand influence of wealth management services in the industry. In the field of institutional customer services, the Group continued to focus on the differentiated

and professional financial demands of mutual funds, private funds, banks, insurance, overseas institutions and other key institutional customers and fully integrated research, sales, trading, products, custody and other diversified service resources. It constantly optimized the hierarchical customer service system, connected business scenarios with technology and platforms, accumulated customer portrait and developed cross-border and integrated financial solutions and executive capability, continuously expanding the breadth and depth of customer services and significantly enhancing the platform-based and integrated core competitiveness. In terms of corporate customer services, it always serves corporate growth with perspectives and logics of industry. Through constantly tapping into TMT, big health, big consumption, energy and environmental protection, high-end manufacturing and other key industrial ecosystems and with the full-lifecycle corporate service system as drivers, it fully improved comprehensive services in domestic and overseas services on various products, strengthened the capability support of the cloud platform of investment banking, facilitated the development of various outstanding enterprises and actively served the development of real economies and the establishment of modern industrial systems.

(III) Technology development advantages continuously leading digital financial reform of the industry

Technology empowerment has been the core competitiveness developed by the Group for years with key inputs and a main development line leading its transformation and transcendence. In 2019, the Group firstly initiated the comprehensive digital transformation in the industry, resolutely took the path of platform-based business development and adopted digital thinking and means to fully transform business and management models and facilitate the implementation of the digital operation thinking in all levels of pre-, middle – and post ends. Meanwhile, it joined all parties in building an open ecosystem and developing fintech platforms and products at the industry level. Focusing on the target of “client’s success, business innovation, operation optimization and employee empowering” in digital transformation and through transformation practice and capability accumulation, the Company has developed technology into the differentiated development feature leading the digital financial reform in the industry as well as the core driver to improving value creation capability and market competitiveness. Relying on the industry-leading independent R&D capability on IT technology and the innovation capability on digital products, the application level continuously promoted the deep integration of business with technology and developed “ZhangLe Fortune Path” (漲樂財富通), the platform for securities lending, FICC Elephant Trading Platform (FICC 大象交易平台), the credit analysis and management platform and other important platforms with strong market influence and pioneering significance, which effectively facilitated the reshaping of business models and developed distinctive market leading advantages in various business segments. The intermediate level developed the strong supporting capability through upgrading and iteration, continuously built and improved the Data Intelligence Middle Platform (數智中台), accumulated high-quality data and assets and established the high real-time data computing engine and analysis platform to speed up in releasing data value and empowering business development. It actively embraced and explored cutting-edge AI technology and constantly explored business-related application scenarios. The fundamental level reshaped the bottom technological structure for IT and evolved towards comprehensive cloud native. It established and deployed the mixed cloud system with multi cloud and unified operation and built safe, reliable and open cloud native platforms with high extension.

(IV) International development capability at the leading edge of high-level two-way opening up

Based on the advantages of local resources in China and leveraging on its professional understanding capability on the Chinese market and assets, the Group fully seized strategic opportunities in the continuous deepening of the high-level opening-up and strived to better meet the diversified financial demands of domestic customers in “going global” and overseas customers in “going to China”. With the Hong Kong market as the bridgehead and cross-border businesses as drivers, the Group vigorously developed the capital-based intermediary business and fully enhanced the comprehensive financial service capability on cross-border and integrated operation, embarking on a differentiated path of international development. In recent five years in particular, the Group grasped strategic opportunities in deepening the opening and interconnection of the Chinese capital market and became the first Chinese company issued GDRs through the Shanghai-London Stock Connect and listed on the London Stock Exchange. It completed the splitting and listing of AssetMark on the New York Stock Exchange in the US, established Huatai Securities (USA) and the Singapore Subsidiary, obtained various key business licenses in major overseas markets and gradually developed a global value chain system with the coverage and interconnected development of the Mainland, Hong Kong, the US, the UK, Singapore and other markets in Asia, Europe and America. It continuously deepened its participation and influence in major international markets and significantly enhanced the execution capability on integrated projects covering different markets, assets and products. In recent years, the Group’s international business effectively responded to the impacts of the complicated and changeable environment in international markets and maintained the development momentum with steady progress against the market trend. It contributed more than 20% of the Group’s total assets and revenue and has become a key segment leading the strategic advancement and expanding the in-depth and strategic development of the Group in the future.

(V) Comprehensive compliance and risk control systems with professional and digital accumulation

The Group always adheres to the development concept that “compliance is the bottom line and risk management is the capability”, deepens the building of capabilities on digital compliance and risk control and management and strives to implement and improve the integrated and group-level compliance and risk management structure and system. With the target of “three-dimensional compliance management with risk as the orientation and data as the basis” and leveraging on “driven by data, unified platform and empowering business”, the Group firstly promoted the building of digital compliance in the industry to develop the basis for the professional and efficient digital compliance capability. It continuously strengthens the construction of three-dimensional compliance, vigorously explores the establishment of cross-border and integrated compliance control systems, deepens the group compliance management and constantly improves the compliance value creation capability. Meanwhile, the Group adheres to the risk management culture on stability and long-term development, upholds the risk management concept with full participation, coverage and penetration and continues to develop the core competitiveness in risk management with group-level, professional and

platform-based ideas. The Group establishes and improves the overall risk management system adapting to the integrated and international development of the full business chains, constantly perfects the risk governance structure, continuously strengthens the risk management mechanism and control measures, focuses on the R&D and iteration risk management instruments, attaches great importance to the platform-based construction and comprehensively enhances the risk management capability. The Group closely follows market and business trends. While consolidating the integrated domestic and overseas risk management systems, it continuously improves the forward-looking and effective risk management, actively prevents key business risks and enhances the management and control on high-risk sectors, firmly holds the bottom line of risks and empowers the improvement of quality and efficiency of risk management through platform-based operation to guarantee the steady business development.

(VI) Development platform empowering overall growth of first-class and professional talents

The Group always adheres to the “people-oriented” concept, continuously stimulates the vitality of talents and constantly upgrades the value of talents. It establishes the development platform empowering talent growth, actively develops the platform-based professional talent development model, focuses on the introduction of outstanding talents and increasingly improves the talent richness to facilitate the common growth of outstanding talents with organizations and convert talent advantages into core competitive advantages. The Group continuously improves the professional manager system and carries out the contractual and professional management of operation and management teams in details. Management members practically conduct exploration with a forward-looking horizon and lead all staff of Huatai to overcome new challenges, make new breakthroughs and promote the advancement and progress in the development of the Group. The Group insists on implementing the strategy of building a strong enterprise with talents, establishes and improves the all-round, multi-layered and three-dimensional talent supply chain systems and talent cultivation systems with the characteristics of Huatai and vigorously develops a young, professional and international talent team. It has gathered cutting-edge business talents with leadership and many young talents have become business cadres, refreshing the fine tradition of the staff of Huatai in continuous iteration and development. The Group always adheres to the talent selection and appointment mechanism with the orientation of capabilities and contributions, continuously optimizes and improves medium – and long-term incentive mechanisms and selects outstanding young talents in the market and practice to fully stimulate and maintain the vitality of the talent team. Meanwhile, it comprehensively improves the strategic consensus of the talent team, guide employees to constantly enhance the awareness on rules, cherish occupational reputation, carry forward professional spirit and abide by business ethics to provide solid guarantees to the strategic advancement of the Group.

(VII) Cultural value system with positive and win-win spirit for common progress

After over 30 years of development, the Group has achieved the transformation and advancement towards an international securities group. Culture has been the spiritual force in its development and the value orientation leading its growth and progress. In 1997, the Company established the core values of “high efficiency, integrity, stability and innovation”. With such origin and after continuous integration and evolving, the Company gradually developed the cultural characteristics of “technology empowerment, innovation and initiative” and an “open and inclusive” cultural atmosphere. The Company insists on improving the “hard strength” in development with the “soft power” in culture and deeply establishes and implements the corporate spirit of “openness, inclusiveness, innovation, struggle and responsibility”. In recent years, the Company actively responded to the calls on cultural construction in the industry. In combination with its own development conditions and led by the establishment of a featured cultural brand system, it solidly advanced cultural construction and developed the cultural value systems and the cultural work systems with internal cohesion, external brand as well as distinctive features through system building, themed activities, publicity and trainings, awards and other forms. Meanwhile, the Company developed the cultural and brand matrix with the integration of Party building culture, technology culture, compliance culture and risk culture, and continuously enhanced the internal and external recognition and penetration of culture, achieving the deep integration of cultural building with corporate governance, development strategies and development models as well as the organic combination with the overall development of people, the historical and cultural inheritance and the building of professional capabilities. Through the continuous promotion of the Company’s cultural and value systems and the constant forging of the spiritual force, it shaped the grounding for the steady and long-term development of the Company’s businesses, making the positive and win-win spirit an important guarantee to the development of the Company in different cycles and consolidating the cultural foundation for high-quality development.

V. OPERATION DISCUSSION AND ANALYSIS

Unit: Thousand Yuan Currency: RMB

| Segment | Segment revenue and other income and gains | Segment expenses | Segment results | Segment profit margin (%) | Year-on-year change of segment revenue and other income and gains (%) | Year-on-year change of segment expenses (%) | Year-on-year change of segment profit margin |
|---------------------------------|--|------------------|-----------------|---------------------------|---|---|--|
| Wealth management business | 23,324,795 | (16,634,272) | 6,690,523 | 28.68 | (0.67) | 10.43 | Decrease of 7.17 percentage points |
| Institutional services business | 10,549,352 | (7,907,900) | 2,641,394 | 25.04 | 29.70 | 6.37 | Increase of 16.46 percentage points |
| Investment management business | 3,358,823 | (1,589,098) | 1,799,759 | 53.58 | 47.94 | 31.27 | Increase of 55.69 percentage points |
| International business | 12,941,308 | (10,648,760) | 2,270,835 | 17.55 | 37.47 | 41.58 | Decrease of 2.56 percentage points |
| Others (including offset) | 2,086,143 | (3,860,511) | 802,153 | 38.45 | (40.80) | (15.81) | Increase of 2.50 percentage points |
| Segment total | 52,260,421 | (40,640,541) | 14,204,664 | 27.18 | 11.61 | 13.47 | Increase of 1.07 percentage points |

(I) Overall operation conditions

2023 is the first year for fully implementing the spirit of the 20th CPC National Congress. China's economy withstood external pressures and overcame internal difficulties, achieving overall recovery and improvement. Meanwhile, the full implementation of the registration-based IPO system and the advancing of the new round of deepening reform in China's capital market brought new opportunities and challenges for the operation and development of securities companies. Facing the complicated internal and external operation environment, the Group firmly bore the responsibilities and undertakings of financial enterprises in mind, actively implemented the spirit of the 20th CPC National Congress, the Central Financial Work Conference and the Central Economic Work Conference, firmly focused on the strategic vision of "striving to become a first-class investment bank with both domestic advantages and global influence", continuously deepened the "two-pronged" (雙輪驅動) development strategy on wealth management and institutional services under technology empowerment, focused on establishing the platform-based, integrated and ecological new development model and promoted the continuous progress of the market-based, digital and international development. Major measures included: building professional

and open financial service platforms and strengthening the competitiveness of wealth management driven by the headquarters with the coordination of the headquarters and branches; optimizing the service systems and service models for institutional customers and improving the efficiency of the platform-based development of institutional businesses; constantly enhancing the investment research capability on active management and developing the advantages of securities companies in the distinctive investment management business; deepening cross-border integrated linkage and facilitating the improvement and upgrading of international development; consolidating the platform-based business operation and strengthening the output of value and better converting technological advantages into market competitive advantages. During the Reporting Period, the Group maintained a steady development trend for all businesses and achieved growth in operating results against the market trend, improving the comprehensive strength and making new progress in high-quality development.

(II) Wealth management business

1. Market environment

As affected by changes in the macro economy and the market operation environment, the bottom logic of the allocation of major assets is experiencing profound changes. With the constant transition and upgrading of residents' demand for wealth allocation, the more diversification of participants in the wealth management market, the increasingly enrichment of wealth management instruments and the in-depth development of the digital operation of wealth management, all wealth management institutions carried out continuous transformation and innovation to better serve common prosperity as the new mission of the wealth management industry in the new era towards the development orientation of upgrading professional management and customer experience. Under the market environment with fluctuations, wealth management institutions are more required to focus on personalized wealth management demands of clients and continuously enhance the building of the investment research capability and the asset allocation capability based on the logic of buyer-side services and its own resources endowment to provide customers with professional and differentiated long-term service value.

In 2023, the A shares market curbed after an upsurge with a declining willingness in trading and investment. According to the statistics from Wind Information, the total turnover in the A-share market was RMB212.10 trillion, representing a year-on-year decrease of 5.27%. The market size improved with the continuous improvement of margin financing and securities lending policies. The scale of margin financing and securities lending business across the market was RMB1,650.896 billion, representing a year-on-year increase of 7.17%. With diversified business models, the fund investment advisory business enjoys a considerable business development potential. According to the statistics from the Asset Management Association of China, the existing scale of stocks + hybrid mutual funds of top 100 fund sales institutions was RMB5,017.8 billion and the existing scale of mutual funds in non-monetary markets was RMB8,545.3 billion. The trading activity in the futures market improved with a steady growth in the trading scale. According to the statistics from the China Futures Association, the total turnover of the futures markets across the country was RMB568.51 trillion, representing a year-on-year increase of 6.28%. The complicated and changeable market environment and the increasingly intensified competition pattern raised higher requirements on the core capabilities of wealth management institutions. Wealth management institutions which adapt to new market normals, continuously improve professional capabilities on trading and wealth management and value creation capability on continuously accompanying customers, rely on advanced digital platforms and experienced investment advisory teams and provide customers with one-stop comprehensive services on all assets and life-cycle services will gain extensive development space.

2. *Operational measures and achievements*

(1) Securities, futures and options brokerage business and wealth management service

During the Reporting Period, the Group further optimized and upgraded the structural system and operation model of the wealth management business with customer demand as the center. Under the guidance of the platform-based and integrated strategies, with contents and services as the linkage and relying on high-quality platforms and services, the Group continuously improved the user experience, built wealth management platforms with differentiated competitive advantages and constantly deepened the operation of customer groups to vigorously expand the differentiated value creation capability and the comprehensive profitability and increasingly enhance the brand influence. It improved and perfected the integrated operation of wealth management business systems driven by the headquarters with the coordination of the headquarters and branches, continuously iterated and upgraded the functions of the wealth management platforms, constantly optimized the platform-based operation strategies and

service contents, promoted the fine operation covering the full lifecycle of customers and built the operation growth system across the whole links. Focusing on the operation concept of “classification of customer groups and hierarchy of customers”, the Group actively facilitated the upgrading of the customer service model and the innovation of the operation model and refined the classified and hierarchical customer service systems to increasingly improve the professional service capability and service experience. According to internal statistics, as of the end of the Reporting Period, the total assets of client accounts reached RMB4.94 trillion. It continued to optimize the classified and hierarchical position system and personnel structure, actively built a professional and high-quality investment advisory team and constantly deepened the empowerment and support for the operation of the investment advisory team to improve the coverage and satisfaction of wealth management services. According to internal statistics, as of the end of the Reporting Period, the number of the Company’s staff registered for carrying out securities investment consultancy (investment advisory) with the Securities Association of China was 3,194.

The Group continuously promoted innovation in products and services of the “ZhangLe Fortune Path” (漲樂財富通) platform, actively explored the application services based on AT technology, released the content platform “ZhangLe i Can” (漲樂i看), constantly the operational efficiency and scenarized penetration of characteristic trading tools and strategic services and continuously improved the core experience in trading and wealth management. During the Reporting Period, “ZhangLe Fortune Path” (漲樂財富通) had a download volume of 3.9524 million, with a cumulative download volume of 74.0124 million since its launch; 96.79% of trading customers used “ZhangLe Fortune Path” (漲樂財富通) to conduct transactions. According to the statistics of Analysys Think Tanks (易觀智庫), during the Reporting Period, the average NMAU of “ZhangLe Fortune Path” (漲樂財富通) was 9.0643 million. As of the end of the Reporting Period, the NMAU was 9.3808 million, ranking the first among securities company APPs. At the same time, the Group continuously optimized the function and operation capability of “ZhangLe Global” (漲樂全球通) platform and was committed to providing customers with one-stop investment management services for global assets. The cumulative download volume of “ZhangLe Global” (漲樂全球通) was 2.1008 million since its launch with the number of customers and the brand popularity increasingly enhanced.

The Group further strengthened its advantages in trading services based on advanced platforms. According to the statistics of members of the Shanghai and Shenzhen Stock Exchanges, the Group's stock and fund trading volume totaled RMB37.16 trillion during the Reporting Period, continuously ranking among the best in the industry.

Data of agency transaction amount

Currency: RMB

| Type of securities | Agency transaction amount in 2023 (in RMB100 million) | Type of securities | Agency transaction amount in 2022 (in RMB100 million) |
|--------------------|--|--------------------|--|
| Stocks | 302,386.31 | Stocks | 323,960.42 |
| Funds | 69,239.14 | Funds | 63,627.23 |
| Debentures | 504,765.36 | Debentures | 418,032.44 |
| Total | 876,390.81 | Total | 805,620.09 |

Note: The data of agency transaction amount are cited from the Shanghai and Shenzhen Stock Exchange members' statistics, of which the fund data include trading volume of ETFs, monetary ETFs, LOFs and publicly offered REITs on the Shanghai Stock Exchange.

In terms of stock options brokerage business, the Group continued to optimize the functions of the trading system, deepen core customer services, promote intelligent operation and management and strengthen risk management, maintaining the leading market position of the business. According to the statistics of the Shanghai Stock Exchange, the Company's stock options brokerage business at the Shanghai Stock Exchange ranked the first in the industry in terms of trading volume and market share during the Reporting Period. For the ETF business, the Group continuously diversified trading strategies and instruments and relied on the investment research capability and platform-based operation systems of the Company to practically meet customers' differentiated investment demands. According to the statistics of the Shanghai and Shenzhen Stock Exchanges, the Company's non-monetary ETFs ranked the first in the industry in terms of trading volume and market share on the Shanghai and Shenzhen Stock Exchanges during the Reporting Period.

For the futures brokerage business, as of the end of the Reporting Period, Huatai Futures had 9 futures branches and 42 futures branches in total covering 4 municipalities directly under the Central Government and 17 provinces in China, being the agent of 131 types of futures. During the Reporting Period, Huatai Futures realized an agency trading volume of 733.1884 million lots with a transaction amount of RMB55,671,517 million. The Group deepened the integration between its securities and futures businesses, with 240 securities branches permitted to be engaged in Futures IB Business and the total number of Futures IB Business customers reaching 59,800 as of the end of the Reporting Period.

(2) Financial product sales and fund investment advisory business

During the Reporting Period, the Group proactively constructed an integrated asset allocation service system based on buyers' perspective with customer needs as the center, asset allocation and investment and research of financial products as the core business drivers and platformization and specialization as the traction, coordinated and promoted the development of financial product sales and fund investment advisory business and provided customers with differentiated portfolio strategies and allocation solutions to meet customers' diversified demands for wealth preservation and appreciation. According to internal statistics, during the Reporting Period, the number of financial products held (except for the cash management product "Tian Tian Fa" (天天發)) was 11,070, and their sales scale (except for the cash management product "Tian Tian Fa" (天天發)) was RMB443.524 billion. According to the statistics from the Asset Management Association of China (中國證券投資基金業協會) in the fourth quarter of 2023, the Company's shares and hybrid public funds maintained a scale of RMB134,500 million, and the public funds in the non-money market maintained a scale of RMB159,700 million, both ranking the second in the securities industry.

During the Reporting Period, with the focus on the differentiated demands of classified and hierarchical customers and the investment advisory business for buyers as the core, the Group continued to enrich and improve the supply system of financial products. It established the product supply matrix based on various dimensions, provided multi-dimensional solutions from the selection of single products to the allocation of strategies and strengthened the exploration of the value of financial products to satisfy the multi-layered asset allocation demands of customers. The Group continued to enhance the construction of core investment and research capabilities of buyers in wealth management based on the allocation of major assets, performed due research and judgment on various assets, strategies and trends, continuously improved the allocation service systems of "Worry-free Families" (省心家族), constantly optimized customer service scenarios and customer service plans and improved customer companion with integrated operation and advisory services. It enhanced the construction of digital platforms, continuously upgraded and iterated the buyer-side investment research system, strengthened the research capabilities on module functions and strategic support, constantly optimized the factor research system, promoted the penetration research on fundamental assets and the selection and integration of products and resources and improved the efficiency of investment research, enhancing the overall efficiency and capability of the business.

(3) Capital-based intermediary business

During the Reporting Period, for the capital-based intermediary business, the Group closely followed changes in market and policies, adjusted the forward-looking strategic layout, deepened the cooperation and linkage across the entire business chains and practically strengthened risk management and control. It constantly innovated business models, continuously deepened the connotation of services, actively built a multi-layered customer service system and provided customers with comprehensive solutions on integrated financing bills and one-stop services. For margin financing business, the Group actively established the market-based pricing systems, fully leveraged on various marketing instruments and innovative products and effectively met customer demands, achieving steady growth in the market share of the business. For securities lending business, the Group practically strengthened the independent compliance awareness across the entire business chains and constantly improved the management of securities pools and the customer management system to ensure the effective implementation of management and control under new regulations. It continuously iterated the functions of the Securities Lending Path (融券通) platform in combination with customer demands, established and improved the new ecosystems of the securities lending business and provided customers with intelligent and real-time trading experience and digital and personalized operation services. According to the regulatory statement data, as of the end of the Reporting Period, the balance of margin financing and securities lending business of the Parent Company was RMB122.515 billion, with a market share of 7.42%, and the integral maintenance guarantee ratio was 252.02%. The pending repurchase balance of stock pledged repurchase business was RMB26.049 billion in total, with an average fulfillment guarantee ratio of 218.73%, among which, the pending repurchase balance of on-balance-sheet business was RMB6.108 billion, with an average fulfillment guarantee ratio of 216.43%; while the pending repurchase balance of off-balance-sheet business was RMB19.941 billion.

3. *Prospect for 2024*

For wealth management business, the Group will adhere to the orientation of “creating value for customers”, strengthen the construction of financial middle platform and the output of professional capabilities, expand services ecosystem with its open platform, and meet customer demand with in-depth operation to practically promote the transformation of wealth management business into a full life cycle service model for customers and vigorously develop differentiated competitive advantages. It will improve and perfect the classified and hierarchical customer service system, constantly strengthen the integrated customer service and operation model and ancillary operation capabilities, continuously optimize measures on empowering services and operation, build the matrix of contents and services covering the full investment cycle of customers and actively establish the customer growth model with professional service capabilities as the core. Based on professional division of work and systematic cultivation, it will focus on building a professional customer-oriented investment advisory team, continue to improve the classified and hierarchical operation system and efficiency evaluation system

and constantly optimize the integrated operation mechanism with the coordination of the headquarters and branches to effectively improve the efficiency of wealth management services. It will pay continuous attention to the development and application of cutting-edge AI technology, proactively explore and innovate service scenarios, iterate and upgrade the functions of the wealth management platform and facilitate the output of the wealth management service capability and the efficient coverage of customers as well as empower the operation of customer groups in a systematic manner.

For the financial product sales and the fund investment advisory businesses, the Group will integrate resources in the entire business chains and continue to improve the platform-based empowerment. It will actively develop a buyer-side investment advisory business system with the integration of the headquarter and branches, continue to diversify strategy types, optimize customer service scenarios, and iterate and upgrade allocation models. It will strengthen professional capabilities on investment and research, provide customers with diversified solutions for the allocation of financial products and intensify customer companion services to increasingly improve customers' investment experience.

For the capital-based intermediary business, the Group will closely follow new changes in policies and the market, continuously deepen the platform-based, integrated and ecological business development models, uphold the bottom line of compliance, consolidate the defense line of risk control, constantly diversify the connotation of products and services and actively innovate business operation models to meet customers' diversified business demands. It will fully display the comprehensive strength on the entire business chains, improve and perfect professional service systems matching customer demands from trading services, comprehensive services, customer operation, product innovation and other dimensions and continuously improve the brand effect of businesses.

(III) Institutional services business

1. Market environment

In 2023, most of major indexes in the domestic stock market experienced adjustments. The Wind All China Index, the Shanghai Composite Index, the Shenzhen Component Index and the ChiNext Index dropped by 5.19%, 3.70%, 13.54% and 19.41%, respectively. At the same time, the bond market witnessed an upward trend amid fluctuations. The CSI Aggregate Bond Index and the China Bond Composite Full-price (Aggregate) Index jumped by 5.23% and 2.07%, respectively. In the face of the new changes in market environment and under the background of the deepening and implementation of the overall registration-based IPO system and the continuous advancing of relevant policies and measures on revitalizing the capital market, the institutionalization of the capital market was constantly improved. Major institutions sped up in transforming operation models and the market development ecology experienced profound changes, which put forward higher requirements on the institutional service business of securities companies.

In 2023, the overall size of the equity financing market in China declined. According to the statistics from Wind Information, fund raised on the full caliber, including IPOs, additional offering and share allotment, totaled RMB1,064,605 million, representing a year-on-year decrease of 34.66%, among which, funds raised from IPOs were RMB358,971 million, representing a year-on-year decrease of 31.27%; and funds raised from re-financing were RMB705,634 million, representing a year-on-year decrease of 36.26%. The bond financing market maintained a growth momentum with the total amount of bond issuance of RMB71,046,472 million, representing a year-on-year increase of 15.46%, among which, the size of corporate bonds issued was RMB3,855,395 million, representing a year-on-year increase of 24.43%. The number of transactions in the M&A market increased slightly but the sale of transactions maintained the declining trend. According to the statistics from Zero2IPO Research Center private placement department, the number of M&A cases in the M&A market in China was 2,654, representing a year-on-year increase of 4.65% while the amount of transactions was RMB984,789 million, representing a year-on-year decrease of 2.73%. Under the market environment with new policies, securities companies which grasp economic and industrial development trends, build professional service systems with the all-round and full-lifecycle investment and financing demands of customers as the orientation, highlight business synergy and provide integrated and comprehensive financial services and professional financial products and fully display the role of full products and high-efficiency services in serving the high-quality development of the real economy will gain more significant competitive advantages.

2. Operational measures and achievements

(1) Investment banking business

During the Reporting Period, the Group regarded serving the real economy as our mission and responsibility. Adhering to the customer-oriented operation philosophy, the Group fully displayed the leading role of the investment banking business as the flow inlet of quality assets, strengthened the coordination and cooperation of all business segments and continuously promoted financial services covering the full chains and products covering the full cycle to improve the overall market competitiveness in an all-round manner and actively build first-class investment banking service systems with an international horizon. In the evaluation on the quality of the investment banking business of securities companies in 2023 released by the Securities Association of China, Huatai United Securities continuously maintained the A level.

Consolidated data

Currency: RMB

| Categories of Issuance | 2023 | | 2022 | |
|--------------------------------|-----------------------------------|--|-----------------------------------|--|
| | Times of lead underwriting (time) | Lead underwriting amount (in RMB10 thousand) | Times of lead underwriting (time) | Lead underwriting amount (in RMB10 thousand) |
| Issue of new shares | 20 | 1,735,477.09 | 25 | 3,194,594.25 |
| Additional issue of new shares | 31 | 3,778,198.31 | 33 | 4,957,768.24 |
| Allotment of shares | 1 | 58,536.44 | 2 | 118,387.10 |
| Issue of bonds | 2,569 | 66,618,500.08 | 2,024 | 49,495,258.01 |
| Total | 2,621 | 72,190,711.92 | 2,084 | 57,766,007.60 |

Note: The above data are from the regulatory statements, while the statistical caliber is the issuance completion date of the project; preferred shares are included in the additional newly issued shares; bonds issuance includes treasury bonds, enterprise bonds, corporate bonds (including exchangeable bonds), convertible bonds, short-term financing bonds and medium-term notes, etc., but it excludes asset-backed securitization projects.

① Equity financing business

During the Reporting Period, the equity financing business continued to adhere to the whole business chain strategy on deeply exploring regional development and focusing on and serving industries, maintaining its leading position in terms of the ranking and market share in the industry. It continuously consolidated its advantages in large projects. It participated in 3 of the top 10 IPOs and 5 of the top 10 re-financing projects in the whole market. According to the statistics from Wind Information, the number of the Group's equity lead underwriting projects (including the IPOs, additional offerings, allotment of shares, preferred shares, convertible bonds, exchangeable bonds) was 72, ranking the third in the industry; and the amount was RMB91.299 billion, ranking the fourth in the industry.

② Bonds financing business

During the Reporting Period, the bond financing business continuously adhered to serving the high-quality development of the real economy, focused on leading and high-quality customers, promoted the issuance of green bonds and technological innovation bonds, actively developed excellent projects and practiced national strategies. The Group underwrote a total of 77 technological innovation bonds with RMB23.287 billion and 51 green bonds with RMB27.543 billion. According to the statistics from Wind Information, the Group's lead-underwriting number of full variety bonds was 3,150, ranking the third in the industry; and the amount was RMB1,255.854 billion, ranking the third in the industry. According to the statistics from the Securities Association of China, the actual bidding for local government bonds won by the Company amounted to RMB51.261 billion, the corporate bonds related to rural revitalization underwrote by Huatai United Securities as the lead underwriter amounted to RMB3.085 billion, both ranking the first in the industry.

③ Financial advisory business

During the Reporting Period, the Group actively engaged in the promotion of industrial M&As and integration, served the campaign on deepening and improving the reform of SOEs as well as the improvement of the quality of listed companies, achieving diversified development and maintaining the leading advantages for the financial advisory business. It completed the offer on the acquisition of Yutong Group, the asset injection into Tongling Nonferrous, the industrial M&As of Changling Hydraulic, the debt restructuring of Zhengbang

Technology and other diversified cases. The Group continuously served enterprises in “going global” and the “Belt and Road” initiatives. During the Reporting Period, the cross-border M&A transaction on the optical film assets of LG Chem by Nuoyan Capital with the assistance of the Group ranked among the top 10 cross-border M&As of Chinese enterprises in 2023. According to the statistics on the information disclosed by listed companies, the Group served as an independent financial advisor for 7 licensed reorganization transactions disclosed for the first time, ranking the first in the industry. 11 transactions on the acquisition of controlling rights were disclosed and 8 of them were completed, both ranking the first in the industry.

④ OTC business

During the Reporting Period, the Group actively leveraged on the connection path between the NEEQ and the Beijing Stock Exchange, fully displayed the integrated advantage as a large investment bank and continued to provide technological innovation-based growth enterprises with multi-layered capital market services. It was awarded Level I in the results of the evaluation on the practice quality of securities companies in 2023 released by the Beijing Stock Exchange and the NEEQ. During the Reporting Period, the Group completed five projects listing on the NEEQ and six projects for private issuance of stocks by companies listed on the NEEQ. Jiangsu Equity Exchange, a holding subsidiary of the Company, continued to improve the management of existing products and continuously explored innovative business models. The regional equity market systems and business innovation pilots were approved by the CSRC and the plan on the establishment of the special column of “specialized and sophisticated enterprises that produce new and unique products” was filed with the CSRC. The blockchain platform functions were continuously expanded and improved and the diversified and comprehensive financial service capabilities were constantly improved. As of the end of the Reporting Period, 16,454 enterprises have been listed and displayed, 172 enterprises are purely under custody. It has 174 membership units and 80,704 investors of all types, and it raised RMB11.143 billion for enterprises through financing during the Reporting Period.

(2) Prime brokerage (PB) business

During the Reporting Period, the Group deeply explored in serving intuitional customer groups from the perspective of the full PB business chains, continuously optimized customer service platforms, deeply tapped into data value and constantly improved customers' experience, providing professional institutional investors with one-stop comprehensive prime brokerage transactions and services across on – and off-market and domestic and overseas markets. As of the end of the Reporting Period, the Group had 12,190 fund products in custody and the total size of fund in custody reached RMB450.001 billion. We provided administration services to 16,799 fund products (including 987 products from Huatai Asset Management), of which the service scale reached RMB1,078.507 billion (including the business scale of Huatai Asset Management of RMB379.571 billion). According to the statistics from the Asset Management Association of China (中國證券投資基金業協會) in the fourth quarter of 2023, the Group ranked the fourth in the industry in terms of the number of products filed under the private fund custody business.

(3) Research and institutional sales business

During the Reporting Period, in terms of research business, the Group firmly promoted the transformation of business models to continuously improved the cross-border research service system, consistently improve business synergy and efficiency and comprehensively improve investment research products and service capabilities. Focusing on leading institutional customers, the Group was devoted to displaying the supporting and leading role of the research business through strengthening the linkage of multi-industrial research and deeply tapping into the research value, carried out research and service activities through various channels, platforms and manners and satisfied professional research business demands of internal and external customers. It continuously upgraded and iterated the digital service platform, consolidated the investment and research foundation, accumulated investment and research data and assets, constantly deepened the synergy of platforms, improved the production and management processes of products, focused on improving the production efficiency and the digital operation capability of platforms and effectively expanded the scope and depth of research results. The Group has actively carried out various forms of research service activities, including releasing 10,497 research reports, organizing 38,450 research roadshow services and 793 thematic teleconferences, and holding annual investment summit, interim investment summit and other featured and thematic meetings online or through the integration of online and offline means. Centering on customers, in terms of the institutional sales business, the Group continuously promoted the construction and functional iteration of the institutional investor work platform and the service platform, established and improved a classified, hierarchical and integrated business system covering the full business chain, refined and perfected the customer-driven and product-driven service matrix for institutional sales and trading and deeply connected the diversified demands of institutional investors to provide one-stop trading and service solutions. During the Reporting Period, the volume of sub-position transactions for the public fund was RMB1,182.688 billion.

(4) Investment and trading business

① Equity trading business

During the Reporting Period, the Group continued to improve the investment and trading systems on absolute gains. With big data transaction, macro hedging and innovative investment as cores, the Group iterated and upgraded the platform-based business model and effectively improved the capability on the integrated professional investment and trading business. It continuously expanded the breadth, depth and intensity of fundamental research on equity, improved strategic trading systems, diversified trading scenarios and business models, dynamically adjusted positions, leverages and hedging manners, and actively seized investment and trading opportunities in the market. It comprehensively boosted the efficiency of investment and trading platforms, enhanced the dynamic supervision and analysis capabilities and facilitated the accumulation of investment and research capability and the improvement of process management. The market making and trading business focused on the updating and iteration of market making and trading strategies, actively explored business coordination models and continuously improved risk control systems, achieving steady and orderly business operation and ranking among the top in the industry in terms of the business scale. As of the end of the Reporting Period, the Group has filed a total of 106 market-making stocks for the market making of stocks on the STAR Market and provided liquidity services for a total of 615 funds for the market making of listed funds. It has obtained the qualification as a market maker for various equity and commodity options and futures for the OTC derivatives market making business.

② FICC trading business

During the Reporting Period, the Group firmly promoted the strategic transformation of the FICC quantitative trading, constantly diversified the customer-oriented FICC agency service systems with two-way interconnections and continuously advanced the innovation in business models and product structures. In terms of fixed-income proprietary investment business, it focused on the upgrading of core capabilities on strategic R&D and transaction pricing, continuously improved the richness of strategies, actively seized market opportunities and effectively controlled risk exposure to polish the steady profitability. In terms of market-making business, it achieved expansion with the coverage of different markets and varieties and obtained outstanding results in the strategic transformation of quantitative market-making

quotation. It was selected as the best market maker on spot bonds in the interbank market and obtained the qualification as a main market maker for bonds on stock exchanges market as well as other qualifications and authorities, achieving breakthroughs in the trading volume of market making, the coverage of categories and other dimensions. As for bulk commodity business and foreign exchange business, the Group continuously strengthened researches on strategies and transactions, constantly improved the agency exchange trading systems, increasingly diversified trading businesses on foreign exchange settlement and sale based on customer demands and steadily promoted carbon financial business, further consolidating the foundation of diversified development. The Group actively advanced the digital business transformation, constantly optimized the business and functional modules of the FICC Elephant Trading Platform (FICC 大象交易平台) in internal use and external services and continuously upgraded the core capabilities on credit study, pricing and trading of the CAMS (credit analysis management system). According to the statistics from the Securities Association of China, the scale of credit protection tools created by the Group was RMB8,275 million, ranking the first in the industry.

③ OTC derivatives trading business

During the Reporting Period, the Group strived to build a customer-oriented over-the-counter derivatives business system. It constantly improved the business innovation capability and the trading pricing capability, actively expanded the depth and breadth of customer coverage, continuously optimized the product structure and provided customers with all-dimensional derivative trading services through more diversified investment and risk management instruments. Leveraging on the trading-driven and platform-empowered core competitiveness, the Group continuously innovated business models and improved customer services, fully displayed the advantages of digital business platforms, facilitated the accumulation, upgrading and transformation of core business capabilities and vigorously built strong engines continuously driving high-quality business development to fully improve the comprehensive value creation capability of customers. According to the data portals in the regulatory statement SAC agreement, as of the end of the Reporting Period, the Group had 8,295 income swap transaction business contracts with an ongoing size of RMB99.681 billion; the Group had 2,303 OTC option trading business contracts with an ongoing size of RMB149.19 billion. During the Reporting Period, the Group issued 3,563 private placement products through the China Securities Internet System and OTC market, with a total amount of RMB21.189 billion.

3. *Prospect for 2024*

For investment banking business, we will continue to adhere to serving the high-quality development of the real economy, focus on self-reliance in advanced technology, significant regional development, green and low-carbon development and other national strategies, fully display the core competitive advantages in market-based innovation and integrated coordination, comprehensively improve the quality and level of services, duly perform the responsibilities as a “watchman” and provide customers with cross-market comprehensive financial services covering all products and cycles, so as to better facilitate the development of new productivity. In terms of equity financing business, the Group will actively follow the trends of industries and policies in the new era, focus on key industries and areas and continue to improve the recognition over industries and the integrated service capabilities both at home and abroad. In terms of the bond financing business, the Group will further boost efforts in the coverage of high-quality customers and areas, continuously promote the optimization of the business structure and strictly control business risks. For the M&A and restructuring financial advisory business, the Group will adhere to leading the market with benchmark projects, continuously expand business types, actively the injection of high-quality assets, market-based M&As and reorganizations and cross-border M&As of listed companies and empower the industrial transformation and upgrading of customers.

For prime brokerage business, we will fully explore and accumulate data value, display the information advantage of companion operation, continue to facilitate digital transformation and the improvement of the operation efficiency and actively explore accurate services and diversified value conversion for various types of customers to develop differentiated competitive advantages.

For research and institutional sales business, we will continue to improve the integrated domestic and overseas system on institutional customer services, vigorously build all-dimensional and one-stop financial service ecosystem with the focus on the demands of institutional investors, constantly enrich the content of products and services, improve the synergy and efficiency in the full business chain through the platform-based empowerment and systematic division of work and continuously enhance the market competitiveness and the position in the industry.

For investment trading business, we will continue to build platform-based and systematic investment and trading capabilities, improve the customer-oriented business structure and service system, practically upgrade and transform toward the orientation of enhancing asset pricing rights and productization of trading capabilities and constantly boost the core competitiveness. For the equity trading business, the Group will continuously upgrade the system of big data business strategies, iterate and perfect the approaches and methods on absolute gains of the macro hedging business, optimize and expand the investment models of innovative investment businesses, continuously enhance the efficiency of the investment trading business platform and effectively improve professional investment capabilities and risk control capabilities. For FICC trading business, the Group will continue to strengthen the systematic business construction and development, constantly optimize the product structures, continuously improve the pricing and trading capabilities, deeply develop integrated trading business systems, comprehensively boost the capabilities on product creation and comprehensive financial services and further promote the diversification of profit models. For OTC derivatives trading business, the Group will leverage on first-mover advantages in business, the advantages in the systems with market competitiveness and the capabilities on risk control and compliance, continuously tap into hedge trading, product design and pricing, customer services and the construction of digital platforms to increasingly consolidate core competitive advantages.

(IV) Investment management business

1. Market environment

With the comprehensive deepening of financial reform in China, the constant improvement of the multi-layered capital market, the increasing improvement of supporting asset management business systems, the official initiation of the reform of fees for mutual funds and the gradual optimization of the pension system, the asset management business ecosystem is transforming towards high-quality development. The asset management business is speeding up in shaping a new development pattern with in-depth competition and cooperation and improved quality and efficiency. According to the statistics from Asset Management Association of China (中國證券投資基金業協會), as of the end of the fourth quarter of 2023, the total amount of asset management business of fund management companies and their subsidiaries, securities companies and their subsidiaries, futures companies and their subsidiaries and private fund management institutions was RMB67.06 trillion, among which, the amount of mutual funds was RMB27.60 trillion and the amount of private asset management business of securities companies and their subsidiaries was RMB5.93 trillion. Under the background of professional and diversified development in the asset management market, it is more important for asset management institutions to constantly advance the improvement and professional reform of the active management capability, fully display their own featured advantages, better adapt to changes in the market environment, provide investors with diversified and rich product lines and continuously contribute professional value to preservation and appreciation of customers' assets.

Under the background of the complicated international environment and the increasingly strict regulatory environment, China's equity investment market faces ordeals. The overall size of the fundraising market shrank, the investment market continuously slowed down its pace and the number of transactions on market withdrawal decreased, resulting in an overall downward trend in the market. Capitals further gathered in strategic emerging industries and technology-based enterprises. According to the statistics from Zero2IPO Research Center private placement department, in 2023, 6,980 new funds were raised in China's equity investment market, with a total fundraising amount of RMB1,824.471 billion, representing a year-on-year decrease of 15.47%; and there were 9,388 investment cases in China's equity investment market, with a total investment amount of RMB692.826 billion, representing a year-on-year decrease of 23.67%. With the increasingly improvement of regulatory rules on private fund and the comprehensive and standard requirements on the whole process of fundraising and investment operation, the industry has entered the new stage of law-based, standard and refined development, which also raised higher requirements on the comprehensive management capability of equity investment institutions.

2. *Operational measures and achievements*

(1) Asset management business of securities companies

During the Reporting Period, Huatai Asset Management, a wholly-owned subsidiary of the Group, actively adapted to changes in market and regulatory environment. Adhering to the "customer-oriented" philosophy and with the investment asset management and the asset management services on investment banking as drivers, it provided one-stop diversified investment products, asset allocation and overall financial service solutions to meet the customers' asset management demand for the whole lifecycle and cultivate differentiated core competitiveness. Relying on the resources of the Group in the entire business chains, it firmly advanced the platform-based and differentiated development strategies on business, actively developed an integrated asset management business platform, continuously deepened the establishment of investment research systems and continuously enhanced the active investment management capability to provide customers with customized and comprehensive allocation plans on various strategies. According to the regulatory statement data, as of the end of the Reporting Period, the total asset management scale of Huatai Asset Management was RMB475.509 billion. According to statistics from Wind Information, during the Reporting Period, Huatai Asset Management issued 141 enterprises' ABS (asset-backed securitization), ranking the second in the industry; and the issuance scale was RMB115.429 billion, ranking the third in the industry.

During the Reporting Period, for asset management business of securities companies, we strived to improve business structure and enhance development quality, continuously developed core competitiveness on platform operation and integration and actively built scaled and differentiated product systems covering different risk-return characteristics. For the collective asset management business, a total of 192 collective asset management plans were under management and the total management scale was RMB53.418 billion. In respect of the single asset management business, we accelerated the development of net worth entrusted business. A total of 547 single asset management plans were under management and the total management scale was RMB130.751 billion. In respect of specialized asset management business, we continued to promote product innovation to continuously improve the service capabilities in the full business chain. A total of 248 specialized asset management plans were under management and the total management scale was RMB195.402 billion. In respect of the public fund management business, we actively created net-value wealth management solutions for investors with different needs and managed 41 public fund products in total with aggregated management scale of RMB95.938 billion.

The table below sets forth the scale and income of the securities companies' asset management business:

Currency: RMB

| Item | 2023 | | 2022 | |
|---------------------------------------|--|-----------------------------------|--|-----------------------------------|
| | Entrusted scale (in RMB100 million) | Net income (in RMB10 thousand) | Entrusted scale (in RMB100 million) | Net income (in RMB10 thousand) |
| Collective asset management business | 534.18 | 11,747.09 | 665.70 | 16,025.90 |
| Single asset management business | 1,307.51 | 24,985.99 | 1,148.06 | 21,269.30 |
| Specialized asset management business | 1,954.02 | 13,708.39 | 2,052.69 | 13,471.38 |
| Public fund management business | 959.38 | 83,781.97 | 929.69 | 104,230.43 |

Note: The above data are from the regulatory statements.

(2) Private equity fund management business

During the Reporting Period, for the private equity fund management business, the Group focused on key industry research based on its own advantages, deeply deployed on key industries, appropriately adjusted the principle of fund allocation, raised the standards on the selection of projects and actively sought diversified withdrawal paths from invested enterprises. Meanwhile, it continued to explore cooperation opportunities within the ecosystem, strengthened the partnership with large SOEs, leading enterprises in the industries and listed companies to steadily expand the scale of fund management and increasingly improve the market competitiveness. As of the end of the Reporting Period, Huatai Purple Gold Investment and its secondary subsidiaries as managers have filed a total of 27 private equity investment funds with the Asset Management Association of China (中國證券投資基金業協會), with a total subscription amount of RMB60.078 billion and a total paid-up capital of RMB45.192 billion. During the Reporting Period, the above-mentioned private equity investment funds implemented a total of 47 investment projects with a total investment amount of RMB1.742 billion. According to the statistics of the Asset Management Association of China (中國證券投資基金業協會), as of the fourth quarter of 2023, Huatai Purple Gold Investment ranked the third in the industry in terms of average monthly scale of private fund.

(3) Asset management business of fund companies

During the Reporting Period, with adherence to equal emphasis on compliance management and business development, fund companies under the Group continuously stepped up efforts on product research and business innovation, strengthened the forward-looking layout on featured products, optimized customer insight and response and fully displayed the advantages in the integration of all businesses under the investment and research system to increasingly enhance the comprehensive capabilities on cross-cycle asset management in multiple categories and continue to maintain the increase in the total scale of assets under management. China Southern Asset Management continuously optimized product layout and business system, proactively established value-creating capabilities supported by intelligent and platform-based operation. As of the end of the Reporting Period, the total assets under its management amounted to RMB1,892.552 billion,

among which China Southern Asset Management managed a total of 353 funds in its mutual funds business, the total asset size of which amounted to RMB1,068.063 billion, and the total asset size of private funds business amounted to RMB824.489 billion. Huatai-PineBridge persisted in featured development and enhanced the layout on index products, bonus products, overseas products and businesses with fixed income. As of the end of the Reporting Period, the total assets under its management amounted to RMB398.22 billion. Specifically, Huatai-PineBridge managed a total of 150 funds in its mutual funds business, the total asset size of which amounted to RMB380.146 billion, and the total asset size of private funds business amounted to RMB18.074 billion. According to the statistics of the Shanghai and Shenzhen Stock Exchanges, as of the end of the Reporting Period, the scale of the broad-based index fund CSI 300ETF under Huatai-PineBridge was RMB131.017 billion, ranking the first among all non-monetary ETFs on the Shanghai and Shenzhen Stock Exchanges. (The profit or loss from equity investments of China Southern Asset Management and Huatai-PineBridge were included under other segments in the segment report)

(4) Asset management business of futures companies

During the Reporting Period, Huatai Futures, a wholly-owned subsidiary of the Group, actively promoted the technology-led digital transformation and the innovation-led business transformation. On the basis of its product lines centered on FOFs and with active management as a supplement, it steadily conducted diversified expansion, constantly enriched product layout and customer groups, continuously enhanced professional investment and research in empowering business development and sped up in creating core competitive advantages to meet the differentiated risk appetites and asset allocation demands of customers. As of the end of the Reporting Period, Huatai Futures managed a total of 32 asset management plans which were in the duration period. The total asset management scale was RMB1,107,292,700, and the futures equity scale was RMB444,279,000.

(5) Alternative investment business

The Group carried out alternative investment business through its wholly-owned subsidiary Huatai Innovative Investment. During the Reporting Period, Huatai Innovative Investment fully improved business synergy and efficiency, focused on the development of FINTECH equity investment and the co-investment business of the STAR Market, and steadily explored the co-investment business of the ChiNext and the strategic placement business of the Beijing Stock Exchange according to regulatory requirements and the Group's business layout. As of the end of the Reporting Period, there were 40 subsisting investment projects with an investment scale of RMB1,753.5399 million. The investment attributes mainly include co-investment on the STAR Market and equity investment.

3. *Prospect for 2024*

The asset management business of securities companies will continue to rely on the system of the entire business chain of the Group, display the advantages of featured resources of securities companies in asset management, strengthen differentiated development endowments, consolidate the foundation of the platform-based infrastructure capability and constantly and deeply integrate full business scenarios and internal and external resources into platforms to empower further progress in business development. With the concept of high-quality development, it will advance the capability building and management evolution in asset management on investment banking, investment asset management and digitalization, establish competition barriers with differentiated businesses and achieve hardcore breakthroughs with platform-based operation to facilitate the achievement of ecological synergy and business transformation.

In respect of the private equity fund management business, the Group will continue to promote the investment layout on strategic emerging industries, dynamically adjust the investment orientation and the principle of fund allocation, constantly strengthen professional investment capabilities, actively seek diversified withdrawal paths from investment projects and enhance the active empowerment awareness and value-added service capability on post-investment management. It will leverage advantages in full industrial chains of the Group and continue to exploit and explore new businesses to facilitate the diversification of business structure and profit models.

In respect of the asset management business of fund companies, we will continue to strengthen compliance risk control and management and talent team building. We will continue to maintain the exploration of new businesses and the development of new products, fully advance the empowerment system with products as the leading role, continuously optimize all-process and refined customer companion service systems and actively establish digital and intelligent systems and platforms to constantly strengthen the professional core capability on investment research and comprehensively empower business development.

In respect of the asset management business of futures companies, we will continue to improve the cooperation mechanism on the full business chain, vigorously advance the establishment of the digital platform system, strengthen the composition of investment teams covering all assets, all strategic lines and all investment instruments based on big platforms, and constantly promote productization based on the management capability on commodity CTA strategies, with an aim to proactively establish a unique product system and management capabilities with differentiated competitiveness.

In respect of the alternative investment business, we will constantly improve system, mechanism and operational process, deepen the construction of the FINTECH ecosystem, and prudently promote the development of equity investment, the follow-on investment on the STAR Market, and other new businesses, and improve capital usage efficiency and return on assets.

(V) International business

1. Market environment

In 2023, the world economy continued to fluctuate with sluggish recovery and insufficient momentum of growth. Due to various factors such as the monetary policies of the Federal Reserve and changes in internal and external economic expectations, the performance of the Hong Kong secondary market was sluggish with the Hang Seng Index and the Hang Seng Tech Index down by 13.82% and 8.83%, respectively. According to the statistics from Wind Information, the turnover in the market was HK\$19.14 trillion, representing a year-on-year decrease of 19.31%. The scale of equity financing in the Hong Kong primary market shrank. The funds raised through IPOs in the market were HK\$46,321 million, representing a year-on-year decrease of 55.73%. The funds raised upon listing were HK\$115,581 million, representing a year-on-year decrease of 36.25%. The US secondary market recorded a strong performance with the Dow Jones Industrial Average, the S&P 500 and the Nasdaq up by 13.70%, 24.23% and 43.42%, respectively. According to the statistics from Wind Information, the turnover in the market was US\$88.86 trillion, representing a year-on-year decrease of 5.73%. The scale of equity financing in the US primary market has expanded. The size of funds raised through IPOs in the market was US\$27,746 million, representing a year-on-year increase of 11.36%. The scale of additional offerings was US\$93,710 million, representing a year-on-year increase of 84.52%. The funds from investors in the US TAMP market showed a trend of transferring to investment products with lower costs and fees. The TAMP industry can keep empowering and fueling the wealth management business through leading FINTECH development, which can bring the cost advantage of scale to customers and help them grasp development opportunities. According to the statistics of Cerulli, from 2017 to 2022, the compound annual growth rate of the TAMP market was 14.9%, which was significantly higher than that of the overall investment advisory market, which was 10.1% for the same period.

With the gradual implementation of measures on the high-level institutional and systemic opening up of the capital market in China, the interconnection mechanism of onshore and offshore capital market was continuously optimized, the varieties of cross-border products were increasingly diversified and the facilitation of cross-border investment and financing was increasingly improved, which expanded the room for the development of cross-border businesses and the international layout of securities companies and raised higher requirements on the integrated risk control capability covering different regions, various markets and varieties.

2. *Operational measures and achievements*

During the Reporting Period, as the Group's holding platform for international business, Huatai International was fully integrated into the full business chain system of the Group. It consolidated the intermediary positioning in the capital market, deeply explored the customer-oriented, integrated and platform-based cross-border service ecosystem, strictly controlled risks, diversified product categories, expanded market channels and improved customer experience to meet customers' demands for global asset allocation. It achieved stable performance growth, constantly deepened the international business layout and continuously enhancing the influence in overseas markets. As of the end of the Reporting Period, the asset size of Huatai International exceeded HK\$200 billion, ranking it among the leading Chinese-funded securities firms in Hong Kong with its comprehensive strength continuing to improve.

(1) Business in Hong Kong

The Group's business in Hong Kong adhered to its origins as a brokerage firm, with cross-border business as the starting point, built all-dimensional and comprehensive cross-border financial service platform systems and maintained positive growth of its business scale and revenue in the volatile market environment with its advanced platform strength and effective risk control capabilities. During the Reporting Period, the business systems including the equity business platform, fixed-income business platform, wealth management platform, fund platform and flagship investment banking business continued to deepen with outstanding differentiated competitive advantages. For the equity derivatives business, the Group has utilized the advantages of the Group's platforms to continuously diversify product categories, achieve progress in the scale of cross-border businesses amid stability and constantly consolidate its leading position in the industry; for the stock sales and transactions business, the Group focused on one-stop and comprehensive cross-border financial services on "spot equities + cross-border prime brokerage + QFII" to adjust strategies and service modes in a timely manner and effectively expand the share in existing markets; and it successfully carried out RMB-HKD dual-currency counter market making businesses; for FICC business, the Group strictly controlled risks, deepened the adjustment of strategies, continuously stepped up efforts in trading-driven light-asset businesses and low-risk businesses with enhanced earnings and improved the cross-border sales and trading systems with the orientation of customer demands; for the wealth management business, the Group continuously improved online and offline platform-based and integrated operation, constantly optimized the functions and operating capability of the "ZhangLe Global" (漲樂全球通) platform and significantly boosted the sales

volume of wealth products through enhancing product strength, deepening business linkage and improving sales management systems. For the fund business, the Group strictly controlled risks and developed new product categories based on customer demands for the private equity investment business and continuously promoted business transformation of the asset management business, officially invested in the operation of the first fund product under active management and issued the first overseas public funds; For the investment banking business, the Group practically strengthened cross-market execution and service capabilities and continuously improved the customer-centric and comprehensive cross-border investment banking service platform and systems, achieving significant improvement in the market share. Based on internal and external statistics and during the Reporting Period, Huatai Financial Holdings (Hong Kong) sponsored 10 IPO projects, ranking the second in terms of the number of projects sponsored. It also completed the issuance of 6 GDRs in the capacity of global coordinator, ranking the first in the market in terms of the number of issuances.

During the Reporting Period, the Group's business in Hong Kong maintained healthy and balanced business development. As for securities trading, Huatai Financial Holdings (Hong Kong) achieved the total assets under custody of HK\$84.065 billion and the total stocks trading volume of HK\$309.191 billion; as for advising on securities, it actively provided research reports and advisory services for customers; as for advising on corporate finance, it participated in completion of 29 listing, placement, re-financing and GDR projects and 157 bond issue projects with the total amount of trading and issuance of HK\$33.532 billion; as for financing for securities deposits, the accumulated credit amount was HK\$2.304 billion. During the Reporting Period, Huatai Financial Holdings (Hong Kong) officially obtained the qualification as a market maker of "Northbound Trading" under the Bond Connect issued by the Hong Kong Monetary Authority and the license for Type 7 (Providing Automated Trading Services) regulated activities issued by the SFC. Meanwhile, Huatai Financial Holdings (Hong Kong) became a listing and trading member on the Luxembourg Stock Exchange and a "warrant" issuer on the HKEX.

(2) AssetMark

AssetMark's mission is to make a difference in the lives of independent investment advisors and the investors they serve. The advantages of AssetMark's core business include a fully integrated platform with compelling technology, personalized and scalable services and curated investment function. Such clear business strategies guided AssetMark to define its short-term and long-term goals. AssetMark designs and aligns its strategies to things that matter most to advisors and that differentiate it in the TAMP marketplace. According to Cerulli Associates and other public information, as of the end of the third quarter of 2023, AssetMark's market share in the US TAMP industry was 10.8%, ranking the second in the industry.

During the Reporting Period, AssetMark maintained its leading position in the industry through leading business models and advanced technology platforms, steadily expanded the scale of the platform assets and constantly increased the business revenue. As of the end of the Reporting Period, the total platform assets of AssetMark reached USD108.928 billion, representing an increase of 19.09% from the end of 2022; the AssetMark platform served an aggregate of 9,323 independent investment advisors, of whom, 3,123 active investment advisors manage assets of more than USD5 million, representing an increase of 8.36% from the end of 2022; the total investor households served by the AssetMark platform reached over 254,000, representing an increase of 5.42% from the end of 2022. During the Reporting Period, 666 investment advisors signed new contracts with AssetMark.

(3) Huatai Securities (USA)

With the approval of the US Financial Industry Regulatory Authority, Huatai Securities (USA) obtained the broker-dealer license in 2019 and obtained qualification for proprietary trading in 2020. It obtained the business qualification for securities trading with institutional investors in Canada in 2021 and obtained market access to major stock exchanges in Europe in 2022. During the Reporting Period, it became an introducing broker for US futures products. During the Reporting Period, Huatai Securities (USA) completed the infrastructure construction and system building for the FICC trading counter in the US, connected to the FICC trading counter in Hong Kong, constantly expanded the variety of products and market channels of FICC trading as an agency for customers and continuously optimized the cross-border linkage and coordination mechanism of U.S. domestic businesses and domestic and Hong Kong businesses, providing integrated services to global investors. During the Reporting Period, as an underwriter, Huatai Securities (USA) actively participated in the listing and trading on the US stock market of Chinese enterprises and the block trade business of internationally renowned enterprises.

(4) Singapore Subsidiary

The Singapore Subsidiary obtained the licenses on capital market services and the waiver of licensing requirements on wealth management advisory issued by Monetary Authority of Singapore in September 2023 and conducts securities trading and corporate financing businesses in Singapore in compliance with laws and regulations. During the Reporting Period, the Singapore Subsidiary focused on deploying on investment banking, equity derivatives, wealth management, fixed income and other businesses, explored customers in the country and the Southeast Asia, publicized products and brands of the enterprise and actively developed complete service and trading platforms.

3. *Prospect for 2024*

Huatai International will continue to deepen its global layout, deeply tap into customer demands and develop classified and hierarchical integrated service systems. Relying on the platform-based operation, it will effectively improve the synergy and efficiency in the full business chain and strictly control risks to increasingly improve the market competitiveness and the position in the industry.

For the business in Hong Kong, the Group will continue to improve the customer service system, consolidate the intermediary positioning of the cross-border capital market and provide customers with one-stop financial services. For equity derivatives business, the Group will continue to solidify its business strengths, explore new businesses and new markets and strengthen the levels of customer services in all aspects; for stock sales and trading business, the Group will continuously improve its product lines, build and optimize a classified and hierarchical integrated service system, effectively improve the synergy and efficiency in the full business chain and continuously maintain and consolidate the customer relationship; for FICC business, the Group will deeply tap into customer demand, boost the capability on integrated sales and transactions based on the upgrading and iteration of platforms and match multi-layered onshore and offshore investment and transaction demands of customers; for wealth management business, it will consolidate the transaction and asset allocation functions of the platform with the orientation of improving customers' core experience, continuously improve the product layout based on market research and judgment and further improve its service levels; for fund business, it will continue to strictly control risks, implemented the fund-based business operation, expanded fees-based businesses, actively seize market opportunities and leverage on the resources advantage across the full industrial chain to empower customers; for investment banking business, it will fully display the advantages in onshore and offshore integration, expand the coverage of customers and projects in key areas, deeply explore business opportunities in advantageous regions and continuously improve the quality and efficiency in the execution of projects.

AssetMark will continue to rely on the advantages of the core business, optimize an integrated technology platform, improve customizable and scaled services, strengthen advanced investment management capabilities and cultivate a flexible and professional wealth management ecosystem. AssetMark will continue to deepen cooperation with the existing investment advisors, focus on customers' needs, provide differentiated services and assist customer growth to further expand the investment consulting customer base. AssetMark will continue to upgrade its digital tools and platforms to empower investment advisors, and improve interaction experience and office collaboration, and help investment advisors navigate their clients' financial health plans. It will vigorously expand customer channels and devote to improving the operation efficiency and reducing operational risks through promoting scale-based business and the practice of the listed company in performing social responsibilities. In addition, AssetMark will continue to focus on high-quality strategic M&A opportunities to promote extensive growth.

Huatai Securities (USA) will actively seize cross-border business opportunities, continuously expand business layout, constantly improve the business collaboration capabilities and expand the depth and breadth of the coverage over global institutional investors. It will continuously improve stocks and the platform and product systems of the FICC cross-border trading for customers as an agent, actively broaden service radiation channels and provide all-round services to meet the asset allocation and risk hedging needs of global investors.

The Singapore Subsidiary will focus on comprehensive development, actively expand business areas and continuously improve service systems. It will advance the application for the license for fund management and the qualification as an underwriter on the Singapore Exchange, further optimize the allocation of resources of personnel, promote the expansion of the coverage in the Southeast Asian market and build the ecosystems of “investment banking + wealth management + institutional trading” to provide regional support to the Group’s internationalization strategy.

(VI) Digital development

1. Digital development strategy

The Group is committed to building technology as one of the core competencies of the Company, expanding the application of digital finance, consolidating the base of FINTECH and promoting digital transformation across the board. The Group will give further play to the critical role of technology in business development to unleash the value of “business + technology” integration. While pursuing platform-based and intelligent integration, the Group will take into account the current situation and make concrete efforts in promoting platform-based services, through which it is eager to effectively improve customer service experience and business operation efficiency. For long-term development, it endeavors to build key capability in FINTECH by taking advantage of big data and AI technology and consolidate its core business ability by innovating new business models. By strengthening the guarantee in organizational mechanism and optimizing the metrics-based appraisal system, the Group is doing more work in the cultivation of versatile talents and the creation of an innovative atmosphere, hoping to fully transform its technological advantages into leading value creativity in its core business and first-class competitive advantages in the market.

2. Major measures and results in digital transformation during the reporting period

During the Reporting Period, focusing on the four overall targets of digital transformation, namely to achieve “client’s success, business innovation, operation optimization and employee empowering”, the Group has built differentiated competitive advantages by building platform capabilities, depositing data assets and implementing organizational mechanisms to practically enhance business value and increase the sense of gain for customers and employees.

In terms of “client’s success”, digital services and experience were enhanced, and customer management and insights were continuously strengthened. “ZhangLe Fortune Path” (漲樂財富通) focused on enhancing its trading service and case-by-case recommendation capabilities by establishing the iAsk (i問), an intelligent service platform on the app, which provides customers with a new service form based on intelligent Q&A. “Xing Zhi (行知)”, a one-stop service platform for institutional customers, released version 4.0 and continued to expand service scenarios with the launch of functions for institutional business, including OTC derivatives, institutional wealth management, ABS, and Hong Kong stock bookkeeping. The Onboarding platform for institutional customers was built to facilitate unified management and service of institutional customers, accounts and users.

In terms of “business innovation”, we have reshaped our products with new forms to meet customer needs and strengthened our platform-based service to enhance core capability. The FICC Elephant Trading Platform (FICC大象交易平台) has intensified its core functions such as trading, risk control, investment, quantification and operation with focus on improving market-making and customer service capabilities; the investment research center has completed the asset governance of all the company’s reserve of investment research data, and established a unified research data base at the company level; and the RIS intelligent investment research platform has upgraded its intelligent research report services and improved automated production standard and product quality by optimizing valuation models, knowledge maps and other core investment research tools.

In terms of “operation optimization”, quality and efficiency have been improved through automation and intelligence and control ability has been strengthened by modeling. Practice efficiency and risk control capability towards the investment banking business have been enhanced with more AI empowerment to significantly save business time from repetitive work. With regard to risk control, we exercised comprehensive and integrated control over the key risk processes of OTC derivatives and built a unified system of risk identification, measurement, assessment, monitoring and reporting for OTC derivatives business, so as to ensure the sound development of our businesses with risks under monitoring and control.

In terms of “employee empowering”, the Company endeavored to satisfy employees’ professional needs with multiple scenarios empowerment and serve their daily work in various aspects. “AORTA (聊TA)”, the intelligent investment consulting platform, focused on improving its refined operation capability for investment consultants in terms of classification and stratification, customer operation, etc.; “QingCloud (青雲)”, the sales management platform for institutional customers, released version 2.0, initially realizing the integration of domestic and overseas marketing services, and actively introducing AI technology to improve the efficiency and experience of sales work.

(VII) Business innovation and its effects on the Company's business performance, future development and risk control

During the Reporting Period, the Company constantly carried out business innovation activities, promoted the innovation of business, products, services and management modes, and constantly improved its innovation ability. The development of innovative business is a supplement to the existing product lines and business scope, which can effectively release business space, expand client resources and revenue sources, enhance profitability, as well as improve customer structure and business model, meet customers' full and diversified business needs, and further enhance brand influence.

During the Reporting Period, the Company continued to improve the risk management mechanism on new business, extend the coverage of internal control management of new business, conduct backtracking assessment and on-site inspection of new business, enhance the identification and assessment of new risk points in the process of new business, and promote the improvement of control measures of new business from the multi-dimensional perspective of mechanism, system and process. The Company made sustained efforts in optimizing the construction of the system functions relating to the risk assessment and management of new business to enhance the quality such risk assessment and to guarantee that the risks are measurable, controllable and bearable.

During the Reporting Period, the Company launched bond market making business on the Shanghai & Shenzhen Stock Exchanges, stock market making business on the Beijing Stock Exchange, carbon emission investment business, obtained the market making qualification on options on STAR 50ETF and obtained the market making qualification on certain commodity futures/options on Zhengzhou Commodity Exchange, Shanghai Futures Exchange and Dalian Commodity Exchange and provided liquidity to the market. Based on the risk characteristics of specific business, the Company conducted in-depth research on the risk nature of each business, identified and evaluated the potential business risks and established business management measures, and it also set various risk control indicators at strategic and corporate levels and carried out management and control on risk exposure and position limit. The Company further improved the ancillary staff assignment, system construction and control mechanism including decision-making authorization, subject management, risk monitoring, model validation, and business continuity management for the market-making business to ensure that new business could be carried out in an orderly and steady manner.

(VIII) There were no significant changes in the Company's operation status during the Reporting Period and there were no matters that had or expected to have significant influence in the future on the Company's operation during the Reporting Period

VI. MAJOR OPERATIONS DURING THE REPORTING PERIOD

As of December 31, 2023, on a consolidated basis, total assets of the Group amounted to RMB905.508 billion, representing a year-on-year increase of 6.96%; total equity attributable to shareholders of the Company amounted to RMB179.108 billion, representing a year-on-year increase of 8.49%; total revenue, other income and gains amounted to RMB52.260 billion, representing a year-on-year increase of 11.61%; and profit for the year attributable to shareholders of the Company amounted to RMB12.751 billion, representing a year-on-year increase of 15.35%.

(I) Main businesses analysis

1. Analysis table of the changes in relevant items of the income statement and the cash flow statement

Unit: Thousand Yuan Currency: RMB

| Item | Amount for the current period | Amount for the same period of last year | Change percentage (%) |
|---|-------------------------------------|--|-----------------------------|
| Total revenue, other income and gains | 52,260,421 | 46,824,372 | 11.61 |
| Total expenses | (40,640,541) | (35,815,380) | 13.47 |
| Profit before income tax | 14,204,664 | 12,228,038 | 16.16 |
| Profit for the year attributable to the shareholders of the Company | 12,750,633 | 11,053,987 | 15.35 |
| Net cash (used in)/generated from operating activities | (28,475,553) | 70,290,567 | N/A |
| Net cash used in investing activities | (6,264,467) | (16,715,000) | N/A |
| Net cash generated from/(used in) financing activities | 17,961,792 | (26,697,139) | N/A |
| Net (decrease)/increase in cash and cash equivalents | (16,778,228) | 26,878,428 | N/A |

2. Revenue, other income and gains

As of December 31, 2023, the Group recorded total revenue, other income and gains of RMB52,260 million, representing a year-on-year increase of 11.61%, in which:

- (1) Fee and commission income recorded a year-on-year decrease of 9.72% to RMB18,941 million, accounting for 36.24%, mainly due to the decrease in income from securities brokerage and advisory business.
- (2) Interest income recorded a year-on-year increase of 6.34% to RMB14,615 million, accounting for 27.97%, mainly due to the increase in interest income from debt instruments at amortised cost and interest income from financial institutions.
- (3) Net investment gains recorded a year-on-year increase of 93.65% to RMB11,670 million, accounting for 22.33%, mainly due to the increase in revenue from the Group's investment business.
- (4) Other income and gains recorded a year-on-year increase of 15.84% to RMB7,034 million, accounting for 13.46%, mainly due to the increase in income from sales of bulk commodity of the Group.

Unit: Thousand Yuan Currency: RMB

| Item | 2023 | | 2022 | | Increase/decrease | |
|---------------------------------------|-------------------|----------------|-------------------|----------------|-------------------|---------------|
| | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| Fee and commission income | 18,940,982 | 36.24% | 20,981,425 | 44.81% | (2,040,443) | (9.72)% |
| Interest income | 14,615,232 | 27.97% | 13,744,117 | 29.35% | 871,115 | 6.34% |
| Net investment gains | 11,670,400 | 22.33% | 6,026,587 | 12.87% | 5,643,813 | 93.65% |
| Other income and gains | 7,033,807 | 13.46% | 6,072,243 | 12.97% | 961,564 | 15.84% |
| Total revenue, other income and gains | <u>52,260,421</u> | <u>100.00%</u> | <u>46,824,372</u> | <u>100.00%</u> | <u>5,436,049</u> | <u>11.61%</u> |

3. Total expenses

As of December 31, 2023, the Group's total expenses were RMB40,641 million, representing a year-on-year increase of 13.47%, mainly due to the increase in interest expenses and other operating expenses, in which:

- (1) Fee and commission expenses amounted to RMB4,328 million, representing a year-on-year decrease of 8.80%, mainly due to the decrease in expenses of securities brokerage business and futures brokerage business.
- (2) Interest expenses amounted to RMB13,663 million, representing a year-on-year increase of 22.96%, mainly due to the increase in interest expenses of debt financing.
- (3) Staff costs amounted to RMB9,372 million, representing a year-on-year decrease of 6.77%, mainly due to the decrease in accrued staff costs of the Group.
- (4) Other expenses mainly include depreciation and amortisation expenses, tax and surcharges as well as (reversal of) asset impairment loss and other operating expenses.

Unit: Thousand Yuan Currency: RMB

| Item | 2023 | | 2022 | | Increase/decrease | |
|--|---------------------|----------------|---------------------|----------------|--------------------|---------------|
| | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| Fee and commission expenses | (4,328,290) | 10.65% | (4,745,839) | 13.25% | 417,549 | (8.80)% |
| Interest expenses | (13,662,909) | 33.62% | (11,111,339) | 31.02% | (2,551,570) | 22.96% |
| Staff cost | (9,371,842) | 23.06% | (10,051,898) | 28.07% | 680,056 | (6.77)% |
| Depreciation and Amortization expenses | (1,856,409) | 4.57% | (1,552,576) | 4.33% | (303,833) | 19.57% |
| Tax and surcharges | (187,664) | 0.46% | (189,971) | 0.53% | 2,307 | (1.21)% |
| Other operating expenses | (11,644,373) | 28.65% | (8,649,106) | 24.15% | (2,995,267) | 34.63% |
| Financial assets impairment reversal/ (losses) | 410,946 | (1.01)% | 485,349 | (1.36)% | (74,403) | (15.33)% |
| Total expenses | (40,640,541) | 100.00% | (35,815,380) | 100.00% | (4,825,161) | 13.47% |

4. *Analysis of segment revenue, other income and gains and segment expenses*

(1) Analysis of segment revenue, other income and gains

Unit: Thousand Yuan Currency: RMB

| Business segment | Segment revenue, other income and gains for the current period | Percentage of total segment revenue, other income and gains for the current period (%) | Segment revenue, other income and gains for the same period of last year | Percentage of total segment revenue, other income and gains for the same period of last year (%) | Increase or decrease in percentage of total segment revenue, other income and gains as compared to the same period of last year |
|---------------------------------|--|--|--|--|---|
| Wealth management business | 23,324,795 | 44.63 | 23,482,561 | 50.15 | Decrease of 5.52 percentage points |
| Institutional services business | 10,549,352 | 20.19 | 8,133,656 | 17.37 | Increase of 2.82 percentage points |
| Investment management business | 3,358,823 | 6.43 | 2,270,428 | 4.85 | Increase of 1.58 percentage points |
| International business | 12,941,308 | 24.76 | 9,413,986 | 20.10 | Increase of 4.66 percentage points |
| Others (including offset) | 2,086,143 | 3.99 | 3,523,741 | 7.53 | Decrease of 3.53 percentage points |

During the Reporting Period, on a consolidated basis, the Group recorded revenue, other income and gains of RMB52,260 million in total, representing a year-on-year increase of 11.61%. Among the principal business segments, as influenced by the market, segment revenue from wealth management business of the Group decreased by RMB158 million as compared to the same period of last year; segment revenue from institutional services business and investment management business increased by RMB2,416 million and RMB1,088 million, respectively, as compared to the same period of last year; international business segment maintained a favorable growth, with revenue increasing by RMB3,527 million as compared to the same period of last year.

(2) Analysis on segment expenses

Unit: Thousand Yuan Currency: RMB

| Business segment | Segment expenses for the current period | Percentage of total segment expenses for the current period (%) | Segment expenses for the same period of last year | Percentage of total segment expenses for the same period of last year (%) | Increase or decrease in percentage of total segment expenses as compared to the same period of last year |
|---------------------------------|--|--|--|--|---|
| Wealth management business | (16,634,272) | 40.93 | (15,063,586) | 42.06 | Decrease of 1.13 percentage points |
| Institutional services business | (7,907,900) | 19.46 | (7,434,388) | 20.76 | Decrease of 1.30 percentage points |
| Investment management business | (1,589,098) | 3.91 | (1,210,570) | 3.38 | Increase of 0.53 percentage point |
| International business | (10,648,760) | 26.20 | (7,521,339) | 21.00 | Increase of 5.20 percentage points |
| Others (including offset) | (3,860,511) | 9.50 | (4,585,497) | 12.80 | Decrease of 3.30 percentage points |

In terms of expenses of each business segment as a percentage of total expenses of the Group, expenses of wealth management business segment and institutional services business segment decreased by 1.13 percentage points and 1.30 percentage points, respectively; expenses of investment management business segment and international business segment increased by 0.53 percentage point and 5.20 percentage points, respectively.

5. *Information of R&D personnel*

During the Reporting Period, the Group continued to deepen the strategy on digital transformation, firmly focused on the overall target of “making technology the core competitiveness of Huatai”, further solidified the construction of technology organizations and constantly established scientific and flexible organizational systems and talent development systems, achieving the quality development of R&D team. As of the end of the Reporting Period, the R&D personnel of the Group amounted to 3,286, representing 19.73% of the total staff of the Group.

As of the end of the Reporting Period, the information of R&D personnel of the Group is as follows¹:

| | |
|--|-------|
| Number of R&D personnel of the Company | 3,286 |
| Percentage of the number of R&D personnel to the Company’s total number of employees (%) | 19.73 |

Education composition of R&D personnel

| Education composition category | Number of education composition |
|-----------------------------------|---------------------------------|
| Doctor | 15 |
| Master | 1,406 |
| Bachelor | 1,508 |
| Junior college graduate and below | 35 |

Age composition of R&D personnel

| Age composition category | Number of age composition |
|--------------------------|---------------------------|
| <30 | 1,174 |
| ≥30-<40 | 1,566 |
| ≥40-<50 | 170 |
| ≥50 | 54 |

Note: 1. Due to the internal policies of corporations in the United States, the above statistics of education and age composition do not include those of employees of corporations in the United States.

6. *Cash flow*

Unit: Thousand Yuan Currency: RMB

| Item | Amount for the current period | Amount for the same period of last year | Amount of increase or decrease | Percentage of increase or decrease (%) |
|--|--|--|---|---|
| Net cash (used in)/generated from operating activities | (28,475,553) | 70,290,567 | (98,766,120) | N/A |
| Net cash used in investing activities | (6,264,467) | (16,715,000) | 10,450,533 | N/A |
| Net cash generated from/(used in) financing activities | 17,961,792 | (26,697,139) | 44,658,931 | N/A |
| Net (decrease)/increase in cash and cash equivalents | (16,778,228) | 26,878,428 | (43,656,656) | N/A |

During the Reporting Period, the net decrease in cash and cash equivalents of the Group was RMB43,657 million, in which:

- (1) Net cash used in operating activities was RMB28,476 million, representing a decrease of RMB98,766 million as compared to the same period of last year, mainly due to the increase in financial instruments at fair value through profit or loss for the current period.
- (2) Net cash used in investing activities was RMB6,264 million, representing an increase of RMB10,451 million as compared to the same period of last year, mainly due to the decrease in the amount used for purchase of debt investment as amortised cost for the current period.
- (3) Net cash generated from financing activities was RMB17,962 million, representing an increase of RMB44,659 million as compared to the same period of last year, mainly due to the decrease in cash paid for settlement of issued debt instruments for the current period.

7. *Detailed description of significant changes in the Group's business types, components or sources of profit*

Unit: Thousand Yuan Currency: RMB

| Item | Amount for the current period | Amount for the same period of last year | Year-on-year change (%) | Principal reason |
|--|--|--|--------------------------------|---|
| Total revenue, other income and gains | 52,260,421 | 46,824,372 | 11.61 | Increase in net investment gains |
| Total expenses | (40,640,541) | (35,815,380) | 13.47 | Increase in other operating expenses and interest expenses |
| Operating profit | 11,619,880 | 11,008,992 | 5.55 | Increase in total revenue, other income and gains |
| Profit before income tax | 14,204,664 | 12,228,038 | 16.16 | Increase in total revenue, other income and gains |
| Profit for the year | 13,036,260 | 11,366,621 | 14.69 | Increase in total revenue, other income and gains |
| Among which: profit for the year attributable to shareholders of the Company | 12,750,633 | 11,053,987 | 15.35 | Increase in total revenue, other income and gains |
| Item | Balance as at the end of the period | Balance as at the beginning of the period | Year-on-year change (%) | Principal reason |
| Total assets | 905,508,389 | 846,570,990 | 6.96 | Increase in financial assets |
| Total liabilities | 723,290,957 | 678,714,380 | 6.57 | Increase in debt financing and financial liabilities at fair value through profit or loss |
| Total shareholders' equity | 182,217,432 | 167,856,610 | 8.56 | Realization of profit for the year |

(II) Analysis of key items of consolidated statement of financial position

1. General description of consolidated statement of financial position

| Item | As at December 31, 2023 | | As at December 31, 2022 | | Increase/decrease | |
|---|-------------------------|---------------|-------------------------|---------------|-------------------|--------------|
| | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| Unit: Thousand Yuan Currency: RMB | | | | | | |
| Non-current assets | | | | | | |
| Property and equipment | 6,519,710 | 0.72% | 6,287,383 | 0.74% | 232,327 | 3.70% |
| Investment properties | 136,284 | 0.02% | 217,586 | 0.03% | (81,302) | (37.37)% |
| Goodwill | 3,419,332 | 0.38% | 3,352,219 | 0.40% | 67,113 | 2.00% |
| Land use rights and other intangible assets | 7,515,260 | 0.83% | 7,439,816 | 0.88% | 75,444 | 1.01% |
| Interest in associates | 19,496,027 | 2.15% | 18,276,443 | 2.16% | 1,219,584 | 6.67% |
| Interest in joint ventures | 1,299,405 | 0.14% | 1,706,184 | 0.20% | (406,779) | (23.84)% |
| Debt instruments at amortised cost | 45,404,582 | 5.01% | 36,586,707 | 4.32% | 8,817,875 | 24.10% |
| Debt instruments at fair value through other comprehensive income | 15,207,952 | 1.68% | 7,900,595 | 0.93% | 7,307,357 | 92.49% |
| Equity instruments at fair value through other comprehensive income | 124,506 | 0.01% | 241,587 | 0.03% | (117,081) | (48.46)% |
| Financial assets at fair value through profit or loss | 7,952,021 | 0.88% | 10,142,583 | 1.20% | (2,190,562) | (21.60)% |
| Refundable deposits | 40,544,278 | 4.48% | 42,706,777 | 5.04% | (2,162,499) | (5.06)% |
| Deferred tax assets | 702,722 | 0.08% | 600,473 | 0.07% | 102,249 | 17.03% |
| Other non-current assets | 311,789 | 0.03% | 300,664 | 0.04% | 11,125 | 3.70% |
| Total non-current assets | 148,633,868 | 16.41% | 135,759,017 | 16.04% | 12,874,851 | 9.48% |
| Current assets | | | | | | |
| Accounts receivable | 9,743,761 | 1.08% | 7,804,341 | 0.92% | 1,939,420 | 24.85% |
| Other receivables, prepayments and other current assets | 2,539,985 | 0.28% | 2,157,529 | 0.25% | 382,456 | 17.73% |
| Margin accounts receivable | 112,341,094 | 12.41% | 100,648,375 | 11.89% | 11,692,719 | 11.62% |
| Debt instruments at amortised cost | 4,712,230 | 0.52% | 11,965,863 | 1.41% | (7,253,633) | (60.62)% |
| Financial assets held under resale agreements | 12,460,232 | 1.38% | 34,824,221 | 4.11% | (22,363,989) | (64.22)% |
| Debt instruments at fair value through other comprehensive income | 1,054,048 | 0.12% | 2,603,784 | 0.31% | (1,549,736) | (59.52)% |
| Financial assets at fair value through profit or loss | 405,127,363 | 44.74% | 340,661,962 | 40.24% | 64,465,401 | 18.92% |

| Item | As at December 31, 2023 | | As at December 31, 2022 | | Increase/decrease | |
|----------------------------------|-------------------------|----------------|-------------------------|----------------|-------------------|--------------|
| | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| Derivative financial assets | 16,259,881 | 1.79% | 15,788,301 | 1.86% | 471,580 | 2.99% |
| Clearing settlement funds | 9,129,266 | 1.01% | 8,716,506 | 1.03% | 412,760 | 4.74% |
| Cash held on behalf of | | | | | | |
| brokerage clients | 137,210,295 | 15.15% | 140,460,346 | 16.59% | (3,250,051) | (2.31)% |
| Cash and bank balances | 46,296,366 | 5.14% | 45,180,745 | 5.34% | 1,377,969 | 3.05% |
| Total current assets | 756,874,521 | 83.59% | 710,811,973 | 83.96% | 46,062,548 | 6.48% |
| Total assets | 905,508,389 | 100.00% | 846,570,990 | 100.00% | 58,937,399 | 6.96% |
| Current liabilities | | | | | | |
| Short-term bank loans | 11,478,573 | 1.59% | 7,997,434 | 1.18% | 3,481,139 | 43.53% |
| Short-term debt | | | | | | |
| instruments issued | 25,475,507 | 3.52% | 25,772,604 | 3.80% | (297,097) | (1.15)% |
| Placements from other | | | | | | |
| financial institutions | 39,536,527 | 5.47% | 25,877,713 | 3.81% | 13,658,814 | 52.78% |
| Accounts payable to | | | | | | |
| brokerage clients | 144,701,360 | 20.01% | 152,551,723 | 22.48% | (7,850,363) | (5.15)% |
| Employee benefits payable | 4,151,439 | 0.57% | 5,304,177 | 0.78% | (1,152,738) | (21.73)% |
| Other payables and accruals | 113,884,799 | 15.75% | 108,096,572 | 15.93% | 5,788,227 | 5.35% |
| Contract liabilities | 177,500 | 0.02% | 218,943 | 0.03% | (41,443) | (18.93)% |
| Current tax liabilities | 493,520 | 0.07% | 524,997 | 0.08% | (31,477) | (6.00)% |
| Financial assets sold under | | | | | | |
| repurchase agreements | 144,056,149 | 19.92% | 144,117,998 | 21.23% | (61,849) | (0.04)% |
| Financial liabilities at fair | | | | | | |
| value through profit or loss | 43,710,135 | 6.04% | 43,005,621 | 6.34% | 704,514 | 1.64% |
| Derivative financial liabilities | 16,848,878 | 2.33% | 9,638,125 | 1.42% | 7,210,753 | 74.81% |
| Long-term bonds due | | | | | | |
| within one year | 44,803,489 | 6.19% | 29,062,749 | 4.28% | 15,740,740 | 54.16% |
| Total current liabilities | 589,317,876 | 81.48% | 552,168,656 | 81.36% | 37,149,220 | 6.73% |
| Net current assets | 167,556,645 | – | 158,643,317 | – | 8,913,328 | 5.62% |
| Total assets less current | | | | | | |
| liabilities | 316,190,513 | – | 294,402,334 | – | 21,788,179 | 7.40% |
| Non-current liabilities | | | | | | |
| Derivative financial liabilities | 32,763 | – | – | – | 32,763 | – |
| Long-term bonds | 115,012,512 | 15.90% | 110,356,589 | 16.26% | 4,655,923 | 4.22% |
| Long-term bank loans | 647,052 | 0.09% | 804,903 | 0.12% | (157,851) | (19.61)% |
| Non-current employee | | | | | | |
| benefits payable | 6,431,780 | 0.89% | 6,588,448 | 0.97% | (156,668) | (2.38)% |
| Deferred tax liabilities | 1,960,663 | 0.27% | 2,199,928 | 0.32% | (239,265) | (10.88)% |
| Financial liabilities at fair | | | | | | |
| value through profit or loss | 8,961,031 | 1.24% | 5,569,938 | 0.82% | 3,391,093 | 60.88% |
| Other payables and accruals | 927,280 | 0.13% | 1,025,918 | 0.15% | (98,638) | (9.61)% |

| Item | As at December 31, 2023 | | As at December 31, 2022 | | Increase/decrease | |
|--|-------------------------|---------|-------------------------|---------|-------------------|----------|
| | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| Total non-current liabilities | 133,973,081 | 18.52% | 126,545,724 | 18.64% | 7,427,357 | 5.87% |
| Net assets | 182,217,432 | - | 167,856,610 | - | 14,360,822 | 8.56% |
| Shareholders' equity | | | | | | |
| Share capital | 9,074,663 | 4.98% | 9,075,589 | 5.41% | (926) | (0.01)% |
| Other equity instruments | 25,700,000 | 14.10% | 19,200,000 | 11.44% | 6,500,000 | 33.85% |
| Treasury share | (1,064,173) | (0.58)% | (1,202,324) | (0.72)% | 138,151 | (11.49)% |
| Reserves | 102,967,146 | 56.51% | 100,092,751 | 59.63% | 2,874,395 | 2.87% |
| Retained profits | 42,430,731 | 23.28% | 37,929,086 | 22.60% | 4,501,645 | 11.87% |
| Total equity attributable to shareholders of the Company | 179,108,367 | 98.29% | 165,095,102 | 98.35% | 14,013,265 | 8.49% |
| Non-controlling interests | 3,109,065 | 1.71% | 2,761,508 | 1.65% | 347,557 | 12.59% |
| Total shareholders' equity | 182,217,432 | 100.00% | 167,856,610 | 100.00% | 14,360,822 | 8.56% |

As of December 31, 2023, total non-current assets of the Group amounted to RMB148,634 million, representing an increase of RMB12,875 million as compared to the beginning of the year, which was mainly due to the increase in debt investment at amortised cost and debt instruments at fair value through other comprehensive income of RMB8,818 million and RMB7,307 million, respectively. As of December 31, 2023, total non-current liabilities of the Group amounted to RMB133,973 million, representing an increase of RMB7,427 million as compared to the beginning of the year, which was mainly due to the increase in long-term bonds and financial liabilities at fair value through profit or loss of RMB4,656 million and RMB3,391 million, respectively.

As of December 31, 2023, total current assets of the Group amounted to RMB756,875 million, representing an increase of RMB46,063 million as compared to the beginning of the year, which was mainly due to the increase in financial assets at fair value through profit or loss of RMB64,465 million. As of December 31, 2023, total current liabilities of the Group amounted to RMB589,318 million, representing an increase of RMB37,149 million as compared to the beginning of the year, which was mainly due to the increase in long-term bonds due within one year and placements from other financial institutions of RMB15,741 million and RMB13,659 million, respectively.

2. *Major restricted assets as of the end of the Reporting Period*

As of the end of the Reporting Period, major restricted assets of the Group totaled RMB213,610,222 thousand, including cash and bank balances, financial assets at fair value through profit or loss, debt investment at amortised cost, debt instruments at fair value through other comprehensive income and interest in associates. Except for the above assets, no major assets of the Group were seized, detained, frozen, mortgaged or pledged so that they could or could not be realized, or could not be used to pay the debts only under a certain condition. There was no circumstance or arrangement under which the major assets were occupied, used or benefited or the disposal of them was limited.

3. *Description of changes in the measurement of assets measured at fair value and prime assets*

Fair value refers to the price received for selling one asset or the price payable for transferring one liability by a market participant in an orderly transaction on the measurement date.

When estimating the fair value, the Group considers the characteristics that the market participants consider when they price the related assets or liabilities on the measurement date (including the asset status and the limitation on selling or using the assets), and adopts the currently available valuation techniques that are supported by adequate available data and other information. The main valuation techniques used include market approach, income approach and cost approach.

The impact of gains and losses of changes in fair value on the Group's profit during the Reporting Period is as follows:

Unit: Thousand Yuan Currency: RMB

| Item | Impact on profit for 2023 | Impact on profit for 2022 |
|---|--|--|
| Financial assets at fair value through profit or loss | 7,235,361 | (13,037,891) |
| Financial liabilities at fair value through profit or loss | 257,689 | 612,267 |
| Derivative financial instruments | <u>(6,518,537)</u> | <u>18,974,293</u> |
| Total | <u><u>974,513</u></u> | <u><u>6,548,669</u></u> |

4. *Structure and quality of assets*

As of December 31, 2023, total shareholders' equity of the Group amounted to RMB182,217 million, representing an increase of RMB14,361 million or 8.56% as compared to that as of the end of 2022, which was mainly due to the realization of profit retention by the Group during the Reporting Period.

The asset structure of the Group continued to be optimized and the assets maintained good quality and liquidity. As of December 31, 2023, total assets of the Group amounted to RMB905,508 million, representing an increase of RMB58,937 million or 6.96% as compared to the beginning of the year. Specifically, cash and bank balances, cash held on behalf of brokerage clients and clearing settlement funds of the Group amounted to RMB192,636 million, accounting for 21.27% of the total assets; margin accounts receivable amounted to RMB112,341 million, accounting for 12.41% of the total assets; financial assets at fair value through profit or loss amounted to RMB413,079 million, accounting for 45.62% of the total assets; debt investment at amortised cost and financial assets at fair value through other comprehensive income amounted to a total of RMB66,503 million, accounting for 7.34% of the total assets; property and equipment, investment properties and other intangible assets accounted for 1.57% of the total assets. Most of the assets have strong cashability. The Group's assets have strong liquidity and the asset structure is reasonable.

As of December 31, 2023, the total liabilities of the Group amounted to RMB723,291 million, representing an increase of RMB44,577 million or 6.57% as compared to the beginning of the year. The debt-to-assets ratio was 76.05% (excluding the impact of accounts payable to brokerage clients), representing an increase of 0.24 percentage point as compared to the beginning of the year.

As of December 31, 2023, the Group obtained funds through borrowings and debt financing instruments. As of the end of the Reporting Period, total principal of the placements from other financial institutions of the Group amounted to RMB236,954 million. Details are shown as follows:

Unit: Thousand Yuan Currency: RMB

| | As of December 31, 2023 |
|---|--|
| Borrowings and debt financing plans | |
| Placement from China Securities Finance Corporation Limited | – |
| Placement from other financial institutions | 39,536,527 |
| Short-term borrowings | 11,478,573 |
| Short-term financing funds payable | 25,475,507 |
| Long-term borrowings | 647,052 |
| Bonds payable | 159,816,001 |
| | <hr/> |
| Total principal | 236,953,660 |
| | <hr/> <hr/> |

Borrowings and debt financing with a financing maturity of more than one year were RMB115,660 million, accounting for 48.81%. Among them, programs with a financing maturity of one to two years were RMB43,722 million, those with a financing maturity of two to five years were RMB60,551 million, and those with a financing maturity of over five years were RMB11,386 million. Borrowings and debt financing with a financing maturity of less than one year were RMB121,294 million, accounting for 51.19%.

As of December 31, 2023, the Group's borrowings and debt financing with fixed interest rate were RMB234,515 million. In particular, the balance of short-term borrowings was RMB11,479 million; the balance of long-term borrowings was RMB647 million; the balance of placement from other financial institutions was RMB39,537 million; the balance of income receipts with fixed interest rate was RMB3,938 million; the balance of corporate bonds was RMB127,146 million; the balance of subordinated debts was RMB14,399 million; and the balance of foreign debts was RMB37,369 million.

As of December 31, 2023, cash and cash equivalents of the Group amounted to RMB59,830 million, of which RMB cash and cash equivalents accounted for 72.24%.

As of December 31, 2023, the Group's short-term bank borrowings included balance of credit borrowings of RMB10,549 million, and that of pledge borrowings of RMB929 million.

As of December 31, 2023, all of the Group's long-term bank borrowings were credit borrowings.

5. *Analysis of profitability*

In 2023, the Group firmly implemented the “two-pronged” (雙輪驅動) core strategy of wealth management and institutional services under technology empowerment, and constantly unleashed development momentum with its operating results improving steadily. Its comprehensive strength soundly ranked in the forefront of the industry.

6. *Explanations on the changes in the scope of consolidation of the statements*

For details of the explanations on the changes in the scope of consolidation of the statements of the Group, please refer to Note 24 to the financial statements of this report headed “Investment in Subsidiaries”.

7. *Analysis of income tax policy*

During the Reporting Period, the Company’s income tax was subject to the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and the Enforcement Regulations of Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》). The calculation and payment methods of the income tax shall be subject to the Announcement of the State Administration of Taxation on Issuing the Measures for the Consolidated Collection of Corporate Income Tax on Trans-regional Business Operations (Announcement [2012] No. 57 of the State Administration of Taxation) (《國家稅務總局關於印發〈跨地區經營匯總納稅企業所得稅徵收管理辦法〉的公告》(國家稅務總局公告[2012]57號)). The income tax rate applicable to the Company and its domestic subsidiaries is 25%. The Company enjoys the preferential policy of calculating and deducting research and development expenses, and the profit tax rate applicable to the Hong Kong subsidiary of the Company is 16.5%. Other overseas subsidiaries of the Company are subject to income taxes at tax rates applicable in their jurisdictions.

8. *Analysis of financing channels and financing capacity*

Financing channels In terms of financing methods, the Company has two financing channels, equity financing and debt financing. In China, the Company's short-term financing channels included credit lending via interbank market, bond repurchasing via interbank market and stock exchange market, issuing short-term corporate bonds, issuing income credential via quotation and service system for inter-institutional private placement products and self-built counter market, carrying out margin refinancing from securities and financial companies, and the Company's medium and long-term financing channels included issuing corporate bonds, private corporate bonds, subordinated debt, perpetual subordinated debt and equity refinancing, etc. In addition, the Company can also introduce foreign funds through the issuance of overseas bonds and medium-term notes as well as syndicated loan to support the business development of the Company. After years of effective efforts, the Company explored and established the short, medium and long-term diversified financing channels, which played a key role in the rapid development process of the Company's business.

Liquidity management policies and measures The Company has always attached great importance to liquidity management. As for funds management, it adhered to the principle of "full amount concentrated, allocated in a unified way, valued by classification and monitored timely". In terms of management and development strategies, it paid attention to matching business scale with liabilities. Based on reasonable asset allocation and diversified debt financing, the Company ensured reasonable matching of duration, scale of assets and liabilities and proper liquidity.

The Company followed the general principles of comprehensiveness, prudence, predictiveness for liquidity risk management according to the centralized management and hierarchical prevention and control management model, established a liquidity risk management system based on comprehensive risk management framework, as well as a sound liquidity risk management system appropriate to the Company's strategy, and implemented liquidity risk management policy with the preference for "steadiness and safety". The Company ensured no liquidity risk that would cause significant impacts on sustainable operation, so as to fully guarantee the steady and safe development of the business of the Company.

In order to ensure its liquidity, the Company has adopted various measures mainly including: 1) constantly improving the capital planning system, establishing a daytime liquidity monitoring system and realizing a daytime monitoring of the management of capital position and cash flow through platforms, so as to ensure the security of daytime liquidity; 2) strengthening the management for the matching between durations of assets and liabilities and establishing high-quality current asset reserves, in order to enhance the diversity and stability of financing; 3) upgrading and transforming the treasury management platform, and achieving effective identification, measurement, monitoring and controlling on liquidity risks through information system, in order to ensure that the liquidity risks are measurable, controllable and tolerable; 4) analyzing supervisory indicators of cash flow and liquidity risk under certain stress scenarios to evaluate the tolerance level of the Company for liquidity risks and analyzing the stress test results to constantly improve the Company's response capacity for liquidity risks; 5) leveraging the consolidation supervision to continuously strengthen the management on the liquidity risk of subsidiaries and the vertical management on the liquidity risk of oversea subsidiaries to improve subsidiaries' response capacity for liquidity risks and the Group's prevention and control for liquidity risks; 6) organizing the formulation, exercise and evaluation of a liquidity risk contingency plan, in order to improve the Company's emergency capacity for liquidity risks; and 7) improving the liquidity risk reporting system, so as to ensure that the management is able to keep abreast of the Group's liquidity risk level and management situation.

During the Reporting Period, the Company's liquidity coverage ratio (LCR) and net stable funding ratio (NSRF) continued to meet regulatory requirements and maintained enough safe space.

Analysis of financing capability and financing strategy

The Company has operated in compliance with regulations, enjoyed sound reputation as well as strong capital strength, profitability and debt repayment ability, maintained good cooperation relationships with commercial banks, and had sufficient bank credit. As of the end of the Reporting Period, the total credit line obtained by the Company from commercial banks amounted to approximately RMB620 billion, demonstrating a strong short-term and medium-to-long term financing abilities. As of the end of the Reporting Period, after assessment by China Lianhe Credit Rating Co., Ltd., the credit rating of the Company was AAA and the credit rating outlook is stable. After comprehensive assessment by Shanghai Brilliance, the credit rating of the Company was AAA and the credit rating outlook is stable. After comprehensive assessment by Standard & Poor's, the long-term credit rating of the Company was BBB+ and the credit rating outlook is stable. After comprehensive assessment by Moody's, the long-term credit rating of the Company was Baa1 and the credit rating outlook is stable.

Taking into consideration both liquidity and profitability, the Company held a certain number of fixed-income products. Interest rate changes will bring direct impact to the interest income of the cash and the market price and investment income of the bond investment held by the Company. Margin financing and securities lending and other capital-based intermediary business, corporate debt financing and other businesses which directly relate to interest rates may directly impact corresponding interest income and financing interest expenses. At the same time, the Company's stock investment was also indirectly affected by interest rate changes. In addition, as the Company has registered overseas subsidiaries whose capital is contributed in foreign currency, the Company holds foreign currency funds and assets, and the changes of exchange rate will have certain impact on the Company's financial situation. The Company optimized the distribution of assets and liabilities structure by timely adjusting all kinds of asset structure, strengthened the research on the interest rate and exchange rate market, and used appropriate interest rate, exchange rate and other derivative financial tools to avoid risks and reduce the influence of these factors.

Contingencies and their impacts on the financial situation of the Company

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(III) Analysis of industry operation

For details, please refer to “Management Discussion and Analysis and Report of the Board” in this report.

(IV) Analysis of investments

Overall analysis of external equity investments

As of the end of the Reporting Period, the Group’s investment in associates amounted to RMB19,496 million, representing an increase of RMB1,220 million or 6.68% as compared to RMB18,276 million at the beginning of the period; and the investment in joint ventures amounted to RMB1,299 million, representing a decrease of RMB407 million or 23.86% as compared to RMB1,706 million at the beginning of the period. For details of the overall situation of the Group’s external equity investment, please refer to Note 25 “Interest in associates” and Note 26 “Interest in joint ventures” to the financial statements in this report.

1. Significant equity investment of the Company

For significant equity investment of the Company, please refer to Note 24 to the financial statements of this report headed “Investment in Subsidiaries”.

2. The Company had no significant non-equity investment

3. Financial assets measured at fair value

Unit: Thousand Yuan Currency: RMB

| Item | Balance at the end of last year | Balance at the end of this year | Investment income during the Reporting Period | The changed amount of fair value during the Reporting Period |
|---|---------------------------------|---------------------------------|---|--|
| Financial assets at fair value through profit or loss | 350,804,545 | 413,079,384 | 20,808,857 | 7,236,361 |
| Debt instruments at fair value through other comprehensive income | 10,504,379 | 16,262,000 | (80,389) | 106,976 |
| Equity instruments at fair value through other comprehensive income | 241,587 | 124,506 | – | 17,759 |
| Derivative financial instruments | 6,150,176 | (621,760) | (8,941,901) | (6,518,537) |

4. There was no major asset restructuring and integration by the Company during the Reporting Period

- (V) There were no sales of significant assets or equities by the Company during the Reporting Period***
- (VI) There was no bankruptcy or restructuring, merger or division, major disposal, acquisition, replacement or stripping of assets or restructuring of other companies by the Company during the Reporting Period***

(VII) Analysis of Key Subsidiaries

Unit: Ten Thousand Yuan Currency: RMB

| Company name | Shareholding percentage of the Company | Registered capital | Total assets | Net assets | Operating revenue | Total profit | Net profit |
|---|---|------------------------|----------------------|---------------------|---------------------|--------------------|--------------------|
| Huatai United Securities Co., Ltd. | 100% | 99,748.00 | 713,895.73 | 473,992.34 | 270,922.15 | 27,689.18 | 20,680.74 |
| | Main businesses: securities underwriting and sponsorship (excluding treasury bonds, non-financial corporate debt financing instruments and financial bond underwriting); financial advisory for securities trading and investment related activities; other businesses approved by the CSRC | | | | | | |
| Huatai Securities (Shanghai) Asset Management Co., Ltd. | 100% | 260,000.00 | 947,275.89 | 857,885.88 | 180,999.57 | 121,663.98 | 95,129.00 |
| | Main businesses: securities asset management; publicly offered securities investment funds management. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities) | | | | | | |
| Huatai International Financial Holdings Company Limited | 100% | HK\$ 10,200,000,002.00 | HK\$ 204,235,396,500 | HK\$ 20,452,133,300 | HK\$ 14,268,952,400 | HK\$ 2,487,347,500 | HK\$ 1,998,485,600 |
| | Main business: holding company | | | | | | |
| Huatai Purple Gold Investment Co., Ltd. | 100% | 600,000.00 | 1,370,265.65 | 1,014,098.69 | 49,905.43 | 36,748.84 | 27,087.29 |
| | Main businesses: equity investment, debt investment, other fund investments associated with equity investment and debt investment; investment consulting and investment management for equity investment and debt investment, and financial consulting. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities) | | | | | | |

| Company name | Shareholding percentage of the Company | Registered capital | Total assets | Net assets | Operating revenue | Total profit | Net profit |
|---|--|--|----------------|---------------|-------------------|--------------|--------------|
| Huatai Innovative Investment Co., Ltd. | 100% | 350,000.00 | 426,335.17 | 385,794.68 | 19,374.70 | 4,583.78 | 4,467.88 |
| | | Main businesses: General items: Investment activities with own capital; investment management; sale of metal chains and other metal products; hotel management; fitness and leisure activities branch operation; laundry services branch operation; typing and copying service branch operation; parking lot service branch operation; conference and exhibition service branch operation; tourism development project planning and consultation branch operation; ticketing agency service branch operation. (Except for items subject to approval in accordance with the law, the business activities shall be carried out on their own in accordance with the business license). Permitted items: accommodation service branch operation; catering service branch operation; food sales branch operation; high-risk sports (swimming) branch operation. (Items subject to approval in accordance with the law, the business activities shall be carried out upon the approval of the relevant departments, and specific business items shall be subject to the approval documents or permits of the relevant departments) | | | | | |
| Huatai Futures Co., Ltd. | 100% | 393,900.00 | 7,501,446.49 | 493,327.60 | 527,373.66 | 36,527.73 | 27,429.99 |
| | | Main businesses: commodities futures brokerage, financial futures brokerage, futures investment consultancy, asset management and fund sales. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities) | | | | | |
| Jiangsu Equity Exchange Co., Ltd. | 52% | 20,000.00 | 54,797.44 | 46,920.16 | 6,350.38 | 2,787.35 | 2,042.95 |
| | | Main businesses: provision of premises, facilities and services for approved listing, registration, custody, trading, financing, settlement, transfer, dividend distribution and pledge of equity interests, bonds, assets and related financial products and financial derivatives of unlisted companies, organization and monitoring of trading activities, issuance of market information, trading of listed products in the trading market as an agent, and provision of consultation services for market participants. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities) | | | | | |
| China Southern Asset Management Co., Ltd. | 41.16% | 36,172.00 | 1,392,607.26 | 962,228.95 | 674,141.55 | 261,408.68 | 201,125.51 |
| | | Main businesses: fund raising, fund sales, asset management and other businesses approved by the securities regulatory authority under the State Council. | | | | | |
| Huatai-PineBridge Fund Management Co., Ltd. | 49% | 20,000.00 | 311,647.66 | 186,077.41 | 175,668.33 | 66,475.26 | 50,155.97 |
| | | Main businesses: fund raising, fund sales, asset management and other businesses approved by the CSRC. | | | | | |
| Bank of Jiangsu Co., Ltd. | 5.03% | 1,476,965.67 | 333,634,582.40 | 25,326,730.20 | 5,867,784.70 | 3,345,591.70 | 2,657,402.40 |

| Company name | Shareholding percentage of the Company | Registered capital | Total assets | Net assets | Operating revenue | Total profit | Net profit |
|--------------|--|--------------------|--------------|------------|-------------------|--------------|------------|
|--------------|--|--------------------|--------------|------------|-------------------|--------------|------------|

Main businesses: deposits taking from the general public; granting short-term, medium-term and long-term loans; handling domestic settlements; handing acceptance and discounting of negotiable instruments; issuing financial bonds; acting as an agent for the issue, honoring and underwriting of government bonds and underwriting of short-term financing bills; buying and selling government bonds, financial bonds, corporate bonds; engaging in interbank lending; providing letter of credit services and guaranty; acting as an agent for receipts/payments and insurance business, wealth management sales, fund sales, precious metal sales, receipts/payments and custody of collective fund trust scheme; provision of safe deposit boxes; handing entrusted deposits and loans; bank card services; foreign currency deposits; foreign currency loans; foreign exchange remittances; currency exchange; settlement and sales of foreign exchange, acting as an agent for forward settlement and sales of foreign exchange; international settlement; proprietary trading and agency for trading of foreign exchange; interbank foreign exchange lending; trading or acting as an agent for trading in foreign currency securities other than stocks; credit investigation, consultation and witness services; online banking, and other services approved by the banking regulatory bodies and relevant authorities. (Businesses that need to be approved by law shall be carried out upon the approval of relevant authorities)

- Notes: 1. In March 2024, Huatai Innovative Investment completed its industrial and commercial registration modification, and its scope of business was changed to “General Items: Investment activities with own capital; investment management; hotel management [branch operation]; fitness and leisure activities [branch operation]; laundry services [branch operation]; typing and copying service [branch operation]; parking lot service [branch operation]; conference and exhibition service [branch operation]; tourism development project planning and consultation [branch operation]; ticketing agency service [branch operation]. (Except for items subject to approval in accordance with the law, the business activities shall be carried out on their own in accordance with the business license). Permitted items: accommodation service [branch operation]; catering service [branch operation]; food sales [branch operation]; high-risk sports (swimming) [branch operation]. (Items subject to approval in accordance with the law, the business activities shall be carried out upon the approval of the relevant departments, and specific business items shall be subject to the approval documents or permits of the relevant departments) .
2. On January 12, 2024, the Bank of Jiangsu convened the 2024 first extraordinary general meeting, which considered and approved the Resolution on Change of the Registered Capital and Amendments to Relevant Provisions under the Articles of Association of Bank of Jiangsu Co., Ltd. Its registered capital was changed to RMB18,351,324,463. Such matter is still subject to approval by the Jiangsu Regulatory Bureau of the National Financial Regulatory Administration.
3. The financial data of the Bank of Jiangsu was extracted from the 2023 Third Quarterly Report of Bank of Jiangsu Co., Ltd. announced by it.

(VIII) Structured entities controlled by the Company

The structured entities consolidated by the Group mainly refer to the asset management plans with the Group as the manager and/or the investor. The Group carries out a comprehensive assessment of whether the Group will be significantly affected by variable returns due to the return which the Group is entitled to for the shares held by it and its remuneration as the manager of the asset management plan, and according to which, determines whether the Group is the main responsible party for the asset management plan. As at December 31, 2023, the Group has consolidated 59 structured entities with its total assets reaching RMB94,908,427,464.24. The book value of the equity of the above consolidated structured entities held by the Group amounted to RMB86,407,699,870.60. In 2023, the Group did not provide financial assistance to the above structured entities.

(IX) Other information

1. Establishment and disposal of subsidiaries by the Company during the Reporting Period

- (1) Establishment and disposal of subsidiaries by the Company during the Reporting Period

For details of the establishment and disposal of subsidiaries by the Company during the Reporting Period, please refer to Note 24 to the financial statements of this report headed “Investments in subsidiaries”.

- (2) Change in equity interests of Huatai United Securities during the Reporting Period

During the Reporting Period, Huatai United Securities completed the industrial and commercial registration modification for change in equity interests, and the Company acquired 0.0812% equity interests in Huatai United Securities held by China Eastern Air Holding Company Limited, another shareholder of Huatai United Securities. At present, the percentage of equity interests of Huatai United Securities held by the Company has changed to 100%.

2. *The establishment and disposal of the Company's securities branch offices and securities branches during the Reporting Period*

During the Reporting Period, the Company relocated one securities branch office, and no securities branch offices were newly established or cancelled; 1 securities branch was newly established, 2 securities branches were cancelled and 25 securities branches were relocated.

As of the end of the Reporting Period, the Company has 28 securities branch offices and 242 securities branches. For details, please refer to "Appendix II: List of Branch Offices and Securities Branches" in this report.

(1) Relocation of securities branch offices during the Reporting Period

| No. | Name of branches | Address after relocation | Issue Date of License |
|-----|-------------------------------------|--|-----------------------|
| 1 | Jiangxi Branch of Huatai Securities | -3#, Shop No. 101, 1/F, the Annex Building and Nos. 1603, 1604, 1605, 1606 and 1607, 16/F, the Office Building, Publication Center, No. 95 Lijing Road, Honggutan District, Nanchang City, Jiangxi Province, the PRC | January 30, 2023 |

(2) Newly established securities branches during the Reporting Period

| No. | Name of Securities Branches | Address | Issue Date of License |
|-----|---|---|-----------------------|
| 1 | Securities Branch of Huatai Securities in Tianchen East Road, Beijing | No. D1003, 10/F (inside 101), 1/F, Building 1, No. 1 Yard, Tianchen East Road, Chaoyang District, Beijing | December 4, 2023 |

(3) Cancelled securities branches during the Reporting Period

| No. | Name of Securities Branches | Address | Date of Cancellation of License |
|-----|--|---|---------------------------------|
| 1 | Securities Branch of Huatai Securities in Shennong Avenue, Shennongjia | No. 225, Shennong Avenue, Songbai Town, Shennongjia Forestry District | August 30, 2023 |
| 2 | Securities Branch of Huatai Securities in Chenghe Road, Funing, Yancheng | No. 63(C), Chenghe Road, Funing County | October 11, 2023 |

(4) Relocation of securities branches during the Reporting Period

| No. | Name of the branch before relocation | Name of the branch after relocation | Address after relocation | Issue Date of License |
|-----|--|--|--|-----------------------|
| 1 | Securities Branch of Huatai Securities in Yushi Street, Nanjing | Securities Branch of Huatai Securities in Zhongshan East Road, Nanjing | Room 801, No. 301 Zhongshan East Road, Xuanwu District, Nanjing City | February 15, 2023 |
| 2 | Securities Branch of Huatai Securities in Suzhou Street, Beijing | Securities Branch of Huatai Securities in Suzhou Street, Beijing | Rooms 901, 902, 903, 911, 912, 9/F, Weiya Building, No. 29 Suzhou Street, Haidian District, Beijing | April 7, 2023 |
| 3 | Securities Branch of Huatai Securities in Longgang Avenue, Shenzhen | Securities Branch of Huatai Securities in Longgang Avenue, Shenzhen | 101S & 102S, Block 2, Vanke Times Square, Shangjing Community, Longcheng Subdistrict, Longgang District, Shenzhen City (at the junction of Longgang Avenue and Longcheng Avenue) | April 17, 2023 |
| 4 | Securities Branch of Huatai Securities in Heilongjiang North Road, Kunshan | Securities Branch of Huatai Securities in Heilongjiang North Road, Kunshan | Room 3-1, 1/F and Room 20, 3/F, Building 3, Yujing Mansion, No. 8 Heilongjiang North Road, Kunshan Development Zone | April 21, 2023 |
| 5 | Securities Branch of Huatai Securities in Zhuzilin 4th Road, Shenzhen | Securities Branch of Huatai Securities in Ping An Finance Center, Shenzhen | Units 04 and 05, 70/F, Ping An Finance Center, No. 5033 Yitian Road, Fu'an Community, Futian Street, Futian District, Shenzhen City | April 23, 2023 |

| No. | Name of the branch before relocation | Name of the branch after relocation | Address after relocation | Issue Date of License |
|------------|---|---|---|------------------------------|
| 6 | The Third Securities Branch of Huatai Securities in Zhongyang Road, Nanjing | Securities Branch of Huatai Securities in Suyuan Avenue, Jiangning District, Nanjing | South Side of 1/F, Block A1, Jiangning Jiulonghu International Corporate Headquarters Park, No. 19 Suyuan Avenue, Jiangning Economic and Technological Development Zone, Nanjing City | May 5, 2023 |
| 7 | Securities Branch of Huatai Securities in Jingang South Road, Gaogang, Taizhou | Securities Branch of Huatai Securities in Yongding East Road, Taizhou | 2/F, Building 3, No. 288 Yongding East Road, Taizhou City | May 5, 2023 |
| 8 | Securities Branch of Huatai Securities in Qingnian Street, Shenyang | Securities Branch of Huatai Securities in Qingnian Street, Shenyang | No. 318 (Gate 1) and No. 320 (Annex Building 201), Qingnian Street, Heping District, Shenyang City | June 6, 2023 |
| 9 | Securities Branch of Huatai Securities in Shouyi Road, Wuhan | Securities Branch of Huatai Securities in Gaoxin Avenue, Wuhan | A103-A111, 1/F and A205-A208, 2/F, Tower A, Huigu Building, No. 768 Gaoxin Avenue, Donghu New Technology Development Zone, Wuhan City | June 12, 2023 |
| 10 | Securities Branch of Huatai Securities in Middle Guangzhou Avenue, Guangzhou | Securities Branch of Huatai Securities in Middle Guangzhou Avenue, Guangzhou | Rooms 3205 and 3206, No. 307 Middle Guangzhou Avenue, Yuexiu District, Guangzhou City | July 7, 2023 |
| 11 | Securities Branch of Huatai Securities in Beijing North Road, Shuyang | Securities Branch of Huatai Securities in Yongkang Road, Shuyang, Suqian | Room 101-2-1, Financial and Insurance Building, South Side of Suzhou Road and West Side of Yongkang Road, Shuyang County, Suqian City | July 12, 2023 |
| 12 | Securities Branch of Huatai Securities in Century Avenue, Pudong New District, Shanghai | Securities Branch of Huatai Securities in Century Avenue, Pudong New District, Shanghai | 3/F, No. 1229 Century Avenue, China (Shanghai) Pilot Free Trade Zone | September 7, 2023 |

| No. | Name of the branch before relocation | Name of the branch after relocation | Address after relocation | Issue Date of License |
|------------|--|--|---|------------------------------|
| 13 | Securities Branch of Huatai Securities in Jiefang East Road, Zhoushan | Securities Branch of Huatai Securities in Tiyu Road, Zhoushan | No. 353, 1/F of No. 355, 1/F of No. 357, 1/F of No. 359, Tiyu Road, Qiandao Street, Dinghai District, Zhoushan City, China (Zhejiang) Pilot Free Trade Zone | October 13, 2023 |
| 14 | Securities Branch of Huatai Securities in Rongchao Business Center, Yitian Road, Shenzhen | Securities Branch of Huatai Securities in Rongchao Business Center, Yitian Road, Shenzhen | Rooms 2201-2212 & 2501-2512, Building A, Rongchao Business Center, No. 6003 Yitian Road, Fuxin Community, Lianhua Street, Futian District, Shenzhen City | October 16, 2023 |
| 15 | Securities Branch of Huatai Securities in Jinhua Street, Yantai | Securities Branch of Huatai Securities in South Street, Yantai | No. 236, South Street, Zhifu District, Yantai City, Shandong Province | November 17, 2023 |
| 16 | Securities Branch of Huatai Securities in Huaining Road, Hefei | Securities Branch of Huatai Securities in Xiyou Road, Hefei | 1/F, Building 5, Commercial Building of Yiyuan Shijia, No. 888 Xiyou Road, Bijiashan Street, Shushan District, Hefei City, Anhui Province | November 20, 2023 |
| 17 | Securities Branch of Huatai Securities in Guyang Middle Avenue, Dantu, Zhenjiang | Securities Branch of Huatai Securities in Guyang Middle Avenue, Dantu, Zhenjiang | Rooms 131-133, 236-237, 239, 241, 243, Hengyu Building, Guyang Middle Avenue, Dantu District, Zhenjiang City | November 22, 2023 |
| 18 | Securities Branch of Huatai Securities in International Finance and Economy Center, Xisanhuan, Beijing | Securities Branch of Huatai Securities in International Finance and Economy Center, Xisanhuan, Beijing | 103, 1/F and 403, 404, 405, 4/F, No. 87 Xisanhuan North Road, Haidian District, Beijing | November 22, 2023 |
| 19 | Securities Branch of Huatai Securities in Tiyu Road, Taiyuan | Securities Branch of Huatai Securities in Changzhi Road, Taiyuan | Room 301, 3/F, Block C, Juxin International, No. 331 Changzhi Road, Xuefu Industrial Park, Shanxi Transformation Comprehensive Reform Demonstration Zone | November 24, 2023 |

| No. | Name of the branch before relocation | Name of the branch after relocation | Address after relocation | Issue Date of License |
|------------|--|--|---|------------------------------|
| 20 | Securities Branch of Huatai Securities in Shiyou Street, Panjin | Securities Branch of Huatai Securities in Huibin Street, Panjin | 1#1708-1715, Area E of Blue Kangqiao, South of Huibin Street and East of Xiangdao Road, Xinglongtai District, Panjin City, Liaoning Province | December 6, 2023 |
| 21 | Securities Branch of Huatai Securities in Financial First Street, Wuxi | Securities Branch of Huatai Securities in Financial First Street, Wuxi | 101B, No. 15 Financial First Street, Binhu District, Wuxi City | December 7, 2023 |
| 22 | Securities Branch of Huatai Securities in Zhonghua North Road, Guiyang | Securities Branch of Huatai Securities in Changling North Road, Guiyang | (1509, 1510, 1511) 15/F, Unit (1)1, North Zone, Financial Business District, Zone B, Zhongtian Exhibition City, Changling North Road, Guanshanhu District, Guiyang City, Guizhou Province | December 19, 2023 |
| 23 | Securities Branch of Huatai Securities in Zijingshan Road, Zhengzhou | Securities Branch of Huatai Securities in Ruyi West Road, Zhengzhou | Nos.107 & 305, Kailin Building, No. 99 Ruyi West Road, Zhengzhou District (Zhengdong), Henan Pilot Free Trade Zone | December 21, 2023 |
| 24 | Securities Branch of Huatai Securities in Dongsanhuan North Road, Beijing | Securities Branch of Huatai Securities in Dongsanhuan North Road, Beijing | Units 101 (inside 102), 201, 1-2/F, Building 27, Dongsanhuan North Road, Chaoyang District, Beijing | December 27, 2023 |
| 25 | Securities Branch of Huatai Securities in Fushan Road, Pudong New District, Shanghai | Securities Branch of Huatai Securities in Kaixuan Road, Changning District, Shanghai | Room 1701, Building 1, Changning International Development Plaza, No. 1388 Kaixuan Road, Changning District, Shanghai | December 27, 2023 |

3. *Standardization of accounts such as unqualified accounts, judicially frozen accounts, risk disposal accounts, and pure fund accounts*

As of December 31, 2023, the Company had 3,971 unqualified securities accounts, 3,784 judicially frozen securities accounts, 83,004 risk disposal securities accounts, and 749,327 pure capital accounts.

Account standardization has reached the following quality standards: (1) Except for restricted use of dormant securities accounts, remaining unqualified securities accounts, judicially frozen accounts, risk disposal accounts, etc., the accounts engaging in normal trading activities are all qualified accounts. (2) Regular comparison of funds and securities account information was made to verify the consistency of key information such as customer names and numbers to prevent the addition of unqualified accounts. Key information inconsistencies due to special circumstances such as differences in information rules between the depository bank and the registered company or unusual word processing have been explained on a case-by-case basis.

Relevant measures for long-term and standardized management of accounts: (1) The daily management of accounts was strengthened and the real-name system requirements for account business was strictly implemented. Through face recognition technology, combined with ID card readers, public security network verification, mobile phone number verification by relevant operator, the Group has strengthened investor identity information identification, continued to innovate account management measures and improve standard long-term management mechanisms of accounts. (2) Based on the construction of the Company's comprehensive account management system, the Group has solidified the service support capabilities of its operation stack. The Group continuously optimized its integrated management platform of customers' basic information and its integrated agreement management platform, upgraded customers' file management system, strengthened the management of business handling files of customer accounts through Internet channels, and continued to do its best in the physical and electronic management of customer account business files.

VII. DISCUSSION AND ANALYSIS OF THE COMPANY'S FUTURE DEVELOPMENT

(I) Competition landscape and trend of the industry

At present, China is under a period of historical convergence of a new round of technological revolution, industrial evolution and development mode transformation of the economy, featured by the advanced promotion of the new dual-circulated growth pattern, the improved infrastructure system in the capital market and the better-established multi-level capital market structure and function. Bases on the policy orientation to vitalize the capital market, boost investors' confidence, thanks to multiple policies and measures that were rolled out to deepen the comprehensive registration system and make reforms in the investment side, financing side and trading side of the market, the pivotal function of the capital market will play a greater role in supporting the independent and strong development of high-standard science and

technology and the construction of a modern industrial system, and better serve the real economy for quality development. The securities industry will embrace a new round of transformation opportunities for development. Meanwhile, the development of domestic and overseas financial markets still faces various complexities and uncertainties, which will also bring new challenges to the steady development of the securities industry.

First, the comprehensive deepening of the reform of the capital market will push the securities industry into a new stage of high-quality development. With the in-depth promotion of a new round of reform and opening-up initiatives in China's capital market, the multi-layered capital market system continues to improve and the market structure continues to optimize. The market development ecology has been profoundly transformed, leaving broad development potential for the capital market and the securities industry, which will play a more critical role in optimizing the financing model of enterprises, promoting the transformation and upgrading of industries, and improving the efficiency of resource allocation. Guided by the policies of differentiated and classified supervision, including building first-class investment banks and investment institutions, and optimizing risk control indexes of securities companies, high-quality securities companies with support will embrace an effectively expanded room for capital, whose efficiency of capital utilization will be enhanced, and such companies will become better and stronger through business innovation, organization innovation, M&A and restructuring by constantly gathering quality resources, strengthening their advantageous position and enhancing their comprehensive service capability at cross-markets by offering full-cycle services in all product categories. Small and medium-sized securities companies will rely on their own shareholders' background, regional advantages and other resource endowments and professional capabilities, thus achieving specialized and differentiated development.

Second, FINTECH empowerment and digital transformation will facilitate the reform of the business operation model of the securities industry. Currently, FINTECH development in the securities industry has entered a critical period, reflected by the fact that the accelerated development of artificial intelligence technology represented by generative AI is changing the business form of financial services, and the securities industry has stepped into a new period in which the technology-empowered business takes further revolution and the digital transformation develops in full swing, leaving much room for digital finance. Under the background of the continuous enrichment and popularization of FINTECH and digital application scenarios, the use of FINTECH to comprehensively empower and lead the development of business, improve the efficiency of operation and management and the level of customer service, and expand the scope of business and market share will have an all-around impact on the change and innovation of the business model of securities companies. Work to implement comprehensive digital transformation strategy, develop FINTECH in line with business value enhancement, deepen the integration and co-creation of FINTECH and business development, fully unleash differentiated value creativity with technology and explore new competitive advantages in the market to provide multi-faceted, journey-type professional accompanying services covering the entire life cycle for customers will become the core driving force for securities companies to build their strength in comprehensive financial services and to foster the growth point of the innovation model.

Third, strengthening risk management capability will become an important strategic pivot point for the securities industry to pursue steady and long-term growth. As the business system of the securities industry continues to expand, the volume of customers to increase, and the mode of information dissemination to change, risk dissemination is increasingly invisible and uncontrollable, representing new challenges to the risk management of securities companies. Given the currently complex and volatile environment internally and externally and overall strengthened financial supervision to effectively prevent and defuse financial risks, more attention has been given to the prevention and control of financial risks, and the role of the securities industry in safeguarding the smooth operation and healthy development of the financial market and capital market has become more important. The key for securities companies to build differentiated competitive advantages is to strengthen precise risk management and control in major areas, cement a solid foundation for a group-based risk management system, and focus on building a future-oriented comprehensive risk management structure and management mechanism that is in line with its development strategy and business development. It is important for securities companies to continue to strengthen the early identification, early warning, early exposure and early settlement of risks, improve the long-term mechanism of cross-market, cross-industry and cross-border risk prevention and control, upgrade the integrated risk management system, and constantly improve the risk governance capability.

(II) The Company's development strategy

1. Strategic vision: Striving to become a first-class investment bank with both domestic advantages and global influence.
2. Values and operation philosophy: By adhering to the core values of “high efficiency, integrity, stability and innovation” and committing to the operation philosophy of “One Customer” internally and “One Huatai” externally, to be accountable to all clients, shareholders, staff and society to achieve harmony and unity.
3. Strategic orientation: By adhering to the development philosophy of serving the country and people as a financial institution and the idea of customer-orientation, focusing on its principal business of capital market services, the Group adheres to the right path and seeks for innovation, pursuing advancement in the course of revolution, and devoting efforts to creating a brand-new business model of two-pronged, cross-border linkage and ecological interaction of wealth management and institutional services with technology empowerment; implementing a differentiated competitive tactic of “investment banking gene + full business chain” to build core competitiveness of future-oriented and cycle-spanning digital and intelligent development and develop significant leading edge and brand influence in key customer groups, key industries and key regions with an commitment to being a pioneer of industry reform and innovation and a promoter of sustainable development; maintaining its industry-leading position in terms of quality development, better performing the strategic responsibilities to serve the quality development of the real economy and finance, facilitate the construction of modern industry system and create professional an social value.

(III) Business operation plan

Please refer to “Management Discussion and Analysis and Report of the Board” in this report.

(IV) The Company's capital needs to sustain the current business and complete the ongoing investment projects

During the Reporting Period, all businesses of the Company were carried out in an orderly manner. The capital-based intermediary business and the investment and trading business are capital-intensive businesses with a huge capital demand and change with market fluctuations. The Company continuously enhances capital management, improves the efficiency in resources allocation, constantly diversifies financing varieties, expands financing channels and reasonably arranges financing maturity to guarantee the capital needs for various businesses. As of the end of the Reporting Period, the total balance of onshore and offshore long-term and short-term borrowings, bonds payable, short-term financing funds payable , placement from other financial institutions and financial assets sold under repurchase agreements of the Company was RMB381.010 billion. The Company will continue to enhance onshore and offshore capital management and select appropriate financing instruments to raise funds based on the needs in business development. It will continue to explore new financing varieties and methods, improve the financing capability and optimize the capital structure of the Company to guarantee the fund demand for business development.

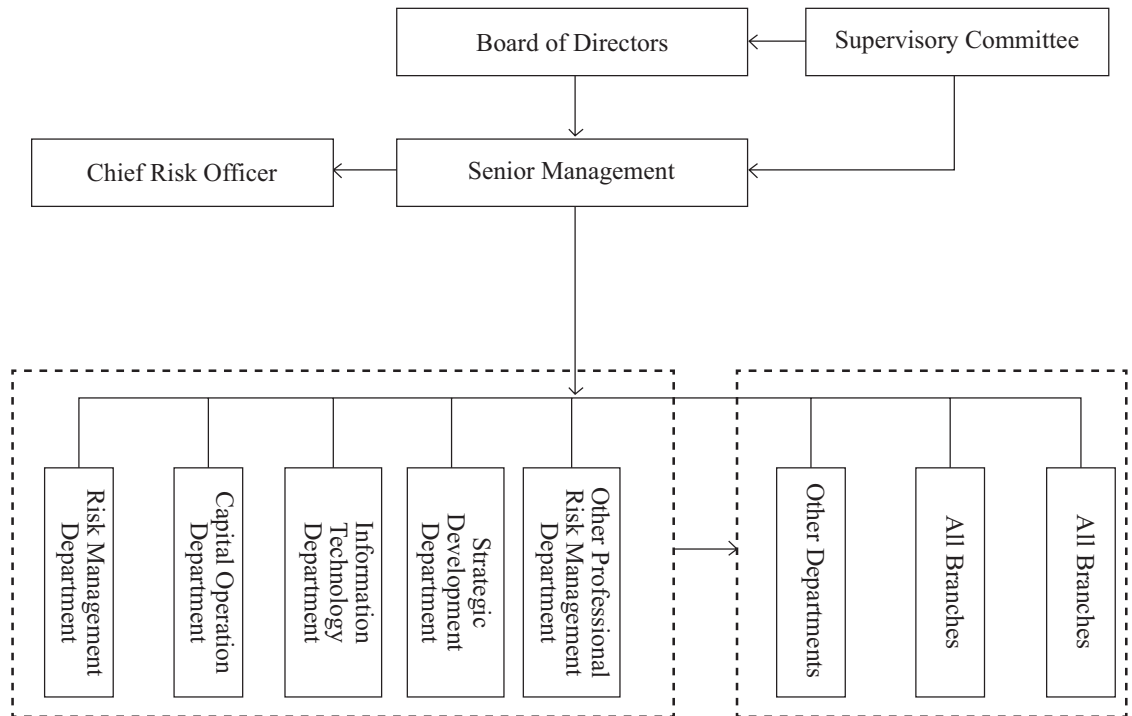
(V) Potential risks

1. Overview of risk management

The Company attached great importance to risk management. According to regulatory requirements and the actual situation of business development, the Company established a relatively comprehensive overall risk management system based on the core concepts of full staff engagement, full coverage and full penetration. The Company has a solid and effective risk management framework with clearly defined responsibilities and staff at all levels performing their duties effectively; the Company worked out a risk appetite and tolerance system, which is organically integrated with the development strategy, and established a multi-level comprehensive risk management system covering all aspects of business operation and management; in addition, the Company vigorously promoted the construction of group-wide risk-management technology system and established centralized, time-based, quantitative and penetrable pillars for risk management technologies, to improve the effectiveness of risk management of the Group and further strengthen the Group's overall risk identification, quantitative evaluation and risk control capabilities. The Company incorporated its subsidiaries into the overall risk management system of the Group, explored the construction of effective risk management model for subsidiaries, vigorously deepened the management mindset of centralized and unified professional risk lines on a look through basis, and built a professional risk management system. The overall risk management system of the Company ran effectively, which earnestly guaranteed the continuous and healthy development of various businesses of the Company.

During the Reporting Period, the Company comprehensively promoted its risk management efforts by focusing on in-depth penetration of business risk control, consolidation of the foundation of the risk management system, and acceleration of digitization-enabled risk management. The Company strengthened the assessment and control of key investment and trading businesses, built up risk management capabilities that penetrate into the essence of the business, moved risk identification and prevention and control measures forward, and enhanced the ability to respond to emergencies in the event of a risk incident. The Company has upgraded and perfected various special risk management systems and tools to form a new ecosystem of comprehensive risk management system and enhance the effectiveness of risk management and control in the whole process. With technology-driven approach and data analysis as the means, the Company has continued to rely on platforms to accumulate risk management ideas and experience, and improved the quality and efficiency of risk management with digital empowerment.

2. Risk management structure



The risk management organizational structure of the Company covers five major parts: the Board and Compliance and Risk Management Committee; Supervisory Committee; the Senior Management and Risk Control Committee; Risk Management Department and various professional risk management departments; other departments, branches and subsidiaries.

The Board is ultimately responsible for the overall risk management and is responsible for reviewing and approving the basic system relating to the overall risk management of the Company, approving the risk appetite, risk tolerance and major risk limits of the Company, and reviewing periodic risk assessment reports of the Company. The Compliance and Risk Management Committee is set up by the Board to undertake risk management responsibilities including reviewing and making recommendations on overall risk management targets and fundamental policies; evaluating and making recommendations on the risks of major decisions which require the Board's review, as well as the solutions to these risks; reviewing and making recommendations on risk assessment reports which require the Board's review.

The Supervisory Committee of the Company is responsible for supervising overall risk management, supervising and inspecting the Board and the senior management on the performance of their duties of risk management, and urging them to make rectifications. Based on the authorization and approval of the Board and the operation objectives of the Company, the senior management is specifically responsible for the implementation of risk management and assumes the primary responsibility for overall risk management. Upon authorization of the senior management, the Risk Control Committee under the senior management is mainly responsible for the decision-making on risk management matters in the course of operation and authorizing on risk undertakings in various business lines. Chief risk officer of the Company is responsible for leading the overall risk management of the Company.

The Company appoints the risk management department to perform the overall risk management duties and take the lead in managing the market risk, credit risk and operational risk of the Company; appoints the capital operation department to take the lead in managing the liquidity risk of the Company; appoints the information technology department to take the lead in managing the information technology risk of the Company; and appoints the strategic development department to take the lead in managing the reputation risk of the Company. Other departments, branches and subsidiaries of the Company are responsible for the management of various risks in their respective lines, implementing various policies, procedures and measures formulated by the Company and various leading professional risk management departments, accepting guidance from various leading risk management departments and assigning the risk management duties and implementation responsibilities. The audit department incorporates overall risk management into the audit scope, makes independent and objective review and evaluation on the adequacy and effectiveness of overall risk management, and is responsible for taking the lead or entrusting external professional institutions to evaluate the overall risk management system of the Company regularly.

3. *Market Risk*

Market risk refers to the risk of asset loss of the Company resulting from fluctuations in risk factors, including stock prices, interest rates, exchange rates and commodities.

During the Reporting Period, the global capital market fluctuated significantly due to various factors such as the expected changes in the interest rate hikes by the Federal Reserve and geopolitical conflicts. The Company adhered to the concept of value creation through trading and risk control through hedging, actively controlled its risk exposure and managed the market risk of holding assets through various risks control measures. The Company continuously optimized the unified risk limitation system, evaluated risks of new businesses in a timely manner and controlled business risks from various aspects, such as Market Value at Risk (VAR), stop-loss, stress testing, sensitivity, etc. The Company continued to improve its stress testing system and regularly calculated the impacts of various extreme risks, identified and evaluated tail risk resilience. In respect of investments in equity securities, the Company actively managed risk exposures through various hedge manners to avoid significant market fluctuations. While ensuring the downside risks of assets controllable, the Company actively explored trading opportunities and paid attention to the market liquidity of investment

targets and high diversification of asset positions. In respect of fixed-income securities investment, the Company effectively hedged market risk with interest rate derivatives and adjusted the position structure to respond to the impacts of interest rate fluctuations on the term and structure of investment portfolios, and actively sought opportunities for pricing deviations to enhance overall income while controlling overall duration, basis point value and VAR value. In respect of derivatives business, the Company adopted market neutral strategy for the OTC derivatives business and controlled the Greeks values (such as Delta, Gamma, Vega, etc.) exposure risks within acceptable limits. It created profit opportunities with risks under control.

Market Value at Risk (VAR) of the Company

Currency: RMB

Forward-looking Period: 1 day; Confidence: 95%; Historical Analogical Method; Unit (Ten Thousand Yuan)

| | The Company | | The Group | |
|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | As at the end of 2023 | As at the end of 2022 | As at the end of 2023 | As at the end of 2022 |
| Equity-sensitive | | | | |
| Financial | | | | |
| Instruments | 7,448 | 3,365 | 11,140 | 10,939 |
| Interest-sensitive | | | | |
| Financial | | | | |
| Instruments | 4,092 | 4,172 | 4,147 | 5,115 |
| Commodity-sensitive | | | | |
| Financial | | | | |
| Instruments | 989 | 304 | 957 | 407 |
| Overall Portfolio Risk | | | | |
| Value | 7,731 | 5,977 | 10,821 | 10,381 |

Source: Internal statistics of the Company.

During the Reporting Period, Sequence Descriptive Statistics of Market Value at Risk (VAR) of the Company

Currency: RMB

Forward-looking Period: 1 day; Confidence: 95%; Historical Analogical Method; Unit (Ten Thousand Yuan)

| | At the beginning of the period | At the end of the period | Maximum value | Minimum value |
|-------------|--------------------------------------|-----------------------------|------------------|------------------|
| The Group | 10,381 | 10,821 | 19,779 | 7,983 |
| The Company | 5,977 | 7,731 | 15,878 | 5,892 |

Source: Internal statistics of the Company.

4. *Credit risk*

Credit risk refers to the risk of loss of the Company resulting from the default of borrowers or bond issuer or counterparty (customer).

With respect to credit risk management of financing business, the Group implemented stringent control measures through continuous monitoring for risky customers and risky assets and timely risk mitigation. The Company intensified the dynamic counter-cyclical adjustment mechanism and established a market systemic risk monitoring and handling mechanism, in order to control routine business risks, prevent bottom-line risks and flexibly adjust the business structure. With respect to credit risk management of issuers, the Company established a monitoring and analysis platform for issuers to realize the unified control of credit bond targets for the Company's various businesses. In the meantime, the Company deepened the credit bonds' risk management and control framework in the whole process, established a screening and disposal mechanism of normalization for risky securities, and continuously to strengthen the analysis and early warning mechanism of bond positions, thereby enhancing the effectiveness of the Company's prevention and control capabilities of credit risk. With respect to credit risk management of counterparties, the Company constantly promoted the optimization construction of the unified management system for counterparties, and further strengthened counterparties' credit management in accordance with internal and external public sentiment to strictly control tail risks. For guaranteed settlement business, the Company continued to improve the front-end control of risk indicator design and promoted the establishment of systematic measures, as well as strengthened its risk event handling and risk transmission control capabilities. The Company continued to optimize and improve its unified credit risk management system and deepened the control over the whole process of business, in order to enhance its ability to cope with the complex external credit environment and provide strong risk control guarantee for the development of various credit businesses. During the reporting period, the Company did not experience any major credit risk events, and its businesses operated smoothly.

5. *Liquidity risk*

Liquidity risk refers to the risk that the Company cannot obtain sufficient funds at reasonable costs in time to repay due debts, perform other payment obligations and meet the capital requirements for carrying out ordinary businesses.

The Company has always attached importance to liquidity safety, preferred a "sound and safe" liquidity risk preference, followed the general principle of comprehensiveness, importance, applicability, effectiveness, prudence and foresight, and continued to strengthen the identification, measurement, monitoring and control mechanisms of liquidity risks through a management model of centralized management and hierarchical prevention and control, to improve the Company's liquidity risk management capability. On the basis of controlling overall liquidity risks, the Company identified potential liquidity risks of all business lines by regular analysis of existing liquidity risk and ad-hoc new business assessment and proposed targeted control measures. The Company has established a liquidity indicator analysis framework including cash flow, and appropriately set risk limits and implemented daily monitoring through the information technology system, to improve the monitoring frequency and control level of liquidity risks. At the same time, the Company continued to improve

the capital planning system by strengthening capital position management and establishing a liquidity daytime monitoring system to keep abreast of capital usage in business and day-time payment progress in a timely manner, so as to strengthen the control over day-time liquidity risk, further moving forward the frontline of liquidity risk prevention and control. The Company regularly and occasionally conducted special stress tests on liquidity risks to assess the Company's liquidity risk tolerance under stress from the perspective of cash flow and liquidity indicators, and took targeted measures to improve the Company's liquidity risk resilience. In order to ensure that liquidity needs can be met in a timely manner under stress, the Company has established high-quality liquid asset reserve of an appropriate scale based on risk preferences. At the same time, it has expanded its debt financing channels and quotas from multiple perspectives, continued to expand the scope of counter-parties and optimized the structure of bond investors, and continued to improve the Company's regular and emergency financing capabilities. The Company developed liquidity risk emergency plans and carried out regular drills to continuously optimize the liquidity emergency response mechanism based on the Company's situation. In addition, the Company leveraged the consolidation supervision to strengthen the subsidiary liquidity risk management, in particularly to conduct vertical management on its Hong Kong subsidiaries with emphasizes on their liquidity management, to improve the subsidiaries' response capability to liquidity risks and the Group's prevention and control of overall liquidity risks. During the Reporting Period, the Company's liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) continued to remain at a level that can meet regulatory requirements and far beyond the safety requirements.

6. *Operational risks*

Operational risk refers to risk on the Company's losses caused by inadequate or problematic internal procedures, personnel, systems or external events.

During the Reporting Period, the Company continued to optimize its operational risk management mechanism to enhance the effectiveness of risk assessment analysis, monitoring and early warning, and made sustained efforts in expanding the coverage of management to a deeper level. Leveraging on special assessment and inspection, the Company focused on the backtracking self-test and inspection of key institutions, key business segments and new business development, and strengthened the testing of the effectiveness of control measures. With operational risk management tools, the Company deepened its communication and analysis mechanism with subsidiaries, strengthened the identification of operational risk points and weak points in control, and enhanced the quality of problem discovery and risk prevention. It intensified control over business process with the idea the work should be driven by a platform-based process, which in turn would improve the management mechanism. It worked to enhance the business continuity management system by means of emergency drills, reinforce the construction of emergency response and coordination capacity to ensure that the Group's key resources are available and effective.

7. *Compliance risk*

Compliance risk refers to exposure to property loss or business reputation loss as a result of bearing legal responsibility, supervisory measures or disciplinary sanctions imposed on securities companies due to violation of laws, regulations and standards by operational management or professional conduct performed by securities companies or their employees.

During the Reporting Period, the Company continued to optimize its compliance management system in terms of mechanism, concept and approach, and endeavored to build up a core competitive advantage in compliance. It comprehensively promoted the ability development of digital compliance and stereoscopic compliance system, built a base for professional and efficient digital compliance capacity, and further enhanced the self-research level for core systems. It strengthened business synergy in support of business innovation and enhanced understanding of business nature to facilitate the stable implementation of new business and new models. The Company further established the lawyer team to raise the execution quality of cases agency and litigation preservation; continuously strengthened the management and control of employees' practice behavior and improved the management mechanism of employees' investment behavior by carrying out warning education and compliance culture construction for all employees in key lines and positions, enhancing internal monitoring and self-inspection and self-correction by technical means, optimizing the closed-loop accountability mechanism and ensuring that non-compliant behavior will be handled strictly, so as to realize more "rigorous" management of the personnel; made double efforts in compliance inspections to focus on key business and key segments and follow up on the implementation of corrections; improved the Group's integrated compliance management mechanism, especially for overseas subsidiaries, and strengthened compliance synergy and control among Group members; and continuously enhanced the capacity building of the compliance personnel team to enhance the ability to create compliance value.

8. *Money laundering risk*

Money laundering risk refer to the risk from the utilization of the Company's products or services by criminals to engage in money laundering activities, terrorist financing and other activities, which lead to negative effects on the Company's reputation, compliance, operation and other aspects.

During the Reporting Period, the Company continued to fulfill the obligations of financial institutions in anti-money laundering and anti-terrorist financing based on the principle of "risk based approach", implemented requirements under laws, regulations and relevant regulatory provisions, incorporated money laundering risks into the comprehensive risk management system, further optimized the money laundering risk management policies, control measures and procedures, organized and carried out the work of customer due diligence, preservation of customer identification information and transaction records, classification and categorized management of customer money laundering risk, reporting of suspicious transactions, monitoring on money laundering and sanctioning risk

lists and etc., and continued to push forward the digital compliance-enabled anti-money laundering and improve the monitoring system of suspicious transactions, so as to enhance the ability of smart management and control of the anti-money laundering work. It simultaneously carried out various forms of anti-money laundering publicity and training to strengthen internal supervision and inspection and continuously improve the management work on money laundering risk. Meanwhile, the Company responded to the new regulatory requirements in a timely manner, improved the internal control mechanism of anti-telecom fraud and utilized scientific and technological means to empower the work of anti-telecom fraud.

9. Information technology risk

Information technology risk refers to exposure to losses caused by the failure of the network and information system to ensure the stable, efficient and safe operation of transaction and business management in terms of business realization, timely response, solving capacity and network and data security, resulting from service capability abnormality or data damage and leakage out of internal or external reasons.

During the Reporting Period, the Company continuously improved the information technology risk management mechanism, strengthened risk prevention and control in key areas of information technology, carried out in-depth risk monitoring and early warning, continued to strengthen the screening and remediation of hidden dangers, and solidly promoted the publicity of risk culture, so as to further enhance the effectiveness of information technology risk management. The Company implemented the network security accountability system and established a sound network and information security technology guarantee system. The Company has formulated and continuously improved its contingency plan for information system emergencies and regularly organized drills. During the Reporting Period, the Company's important information system was operated safely and stably without the occurrence of major information technology risk events.

10. Reputational risk

Reputational risk refers to the risk of negative publicity from investors, issuers, regulators, self-regulatory organizations, the public and the media on the Company due to its actions or external events and violations of integrity regulations, professional ethics, business norms and conventions by its staff, thereby damaging its brand value, disadvantaging its normal operation, and even affecting the market stability and social stability.

During the Reporting Period, the Company's reputational risk management mechanism was running steadily without occurrence of any significant reputational risk events. The Company amended the rules in relation to reputational risk. Focusing on its strategy and key business, the Company continued to intensify its precaution, monitoring and handling of reputational risks, which created a good public sentiment for the Company's development. At the same time, the Company continued to strengthen group management, prior management and fast response mechanisms, further enhancing its awareness on preventing and the ability on response to reputational risk.

11. Model risk

Model risk refers to the risk of adverse consequence or loss to the Company's businesses resulting from incorrect or inappropriate model design, development or use.

During the Reporting Period, the Company continued to improve risk management mechanisms based on the life cycle of model and constantly promoted model risk management and control by approaches and measures including model validation, assessment and monitoring during events. The Company continuously developed and improved the model risk management system adaptive to its own business development while optimizing the functions of model information database, and improved the platform construction of model validation and evaluation processes. During the Reporting Period, the Company had no major model risk events.

12. Implementation of overall risk management of the Company during the Reporting Period

The Company attached great importance to the overall risk management. Adhering to the steady risk management culture and with controlling risks, improving efficiency and promoting development as the targets of risk management, the Company sticks to the core risk management idea with high engagement, full coverage and deep penetration and the management approach of collectivization, specialization and platformization and continuously enhances the core competitiveness on risk management.

For the full coverage of risks, the comprehensive risk management of the Company covers all domestic and overseas subsidiaries, branches and business lines for major risk types. The Company established a risk management system for subsidiaries by combining centralized management and control and hierarchical authorization, raised clear requirements to subsidiaries on issues including the construction of the risk management system, risk management policies and indicator system, risk management personnel allocation and assessment and risk

reports, and set up differentiated and detailed rules for risk management. All risk management departments of the Company fulfilled the management responsibility on market risk, credit risk, liquidity risk, operational risk, reputational risk and information technology risk through in-depth linkage and conducted risk identification, prudent assessment, dynamic monitoring, timely reporting and response for all risks and businesses before, during and after each operation.

For the surveillance of risks, the Company continued to improve the promptness and accurate presentation of risk surveillance and analysis. The Company continued to deepen the multi-dimensional and multi-layered risk limitation system with top-to-bottom breakdown and bottom-to-top summarization and achieved accurate calculation, dynamic monitoring and timely alarming on risk indicators through platformization to speed up in realizing integrated and real-time risk monitoring in the Group.

For the measurement of risks, the Company continuously improved the risk measurement model management to develop core technological competitiveness on risk measurement. The Company carried out evaluation and verification of valuation model and risk measurement model, and continuously perfected and iterated the measurement model and built the bottom of technological competence to improve the accuracy of measurement results and provide measurable technological and fundamental guarantees for risk management.

For the analysis of risks, the Company established and improved a multi-level risk reporting system, further strengthened the breadth and depth of risk analysis, so as to ensure the timely and effective transfer of risk information among various levels and departments. The Company increased investment in pressure test, continued to improve the establishment of the pressure test system and systematic functions, enriched pressure test factors and scenario library further integrated and consolidated the bottom capability on pressure test.

For risk response, the Company has, based on risk monitoring and analysis results, formulated certain response strategies including risk avoidance, reduction, transfer and tolerance matched with different risk appetites and established reasonable and effective response mechanisms on asset impairment, risk hedging, capital supplement, scale adjustment, asset and liability management. At the same time, the Company developed practical risk and crisis response mechanisms and schemes and continuously improved them through regular exercises to enhance the capability of the Company on preventing, reacting and resolving risks. The Company continued to consolidate the systematic implementation of front-end control and achieve process-based rules and platform-based processes to practically prevent risks.

The Company provided sufficient support and protection for its comprehensive risk management in aspects of cultivating a culture, developing policies, increasing investment, improving the system and recruiting talents. The Company continued to carry out themed trainings on risk management and risk management culture publicity activities covering all employees and intensified efforts in the publicity and penetration of risk management and the depth of reaching among all employees. The Company further implemented and optimized risk management assessment, giving full play to the guiding role of risk assessment. The Company established a three-dimensional risk management system covering basic systems, management guidelines and implementation rules and developed a regular evaluation and revision mechanism for the system, through which the implementation of the system was included into the risk assessment. The Company attached great importance to risk management and information technology system construction, and implemented guarantees of resources on risk management and the establishment of systems. It adhered to the concept of digital transformation, accumulated the risk management capability through systems and platforms and continuously established a cross-border and integrated platform for risk management with group-wide coverage and deep penetration, empowering the risk management. The Company intensified its efforts in training and engaging risk management personnel, enabling the risk management personnel of the Company continuously meet regulatory requirements.

13. The investment of the Company in compliance risk control during the Reporting Period

The Company's investments in compliance risk control mainly include: investment in compliance risk control personnel, the daily operating costs of compliance risk control and investment in construction of compliance risk control related systems. In 2023, on Parent Company basis, the total investment in compliance risk control of the Company amounted to RMB670,072,800.

14. The investment of the Company in information technology during the Reporting Period

The Company's investments in information technology mainly include: IT capital expenditure, daily expenses for operation and maintenance of IT, leasing and depreciation cost of computer rooms, circuit leasing cost and remuneration of IT personnel. In 2023, on Parent Company basis, the total investment in information technology of the Company amounted to RMB2,577,974,200.

(VI) Establishment of the monitoring and complementary mechanism of the Company's dynamic risk control indicators

1. Establishment of the monitoring and complementary mechanism of the dynamic risk control indicators

The dynamic risk control index monitoring and replenishment mechanism is one of the important measures for the Company to control risks. During the Reporting Period, with full data, complete functions and normal operation, the dynamic monitoring system for risk control indicators of the Company can effectively support the monitoring on the net capital, liquidity and other risk control indicators of the Company. The Company solidly promoted the monitoring and alarming on various risk control indicators, continuously improved the dynamic monitoring mechanism for risk control indicators mainly based on net capital and liquidity and assigned full-time operators to conduct daily monitoring and pre-warning response. With stricter corporate monitoring standards as the monitoring threshold based on the regulatory standards and pre-warning standards for risk control indicators specified by the CSRC, the Company launched corresponding reporting route and response plan according to different pre-warning level and ensured that the net capital, liquidity and other risk control indicators always comply with the regulatory requirements. The Company constantly optimized the function of the net capital and liquidity dynamic monitoring system to ensure that the dynamic monitoring system can effectively support the monitoring of the Company's net capital, liquidity and other risk control indicators.

The Company has established a dynamic complementary mechanism for net capital and liquidity. The Company's complementary pathways of net capital include but not limited to capital fund raising for increase in capital and share, issuance of subordinated bonds, compression of highly-risky investment types and scale, and reduction or suspension of profit distribution, etc. The Company's complementary pathways of liquidity include but not limited to external financing (interbank borrowing, bond repurchase, corporate bond, short-term corporate bond, subordinated debt, short-term financing bill, income receipts, refinancing integrated fund, gold lease, etc.), realization of part of the liquid reserve, control or adjustment of business scale, etc.

2. Conditions of risk control indicators triggering the pre-warning criteria or not conforming to the required standards, and corrective measures adopted and rectification effects during the Reporting Period

During the Reporting Period, the Company conducted prospective estimation or pressure tests of risk control indicators for profit distribution, capital increase in and guarantee provision to subsidiaries, engagement in new businesses and other major events. The above-mentioned matters were implemented under the condition that the analysis and test results meet the regulatory requirements. During the Reporting Period, main risk control indicators of the Company were all in line with the regulatory requirements, and there were no such circumstances where the risk control indicators violated the pre-warning standards or were not in compliance with the provided standards.

VIII. THERE WERE NO CIRCUMSTANCES IN THE COMPANY'S FAILURE TO MAKE DISCLOSURE IN ACCORDANCE WITH THE STANDARDS DUE TO INAPPLICABILITY OF THE STANDARDS REQUIREMENTS OR SPECIAL REASONS INCLUDING NATIONAL SECRETS AND TRADE SECRETS

IX. OTHER DISCLOSURES

(I) Share capital

For the Company's share capital for the year ended December 31, 2023 and the details of changes therein, please refer to "Changes in Shares and Shareholders" in this report.

(II) Arrangement of pre-emptive rights

According to the provisions of the PRC laws and the Articles of Association, none of the shareholders of the Company has any pre-emptive rights.

(III) Repurchase and Cancellation of Part of the Restricted A Shares

On June 30, 2023, the 2022 Annual General Meeting, the 2023 Second A Share Class Meeting, and the 2023 Second H Share Class Meeting of the Company considered and approved the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares of the Company, pursuant to which the Company was approved to repurchase and cancel part or all of 925,692 restricted A shares granted to 137 persons but subject to selling restriction due to non-fully fulfillment of condition of individual performance by incentive participants, release or termination of employment with the Company and other circumstances. During the Reporting Period, the Company completed the repurchase and cancellation of 925,692 restricted A Shares, completed the industrial and commercial registration modification for reduction in registered capital, and obtained the renewed business license issued by Jiangsu Provincial Market Regulation Administration. Upon the cancellation, the registered capital of the Company was RMB9,074,663,335, and the share capital structure of the Company changed to: 7,355,617,655 A Shares, representing 81% of the total share capital; 1,719,045,680 H Shares, representing 19% of the total share capital.

On November 24, 2023, the 2023 Second Extraordinary General Meeting, the 2023 Third A Share Class Meeting and the 2023 Third H Share Class Meeting of the Company considered and approved the Resolution on the Cancellation of the Repurchased A Shares and Reduction of Registered Capital by the Company, pursuant to which the Company was approved to cancel the remaining repurchased A Shares of 45,278,495 shares. Subsequent to the Reporting Period, the Company completed the cancellation of repurchased A Shares of 45,278,495 shares, completed the industrial and commercial registration modification for reduction in registered capital, and obtained the renewed business license issued by Jiangsu Provincial Market Regulation Administration. Upon the cancellation, the registered capital of the Company was RMB9,029,384,840, and the share capital structure of the Company changed to: 7,310,339,160 A Shares, representing 81% of the total share capital; 1,719,045,680 H Shares, representing 19% of the total share capital.

(IV) Sufficient public float

As at the latest practicable date before printing of this annual report, based on the information available to the public and as far as the Directors are aware of, the Directors believe that the Company's public float satisfies the requirements for minimum public float under Rule 8.08 of the Hong Kong Listing Rules.

(V) Directors' interests in competing business with the Company

None of the Directors of the Company has any interest in business that competes or is likely to compete, either directly or indirectly, with the business of the Company.

(VI) Service contracts of Directors and Supervisors

The Company has entered into a contract with each of the Directors and Supervisors in respect of their compliance of relevant laws and regulations, as well as the Articles of Association and provisions on arbitration. Save as disclosed above, none of the Directors or Supervisors of the Company has entered into or is proposed to enter into any service contracts with the Company in their respective capacities as Directors/Supervisors (other than contracts expiring or terminable by the employers within one year without the payment of compensation other than statutory compensation).

(VII) Directors' and Supervisors' interests in material contracts, transactions or arrangements

During the Reporting Period, the Directors or Supervisors of the Company or entities that are connected to them did not have material interests, whether directly or indirectly, in any material contract, transaction or arrangement entered into by the Company or its subsidiaries.

(VIII) Permitted indemnity provision-liability insurance for Directors, Supervisors and senior management

As authorized in 2014 annual general meeting, the Company has provided liability insurance for Directors, Supervisors, senior management, and other relevant competent persons. Appropriate insurance coverage has been arranged for Directors, Supervisors and senior management of the Company against potential legal actions and liabilities that arise from performing their duties to reasonably avoid management and legal risks faced by Directors, Supervisors and senior management of the Company and to promote the full discharge of duties by the Directors, Supervisors and senior management of the Company.

(IX) Profile of Directors, Supervisors and senior management

For profiles of Directors, Supervisors and senior management of the Company, please refer to "Primary work experience" under "Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period" in "Directors, Supervisors and Senior Management" in the section headed "Corporate Governance" in this report.

(X) Remuneration policy

For the remuneration and share incentive scheme of Directors, Supervisors and senior management of the Company, please refer to “Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period” and “Remuneration of the Directors, Supervisors and Senior Management” under “Directors, Supervisors and Senior Management” in the section headed “Corporate Governance” in this report.

(XI) Share option scheme

The Company did not establish any share option scheme.

(XII) Major customers and suppliers

The Group provides services to a wide range of institutional and individual clients across various sectors. The Group’s clients range from retail customers, wealth clients, high-net-worth individuals, institutional clients to corporate clients, who are primarily located in China. The successful listing in Hong Kong and London and smooth implementation of its deployment strategies in the international market will facilitate the Group in carrying out its overseas operations, exploring customer resources and boosting for further development of the Group’s businesses. In 2023, the revenue attributable to the five largest clients of the Group accounted for less than 30% of the total operating revenue of the Group.

The Group has no major supplier due to the nature of its business.

(XIII) Relationship with employees, customers, suppliers and persons with important relationships

For details of the employees’ remuneration and training plans of the Company, please refer to “Remuneration policy” and “Training programs” under “Information about the Staff of the Parent Company and Major Subsidiaries at the end of the Reporting Period” in the section headed “Corporate Governance” in this report. For the relationship between the Company and its major customers and suppliers, please refer to “Major customers and suppliers” under “Other Disclosures” in the section headed “Management Discussion and Analysis and Report of the Board” in this report.

(XIV) Business review

For analysis of business using key financial performance indicators, please refer to “Company Profile and Key Financial Indicators” of this report.

(XV) Corporate governance

For the corporate governance condition of the Company, please refer to “Corporate Governance” of this report.

(XVI) Tax relief

1. Shareholders of A Shares

According to the provisions in the Notice on Issues Regarding Differentiated Individual Income Tax Policy for Dividends and Bonuses of Listed Company (Cai Shui [2015] No. 101) (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)) and the Notice on Issues Regarding the Implementation of Differentiated Individual Income Tax Policy for Dividends and Bonuses of Listed Company (Cai Shui [2012] No. 85) (《關於實施上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2012]85號)) jointly issued by the Ministry of Finance, State Administration of Taxation and the CSRC, for individual shareholders of the Company, if the term of shareholding (a period from the date when the individual acquires the listed shares on public offering and transferring markets to the date one day before the shares are transferred and settled) is within one month (inclusive), all the dividend and bonus incomes thereof are counted as taxable income at the effective tax rate of 20%; if the term of shareholding is between one month and one year (inclusive), temporarily, 50% of the dividend and bonus incomes are counted as taxable income at the effective tax rate of 10%; if the term of shareholding exceeds one year, temporarily, the dividend and bonus incomes are exempted from individual income taxes. When dividends and bonus incomes are distributed by a listed company, such company, temporarily, shall not withhold or pay any individual income taxes on behalf of the individuals whose term of shareholding is within one year (inclusive); instead, the taxable incomes shall be calculated by a securities registration and settlement company based on the term of shareholding when the individual transfers those shares and the Company shall withhold and pay the taxes through the securities registration and settlement company. For dividend and bonus incomes obtained by securities investment funds from listed companies, the individual income taxes thereof are calculated and levied pursuant to the provisions in the document of Cai Shui [2012] No. 85.

For QFII, according to the provisions in the Notice on Issues Regarding Withholding and Payment of Corporate Income Taxes when PRC Resident Enterprises Distribute Dividends, Bonuses and Interests to the QFII (Guo Shui Han [2009] No. 47) (《關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函[2009]47號)) issued by State Administration of Taxation, the listed company withholds and pays corporate income taxes at a uniform tax rate of 10%. If the dividend and bonus incomes obtained by QFII shareholders are entitled to the treatment as stipulated in tax treaties (arrangements), application for tax refund can be submitted to the governing tax authority after the acquisition of such dividends and bonuses according to regulations.

According to the provisions in the Notice on Tax Policy Regarding Shanghai-Hong Kong Stock Connect Pilot Programs (Cai Shui [2014] No. 81) (《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)) issued by the Ministry of Finance, State Administration of Taxation and the CSRC, for the dividend and bonus incomes obtained by investors (including enterprises and individuals) on Hong Kong market from investing in A Shares listed on Shanghai Stock Exchange, the implementation of differentiated taxation is suspended before Hong Kong Securities Clearing Company Limited meets the conditions to provide CSDC with the investors' identifications, terms of shareholding and other specific data. The listed company withholds and pays the income taxes at the tax rate of 10%, which should be duly declared to the governing taxation authority. For Hong Kong investors who are tax residents of foreign countries that have entered a tax treaty with the PRC specifying an income tax rate for dividend and bonus incomes below 10%, the enterprises or individuals can, by themselves or entrust a withholding agent to apply to the governing tax authorities of the listed company for the treatment as stipulated in such tax treaties. The governing tax authorities shall refund the taxes according to the discrepancy between the levied taxes and taxes payable based on the rate specified in the tax treaty after verifying and approving the application.

For the qualified investors who invest in the GDR issued by the Company on London Stock Exchange and comply with the relevant domestic and foreign regulatory rules (GDR Investors), according to the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and other relevant tax regulations, the Company shall withhold and pay income taxes at a tax rate of 10%. Citibank and National Association, as the nominal holders of domestic basic A Shares corresponding to GDR, receive the cash dividends distributed by the Company. If the dividend and bonus incomes obtained by GDR Investors are entitled to the treatment as stipulated in relevant tax treaties (arrangements), applications can be submitted to the governing tax authority according to regulations.

For other institutional investors, the taxes on their dividends and bonus incomes shall be paid on their own.

2. *Shareholders of H Shares*

According to the provisions in the Notice by the State Administration of Taxation on Issues Regarding the Administration of Individual Income Tax Collection after the Annulment of Document Guo Shui Fa [1993] No. 045 (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)), for the dividend and bonus incomes acquired by individual shareholders as overseas residents from the issuance of shares in Hong Kong by domestic non-foreign investment enterprises, the withholding agent shall legally withhold and pay the individual income taxes according to item "interest, dividend and bonus income". For the issuance of shares in Hong Kong by domestic non-foreign investment enterprises, the individual shareholders as overseas residents can enjoy relevant tax preferences according to the provisions in the tax treaty signed by the country to which the resident identity belongs and the PRC and in the tax arrangements between Mainland China and Hong Kong (Macao). According to relevant tax treaties and tax arrangements, the tax rates for dividends are normally 10%. To simplify administration of tax collection, when the domestic non-foreign investment

enterprises issuing shares in Hong Kong distribute dividends and bonuses, the individual income taxes are generally withheld at the tax rate of 10% without application. If the dividend tax rate is not 10%, individual income taxes shall be withheld as per the following provisions: (1) for residents subject to tax rate below 10% pursuant to relevant treaties, the withholding agent can apply related treatment under such treaties on behalf of the residents and the governing tax authority will refund the additional tax payments after approving the application; (2) for residents subject to tax rate over 10% but lower than 20% pursuant to relevant treaties, when the withholding agent distributes dividend and bonus, the individual income tax shall be withheld and paid at the actual tax rate specified in the treaties and application for approval is not necessary; (3) for residents from the country which did not enter into any tax treaty with the PRC and other situations, when the withholding agent distributes dividend and bonus, the individual income tax shall be withheld and paid at the tax rate of 20%.

According to the provisions in the Notice on Issues regarding Withholding of Enterprise Income Taxes when PRC Resident Enterprises Distribute Dividends to Overseas Non-resident Enterprise shareholders of H Shares (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 State Administration of Taxation, when Chinese resident enterprises distribute annual dividends to overseas non-resident enterprise shareholders of H Shares for 2008 and subsequent years, the corporate income tax shall be withheld and paid at the uniform tax rate of 10%.

According to the provisions in the Notice on Tax Policy Regarding Shanghai-Hong Kong Stock Connect Pilot Programs (Cai Shui [2014] No. 81) (《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)) issued by the Ministry of Finance, State Administration of Taxation and the CSRC, for dividends and bonuses acquired by Mainland individual investors by investing in listed H Shares on the Hong Kong Stock Exchange via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, such H Share companies shall withhold the individual income tax at a tax rate of 20%. For dividends and bonuses acquired from Mainland securities investment funds by investing in listed shares on the Hong Kong Stock Exchange via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the individual income tax shall be levied as per above regulations. For dividends and bonuses acquired by Mainland enterprise investors by investing in listed shares on the Hong Kong Stock Exchange via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, such H Share companies shall not withhold any income taxes on the dividends and bonuses, and such income tax shall be declared and paid by the enterprises on their own. Meanwhile, for the dividends and bonuses acquired by Mainland resident enterprises for continuous holding of H Shares for 12 months, the corporate income tax shall be exempted according to laws.

According to the current practices of Inland Revenue Department of Hong Kong, no tax shall be levied for dividends distributed by the Company in Hong Kong.

The shareholders of the Company shall pay relevant taxes and/or be entitled to tax reliefs according to the above provisions.

(XVII) Environmental policies and performance of the Company

For the environmental policies and performance of the Company, please refer to “Environmental and Social Responsibilities” in this report.

(XVIII) Compliance with relevant laws and regulations

As a public company listed at home and abroad, the Company abides, in a strict manner, by the requirements of the laws, regulations and normative documents of domestic and foreign places where the Company is listed including the Company Law, Securities Law, Regulation on the Supervision and Administration of Securities Companies, Rules for Governance of Securities Companies, Code of Corporate Governance for Listed Companies in China, Corporate Governance Code in Appendix C1 of Hong Kong Listing Rules and the Articles of Association. The Company established and perfected its rules and regulations to standardize the operation of the Company, and devoted itself to maintaining and improving its sound market image. Please refer to “Suspected Violations of Laws and Regulations by, Punishment on and Rectification of the Company and its Directors, Supervisors, Senior Management, Controlling Shareholders and de facto Controllers” in the section headed “Major Events” in this report for the punishment and public denouncement received by the Company during the Reporting Period.

(XIX) Reserves and distributable reserves

Please refer to the consolidated statements of changes in equity and Note 55 to the financial statements of this report for changes in reserves and distributable reserves.

(XX) Property and equipment and investment properties

Changes in properties and equipment and investment properties of the Group during the year are set out separately in Notes 20 and 21 to the consolidated financial statements. As at December 31, 2023, the Group did not own any investment properties or properties for development and/or for sale with one or more ratio (as defined in the Rule 14.04(9) of the Hong Kong Listing Rules) over 5%.

(XXI) Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended December 31, 2023.

(XXII) Donations

The Company actively performed its social responsibilities in 2023 by investing RMB44,566,500 (2022: RMB42,828,900) in public activities including public service advertising and charitable contribution.

(XXIII) Five-year financial highlight

For the highlight of operating results, assets and liabilities of the Group in the past five financial years, please refer to “Key Accounting Data and Financial Indicators for the Past Five Years” under “Key Accounting Data and Financial Indicators” in the section headed “Company Profile and Key Financial Indicators” in this report. This summary does not constitute a part of the audited consolidated financial statements.

(XXIV) Auditors

1. Upon approval by the Company’s 2020 Annual General Meeting held on June 22, 2021, the Company employed KPMG Huazhen LLP as the audit service institute of the Company and its holding subsidiaries for the 2021 annual financial statements and internal control to issue A Share audit report, internal control audit report and GDR audit report; and employed KPMG as the audit service institute for the Company’s H Shares to issue H Share audit report. The audit service fee was capped at RMB6.00 million (of which the internal control audit fee was capped at RMB0.50 million). In 2021, KPMG Huazhen LLP issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the China Accounting Standards for Business Enterprises. Certified public accountants Cheng Hailiang and Qian Ruwen signed the report; KPMG issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the International Financial Reporting Standards. Certified public accountant Lee Lok Man signed the report.
2. Upon approval by the Company’s 2021 Annual General Meeting held on June 22, 2022, the Company employed Deloitte Touche Tohmatsu Certified Public Accountants LLP as the audit service institute of the Company and its holding subsidiaries for the 2022 annual financial statements and internal control to issue A Share audit report, internal control audit report and GDR audit report; and employed Deloitte Touche Tohmatsu as the audit service institute for the Company’s H Shares to issue H Share audit report. The audit fee amounted to RMB4.20 million (of which the internal control audit fee was RMB0.35 million). In 2022, Deloitte Touche Tohmatsu Certified Public Accountants LLP issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the China Accounting Standards for Business Enterprises. Certified public accountants Hu Xiaojun and Han Jian signed the report; Deloitte Touche Tohmatsu issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the International Financial Reporting Standards. Certified public accountant Eric Tong signed the report.

3. Upon approval by the Company's 2022 Annual General Meeting held on June 30, 2023, the Company employed Deloitte Touche Tohmatsu Certified Public Accountants LLP as the audit service institute of the Company and its holding subsidiaries for the 2023 annual financial statements and internal control to issue A Share audit report, internal control audit report and GDR audit report; and employed Deloitte Touche Tohmatsu as the audit service institute for the Company's H Shares to issue H Share audit report. The audit service fee was capped at RMB4.60 million (of which the internal control audit fee was RMB0.40 million). In 2023, Deloitte Touche Tohmatsu Certified Public Accountants LLP issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the China Accounting Standards for Business Enterprises. Certified public accountants Hu Xiaojun and Han Jian signed the report; Deloitte Touche Tohmatsu issued a standard unqualified opinion audit report on the annual financial report prepared by the Company in accordance with the International Financial Reporting Standards. Certified public accountant Eric Tong signed the report.
4. Upon approval by the Company's seventh meeting of the sixth session of the Board of Directors held on March 28, 2024, the Company proposed to employ Deloitte Touche Tohmatsu Certified Public Accountants LLP as the audit service institute of the Company and its holding subsidiaries for the 2024 annual financial statements and internal control to issue A Share audit report, internal control audit report and GDR audit report; and employ Deloitte Touche Tohmatsu as the audit service institute for the Company's H Shares to issue H Share audit report. The audit service fee was capped at RMB4.60 million (of which the internal control audit fee was RMB0.40 million). This issue is yet to be approved at the 2023 Annual General Meeting of the Company.

There have been changes in auditor of the Company in the past three years. According to the Administrative Measures for Selection and Appointment of Accounting Firms by State-owned Financial Enterprises (Cai Jin [2020] No. 6) (《國有金融企業選聘會計師事務所管理辦法》(財金[2020]6號)) issued by the Ministry of Finance, the service term of the accounting firm previously appointed by the Company expired after the completion of the audit on the 2021 Annual Report. On June 22, 2022, the Resolution on the Change of the Accounting Firm of the Company for 2022 was considered and approved at the 2021 Annual General Meeting, which approved the Company to engage Deloitte Touche Tohmatsu Certified Public Accountants LLP as the audit service institute for the 2022 annual accounting statements and internal control audit services of the Company and its controlled subsidiaries, and issued the A Share Audit Report, the Internal Control Audit Report and the GDR Audit Report, and appoint Deloitte Touche Tohmatsu as the H Share audit service institute of the Company and issue the H Share Audit Report.

(XXV) Review of Annual Results

This annual financial report has been audited. The Audit Committee under the Board of Directors has reviewed the Company's audited annual financial statement and annual report as of December 31, 2023, and did not raise any objections to the accounting policy and convention adopted by the Company.

(XXVI) Publication of the Annual Report

This annual report will be released on the Company's website (www.htsc.com.cn) and the HKEXnews website (www.hkexnews.hk).

The 2023 annual report of the Company which contains all the information required by the Hong Kong Listing Rules will be published on the HKEXnews website (www.hkexnews.hk) and the Company's website (www.htsc.com.cn), and will be dispatched to the shareholders of H Shares of the Company by the means of receipt of communications they selected.

By order of the Board

Zhang Wei

Chairman

March 28, 2024

CORPORATE GOVERNANCE

I. DESCRIPTION OF CORPORATE GOVERNANCE

As a public company listed in both domestic and overseas, the Company has been operating business in a standard manner and in strict compliance with the requirements set forth in the laws, regulations and regulatory documents of the PRC and the overseas jurisdiction where the shares of the Company are listed, and has made continuous efforts to maintain and enhance the good image of the Company in the market. The Company keeps improving its corporate governance structure, compliance risk control and internal control system according to the requirements under the Company Law, the Securities Law, the Regulations on Supervision and Management of Securities Companies, the Rules for Governance of Securities Companies, the Rules for Corporate Governance of Listed Companies, the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules (available at <https://en-rules.hkex.com.hk>) and other relevant laws and regulations as well as the Articles of Association, in order to establish a modern corporate system, and shape a corporate governance structure where checks and balances among the general meeting, the Board, the Supervisory Committee and the operation management are maintained, with each of them being separated from the other and performing its own functions and responsibilities corresponding to its position within the specified terms of reference, thereby ensuring all the operational activities of the Company are carried out smoothly and in accordance with relevant laws and regulations.

(I) Corporate governance

During the Reporting Period, the Company conducted its operations and management in a standard and orderly manner. Various rules and regulations have been formulated and continuously refined in strict compliance with the requirements of laws, regulations and regulatory documents to regulate the Company's operations. During the Reporting Period, the Company amended and improved the Articles of Association in light of repurchase and cancellation of part of the restricted A Shares under the equity incentive scheme of the Company; in order to further standardize the conducts of independent Directors, give full play to the role of independent Directors in corporate governance, strengthen the regulation and supervision mechanisms on internal Directors and senior management, safeguard the interests of minority shareholders and stakeholders, and facilitate the standardized operation of the Company, the Company amended and improved the Working System for Independent Directors in accordance with relevant requirements such as the Administrative Measures for the Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) and the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management Officers and Practitioners of Securities 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》) issued by the CSRC and the Self-discipline Regulatory Guidelines for Listed Companies No. 1 – Standardized Operation (《上市公司自律監管指引第1號－規範運作》) issued by the SSE. These amendments to the rules have been considered and approved at the shareholders' general meeting of the Company. In addition, during the Reporting Period, as considered and approved by the Board and the shareholders' general meeting of the Company, the Company made adjustments to the composition of the sixth session of the Board and the special committees thereof to fully leverage on professional strengths of the Directors and improve decision efficiency and decision level of the Board. Through the establishment and improvement as well as the full implementation of the above systems, the Company's governance structure and level have been continuously standardized and improved.

The convening, holding and voting procedures of the general meeting, the Board and the Supervisory Committee of the Company were standard, legal and valid, and the Company disclosed truthful and accurate information in a complete, timely and fair manner. The Company carried out investor relationship management in a standard and professional manner, and carried out inside information management and registration of insiders in strict compliance with the requirements of the System regarding Insider Registration and Management and Confidentiality of the Company and other relevant rules. The Company adhered to the principle of scientificity, standardization and transparency when practicing corporate governance. During the Reporting Period, the Company was honored as the Best Practice Case in the 2023 Best Practice Formulation for Board of Directors of Public Companies organized by China Association for Public Companies, and was honored as the Best Practice Case in the 2023 Best Practice Formulation for Board Office of Public Companies organized by China Association for Public Companies. At the same time, the secretary of the Board of the Company was rated as 5A in the 2023 Performance Evaluation of the Secretary of the Board of Directors of Listed Companies organized by China Association for Public Companies. In addition, with its remarkable ESG governance practice, in 2023, the annual MSCI ESG rating of the Company promoted to AA from A, marking that the Company became the first company in securities industry in the PRC which was rated as AA, and that the Company was among the leading companies in the world.

1. Shareholders and the General Meeting

The shareholders' general meeting is the organ of the highest authority of the Company, and the shareholders exercise their rights through the shareholders' general meeting. The Company convenes and holds shareholders' general meetings in strict accordance with the relevant provisions of the Articles of Association and the Rules of Procedures for General Meetings to ensure the equal status of all shareholders, in particular the minority shareholders, and enable them to exercise their rights completely. The largest shareholder and the de facto controller of the Company exercised their rights in accordance with the laws, regulations and the Articles of Association, and neither directly or indirectly intervened in the decisions and operations of the Company beyond the general meeting nor appropriated any fund of the Company or requested the Company to provide any external guarantee. The Company was completely independent from its largest shareholder and de facto controller in terms of staff, assets, finance, organization and business.

2. *Directors and the Board*

The election and change of Directors were in strict compliance with the Articles of Association. The number and composition of the Board conformed to the requirements of the relevant laws and regulations. The Board has continuously improved its rules of procedures. All the Board meetings were duly convened and held, and all voting procedures at the meetings were legal and valid. The Company has established the Working System for Independent Directors, and all the independent Directors have independently and objectively worked to protect the legitimate rights and interests of the Company and its shareholders, and played a role of check and balance in the decision-making process of the Board. The Board has the following mechanism in place to ensure independent views and input from Directors are conveyed to the Board. Meanwhile, the Board reviews the implementation and effectiveness of this mechanism every year: The Board of the Company includes 5 independent non-executive Directors, representing more than 1/3 of the Board. The independent Directors of the Company issue independent opinions on significant matters of the Company and report to the Board for disclosure concurrently with relevant announcements of the Company. Each year, all independent Directors of the Company submit an annual performance report to the Board and the shareholders' general meeting for consideration, and disclose relevant information on their positions in other listed companies or organizations in the annual report. The Company has established Special Committees under the Board that are responsible to the Board and submit the voting results of the meetings to the Board, among which the majority members of the Audit Committee and the Nomination Committee are independent Directors who host the posts of chairman. All members of the Remuneration and Appraisal Committee are independent Directors. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board each year, reviewing and making recommendations on the qualifications of Directors and senior management and reviewing the independence of independent non-executive Directors and other matters.

The Company ensures that independent Directors have the right to information equivalent to that of other Directors and are provided with the necessary working conditions to perform their duties, and for matters that need to be decided by the Board, the Company shall notify independent Directors in advance pursuant to statutory limit of time and provide true, accurate and sufficient information at the same time. If independent Directors consider that the information is insufficient, they may request the Company to supplement.

All Directors of the Company are able to perform their duties with due diligence in accordance with the relevant regulations to safeguard the interests of the Company and all shareholders.

There is no financial, business, family or other significant/related relationship between the Directors, Supervisors and senior management of the Company.

The Company believes that the increasing diversity of the Board is one of the key factors that help support its strategic objectives and maintain sustainable development. Therefore, the Company has, when determining the composition of the Board, adopted the following measures to maintain or enhance its balance and diversity:

- (1) consider the diversity of Board members in several aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and popularity in service. The determination of the members should be based on the value of the candidates and the contribution that they could make to the Board. All nominations of the Board should be in the principle of “merit-based”. When the candidates are selected, the benefits from the diversity of Board members should be taken into full consideration according to their objective conditions.
- (2) The Nomination Committee will report annually on the diversified composition of the Board in the annual report, inspect the implementation of the abovementioned policy on diversification of Board members and review such policy every year so as to ensure its effectiveness.

In 2022, the Company set up the sixth session of the Board of Directors, with members including strategic Shareholder representatives introduced through the non-public issuance of A Shares, forming a Board with diversified composition and complementary advantages.

As of the end of the Reporting Period, the composition of the Board of the Company is as follows:

By age group

Aged 50 and below: 4 persons; aged 51-55: 6 persons; aged 56-60: 2 persons; aged over 60: 1 person

By category of Directors

Executive Directors: 3 persons; non-executive Directors: 5 persons; independent non-executive Directors: 5 persons

By gender

Female Director: 1 person; male Directors: 12 persons

Professional background

Finance, economics, accounting, laws, business administration, economic management, enterprise management, industrial economics, electronic communication, English, etc.

The Board considers that the current composition of the Board is diversified regarding skills, gender, experience and knowledge and that the nomination policy of the Company ensures that the Board will have potential alternate candidates to continue the established diversity of the Board.

3. *Supervisors and the Supervisory Committee*

The election and change of the Supervisors were in strict compliance with the Articles of Association. The number and composition of the Supervisory Committee conformed to the requirements of the relevant laws and regulations. The Supervisory Committee has continuously improved its rules of procedure. All the meetings of the Supervisory Committee were duly convened and held, and all voting procedures at the meetings were legal and valid. The Supervisory Committee is responsible to the general meeting. Based on the principle of being responsible to all shareholders, the Supervisory Committee effectively supervised the legality and compliance of the Company's finance and the performance of duties by the Board and the management of the Company. All Supervisors diligently performed their duties, attended all meetings of the Supervisory Committee and sat in the meetings of the Board as non-voting delegates, made reports to the general meeting and submitted its work report.

4. *Senior Management of the Company*

The election and change of the senior management were in strict compliance with the Articles of Association. The procedures for appointment of senior management complied with the Company Law and the Articles of Association. The Company has formulated the Terms of Reference of the CEO and the Executive Committee and the Terms of Reference of the Secretary to the Board and other rules and regulations. The senior management of the Company conducted operations and performed their duties legally and diligently in accordance with the laws, regulations and authorizations of the Board, in order to maximize shareholders' benefits and social benefits.

5. *Information Disclosure and Transparency of the Company*

The Company disclosed information in a truthful, accurate, complete and timely manner in strict compliance with the requirements of laws, rules and relevant regulations, and ensured that all shareholders had an equal access to the relevant information of the Company, thereby ensuring the transparency of the Company. The Company strengthened the management of inside information, worked to ensure the confidentiality of inside information, and safeguarded the principle of fairness in information disclosure in strict compliance with the System regarding Insider Registration and Management and Confidentiality of the Company. The Board designated the secretary to the Board to be responsible for the Company's information disclosure, and the Office of the Board also assisted the secretary in information disclosure. Meanwhile, the Company also arranged dedicated personnel to answer telephone enquiries of investors and questions from investors via e-mails and the SSE interactive E-platform, actively interacted with institutional investors during their on-site surveys, and set up an investor relations section on the Company's website.

6. *Stakeholders*

The Company gave full respects to the shareholders, customers, staff and other stakeholders and protected their legitimate rights and interests from the perspective of system building and in each link of business operation, ensured the development of the Company in a sustainable, harmonious, healthy and standard way, in order to achieve all-win results for the Company and all stakeholders, thus maximizing the Company's profits and social benefits.

During the Reporting Period, according to the requirements of the regulatory departments, the Company further improved its organizational structure, institutional building and strengthened management of inside information, and ensured that the actual status of the corporate governance of the Company complied with the requirements of the regulatory documents published by the CSRC regarding the corporate governance of listed companies. Meanwhile, the Company strictly complied with all the code provisions as set out in the Corporate Governance Code, and met most of the recommended best practices in the Corporate Governance Code.

(II) Formulation and Implementation of Insider Registration and Management System

The Company formulated the System regarding Insider Registration and Management and Confidentiality in April 2010 in accordance with the requirements of relevant laws and regulations, regulatory documents and the Articles of Association and in light of the actual situation of the Company, which was considered and approved at the seventeenth meeting of the first session of the Board, in order to strengthen the management of inside information, maintain the confidentiality of inside information, ensure fair information disclosure and protect the legitimate rights and interests of investors.

In December 2011, according to the Provisions on the Establishment of an Insider Registration and Management System by Listed Companies (CSRC Announcement [2011] No. 30) (《關於上市公司建立內幕信息知情人登記管理制度的規定》(證監會公告[2011]30號)) by the CSRC, the Circular on Filing Records of Insiders by Listed Companies (Shang Zheng Gong Han [2011] No. 1501) (《關於做好上市公司內幕信息知情人檔案報送工作的通知》(上證公函[2011]1501號)) by the Shanghai Stock Exchange and other relevant requirements issued by regulators, the Company made amendments to the System Regarding Insider Registration and Management and Confidentiality, which were considered and approved at the seventh meeting of the second session of the Board.

In March 2015, in order to meet the relevant regulatory requirements regarding the listing of the H Shares of the Company, the Company made amendments to the System Regarding Insider Registration and Management and Confidentiality, which were considered and approved at the sixteenth meeting of the third session of the Board.

In March 2019, for consistency with the Articles of Association, the Company made amendments to the System regarding Insider Registration and Management and Confidentiality, which was considered and approved at the twentieth meeting of the fourth session of the Board.

In August 2020, according to relevant requirements of the revised Securities Law, the Guidelines on Insiders Reporting by Listed Companies of the SSE as well as relevant laws, regulations and regulatory documents, the Company made amendments to the System regarding Insider Registration and Management and Confidentiality, which was considered and approved at the seventh meeting of the fifth session of the Board.

During the Reporting Period, the Company made more efforts to maintain the confidentiality of inside information, performed its obligation of insider registration, management and confidentiality diligently, kept records of the names of insiders who had accessed to the inside information at the stage of negotiation, planning, demonstration and consultation and contracting as well as in the processes of reporting, delivery, preparation, auditing, resolution and disclosing before its final disclosure in strict compliance with the requirements of System regarding Insider Registration and Management and Confidentiality, and kept records of information relating to insiders and memos of progress of major events, in order to effectively prevent insider dealing and properly carry out information disclosure.

During the Reporting Period, the Company organized internal investigation into the dealing of shares and derivatives of the Company by insiders, and found that none of the holders of inside information had made use of inside information in share transactions before any significant-price-sensitive-nature information disclosure that may affect the share price of the Company, and the Company has not received any punishment or administrative measure imposed by regulatory departments due to the implementation of the Insider Registration and Management System or the possible involvement in insider dealing.

(III) Corporate Governance Policies and the Board's Responsibilities for Corporate Governance

The Company has been in strict compliance with the Hong Kong Listing Rules, and followed all the principles in the Corporate Governance Code to be its own corporate governance policies. In respect of the corporate governance function, the terms of reference of the Board shall at least include:

- (1) to formulate and review the corporate governance policies and practices of the Company;
- (2) to review and monitor the training and continuous professional development of the Directors and the senior management;
- (3) to review and monitor the Company's policies and practices on compliance with laws and regulatory requirements;
- (4) to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to monitor employees and Directors;
- (5) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

(IV) Securities Transactions by Directors, Supervisors and Employees

During the Reporting Period, the Company adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules as the code of conduct for securities transactions of the Company by all Directors and Supervisors. According to the domestic regulatory requirements, the Company convened the thirteenth meeting of the third session of the Board on November 25, 2014 to consider and approve the Administrative System regarding the Shares of the Company Held by Directors, Supervisors and Senior Management (the "Administrative System") in order to regulate the holding and dealing in the shares of the Company by Directors, Supervisors and senior management. On March 6, 2015, the Company made amendments to the Administrative System in order to meet the relevant regulatory requirements regarding the listing of H Shares of the Company, which were considered and approved at the sixteenth meeting of the third session of the Board. On October 28, 2022, the Company made amendments to the Administrative System in order to strengthen the management of the Shares of the Company held by Directors, Supervisors and senior management of the Company and the changes therein, which were considered and approved at the twenty-seventh meeting of the fifth session of the Board of the Company. The compulsory provisions contained in the Administrative System are stricter than those under the Model Code. Having made all enquiries with Directors, Supervisors and senior management, the Company confirmed that all Directors, Supervisors and senior management had strictly complied with the relevant requirements under the Administrative System and Model Code during the Reporting Period. The Board of the Company will, on a regular or irregular basis, carry out inspection on corporate governance and operation of the Company, in order to ensure the relevant provisions under the Hong Kong Listing Rules are well observed and to protect the interests of the shareholders. Please refer to "Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period" under "Directors, Supervisors and Senior Management" under "Corporate Governance" in this report for details of the shareholding of the Directors, Supervisors and senior management of the Company.

II. SPECIFIC MEASURES TAKEN BY THE CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS OF THE COMPANY TO ENSURE THE INDEPENDENCE OF THE COMPANY IN TERMS OF ASSETS, PERSONNEL, FINANCE, ORGANIZATION AND BUSINESS, AND THE SOLUTIONS, WORK PROGRESS AND FOLLOW-UP WORK PLANS THAT INFLUENCE THE INDEPENDENCE OF THE COMPANY

The shareholding structure of the Company is relatively decentralized without controlling shareholders. The de facto controller of the Company is Jiangsu SASAC. Since its inception, the Company has been operating in strict compliance with relevant laws and regulations including the Company Law and the Securities Law as well as the requirements of the Articles of Association. The Company is completely separated from its shareholders in respect of business, staff, assets, organization and finance, owns a complete business system and is capable of operating independently in the market.

1. Information about the independence of business

In accordance with the requirements of the Company Law and the Articles of Association, the Company conducts business on its own pursuant to the law within the operating scope approved by the CSRC, and has obtained various business materials required for securities business operation with an independent and complete business system and the ability of self-operation. Its business operation is not controlled or affected by its shareholders or related parties. The Company can compete in the market independently. Shareholders and related parties of the Company did not breach the Company's working procedures or intervene in the Company's internal management or the making of its operational decisions.

2. Information about the independence of the staff

The Company set up a dedicated human resources department, and established independent and complete systems for labor employment, personnel management, salary management and social security. The Directors, Supervisors, and senior management of the Company were selected and employed in compliance with relevant requirements of the Company Law, the Securities Law, the Measures for the Supervision and Administration of Directors, Supervisors, Senior Management Officers and Practitioners of Securities Fund Operating Institutions and the Articles of Association. The current Directors, Supervisors and senior management of the Company meet the corresponding qualifications. The senior management of the Company held no positions in its largest shareholder and de facto controller and other enterprises under its control. The Company adopts an appointment system for the senior management, a labor contract system for all staff, and enters into Labor Contract with all the staff in accordance with the law. The Company owns independent rights for labor employment and its staff are independent from the shareholders and enterprises under their control without any interference from the shareholders.

3. *Information about the integrity of the assets*

The Company owns main business qualifications, land, real estate, vehicles and other operating equipment required for business operation. The above assets are subject to no mortgage, pledge or other guarantees, and the Company is the legal owner of these assets. The assets of the Company are independent from its largest shareholder and other shareholders. As of the end of the Reporting Period, the Company provided no guarantees for the debts of any of its shareholders and their subsidiaries by using its assets or reputation as the collateral. The Company had full control and use right over its assets, and there had been no circumstance under which the interests of the Company were damaged due to the largest shareholder's occupation of any of its assets and funds.

4. *Information about organizational independence*

In strict compliance with the requirements of the Company Law and the Articles of Association, the Company has set up a sound corporate governance structure, under which the general meeting, the Board of Directors, the Supervisory Committee, the senior management and relevant operating management departments have been formed. The general meeting, the Board of Directors, the Supervisory Committee and the senior management are in good operation and exercise their respective functions and powers pursuant to the law. The Company owns an independent and complete system for securities business operation and management, and conducts business on its own. The organizations are set up and run in compliance with the relevant requirements of the CSRC. The existing offices and premises of the Company are totally separate from its shareholders without the circumstances of sharing organizations with them or their direct intervention in the Company's business activities.

5. *Information about financial independence*

As required by the Accounting Standards for Business Enterprises and the Financial Systems of Securities Firms, the Company has established an independent financial accounting and management system, set up an independent accounting department, and employed independent financial accountants. The chief financial officer and financial personnel of the Company held no positions in its shareholders. The Company has opened an independent bank account, applied for an independent tax registration and paid taxes in accordance with laws and regulations. The Company shared no accounts and taxes with its shareholders and related parties.

As of the end of the Reporting Period, the Company provided no guarantees for its shareholders and other related parties. During the Reporting Period, the Company experienced no peer competition and related-party transactions resulted from shareholding reform, features of the industry and national policies or mergers and acquisitions.

CONTROLLING SHAREHOLDERS, DE FACTO CONTROLLERS AND OTHER UNITS UNDER THEIR CONTROL ENGAGED IN SAME OR SIMILAR BUSINESSES AS THE COMPANY AND IMPACTS OF HORIZONTAL COMPETITIONS OR SIGNIFICANT CHANGES IN HORIZONTAL COMPETITIONS ON THE COMPANY, SOLUTIONS ADOPTED, SOLVING PROGRESS AND SUBSEQUENT SOLUTIONS

In July 2010 and with the approval of the People's Government of Jiangsu Province, Jiangsu SASAC decided to transfer the state-owned equities in Jiangsu Sainty International Group Limited to Guoxin Group, the largest shareholder of the Company. Guoxin Group directly and indirectly held 78.5% equities of Jintai Futures Co., Ltd., and became the controlling shareholder of Jintai Futures Co., Ltd. Jintai Futures Co., Ltd. is principally engaged in commodities futures brokerage, financial futures brokerage, futures investment consultancy and asset management, which has horizontal competition with Huatai Futures, a subsidiary by the Company.

To avoid the abovementioned horizontal competition, on June 10, 2014, the Company organized the convening of the sixth meeting of the third session of the Board and the fourth meeting of the third session of the Supervisory Committee, which considered and approved the Resolution on Avoiding Horizontal Competition in Futures Businesses Between Jiangsu Guoxin and Huatai Securities and submitted to the 2014 second extraordinary general meeting convened on June 26, 2014 for consideration and approval. Meanwhile, the independent Directors of the Company expressed independent opinions on the resolution. They believed that such horizontal competition has no significant effect on the operation and development of Huatai Securities and the interests of minority shareholders and the resolution is in line with relevant regulations of the CSRC and beneficial to the legitimate interests of investors, small and medium investors in particular, and meets the requirements of Huatai Securities on maximizing shareholders' interests.

On June 27, 2014, Guoxin Group re-signed the Letter of Undertaking on Waiving Horizontal Competition and Conflict of Interests based on relevant regulations and the requirements of the resolutions at the 2014 second extraordinary general meeting of the Company. For the details of the announcement on the change of such undertaking, please refer to the announcement (Lin No. 2014-047) on the performance and change of undertaking by the Company's shareholder dated June 28, 2014.

III. BRIEF INTRODUCTIONS TO THE GENERAL MEETINGS

| Meeting | Convening date | Resolutions | Enquiry index of the websites designated for publication of the resolutions | Date of disclosure of the publication of the resolutions | Status |
|-----------------------------------|----------------|--|--|--|--|
| 2022 Annual General Meeting | June 30, 2023 | <ol style="list-style-type: none"> 1. To consider the 2022 Work Report of the Board of the Company; 2. To consider the 2022 Work Report of the Supervisory Committee of the Company; 3. To consider the 2022 Final Financial Report of the Company; 4. To consider the Resolution on the 2022 Annual Report of the Company; 5. To consider the Resolution on the 2022 Profit Distribution Plan of the Company; 6. To consider the Resolution on the Estimated Ordinary Transactions with Related Parties of the Company for 2023; 7. To consider the Resolution on the Estimated Investment Amount for the Proprietary Business of the Company for 2023; 8. To consider the Resolution on the Re-appointment of the Accounting Firms of the Company; 9. To consider the Report on Performance of Duties of the Independent Directors of the Company for 2022; 10. To consider the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company; 11. To consider the Resolution on Extension of the Validity Period of the General Mandate to Issue Onshore and Offshore Debt Financing Instruments of the Company; 12. Debriefing of the Report on Performance Assessment and Remuneration of the Directors of the Company for 2022; 13. Debriefing of the Report on Performance Assessment and Remuneration of the Supervisors of the Company for 2022; 14. Debriefing of the Report on Performance of Duties, Performance Assessment and Remuneration of the Senior Management of the Company for 2022. | http://www.sse.com.cn http://www.hkexnews.hk http://www.londonstockexchange.com http://www.htsc.com.cn | July 1, 2023 | All resolutions were considered and approved |
| 2023 Second A Share Class Meeting | June 30, 2023 | To consider the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company. | http://www.sse.com.cn http://www.hkexnews.hk http://www.londonstockexchange.com http://www.htsc.com.cn | July 1, 2023 | The resolution was considered and approved |

| Meeting | Convening date | Resolutions | Enquiry index of the websites designated for publication of the resolutions | Date of disclosure of the publication of the resolutions | Status |
|---|-------------------|--|--|--|--|
| 2023 Second H Share Class Meeting | June 30, 2023 | To consider the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company. | http://www.sse.com.cn http://www.hkexnews.hk http://www.londonstockexchange.com http://www.htsc.com.cn | July 1, 2023 | The resolution was considered and approved |
| 2023 Second Extraordinary General Meeting | November 24, 2023 | <ol style="list-style-type: none"> To consider the Resolution on the Cancellation of the Repurchased A Shares and Reduction of Registered Capital by the Company; To consider the Resolution on the Amendments to the Working System for Independent Directors of Huatai Securities Co., Ltd.; To consider the Resolution on the Election of a Non-executive Director of the Sixth Session of the Board of the Company. | http://www.sse.com.cn http://www.hkexnews.hk http://www.londonstockexchange.com http://www.htsc.com.cn | November 25, 2023 | All resolutions were considered and approved |
| 2023 Third A Share Class Meeting | November 24, 2023 | To consider the Resolution on the Cancellation of the Repurchased A Shares and Reduction of Registered Capital by the Company. | http://www.sse.com.cn http://www.hkexnews.hk http://www.londonstockexchange.com http://www.htsc.com.cn | November 25, 2023 | The resolution was considered and approved |
| 2023 Third H Share Class Meeting | November 24, 2023 | To consider the Resolution on the Cancellation of the Repurchased A Shares and Reduction of Registered Capital by the Company. | http://www.sse.com.cn http://www.hkexnews.hk http://www.londonstockexchange.com http://www.htsc.com.cn | November 25, 2023 | The resolution was considered and approved |

Description of general meetings

- As announced by the Company on February 6, 2023, the 2023 first extraordinary general meeting, the 2023 first A Share class meeting and the 2023 first H Share class meeting, which were originally scheduled to be held on February 10, 2023, were extended.

On October 30, 2023, as considered by the fifth meeting of the sixth session of the Board of the Company, the Company decided to cancel the 2023 first extraordinary general meeting, the 2023 first A Share class meeting and the 2023 first H Share class meeting, as well as all resolutions originally scheduled to be considered at such general meetings.

- None of the shareholders of the Company are holders of preference shares with voting rights recovered. Therefore, none of the extraordinary general meetings was convened by holders of preference shares with voting rights restored, nor was any general meeting proposed to be convened, convened or chaired by the holders of preference shares with voting rights recovered during the Reporting Period.

IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period

Currency: RMB Unit: Ten thousand shares

| Name | Position | Gender | Age | Start of the term of office | Expiration of the term of office | Number of Shares held at the beginning of the year | Number of Shares held at the end of the year | Changes in shareholding during the year | Reason for change | Total pre-tax remuneration received from the Company during the Reporting Period (Ten Thousand Yuan) | Whether received remuneration from any connected party of the Company or not |
|----------------|--|--------|-----|-----------------------------|----------------------------------|--|--|---|-------------------|--|--|
| Zhang Wei | Chairman | Male | 59 | 2019-12-16 | 2025-12-29 | - | - | - | - | 112.36 | No |
| Zhou Yi | Executive Director | Male | 54 | 2007-12-06 | 2025-12-29 | 72 | 72 | - | - | 356.69 | No |
| | Employee representative Director | | | 2022-12-30 | 2025-12-29 | | | | | | |
| | Chief executive officer, Chairman of the Executive Committee | | | 2019-10-29 | 2025-12-29 | | | | | | |
| Ding Feng | Non-executive Director | Male | 55 | 2018-10-22 | 2025-12-29 | - | - | - | - | - | Yes |
| Chen Zhongyang | Non-executive Director | Male | 56 | 2022-06-22 | 2025-12-29 | - | - | - | - | - | Yes |
| Ke Xiang | Non-executive Director | Male | 49 | 2021-02-08 | 2025-12-29 | - | - | - | - | - | Yes |
| Liu Changchun | Non-executive Director | Male | 49 | 2023-11-24 | 2025-12-29 | - | - | - | - | - | Yes |
| Zhang Jinxin | Non-executive Director | Male | 52 | 2022-12-30 | 2025-12-29 | - | - | - | - | - | No |
| Yin Lihong | Executive Director | Female | 53 | 2022-06-22 | 2025-12-29 | - | - | - | - | 101.20 | No |
| Wang Jianwen | Independent non-executive Director | Male | 49 | 2020-06-18 | 2025-12-29 | - | - | - | - | 24.00 | No |
| Wang Quansheng | Independent non-executive Director | Male | 55 | 2022-06-22 | 2025-12-29 | - | - | - | - | 24.00 | No |
| Peng Bing | Independent non-executive Director | Male | 51 | 2022-12-30 | 2025-12-29 | - | - | - | - | 24.00 | No |
| Wang Bing | Independent non-executive Director | Male | 45 | 2022-12-30 | 2025-12-29 | - | - | - | - | 24.00 | No |
| Tse Yung Hoi | Independent non-executive Director | Male | 71 | 2022-12-30 | 2025-12-29 | - | - | - | - | 24.00 | No |
| Gu Chengzhong | Employee representative Supervisor | Male | 58 | 2019-04-26 | 2025-12-29 | - | - | - | - | 280.92 | No |
| | Chairman of the Supervisory Committee | | | 2021-10-29 | 2025-12-29 | | | | | | |

| Name | Position | Gender | Age | Start of the term of office | Expiration of the term of office | Number of Shares held at the beginning of the year | Number of Shares held at the end of the year | Changes in shareholding during the year | Reason for change | Total pre-tax remuneration received from the Company during the Reporting Period (Ten Thousand Yuan) | Whether received remuneration from any connected party of the Company or not |
|----------------|---|--------|-----|-----------------------------|----------------------------------|--|--|---|-------------------|--|--|
| | | | | | | | | | | | |
| Li Chongqi | Supervisor | Female | 46 | 2022-12-30 | 2025-12-29 | - | - | - | - | - | Yes |
| Yu Lanying | Supervisor | Female | 52 | 2018-10-22 | 2025-12-29 | - | - | - | - | - | Yes |
| Zhang Xiaohong | Supervisor | Female | 56 | 2019-12-16 | 2025-12-29 | - | - | - | - | - | Yes |
| Zhou Hongrong | Supervisor | Female | 51 | 2022-12-30 | 2025-12-29 | - | - | - | - | - | Yes |
| Wang Ying | Employee | Female | 44 | 2019-12-16 | 2025-12-29 | - | - | - | - | 208.56 | No |
| Wang Juan | representative Supervisor Employee | Female | 45 | 2021-10-29 | 2025-12-29 | - | - | - | - | 196.09 | No |
| Han Zhencong | representative Supervisor Member of the Executive Committee, Chief information officer | Male | 56 | 2022-04-08 | 2025-12-29 | 60 | 60 | - | - | 276.99 | No |
| Sun Hanlin | Member of the Executive Committee | Male | 58 | 2019-12-16 | 2025-12-29 | 60 | 60 | - | - | 285.12 | No |
| Jiang Jian | Member of the Executive Committee | Male | 57 | 2019-12-16 | 2025-12-29 | 60 | 60 | - | - | 285.12 | No |
| Zhang Hui | Member of the Executive Committee | Male | 48 | 2019-12-16 | 2025-12-29 | 60 | 60 | - | - | 276.99 | No |
| Chen Tianxiang | Secretary of the Board Member of the Executive Committee | Male | 45 | 2020-02-18 | 2025-12-29 | 60 | 60 | - | - | 285.12 | No |
| Jiao Xiaoning | Chief financial officer | Female | 53 | 2020-03-05 | 2025-12-29 | 50 | 50 | - | - | 296.33 | No |
| Jiao Kai | Chief compliance officer | Male | 49 | 2020-02-17 | 2025-12-29 | 50 | 50 | - | - | 287.18 | No |
| Wang Chong | General legal counsel | | | 2019-12-16 | 2025-12-29 | | | | | | |
| Sun Yan | Chief risk officer | Male | 52 | 2017-03-16 | 2025-12-29 | 50 | 50 | - | - | 360.99 | No |
| Hu Xiao | Director of human resources | Female | 52 | 2022-12-30 | 2025-12-29 | 8 | 8 | - | - | 276.92 | No |
| | Non-executive Director (resigned) | Female | 45 | 2018-10-22 | 2023-09-19 | - | - | - | - | - | No |
| Total | / | / | / | / | / | 530 | 530 | - | / | 4,006.58 | / |

Notes:

1. On September 19, 2023, the Board of the Company received a written resignation report from Ms. Hu Xiao, a non-executive Director. Ms. Hu Xiao has proposed to resign from her positions as a non-executive Director of the sixth session of the Board of the Company and as a member of the Development Strategy Committee of the Board due to work reasons, upon which she no longer holds any position in the Company. There is no disagreement between Ms. Hu Xiao and the Board of the Company, and there is no matter in relation to her resignation that needs to be brought to the attention of the shareholders of the Company. Ms. Hu Xiao has also confirmed that she is not a party involved in any on-going or pending litigation or dispute against the Company.
2. On November 24, 2023, the Resolution on the Election of a Non-executive Director of the Sixth Session of the Board of the Company was considered and approved at the 2023 second extraordinary general meeting of the Company, pursuant to which Mr. Liu Changchun was elected as a non-executive Director of the sixth session of the Board of the Company, for a term of office until the end of the sixth session of the Board.
3. Total pre-tax remuneration received by Directors, Supervisors and senior management from the Company during the Reporting Period was implemented in accordance with relevant policies of governing authorities and the Company's relevant remuneration assessment and deferred compensation system.
4. The remuneration of the Directors that are the persons in charge of provincial financial enterprises shall be implemented in accordance with the Interim Measures for the Administration of Remuneration of Persons in Charge of Provincial Financial Enterprises in Jiangsu Province (《江蘇省省管金融企業負責人薪酬管理暫行辦法》).
5. The pre-tax remuneration received from the Company during the Reporting Period represents the remuneration received during the period of holding the position of Directors, Supervisors and senior management, excluding pension insurance, enterprise annuity and restricted share and equity incentive.

| Name | Primary work experience |
|-----------|---|
| Zhang Wei | <p>Master of business administration, senior engineer and senior economist. He once worked in Jiangsu Electronic Industry Research Institute (江蘇省電子工業綜合研究所). He also served as cadre at department level of Jiangsu Electronic Industry Bureau and the deputy director of Asset Management Division. He worked as secretary to the board of directors and assistant general manager, deputy general manager, general manager and deputy secretary of the party committee of Jiangsu Hiteker High-tech Co., Ltd. (江蘇宏圖高科技股份有限公司). He also served as director, general manager, deputy secretary of the party committee, secretary of the party committee and chairman of the board of Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司). Mr. Zhang served as secretary of the party committee of the Company from March 2019 to December 2019 and has been chairman of the Board of Directors and secretary of the party committee of the Company since December 2019 with a term of office in current session of the Board from December 2022 to December 2025.</p> |
| Zhou Yi | <p>Bachelor of computer communications. Mr. Zhou once taught at Jiangsu Posts & Telecommunications School (江蘇省郵電學校); engaged in technology management at the Telecommunications Center of Jiangsu Posts & Telecommunications Bureau (江蘇省郵電管理局電信中心) and administrative management at Jiangsu Mobile Communication Co., Ltd. (江蘇移動通信有限公司); served as the chairman of the board of directors of Jiangsu Bei'er Communication System Co., Ltd. (江蘇貝爾通信系統有限公司) and Nanjing Xinwang Telecom Tech Co., Ltd. (南京欣網視訊科技股份有限公司), deputy general manager of Shanghai Fortune Communications Company (上海富欣通信公司), director and deputy secretary of the party committee of Huatai Securities Limited Liability Company (华泰證券有限責任公司) from August 2006 to February 2007 and director, president and deputy secretary of the party committee of the same company from February 2007 to December 2007. Mr. Zhou served as Director, President and deputy secretary of the party committee of the Company from December 2007 to October 2011; Director, President and secretary of the party committee of the Company from November 2011 to June 2016; chairman of the Board of Directors, President, and secretary of the party committee of the Company from June 2016 to March 2019; chairman of the Board of Directors, President and party committee member of the Company from March 2019 to October 2019; chairman of the Board of Directors, chief executive officer, chairman of the Executive Committee and party committee member of the Company from October 2019 to December 2019; Director, chief executive officer, chairman of the Executive Committee and party committee member of the Company from December 2019 to October 2023, and has been Director, chief executive officer and chairman of the Executive Committee of the Company since October 2023 with a term of office in current session of the Board and the senior management from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|-------------------|--|
| Ding Feng | <p>Master of business administration and senior accountant. He served as accountant of the finance department of China Songhai Industrial Corporation (中國嵩海實業總公司) in Xiamen Special Economic Zone from August 1990 to November 1992; chief accountant of the finance department of China North Industries Corporation Xiamen Branch (中國北方工業廈門公司) from December 1992 to September 1995; deputy section chief of the finance department of Jiangsu International Trust and Investment Company (江蘇省國際信託投資公司) from October 1995 to August 2002; project manager of the finance department of Guoxin Group from August 2002 to September 2004; head of the finance department (manager assistant) and deputy general manager of Jiangsu International Trust Corporation Limited (江蘇省國際信託有限責任公司) from September 2004 to December 2009; deputy general manager of the finance department of Guoxin Group from December 2009 to December 2010; (standing) vice president of Jiangsu Guoxin Group Finance Co., Ltd. (國信集團財務有限公司) from December 2010 to December 2011; president and deputy secretary of the Party Committee of Jiangsu Guoxin Group Finance Co., Ltd. from January 2012 to March 2018; and has served as the general manager of finance department of Guoxin Group since March 2018. He has been a Director of the Company since October 2018 with a term of office in current session of the Board from December 2022 to December 2025.</p> |
| Chen Zhongyang | <p>Master's degree in highway, urban road and airport engineering and is a senior engineer of the researcher rank. He served as a staff member and the Deputy Section Chief (presiding over the work) of the Planning Division of the Jiangsu Expressway Command Office from June 1992 to November 2000; and the deputy manager (presiding over the work) of the Operation and Development Department of Jiangsu Jinghu Expressway Co., Ltd. (江蘇京滬高速公路有限公司) from November 2000 to August 2001; an employee (senior engineer), the Deputy Director and Director of the Road Assets and Interests Section of Jiangsu Communications Industry Group Co., Ltd. (江蘇交通產業集團有限公司) from August 2001 to October 2004; the Deputy Director of the Operation Safety Department, Deputy Director of the Engineering Technology Department, Deputy Director of the Engineering Technology Department, Deputy Director of the Expansion Project Office, Director of the Expansion Project Office, Deputy Director of the Engineering Technology Department, and Director of Corporate Management and Legal Affairs Department of Jiangsu Communications Holding Co., Ltd. (江蘇交通控股有限公司) from October 2004 to November 2017; the Chairman, Party Secretary and General Manager, and Chairman and Party Secretary of Jiangsu Jinghu Expressway Co., Ltd. from November 2017 to April 2019; the Party Secretary and Director of Jiangsu Expressway Operation and Management Center (江蘇省高速公路經營管理中心) and the assistant to the General Manager of Jiangsu Communications Holding Co., Ltd. from April 2019 to July 2020; the Deputy General Manager and member of the Party Committee of Jiangsu Communications Holding Co., Ltd. from July 2020 to December 2022; the Deputy General Manager, member of the Party Committee and general counsel of Jiangsu Communications Holding Co., Ltd. from December 2022 to September 2023. He has served as the Deputy General Manager and member of the Party Committee of Jiangsu Communications Holding Co., Ltd. since September 2023. He has served as a Director of the Company since June 2022 with a term of office in current session of the Board from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|---------------|--|
| Ke Xiang | <p>Doctoral degree in corporate management and senior engineer. From August 1996 to October 2002, he successively served as staff member of the infrastructure investment division, staff member and deputy senior staff member of the agriculture division of Jiangsu Provincial Department of Finance. From October 2002 to August 2020, he worked at Jiangsu Communications Holding Co., Ltd. and successively served as assistant to the director of the office, deputy director of the office, deputy director of the operation and safety department, deputy director of the Toll Management Center of Expressway Network of Jiangsu Province, director of the Information Center and deputy director of the office, director of the development strategy and policy regulation research office, deputy director of the investment and development department, director of the strategic research office, deputy director of the corporate management and legal affairs department, and director of the strategic planning department. Since August 2020, he has been deputy general manager and member of the party committee of Govtor Capital Group Co., Ltd. Since November 2020, he has been deputy general manager, member of the party committee and general counsel of Govtor Capital Group Co., Ltd. He has been a Director of the Company since February 2021 with a term of office in current session of the Board from December 2022 to December 2025.</p> |
| Liu Changchun | <p>Master's degree in national economy and is a senior political engineer. He served as a cadre, staff member and senior staff member of the Counsellors' Office of Jiangsu Provincial People's Government from August 1996 to July 2003; senior staff member of the General Division of the Elderly Cadre Bureau of Jiangsu Provincial Committee from July 2003 to August 2004; senior staff member, principal staff member and deputy director of the General Division (Policy and Regulations Division) of the office of Jiangsu Provincial Government State-owned Assets Supervision and Administration Commission (Party Committee Office) from August 2004 to January 2015; deputy general manager (department general manager level), general manager of the strategic planning department, director of the Party Committee office, secretary to the board of directors, director of the office of the board of directors, general manager of the human resources department (organization department of the Party Committee) and deputy director of the Inspection Work Office of the Party Committee of SOHO Holdings from January 2015 to August 2020; vice president, member of the Party Committee and secretary to the board of directors of Jiangsu SOHO Holdings Group Co., Ltd. from August 2020 to September 2020. He has served as the vice president, a member of the Party Committee, secretary to the board of directors and general counsel of Jiangsu SOHO Holdings Group Co., Ltd. since September 2020. He has served as a Director of the Company since November 2023 with a term of office in current session of the Board from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|--------------|--|
| Zhang Jinxin | <p>Doctoral degree in industrial economics. From July 1994 to September 1997, he served as intern researcher in the Institute of Occupational Medicine of the General Research Institute of Coal Science (煤炭科學研究總院職業醫學研究所); from March 2000 to September 2001, he served as analyst in the development strategy department of Lenovo Group Limited; from July 2005 to September 2017, he served as the lecturer and associate professor of accounting and deputy head of the accounting department at the School of Economics and Management of Beijing Jiaotong University; from September 2017 to June 2023, he has served as the deputy general manager of the research and planning department of Chengtong Fund Management Company Limited (誠通基金管理有限公司) (presiding over the work); from June 2023 to present, he has served as the general manager of the research and planning department of Chengtong Fund Management Company Limited. He has served as a Director of the Company since December 2022 with a term of office in current session of the Board from December 2022 to December 2025.</p> |
| Yin Lihong | <p>Bachelor of national economic management and is a senior economist. She worked at Bank of China Nanjing Branch and Bank of China Jiangsu Branch from August 1991 to August 2007; worked at Bank of Jiangsu and successively served as the assistant to the General Manager of Planning and Finance Department, the Deputy General Manager of Human Resources Department, and the General Manager of Human Resources Department and Head of Organization Department of Party Committee from September 2007 to June 2021; and joined Huatai Securities in June 2021 and served as Deputy Secretary of the Party Committee of the Company from June 2021 to June 2022. She has been a Deputy Secretary of the Party Committee and a Director of the Company since June 2022 with a term of office in current session of the Board from December 2022 to December 2025.</p> |
| Wang Jianwen | <p>Doctoral degree in civil and commercial law. From August 1998 to May 2006, he taught at Nanjing Tech Law School. From May 2006 to May 2016, he taught at Hohai University School of Law. From May 2016 to April 2021, he has been a professor, doctor-postgraduate supervisor and dean at the College of Humanities and Social Sciences of Nanjing University of Aeronautics and Astronautics, and has been a professor and doctor-postgraduate supervisor at the Law School of Nanjing University and the director of the Competing Policy and Corporate Compliance Research Center of Nanjing University since May 2021. He successively served as member of the legal expert pool of Jiangsu Provincial Party Committee (first session and second session), decision-making advisory expert of the thirteenth session of the Standing Committee of Jiangsu Provincial People's Congress, legal advisor of Jiangsu Political Consultative Conference (first session and second session), non-permanent member of the selection committee of judges and prosecutors of Jiangsu Province (second session and third session), associate expert of the leader group of the Jiangsu Provincial Administration of Market Regulation, specially invited advisory expert of Nanjing Intermediate People's Court, legal advisor of Nanjing Qinhuai District Party Committee and other positions. He has been an independent non-executive Director of the Company since June 2020 with a term of office in current session of the Board from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|----------------|--|
| Wang Quansheng | <p>Doctoral degree in business management. He served as a teaching assistant in the Information Center of the Business School of Nanjing University from September 1993 to August 1995; a lecturer in the Information Center of the Business School of Nanjing University from September 1995 to March 2001; an associate professor and the Deputy Dean of the Department of E-commerce of the Business School of Nanjing University from April 2001 to September 2008; an associate professor and the Dean of the Department of E-commerce of the Business School of Nanjing University from September 2008 to December 2010; a professor and the Dean of the Department of E-commerce of the Business School of Nanjing University from January 2011 to July 2013; a professor and the Dean of the Department of Marketing and E-commerce of the Business School of Nanjing University from July 2013 to September 2016; and a professor and the Deputy Dean of the Management School of Nanjing University from September 2016 to November 2020. He has been a professor and the Deputy Dean of the Business School of Nanjing University since November 2020. He has served as an independent non-executive Director of the Company since June 2022 with a term of office in current session of the Board from December 2022 to December 2025.</p> |
| Peng Bing | <p>Doctoral degree in international law. From July 1993 to August 1994, he served as employee of Chuzhou Sub-branch, Anhui Branch of the Industrial and Commercial Bank of China; from April 2000 to July 2005, he served as lecturer at the Law School of Peking University; from July 2005 to July 2017, he served as associate professor at the Law School of Peking University; from July 2017 to present, he has served as professor at the Law School of Peking University. At present, he concurrently serves as arbitrator of Shenzhen Court of International Arbitration, arbitrator of Beijing Arbitration Commission, mediator of Shenzhen Securities and Futures Dispute Resolution Centre, and vice president and secretary general of China Business Law Society. He has served as an independent non-executive Director of the Company since December 2022 with a term of office in current session of the Board from December 2022 to December 2025.</p> |
| Wang Bing | <p>Doctoral degree in accounting. From July 2007 to December 2011, he served as lecturer in the Department of Accounting of Nanjing University Business School; from December 2011 to December 2016, he served as associate professor in the Department of Accounting of Nanjing University Business School; from December 2016 to January 2022, he served as associate professor and secretary of the party branch of the Department of Accounting of Nanjing University Business School; from January 2022 to December 2022, he served as associate professor, deputy head of the Department and secretary of the party branch of the Department of Accounting of Nanjing University Business School; from December 2022 to January 2024, he served as professor, deputy head of the Department and secretary of the party branch of the Department of Accounting of Nanjing University Business School; from January 2024 to present, he has served as professor and deputy head of the Department of the Department of Accounting of Nanjing University Business School. He has served as an independent non-executive Director of the Company since December 2022 with a term of office in current session of the Board from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|---------------|--|
| Tse Yung Hoi | <p>Bachelor's degree in English. From September 1975 to December 1979, he worked in the Foreign Affairs Bureau of the Chinese Academy of Social Sciences; from December 1979 to October 1981, he worked in the Funds Department of the Head Office of the Bank of China; from October 1981 to July 1986, he served as deputy manager of the Foreign Exchange Department of the London Branch of the Bank of China; from July 1986 to October 1989, he served as deputy head of the Funds Department of the Head Office of the Bank of China; from October 1989 to December 1992, he served as head of the Funds Department of the Tokyo Branch of the Bank of China; from January 1993 to January 1996, he served as deputy general manager of H.K. Yongxin Industrial Limited; from January 1996 to July 1998, he served as standing deputy general manager of Hong Kong Shun Loong Group; from July 1998 to December 2002, he served as deputy general manager of the Investment Management Department and deputy general manager of the Global Markets Department of the Head Office of the Bank of China; from December 2002 to December 2012, he served as deputy executive president of BOC International Holdings Limited; from January 2003 to present, he has served as chairman of BOCI-Prudential Asset Management Limited in Hong Kong. He has served as an independent non-executive Director of the Company since December 2022 with a term of office in current session of the Board from December 2022 to December 2025.</p> |
| Gu Chengzhong | <p>Master's degree in coastal engineering. From July 1990 to May 1998, he worked in Nanjing Public Security Bureau. From May 1998 to November 2005, he worked in the technical supervision office, head office of brokerage management, and Nanjing Hanzhong Road securities business office of Huatai Securities. From November 2005 to January 2019, he served as a deputy general manager (in charge of work) and general manager of Xi'an North Wenyi Road securities business office, general manager of Xi'an regional center securities business office, general manager of Nanjing Ruijin Road securities business office, and general manager of Nanjing branch of Huatai Securities. He has been the general manager of the compliance and legal affairs department of the Company since January 2019 and an Employee Representative Supervisor of the Company since April 2019. He has been the chairman of Supervisory Committee of the Company since October 2021 with a term of office in current session of the Supervisory Committee from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|------------|---|
| Li Chongqi | <p>Bachelor's degree in business administration, and is a senior economist and senior accountant. From August 1998 to August 2009, she served as accountant of the finance department, director of the finance department, deputy general manager and director of the finance department of Tongda General Company of Jiangsu Huaiyin Power Generation Company; from August 2009 to March 2018, she served as deputy director of the finance department (chief rank), director of the finance department, deputy chief accountant and director of the finance department, member of the party committee and deputy general manager of Jiangsu Huaiyin Power Generation Company; from March 2018 to June 2022, she served as deputy general manager of the human resources department and deputy general manager (departmental chief level) of Jiangsu Guoxin Investment Group; from June 2022 to August 2023, she served as general manager of the finance department of Jiangsu Guoxin Investment Group ; since August 2023, she has served as chief accountant and member of the party committee of Jiangsu Railway Group. She has served as Supervisor of the Company since December 2022 with a term of office in current session of the Supervisory Committee from December 2022 to December 2025.</p> |
| Yu Lanying | <p>Master's degree in industrial economics, a principal senior accountant and certified public accountant. She served at the finance department of Nanjing Runtai Industrial Trading Company (南京潤泰實業貿易公司) from August 1993 to August 1996. She pursued master's studies of industrial economics in Nanjing University of Science and Technology (南京理工大學) from September 1996 to April 1999, served at the finance and audit department of Jiangsu United Trust and Investment Company (江蘇聯合信託投資公司) from May 1999 to December 2002. She worked at the finance and audit division of Jiangsu Communications Industry Group Co., Ltd. (江蘇交通產業集團有限公司) from January 2003 to September 2004, the finance and audit department of Jiangsu Communications Holding Co., Ltd. (江蘇交通控股有限公司) from October 2004 to May 2008. She successively served as the deputy manager (in charge of work), manager of the finance and accounting division, deputy chief financial officer (departmental level), chief financial officer and member of the Party Committee of Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司) from June 2008 to November 2016. She served as the deputy general manager, chief financial officer and member of the Party Committee of Jiangsu Expressway Company Limited from November 2016 to March 2018, head of the audit and risk control department of Jiangsu Communications Holding Co., Ltd. from March 2018 to August 2018 and has served as head of the audit and risk control department and supervisor of audit center of Jiangsu Communications Holding Co., Ltd. from August 2018 to November 2019, head of the financial management department of Jiangsu Communications Holding Co., Ltd. since November 2019 to June 2022, assistant to the general manager and head of the financial management department of Jiangsu Communications Holding Co., Ltd. from June 2022 to August 2023, and chief accountant, member of the party committee and head of the financial management department of Jiangsu Communications Holding Co., Ltd. since August 2023. She has served concurrently as Supervisor of the Company since October 2018, with a term of office in current session of the Supervisory Committee from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|----------------|---|
| Zhang Xiaohong | <p>Master's degree in business administration and is an international business operator. Ms. Zhang served as the export sales manager of Nanjing Native Produce and Animal Byproducts Import and Export Co., Ltd. (南京市土產畜產進出口股份公司) from August 1989 to April 1997; assistant to the manager and manager of Jiangsu Xinsu Investment Management Co., Ltd. (江蘇鑫蘇投資管理有限公司) from April 1997 to November 2000; manager of Jiangsu Venture Capital Co., Ltd. (江蘇省創業投資有限公司) from December 2000 to May 2005; senior manager, deputy general manager of the asset management department, general manager of the asset management department and general manager of the investment operations department of Govtor Capital Group Co., Ltd. (江蘇高科技投資集團有限公司) from May 2005 to July 2020; and vice general manager of Govtor Capital Group Co., Ltd. since July 2020. She has served as a Supervisor of the Company since December 2019, with a term of office in current session of the Supervisory Committee from December 2022 to December 2025.</p> |
| Zhou Hongrong | <p>College degree in financial accounting and international trade and is a principal senior accountant. From August 1993 to May 2003, she served as clerk of the garment finance division and deputy section chief of the garment finance and accounting division of the asset finance department of Jiangsu Silk Import & Export Group Co. Ltd.; from May 2003 to January 2010, she served as deputy section chief of the garment finance and accounting division, deputy section chief of the second accounting division, deputy section chief of the light textile finance and accounting division, and head of the light textile finance and accounting division of the finance department of Jiangsu SOHO International Group Corp.; from January 2010 to March 2012, she served as assistant to the general manager of the asset and finance department of Jiangsu Silk Group Corporation; from March 2012 to December 2020, she served as deputy general manager of asset and finance department and general manager of asset and finance department of Jiangsu SOHO Holdings Group Co., Ltd.; from December 2020 to present, she has served as vice president and member of the party committee of Jiangsu SOHO Holdings Group Co., Ltd. She has served as Supervisor of the Company since December 2022 with a term of office in current session of the Supervisory Committee from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|-----------|---|
| Wang Ying | <p>Master's degree in public administration. She worked in the organization department of the Municipal Committee of Yangzhong and the Municipal Party Committee of Youth League in Yangzhong from August 2000 to June 2004. From June 2004 to January 2016, she worked at the State-owned Assets Supervision and Administration Commission of Jiangsu Provincial People's Government, successively serving as the principal staff member of the enterprise leadership personnel management division, principal staff member of the administrative office, deputy division chief of the public working division, deputy division chief of the Party construction work division and deputy division chief of the enterprise leadership personnel management division, etc. She joined Huatai Securities in January 2016 and has been serving as the head of the Communist Party union working department of Huatai Securities since April 2016. She has been the chairman of labor union of the Company since December 2021, an Employee Representative Supervisor of the Company since December 2019, with a term of office in current session of the Supervisory Committee from December 2022 to December 2025.</p> |
| Wang Juan | <p>Master of scientific socialist legal system construction. From August 1997 to November 2015, she worked in the Publicity Department of the CPC Jiangsu Provincial Committee; from November 2015 to November 2016, she served as a deputy director of the General Administration Department of Jiangsu Cultural Investment & Management Group Co., Ltd.; from November 2016 to January 2019, she served as a deputy director of the General Administration Department of Jiangsu Cultural Investment & Management Group Co., Ltd. (presiding over the work since July 2017), as well as an executive director and the General Manager of Jiangsu Zijin Cultural and Creative Park Operation and Management Company Limited; from January 2019 to October 2019, she served as a deputy director (presiding over the work) of the General Administration Department of Jiangsu Cultural Investment & Management Group Co., Ltd.; from October 2019 to July 2020, she served as the director of the Party-Masses Work Department of Jiangsu Cultural Investment & Management Group Co., Ltd.; from July 2020 to February 2023, she served as the Deputy Director of the Office of the Company; since February 2023, she has been the Director of the Office of the Company; since October 2021, she has been the employee representative Supervisor of the Company, with a term of office in current session of the Supervisory Committee from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|--------------|--|
| Han Zhencong | <p>Doctor of management science and engineering and is a senior economist. He served as a secretary of student affairs office, teacher, deputy secretary of Youth League Committee, director of educational affairs section and director of teaching and research office and vice-principal of Jiangsu Post and Telecommunications School (江蘇省郵電學校). He also served as deputy director of Jiangsu Telecom Staff Training Center (江蘇省電信職工培訓中心), manager of enterprise planning department, office director, general manager of Wuxi Branch, deputy general manager, member of the Leading Party Members' Group of China Telecom Jiangsu Company Limited (中國電信江蘇公司). He was the general manager and secretary of the Leading Party Members' Group of China Telecom Heilongjiang Company Limited from September 2009 to February 2012. He was the general manager of the government and enterprise customer business division of China Telecom from February 2012 to July 2016, and was the general manager and secretary of the Party Committee of China Telecom Zhejiang Company Limited from July 2016 to December 2019. He joined HTSC in December 2019 and has been a member of the Executive Committee and the chief information officer of the Company since April 2022 with a term of office in current session of the senior management from December 2022 to December 2025.</p> |
| Sun Hanlin | <p>Master of business administration, Mr. Sun once worked as a clerk, officer and deputy chief of the cadre section of human resources division of Jiangsu Branch of the PBOC; deputy chief (presiding) and chief of human resources division of Jiangsu Securities Company (江蘇省證券公司); chief of human resources division, chief of the organization department, general manager of the human resources department, secretary of the discipline inspection commission, chief inspection officer, a member of the Party Committee and vice president of Huatai Securities Limited Liability Company (華泰證券有限責任公司). He was vice president, secretary of the discipline inspection commission and a member of the Party Committee of the Company from December 2007 to December 2015. He was vice president and a member of the Party Committee of the Company from December 2015 to November 2019. He was vice president of the Company from November 2019 to December 2019, and has been a member of Executive Committee of the Company since December 2019 with a term of office in current session of the senior management from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|-------------|--|
| Jiang Jian | <p>Master of agricultural economics and management. Mr. Jiang once taught at Nanjing Agricultural University (南京農業大學). He worked at Jiangsu Securities Company (江蘇省證券公司) as an employee of the human resources division, chief of the training and education section of the human resources division, deputy general manager of the stock affairs department under the investment banking head office, deputy general manager of No. 1 investment banking department, senior manager of No. 1 investment banking department, deputy general manager of the investment banking head office and general manager of the issuance department, general manager of the asset management head office of Huatai Securities Limited Liability Company, general manager of the investment banking business Nanjing head office, director of investment banking business and general manager of Nanjing head office, assistant to the president and general manager of Shanghai head office, assistant to the president, secretary to the Board of Directors, assistant to the president and general manager of institutional customer service department, vice president and secretary to the Board of Directors, and a member of the Party Committee. He was vice president, secretary to the Board of Directors and a member of the Party Committee of the Company from December 2007 to April 2017, vice president and a member of the Party Committee of the Company from April 2017 to November 2019 and vice president of the Company from November 2019 to December 2019. He has been a member of Executive Committee of the Company since December 2019 with a term of office in current session of the senior management from December 2022 to December 2025.</p> |
| Zhang Hui | <p>Doctor of technology economics and management. Mr. Zhang once worked at Dongcheng District Personnel Exchange Service Center of Beijing (北京東城區人才交流服務中心), Brilliance Group (華晨集團) Shanghai Office, Tongshang Holdings Co., Ltd. (通商控股有限公司) and Beijing Lianchuang Investment and Management Co., Ltd. (北京聯創投資管理有限公司). He served as a senior manager of the asset management head office of Huatai Securities and deputy general manager of the business office at Nantong Yaogang Road. Mr. Zhang served as the general manager of the business office at Shanghai Ruijin First Road, deputy general manager of securities investment department of the Company; general manager of the Company's general affairs department from July 2012 to January 2016; general manager of the human resources department and head of the organization department of the Party Committee of the Company from January 2016 to April 2017; secretary to the Board of Directors, general manager of the human resources department and head of the organization department of the Party Committee of the Company from April 2017 to March 2019; and secretary to the Board of Directors of the Company from March 2019 to December 2019, and a member of the Executive Committee and secretary to the Board of Directors of the Company from December 2019 to July 2022. He has been a member of the Executive Committee, secretary to the Board of Directors and party committee member of the Company since July 2022, with a term of office in current session of the senior management from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|----------------|--|
| Chen Tianxiang | <p>Master's degree in control science and engineering. Mr. Chen once was an engineer of Eastcom Co., Ltd. (東方通信股份有限公司), project manager of Nanjing Xinwang Telecom Tech Co., Ltd. (南京欣網視訊科技股份有限公司), senior engineer of the information technology department, website operation manager of customer service center, head of network marketing team and assistant to general manager of financial service center of Huatai Securities. He served as the deputy general manager of the head office of brokerage business of the Company from April 2015 to August 2015; deputy general manager of the internet finance department of the Company (in charge of work) from August 2015 to June 2017; and general manager of the internet finance department of the Company from June 2017 to March 2022. He has been a member of the Executive Committee of the Company since February 2020, with a term of office in current session of the senior management from December 2022 to December 2025.</p> |
| Jiao Xiaoning | <p>Master's degree of accounting, an accountant. She once was a cadre of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司) Beijing Branch as well as a cadre, deputy chief clerk and chief clerk of the comprehensive division of the accounting department of Ministry of Finance (財政部). She served as the deputy division chief of the second division of standards of the accounting department of Ministry of Finance, investigator of the second division of the system from November 2003 to November 2009; a cadre, investigator, director and leading cadre of the system division of the accounting department of the CSRC from November 2009 to January 2014; deputy inspector and deputy director of the accounting department of the CSRC from January 2014 to January 2020. She joined Huatai Securities in January 2020 and has been the chief financial officer of the Company since March 2020, with a term of office in current session of the senior management from December 2022 to December 2025.</p> |
| Jiao Kai | <p>Doctor of finance. Mr. Jiao was once the manager and director assistant of trading operation department, director assistant and deputy director of trading management department, deputy director of executive office and general manager's secretary, and director of board of governors office and deputy director of executive office of Shanghai Stock Exchange. He served as the director of board of governors office and deputy director of executive office, director of CPC Committee Office and director of board of supervisors office of Shanghai Stock Exchange from January 2013 to March 2014; director of Beijing center of Shanghai Stock Exchange from March 2014 to February 2017; general manager of membership department of Shanghai Stock Exchange from February 2017 to December 2019. He joined Huatai Securities in December 2019 serving as the general legal counsel of the Company and has been the chief compliance officer and general legal counsel of the Company since February 2020 with a term of office in current session of the senior management from December 2022 to December 2025.</p> |

| Name | Primary work experience |
|------------|---|
| Wang Chong | <p>Master of computer and finance. Mr. Wang served as the principal staff member of the treasury department/global financial marketing department of Bank of China (中國銀行) from July 1995 to March 2003; middle office chief of internal risk control for European treasury operations at the London Branch of Bank of China from March 2003 to May 2007; leader of interest rate derivative product and fixed income risks team of J.P. Morgan Securities (JP 摩根證券) from June 2007 to January 2010; risk compliance officer of China International Capital Corporation (UK) Limited (中國國際金融有限公司(英國)) from January 2010 to November 2014. He has been general manager of risk management department of the Company from December 2014 to January 2022 and chief risk officer of the Company since March 2017 with a term of office in current session of the senior management from December 2022 to December 2025.</p> |
| Sun Yan | <p>Bachelor of statistics. She once was the business director, business controller, senior manager and compensation and benefits manager of the human resources department of Huatai Securities. She served as the assistant to the general manager of the human resources department of the Company from April 2011 to May 2014; deputy general manager of the human resources department of the Company from May 2014 to March 2019; general manager of the human resources department and head of the organization department of the Party Committee of the Company from March 2019 to December 2022 ; and director of human resources, general manager of the human resources department and head of the organization department of the Party Committee of the Company from December 2022 to October 2023. She has been the director of human resources, member of the party committee, general manager of the human resources department and head of the organization department of the Party Committee of the Company since October 2023 with a term of office in current session of the senior management from December 2022 to December 2025.</p> |

(II) Employment of Directors, Supervisors and senior management at present and those retired during the Reporting Period

1. Employment at the Shareholders' companies

| Name of employee | Name of the Shareholder's companies | Position | Commencement of the term of office | Expiration of the term of office |
|--|--|--|------------------------------------|----------------------------------|
| Ding Feng | Jiangsu Guoxin Investment Group Limited | General manager of the finance department | March 8, 2018 | – |
| Chen Zhongyang | Jiangsu Communications Holding Co., Ltd. | Deputy general manager, party committee member | June 8, 2020 | – |
| Ke Xiang | Govtor Capital Group Co., Ltd. | General legal counsel | December 16, 2022 | September 26, 2023 |
| | | Deputy general manager, party committee member | August 17, 2020 | – |
| Liu Changchun | Jiangsu SOHO Holdings Group Co., Ltd. | General legal counsel | November 11, 2020 | – |
| | | Vice president, party committee member | August 14, 2020 | – |
| Li Chongqi | Jiangsu Guoxin Investment Group Limited | Secretary to the board of directors | May 25, 2017 | – |
| | | General legal counsel | September 28, 2020 | – |
| Yu Lanying | Jiangsu Communications Holding Co., Ltd. | General manager of the finance department | June 2, 2022 | August 28, 2023 |
| | | Head of the financial management department | November 22, 2019 | – |
| Zhang Xiaohong | Govtor Capital Group | Assistant to the general manager | June 1, 2022 | August 28, 2023 |
| | | Chief accountant, party committee member | August 28, 2023 | – |
| Zhou Hongrong | Jiangsu SOHO Holdings Group Co., Ltd. | Deputy general manager | July 8, 2020 | – |
| Explanation of the employment at the Shareholders' Companies | Nil | Vice president, party committee member | December 10, 2020 | – |
| | | | | |

2. *Employment at other companies*

| Name of employee | Name of other companies | Position | Commencement of the term of office | Expiration of the term of office |
|------------------|--|---|------------------------------------|----------------------------------|
| Zhou Yi | Huatai Financial Holdings (Hong Kong) Limited | Director | November 28, 2006 | – |
| | AssetMark Financial Holdings, Inc. | Director | October 31, 2016 | – |
| | CSOP Asset Management Limited (南方東英資產管理有限公司) | Chairman | November 7, 2017 | – |
| | China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司) | Chairman | May 27, 2022 | – |
| Ding Feng | Huatai Securities (Singapore) Pte. Limited | Director | September 20, 2022 | – |
| | Jiangsu United Credit Service Co., Ltd. (江蘇省聯合征信有限公司) | Director | June 14, 2019 | – |
| | Jiangsu Guoxin Credit Financing Guarantee Co., Ltd. (江蘇省國信信用融資擔保有限公司) | Director | August 12, 2019 | – |
| | Zking Property & Casualty Insurance Co., Ltd. (紫金財產保險股份有限公司) | Director | February 20, 2021 | – |
| | Lian Life Co., Ltd. (利安人壽股份有限公司) | Director | February 8, 2023 | – |
| | Jiangsu International Trust Corporation Limited (江蘇省國際信託有限責任公司) | Vice chairman | March 22, 2024 | – |
| Chen Zhongyang | China Eastern Airlines Jiangsu Co., Ltd. (中國東方航空江蘇有限公司) | Director | March 23, 2021 | December 29, 2023 |
| | Jinling Hotel Co., Ltd. (金陵飯店股份有限公司) | Director | May 25, 2021 | – |
| Ke Xiang | Jiangsu Addor Huijing Asset Management Co., Ltd. (江蘇毅達匯景資產管理有限公司) | Director | November 4, 2020 | – |
| | Jiangsu Govtor Asset Management Co., Ltd. (江蘇高投資產管理有限公司) | Director, general manager | December 8, 2020 | – |
| | Jiangsu Fenghai New Energy Seawater Desalination Development Co., Ltd. (江蘇豐海新能源淡化海水發展有限公司) | Director | December 18, 2020 | – |
| Zhang Jinxin | Shanxi Jinbo Bio-Pharmaceutical Co., Ltd. (山西錦波生物醫藥股份有限公司) | Independent director | March 12, 2020 | – |
| | Beijing Tiandetai Technology Company Limited (北京天德泰科技股份有限公司) | Independent director | April 28, 2020 | – |
| | Gkht (Beijing) Medical Technology Co., Ltd. (國科恒泰(北京)醫療科技股份有限公司) | Independent director | December 12, 2022 | – |
| | Chengtong Fund Management Company Limited (誠通基金管理有限公司) | General manager of the research and planning department | June 5, 2023 | – |

| Name of employee | Name of other companies | Position | Commencement of the term of office | Expiration of the term of office |
|------------------|---|----------------------|------------------------------------|----------------------------------|
| Wang Jianwen | Changshu Feifan Metalwork Co., Ltd. (常熟非凡新材股份有限公司) | Independent director | April 15, 2021 | – |
| | Law School of Nanjing University | Professor | May 1, 2021 | – |
| | Tongfu Microelectronics Co., Ltd. (通富微電子股份有限公司) | Independent director | December 16, 2021 | – |
| | Nanjing Xinjiekou Department Store Co., Ltd. (南京新街口百貨商店股份有限公司) | Independent director | January 17, 2023 | – |
| | Trinapower Co., Ltd. (天合富家能源股份有限公司) | Independent director | April 23, 2023 | – |
| Wang Quansheng | Business School of Nanjing University | Professor | December 31, 2010 | – |
| | | Deputy dean | November 30, 2020 | – |
| Peng Bing | Nanjing Iron & Steel Co., Ltd. (南京鋼鐵股份有限公司) | Independent director | June 30, 2022 | – |
| | Law School of Peking University | Professor | April 1, 2000 | – |
| | HSBC Qianhai Securities Limited (滙豐前海證券有限責任公司) | Independent director | September 1, 2017 | August 30, 2023 |
| Wang Bing | Changzhou Tronly New Electronic Materials Co., Ltd. (常州強力電子新材料股份有限公司) | Independent director | October 10, 2017 | October 9, 2023 |
| | HIT Welding Industry Co., Ltd. (哈焊所華通(常州)焊業股份有限公司) | Independent director | June 1, 2019 | March 18, 2024 |
| | Kuangda Technology Group Co. Ltd. (曠達科技集團股份有限公司) | Independent director | May 12, 2020 | – |
| | Jiangsu Jiuwu High-Tech Co., Ltd. (江蘇久吾高科技股份有限公司) | Independent director | June 20, 2022 | – |
| Tse Yung Hoi | Department of Accounting of the Business School of Nanjing University | Professor | December 31, 2022 | – |
| | BOCI-Prudential Asset Management Limited (中銀國際英國保誠資產管理有限公司) | Chairman | January 24, 2003 | – |
| | BOCOM International Holdings Company Limited (交銀國際控股有限公司) | Independent director | June 26, 2014 | – |
| | Qianhai Financial Holdings Co., Limited (前海金融控股有限公司) | Independent director | July 21, 2014 | – |
| | DTXS Silk Road Investment Holdings Company Limited (大唐西市絲路投資控股有限公司) | Independent director | November 16, 2017 | October 1, 2023 |
| | Vico International Holdings Limited (域高國際控股有限公司) | Independent director | January 16, 2018 | March 1, 2024 |

| Name of employee | Name of other companies | Position | Commencement of the term of office | Expiration of the term of office |
|------------------|--|--|------------------------------------|----------------------------------|
| Gu Chengzhong | Huatai Purple Gold Investment Co., Ltd. (華泰紫金投資有限責任公司) | Supervisor | January 18, 2019 | – |
| | Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司) | Supervisor | March 18, 2020 | – |
| Li Chongqi | Hong Kong Broadsino Investment Company Limited (香港博騰國際投資貿易有限公司) | Chairman of the supervisory committee | May 8, 2018 | October 27, 2023 |
| | Suzhou Zhongfang Consortium Holding Company Limited (蘇州中方財團控股股份有限公司) | Director | June 10, 2019 | October 27, 2023 |
| | Jiangsu Radio and Television Information Network Investment Company Limited (江蘇省廣播電視信息網絡投資有限公司) | Vice chairman | May 20, 2020 | – |
| | Jiangsu Railway Group Co., Ltd. (江蘇省鐵路集團有限公司) | Director Chief accountant, party committee member | May 20, 2020 August 28, 2023 | – – |
| Yu Lanying | Jiangsu New Energy Development Co., Ltd. (江蘇省新能源開發股份有限公司) | Chairman of the supervisory committee | August 10, 2021 | November 13, 2023 |
| | Jiangsu International Trust Corporation Limited (江蘇省國際信託有限責任公司) | Director | October 21, 2022 | November 24, 2023 |
| | Jiangsu Re-guarantee Group Co., Ltd. (江蘇省信用再擔保集團有限公司) | Supervisor | May 27, 2018 | – |
| | Jiangsu Salt Industry Group Co., Ltd. (江蘇省鹽業集團有限責任公司) | Chairman of the supervisory committee | December 3, 2018 | – |
| | Jiangsu Jinsuzheng Investment and Development Co., Ltd. (江蘇金蘇證投資發展有限公司) | Director | December 3, 2018 | – |
| | Bank of Nanjing Co., Ltd. (南京銀行股份有限公司) | Director | September 16, 2020 | January 8, 2024 |
| | Jiangsu Financial Leasing Co., Ltd. (江蘇金融租賃股份有限公司) | Director | February 7, 2024 | – |
| Zhang Xiaohong | Jiangsu Talent Innovation and Venture Service Center Co., Ltd. (江蘇省人才創新創業服務中心有限公司) | Legal representative, executive director and general manager | October 9, 2019 | – |
| | Jiangsu Govtor Asset Management Co., Ltd. (江蘇高投資產管理有限公司) | Legal representative, chairman | August 26, 2021 | – |
| | Jiangsu Xinxin Retail Innovation Fund (Limited Partnership) (江蘇新新零售創新基金(有限合夥)) | Designated representative of executive partner | August 26, 2021 | – |
| | Jiangsu Govtor Venture Capital Management Co., Ltd. (江蘇高投創業投資管理有限公司) | Legal representative, chairman | December 24, 2021 | December 23, 2023 |
| | Jiangsu Govtor Innovation Investment Co., Ltd. (江蘇高投創新投資有限責任公司) | Legal representative, executive director | April 18, 2023 | – |

| Name of employee | Name of other companies | Position | Commencement of the term of office | Expiration of the term of office |
|------------------|---|--|------------------------------------|----------------------------------|
| | Jiangsu Addor Equity Investment Fund Management Co., Ltd. (江蘇毅達股權投資基金管理有限公司) | Supervisor | June 26, 2023 | – |
| | Jiangsu State-owned Enterprises Mixed-ownership Reform fund (Limited Partnership) (江蘇國有企業混合所有制改革基金(有限合夥)) | Designated representative of executive partner | July 19, 2023 | December 23, 2023 |
| | Jiangsu Strategic and Emerging Industries Parent Fund Co., Ltd. (江蘇省戰略性新興產業母基金有限公司) | Supervisor | September 21, 2023 | – |
| Sun Hanlin | Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司) | Legal representative, chairman | March 1, 2021 | March 6, 2024 |
| Jiang Jian | Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司) | Director | May 16, 2012 | – |
| Zhang Hui | China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司) | Director | October 18, 2016 | – |
| Chen Tianxiang | Huatai Securities (Shanghai) Asset Management Co., Ltd. (華泰證券(上海)資產管理有限公司) | Director | March 30, 2018 | – |
| Jiao Xiaoning | AssetMark Financial Holdings, Inc. | Chairman | April 21, 2020 | – |
| | Huatai Securities (Shanghai) Asset Management Co., Ltd. (華泰證券(上海)資產管理有限公司) | Director | August 10, 2020 | – |
| Wang Chong | Huatai International Financial Holdings Company Limited (華泰國際金融控股有限公司) | Director | February 28, 2018 | – |
| | Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股(香港)有限公司) | Chief risk officer | July 30, 2018 | – |
| | Huatai Securities USA Holdings, Inc. | Director | September 28, 2018 | – |
| | Huatai Securities (USA), Inc. | Director | September 28, 2018 | – |
| Hu Xiao | Alibaba Group Holding Limited | Managing director of strategic investment department | January 1, 2020 | – |
| | Dianwoba Holdings Limited | Director | May 30, 2020 | August 30, 2023 |
| | YTO Express Group Co., Ltd. (圓通速遞股份有限公司) | Director | February 25, 2021 | – |
| | New Carzone Inc. | Director | September 9, 2021 | June 21, 2023 |
| | Jiangsu Kangzhong Auto Parts Co., Ltd. (江蘇康眾汽配有限公司) | Director | September 30, 2021 | June 30, 2023 |
| | BEST Inc. | Director | February 15, 2022 | – |
| | Yunshang Exhibition Company Limited (雲上會展有限公司) | Director | March 1, 2022 | – |
| | Travel Ease International (Hong Kong) Limited | Director | March 9, 2022 | June 21, 2023 |
| | Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司) | Director | March 29, 2022 | August 16, 2023 |

| Name of employee | Name of other companies | Position | Commencement of the term of office | Expiration of the term of office |
|---------------------------|--|--|------------------------------------|----------------------------------|
| | Zhejiang Haozhu Network Technology Company Limited (浙江豪豬網絡技術有限公司) | Director | July 14, 2022 | June 28, 2023 |
| | Hangzhou Alibaba Venture Capital Management Co., Ltd. (杭州阿里巴巴創業投資管理有限公司) | Legal representative, executive director and general manager | March 9, 2023 | – |
| | Hangzhou Ali Venture Capital Co., Ltd. (杭州阿里創業投資有限公司) | Legal representative, executive director and general manager | March 9, 2023 | – |
| | Suning.com Group Co., Ltd. (蘇寧易購集團股份有限公司) | Director | April 6, 2023 | – |
| | Lianhua Supermarket Holdings Co., Ltd. (聯華超市股份有限公司) | Director | June 15, 2023 | – |
| | Hangzhou Haoyue Enterprise Management Co., Ltd. (杭州灝月企業管理有限公司) | Legal representative, executive director and general manager | October 24, 2023 | – |
| | Xpeng Inc. | Director | November 15, 2023 | – |
| | Moonshot AI Ltd. | Director | December 15, 2023 | – |
| | Shanghai Yike New Retail Network Technology Co., Ltd. (上海逸刻新零售網絡科技有限公司) | Director | December 22, 2023 | – |
| | Banma Network Technology Co., Ltd. (斑馬網絡技術有限公司) | Director | January 30, 2024 | – |
| Explanation of other jobs | Nil | | | |

(III) Remuneration of the Directors, Supervisors and senior management

| | |
|--|---|
| Decision-making procedures of remuneration of the Directors, Supervisors and senior management | The Remuneration and Appraisal Committee of the Board is responsible for advising the Board on the remuneration structure and policies of the Directors and senior management of the Company. The Board makes decisions on matters relating to the remuneration of and reward and punishment of senior management in accordance with relevant policies, and matters relating to the remuneration of Directors and Supervisors shall be determined at the general meeting. |
| Whether the Director abstains from discussion on his/her remuneration at the Board meeting | Yes |
| Recommendation on salaries of the Directors, Supervisors and senior management from the Remuneration and Appraisal Committee or the special meeting of the independent Directors | On March 27, 2024, the Remuneration and Appraisal Committee of the sixth session of the Board of the Company considered and approved the Report on Performance Assessment and Remuneration of the Supervisors of the Company for 2023 and the Report on Performance of Duties, Performance Assessment and Remuneration of the Senior Management of the Company for 2023 at its 2024 first meeting, and agreed to submit these two resolutions to the Board of the Company for consideration. |
| The basis for determining the remuneration of the Directors, Supervisors and senior management | The external Directors and external Supervisors of the Company do not receive remuneration from the Company; standard of remuneration of the independent Directors is determined with reference to that of the listed peers and based on actual situation of the Company; remuneration of internal Directors, employee representative Supervisors and the senior management applies relevant policies of governing authorities and the remuneration assessment system of the Company, and determined in accordance with the Company's operation, job responsibilities and the result of annual and tenure performance, as it is linked to position and performance. |
| Actual payments of remuneration of the Directors, Supervisors and senior management | Please refer to "Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period" in this report for details. |

Total remuneration actually obtained by all Directors, Supervisors and senior management at the end of the Reporting Period

Please refer to “Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period” in this report for details.

During the Reporting Period, the Company paid compensations (before tax) for previous years which were deferred to 2023: RMB1,180,200 to Zhou Yi; RMB480,500 to Yin Lihong; RMB1,019,500 to Gu Chengzhong; RMB641,100 to Wang Ying; RMB264,000 to Wang Juan; RMB767,500 to Han Zhencong; RMB797,900 to Sun Hanlin; RMB797,900 to Jiang Jian; RMB1,225,800 to Zhang Hui; RMB1,326,900 to Chen Tianxiang; RMB1,060,300 to Jiao Xiaoning; RMB1,071,600 to Jiao Kai; RMB830,100 to Wang Chong; and RMB963,300 to Sun Yan.

(IV) Changes in Directors, Supervisors and senior management

| Name | Position | Change | Reason for Change |
|---------------|------------------------|----------|--|
| Liu Changchun | Non-executive Director | Elected | Elected at the 2023 second extraordinary general meeting |
| Hu Xiao | Non-executive Director | Resigned | Due to work reasons, she will no longer serve as a non-executive Director of the Company |

Notes:

- On September 19, 2023, the Board of the Company received a written resignation report from Ms. Hu Xiao, a non-executive Director. Ms. Hu Xiao has proposed to resign from her positions as a non-executive Director of the sixth session of the Board of the Company and as a member of the Development Strategy Committee of the Board due to work reasons, upon which she no longer holds any position in the Company. There is no disagreement between Ms. Hu Xiao and the Board of the Company, and there is no matter in relation to her resignation that needs to be brought to the attention of the shareholders of the Company. Ms. Hu Xiao has also confirmed that she is not a party involved in any on-going or pending litigation or dispute against the Company.
- On November 24, 2023, the Resolution on the Election of a Non-executive Director of the Sixth Session of the Board of the Company was considered and approved at the 2023 second extraordinary general meeting of the Company, pursuant to which Mr. Liu Changchun was elected as a non-executive Director of the sixth session of the Board of the Company, for a term of office until the end of the sixth session of the Board.

Save as disclosed above, the Company did not appoint or dismiss any Director, Supervisor or senior management during the Reporting Period. Meanwhile, there is no change of information about the Directors, Supervisors and chief executives which shall be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules.

(V) As of the end of the Reporting Period, none of the incumbent Directors, Supervisors and senior management or Directors, Supervisors or senior management who left office during the Reporting Period had been subject to any penalty imposed by the securities regulatory authorities during the last three years

V. MEETINGS OF THE BOARD CONVENED DURING THE REPORTING PERIOD

| Meeting | Convening date | Meeting form and place | Meeting motion | Status |
|--|----------------|--|--|--|
| The Second Meeting of the Sixth Session of the Board | March 30, 2023 | By means of onsite & video meetings. Address: Large Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing; Conference Room 6, Floor 18, Building A, China Pacific Insurance Plaza, No. 28 Fengsheng Alley, Xicheng District, Beijing; Simulated Video Conference Room, Shanghai Branch Office of Huatai Securities, Floor 25, Poly Plaza, No. 18, Dongfang Road, Pudong New Area, Shanghai; Simulated Video Beijing Conference Room, Huatai Financial Holdings (Hong Kong) Limited, 62/F, The Center, 99 Queen's Road Central, Hong Kong. | <ol style="list-style-type: none"> 1. To consider the 2022 Work Report of the Senior Management of the Company; 2. To consider the 2022 Final Financial Report of the Company; 3. To consider the 2023 Financial Budget Report of the Company; 4. To consider the Resolution on Fulfilment of Conditions for Release from Selling Restriction of the First Lock-up Period under the Restricted Share Incentive Scheme of A Shares of the Company; 5. To consider the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company; 6. To consider the Proposal on the 2022 Profit Distribution of the Company; 7. To consider the 2022 Work Report of the Board of the Company; 8. To consider the Resolution on the 2022 Annual Report of the Company; 9. To consider the Resolution on the 2022 Annual Compliance Report of the Company; 10. To consider the Resolution on the 2022 Annual Risk Management Report of the Company; 11. To consider the Resolution on the 2022 Annual Internal Control Evaluation Report of the Company; 12. To consider the Resolution on the Special Report on Information Technology Management of the Company for 2022; 13. To consider the Resolution on the 2022 Corporate Social Responsibility Report of the Company; 14. To consider the Proposal on the estimated ordinary transactions with related parties of the Company for 2023; 15. To consider the Proposal on the estimated investment amount for the proprietary business of the Company for 2023; 16. To consider the Internal Audit Work Plan of the Company for 2023; 17. To consider the Resolution on the Re-appointment of the Accounting Firms of the Company; 18. To consider the Resolution on Extension of the Validity Period of the General Mandate to Issue Onshore and Offshore Debt Financing Instruments of the Company; 19. To consider the Resolution on the Implementation Plan for Benchmarking Against World-class Enterprises for Value Creation Actions; 20. To consider the Report on Performance Assessment and Remuneration of Directors of the Company for 2022; 21. To consider the Report on Execution of Duty, Performance Assessment and Remuneration of the Senior Management of the Company for 2022; 22. To consider the Report on Performance of Duties of the Independent Directors of the Company for 2022; 23. To consider the Resolution on Convening the Annual General Meeting, A Share Class Meeting and H Share Class Meeting of the Company; 24. Debriefing of the Report on Performance of Duties by the Audit Committee of the Board of the Company for 2022; 25. Debriefing of the Work Report of the Chief Compliance Officer of the Company for 2022; 26. Debriefing of the Work Report on Anti-money Laundering of the Company for 2022; | All resolutions were considered and approved |

| Meeting | Convening date | Meeting form and place | Meeting motion | Status |
|--|-----------------|--|---|--|
| | | | 27. Debriefing of the Report on Internal Audit of the Company for 2022; 28. Review of the Report on Net Capital and Other Risk Control Indicators of the Company for 2022. | |
| The Third Meeting of the Sixth Session of the Board | April 28, 2023 | By means of onsite & video meetings. Address: Large Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing; Conference Room 6, Floor 18, Building A, China Pacific Insurance Plaza, No. 28 Fengsheng Alley, Xicheng District, Beijing; Simulated Video Conference Room, Shanghai Branch Office of Huatai Securities, Floor 25, Poly Plaza, No. 18, Dongfang Road, Pudong New Area, Shanghai; Simulated Video Beijing Conference Room, Huatai Financial Holdings (Hong Kong) Limited, 62/F, The Center, 99 Queen's Road Central, Hong Kong. | 1. To consider the Resolution on Change of Accounting Policies of the Company; 2. To consider the Resolution on the First Quarterly Report of the Company for 2023. | All resolutions were considered and approved |
| The Fourth Meeting of the Sixth Session of the Board | August 30, 2023 | By means of onsite & video meetings. Address: Large Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing; Conference Room 6, Floor 18, Building A, China Pacific Insurance Plaza, No. 28 Fengsheng Alley, Xicheng District, Beijing; Simulated Video Conference Room, Shanghai Branch Office of Huatai Securities, Floor 25, Poly Plaza, No. 18, Dongfang Road, Pudong New Area, Shanghai; Simulated Video Beijing Conference Room, Huatai Financial Holdings (Hong Kong) Limited, 62/F, The Center, 99 Queen's Road Central, Hong Kong. | 1. To consider the Resolution on the 2023 Interim Report of the Company; 2. To consider the Resolution on Amendments to the Basic System for Risk Management of Huatai Securities Co., Ltd.; 3. Examination on the Report on Net Capital and Other Risk Control Indicators of the Company for the First Half of 2023. | All resolutions were considered and approved |

| Meeting | Convening date | Meeting form and place | Meeting motion | Status |
|---|-------------------|--|--|--|
| The Fifth Meeting of the Sixth Session of the Board | October 30, 2023 | By means of onsite & video meetings. Address: Large Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228, Middle Jiangdong Road, Nanjing; Conference Room 6, Floor 18, Building A, China Pacific Insurance Plaza, No. 28 Fengsheng Alley, Xicheng District, Beijing; Simulated Video Conference Room, Shanghai Branch Office of Huatai Securities, Floor 25, Poly Plaza, No. 18, Dongfang Road, Pudong New Area, Shanghai; Simulated Video Beijing Conference Room, Huatai Financial Holdings (Hong Kong) Limited, 62/F, The Center, 99 Queen's Road Central, Hong Kong. | <ol style="list-style-type: none"> 1. To consider the Resolution on the Third Quarterly Report of the Company for 2023; 2. To consider the Resolution on Cancellation of the 2023 First Extraordinary General Meeting, the 2023 First A Share Class Meeting and the 2023 First H Share Class Meeting of the Company; 3. To consider the Resolution on the Amendments to the Working System for Independent Directors of Huatai Securities Co., Ltd.; 4. To consider the Resolution on the Election of a Non-executive Director of the Sixth Session of the Board of the Company; 5. To consider the Resolution on the Cancellation of the Repurchased A Shares and Reduction of Registered Capital by the Company; 6. To consider the Resolution on Convening the 2023 Second Extraordinary General Meeting, the 2023 Third A Share Class Meeting and the 2023 Third H Share Class Meeting of the Company. | All resolutions were considered and approved |
| The Sixth Meeting of the Sixth Session of the Board | November 24, 2023 | By means of teleconference | To consider the Resolution on the Adjustments to the Composition of Part of Special Committees of the Sixth Session of the Board of the Company. | The resolution was considered and approved |

Note: Details of relevant announcements on the resolutions of the Board can be found on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), the HKEXnews website of the HKEX (<http://www.hkexnews.hk>) and our Company's website (<http://www.htsc.com.cn>) and China Securities Journal, Shanghai Securities News, Securities Daily as well as Securities Times.

VI. MEETINGS OF THE SUPERVISORY COMMITTEE CONVENED DURING THE REPORTING PERIOD

| Meeting | Convening date | Meeting form and place | Meeting motion | Status |
|--|------------------|---|---|--|
| The Second Meeting of the Sixth Session of the Supervisory Committee | March 30, 2023 | By means of on-site meeting. Address: Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing. | <ol style="list-style-type: none"> To consider the 2022 Work Report of the Supervisory Committee of the Company; To consider the Resolution on Fulfilment of Conditions for Release from Selling Restriction of the First Lock-up Period under the Restricted Share Incentive Scheme of A Shares of the Company; To consider the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company; To consider the Proposal on the 2022 Profit Distribution of the Company; To consider the resolution on the 2022 Annual Report of the Company; To consider the resolution on the 2022 Annual Internal Control Evaluation Report of the Company; To consider the Report on Performance Assessment and Remuneration of the Supervisors of the Company for 2022; Debriefing of the Report on Internal Audit of the Company for 2022; Debriefing of the Internal Audit Work Plan of the Company for 2023. | All resolutions were considered and approved |
| The Third Meeting of the Sixth Session of the Supervisory Committee | April 28, 2023 | By means of on-site & video meetings. Address: Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing. | <ol style="list-style-type: none"> To consider the Resolution on Change of Accounting Policies of the Company; To consider the Resolution on the First Quarterly Report of the Company for 2023. | All resolutions were considered and approved |
| The Fourth Meeting of the Sixth Session of the Supervisory Committee | August 30, 2023 | By means of on-site & video meetings. Address: Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing. | To consider the Resolution on the 2023 Interim Report of the Company. | The resolution was considered and approved |
| The Fifth Meeting of the Sixth Session of the Supervisory Committee | October 30, 2023 | By means of on-site & video meetings. Address: Small Conference Room, Floor 12, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing. | <ol style="list-style-type: none"> To consider the Resolution on the Third Quarterly Report of the Company for 2023; To consider the Resolution on Cancellation of the 2023 First Extraordinary General Meeting, the 2023 First A Share Class Meeting and the 2023 First H Share Class Meeting of the Company; To consider the Resolution on the Cancellation of the Repurchased A Shares and Reduction of Registered Capital by the Company. | All resolutions were considered and approved |

Note: Details of relevant announcements on the resolutions of the Supervisory Committee can be found on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>), the HKEXnews website of the HKEX (<http://www.hkexnews.hk>) and our Company's website (<http://www.htsc.com.cn>) and China Securities Journal, Shanghai Securities News, Securities Daily as well as Securities Times.

VII. PERFORMANCE OF DUTIES OF DIRECTORS

(I) Attendance of Directors at Board Meetings and General Meetings

| Name of Director | Whether or not he/she is an independent Director | Times of attendance at Board meetings during the year | Attendance at Board meetings | | | | Whether or not he/she failed to attend the meeting in person for two consecutive times | Attendance at general meetings | Times of attendance at general meetings |
|--|--|---|------------------------------|---------------------------------------|---------------------|---------|--|--------------------------------|---|
| | | | Attendance in person | Attendance by means of teleconference | Attendance by proxy | Absence | | | |
| Zhang Wei | No | 5 | 5 | 1 | - | - | No | 6 | |
| Zhou Yi | No | 5 | 5 | 1 | - | - | No | - | |
| Ding Feng | No | 5 | 5 | 1 | - | - | No | 6 | |
| Chen Zhongyang | No | 5 | 4 | 1 | 1 | - | No | 3 | |
| Ke Xiang | No | 5 | 3 | 1 | 2 | - | No | 3 | |
| Liu Changchun | No | 1 | 1 | 1 | - | - | No | - | |
| Zhang Jinxin | No | 5 | 5 | 1 | - | - | No | 3 | |
| Yin Lihong | No | 5 | 5 | 1 | - | - | No | 6 | |
| Wang Jianwen | Yes | 5 | 4 | 1 | 1 | - | No | 6 | |
| Wang Quansheng | Yes | 5 | 5 | 1 | - | - | No | 6 | |
| Peng Bing | Yes | 5 | 4 | 1 | 1 | - | No | - | |
| Wang Bing | Yes | 5 | 5 | 1 | - | - | No | 3 | |
| Tse Yung Hoi | Yes | 5 | 5 | 1 | - | - | No | 3 | |
| Hu Xiao | No | 3 | 2 | - | 1 | - | No | - | |
| Number of Board meetings held within the year | | | | | | | | 5 | |
| Of which: Number of on-site meetings | | | | | | | | - | |
| Number of meetings held by teleconference | | | | | | | | 1 | |
| Number of meetings held on-site and via teleconference | | | | | | | | 4 | |

(II) No Objections Raised by Directors to Relevant Matters of the Company During the Reporting Period

(III) Others

1. Board of Directors and the Operation Management

(1) Composition of the Board

According to the relevant regulations of the Articles of Association, the Board shall be composed of 13 Directors, with the number of independent Directors accounting for at least 1/3 of the total number. On December 30, 2022, as elected at the 2022 First Extraordinary General Meeting of the Company, and according to the election by the congress of workers and staff of the Company, the Company formed the sixth session of the Board. As of the end of the Reporting Period, there were 13 members in the Board, including 3 executive Directors (Mr. Zhang Wei, Mr. Zhou Yi, Ms. Yin Lihong), 5 non-executive Directors (Mr. Ding Feng, Mr. Chen Zhongyang, Mr. Ke Xiang, Mr. Liu Changchun, Mr. Zhang Jinxin) and 5 independent non-executive Directors (Mr. Wang Jianwen, Mr. Wang Quansheng, Mr. Peng Bing, Mr. Wang Bing, Mr. Tse Yung Hoi).

The Directors are elected or changed via the general meeting and shall formally take office from the date on which their appointments are approved by the general meeting. A Director shall serve a term of three years. Directors are eligible for re-election upon the expiration of their terms. However, the successive terms of independent non-executive Directors may not be more than 6 years. According to relevant regulations of Rule 3.13 of the Hong Kong Listing Rules, the Company has received the annual written confirmation from each independent non-executive Director with regards to his/her independence. Based on these confirmations and the relevant information available to the Board, the Company continues to confirm their independence.

The Company covered liability insurance for Directors, Supervisors and senior management and other related staff held responsible according to the authorization of the 2014 Annual General Meeting, to protect them from the compensation liabilities that may arise from performing their duties and to reasonably avoid management risk and legal risk which the Directors, Supervisors and senior management may be exposed to, and to encourage them to earnestly fulfill their duties and responsibilities.

(2) Duties and Responsibilities of the Board

The Board is the decision-making body of the Company and is accountable to the general meeting. According to the Articles of Association, the Board shall exercise the following major functions and powers: to convene general meetings and report work to general meetings; to carry out the resolutions of the general meetings; to resolve on the business & investment plans of the Company; to prepare annual financial budget plan and final accounting plan of the Company; to prepare profit distribution plan and loss remedy plan of the Company; to formulate proposals of the Company on increasing or decreasing the registered capital, issuing bonds or other securities and the listing plan; to formulate plans for material acquisition, purchase of shares of the Company, merger, division, dissolution or transformation of the Company; to determine, within the authority granted by the general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted wealth management, related-party transactions, external donations, etc.; to decide on the establishment of the Company's internal management organizations; to determine the appointment or dismissal of the chief executive officer, secretary to the Board and other senior management of the Company, and to decide the matters on their remuneration and rewards as well as penalties; to determine the appointment or dismissal of the senior management of the Company including member of Executive Committee, chief financial officer, chief compliance officer, chief risk officer and chief information officer according to the nominations by the president, and to decide the matters on their remuneration and rewards as well as penalties; to set up the basic management system of the Company; to formulate the proposals for any amendment to the Articles of Association; to manage the Company's information disclosure; to be responsible for the strategic decision of the objectives and planning of cultural construction, and direct the Company to strengthen its cultural construction; to propose to the general meeting the appointment or replacement of the accounting firms which provide audit services for the Company; to listen to the work reports of the Executive Committee and review its work; to decide the Company's compliance management objectives and assume the responsibility for the effectiveness of compliance management, including but not limited to: considering and approving the basic system for compliance management and the annual compliance report, evaluating the effectiveness of compliance management, urging to solve problems in compliance management, establishing the mechanism for direct communication with the chief compliance officer, guaranteeing the chief compliance officer's assessment on the senior management, various departments and branches, subsidiaries at all levels, Compliance Department and compliance management personnel; to formulate the risk control system of the Company; to determine Directors' remunerations and distribution plan thereof; to decide to purchase Company's shares due to the circumstances specified in the Articles of Association; and to exercise other functions and powers authorized by laws, administrative regulations, departmental rules or the Articles of Association.

(3) Duties and Responsibilities of the Operation Management

The Operation Management is responsible for the concrete implementation of the development strategies and policies passed by the Board as well as the daily operation and management of the Company. The Operation Management is the supreme operation management body established by the Company for implementation of the routes and policies determined by the Board, and shall exercise the following functions and powers according to the Articles of Association: to carry out Company's operation policies determined by the Board and decide on material matters during the operation and management of the Company; to formulate and implement the financial budget plan of the Company; to formulate final accounting plan, profit distribution plan and loss remedy plan of the Company; to formulate the registered capital change plans and bonds insurance plans of the Company; to formulate plans for merger, division, change and dissolution of the Company; to formulate Company's business plans and plans for investment, financing and disposal of assets, and report to the Board for approval according to authorization; to formulate Company's plan for establishment of internal management bodies; to deploy and implement various works for cultural construction; to prepare and approve the employee benefits plans and promotion and demotion plans; and to exercise other functions and powers authorized by the Board.

(4) Implementation by the Board of Resolutions Passed at General Meetings

- 1) On February 8, 2021, the Resolution on General Mandate for Domestic and Overseas Debt Financing Instruments of the Company was considered and approved at the Company's first extraordinary general meeting of 2021. According to the resolution, after being approved by Approval for the Registration of Public Issuance of Corporate Bonds by Huatai Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2022] No. 161) of the CSRC, the Company publicly issued ten tranches of corporate bonds totaling RMB32.0 billion during the Reporting Period.
- 2) On February 8, 2021, the Resolution on General Mandate for Domestic and Overseas Debt Financing Instruments of the Company was considered and approved at the Company's first extraordinary general meeting of 2021. According to the resolution, after being approved by the Letter on Unanimity for the Listing and Transfer of Non-publicly Issued Corporate Bonds of Huatai Securities Co., Ltd. (Shang Zheng Han [2023] No. 1421) of the SSE, the Company issued two tranches of corporate bonds non-publicly, with a total amount of RMB6.4 billion during the Reporting Period.

- 3) On February 8, 2021, the Resolution on General Mandate for Domestic and Overseas Debt Financing Instruments of the Company was considered and approved at the Company's first extraordinary general meeting of 2021. According to the resolution, after being approved by Approval for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds by Huatai Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2023] No. 1537) of the CSRC, the Company publicly issued two tranches of perpetual subordinated corporate bonds totaling RMB6.5 billion during the Reporting Period.
- 4) On February 8, 2021, the Resolution on General Mandate for Domestic and Overseas Debt Financing Instruments of the Company was considered and approved at the Company's first extraordinary general meeting of 2021. According to the resolution, after being approved by Approval for the Registration of Public Issuance of Short-term Corporate Bonds by Huatai Securities Co., Ltd. to Professional Investors (Zheng Jian Xu Ke [2023] No. 414) of the CSRC, the Company publicly issued six tranches of short-term corporate bonds totaling RMB24.0 billion during the Reporting Period.
- 5) On February 8, 2021, the Resolution on General Mandate for Domestic and Overseas Debt Financing Instruments of the Company was considered and approved at the Company's first extraordinary general meeting of 2021. On June 30, 2023, as considered and approved by the 2022 Annual General Meeting of the Company, the validity period under the resolution was extended to the convening date of the 2025 annual general meeting. According to the resolution, during the Reporting Period, Pioneer Reward Limited, a subsidiary of Huatai International (an overseas wholly-owned subsidiary of the Company) issued two tranches of USD bonds totaling USD1.6 billion.
- 6) On June 30, 2023, the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares by the Company was considered and approved at the Company's 2022 Annual General Meeting, 2023 Second A Share Class Meeting and 2023 Second H Share Class Meeting. According to the resolution, during the Reporting Period, the Company completed the repurchase and cancellation of 925,692 restricted A Shares.
- 7) On June 30, 2023, the Resolution on the 2022 Profit Distribution Plan of the Company was considered and approved at the Company's 2022 Annual General Meeting. According to the resolution, during the Reporting Period, the Company will distribute cash dividend of RMB4.50 (tax inclusive) per 10 Shares based on the Company's total share capital of 9,075,589,027 Shares after deducting 45,278,495 Shares deposited in the special account of the Company for securities repurchase and 925,692 A Shares to be repurchased and cancelled (i.e. on the basis of 9,029,384,840 Shares), with the total cash dividend of RMB4,063,223,178.00 (tax inclusive). During the Reporting Period, the profit distribution plan has been completed.

- 8) On June 30, 2023, the Resolution on the Estimated Ordinary Transactions with Related Parties of the Company for 2023 was considered and approved at the Company's 2022 Annual General Meeting. For details of the actual performance of ordinary transactions with related parties of the Company during the Reporting Period according to the resolution, please refer to "Major Related-party Transactions" under "Major Events" in this report.
- 9) On June 30, 2023, the Resolution on the Estimated Investment Amount of the Company's Proprietary Business for 2023 was considered and approved at the Company's 2022 Annual General Meeting. According to the resolution, during the Reporting Period, related business indicators of the Company were controlled within the authorized scope of the shareholders' general meeting.
- 10) On June 30, 2023, the Resolution on the Re-appointment of the Accounting Firms of the Company was considered and approved at the Company's 2022 Annual General Meeting. According to the resolution, during the Reporting Period, the Company appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP to handle 2023 annual financial statements and internal control auditing services for the Company and its holding subsidiaries, and to issue the audit report of A shares, internal control audit report and GDR audit report; the Company also appointed Deloitte Touche Tohmatsu for auditing services of H Shares for the Company, and to issue the audit report of H Shares.

(5) Training of Directors

The Company attaches great importance to the ongoing training of Directors, to ensure that the Directors form an appropriate understanding of the operation of the Company and its business and they understand their duties and responsibilities as directors as required by the CSRC, the Shanghai Stock Exchange, the Hong Kong Stock Exchange, and as stipulated in the Articles of Association and other relevant laws and regulatory requirements. During the Reporting Period, the Company's Directors attached great importance to updating professional knowledge and skills, to adapt to the needs of the development of the Company. In addition to participation in regular trainings held by regulatory organizations and self-regulatory organizations and complete required ongoing trainings, the Office of the Board also prepared the Work Newsletter of the Company regularly and sent it to the Directors to enable them to understand the latest policies and regulations and industrial trends and enhance their knowledge and understanding of the culture and operation of the Company. In addition, the Company continuously improved the internal work procedures, established the multi-level information communication mechanism, and set up the information communication platform, in order to ensure the access to information for Directors to perform their duties and constantly improve their overall performance capability.

During the Reporting Period, the main trainings of the Directors of the Company were as follows:

| Director Name | Date | Organizer | Content | Training Location |
|---------------|------------|--|---|---|
| Zhang Wei | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Nanjing, Jiangsu (network video training) |
| | 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Nanjing, Jiangsu |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Nanjing, Jiangsu |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Nanjing, Jiangsu |
| Zhou Yi | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Nanjing, Jiangsu (network video training) |
| | 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Nanjing, Jiangsu |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Nanjing, Jiangsu |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Nanjing, Jiangsu |
| Ding Feng | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Nanjing, Jiangsu (network video training) |
| | 2023-8-23 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Nanjing, Jiangsu |
| | 2023-11-24 | Jiangsu Association for Public Companies | Special training on independent director system reform | Nanjing, Jiangsu |
| | 2023-12-4 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Nanjing, Jiangsu |
| | 2023-12-27 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Nanjing, Jiangsu |

| Director Name | Date | Organizer | Content | Training Location |
|----------------------|-----------------------------|--|---|---|
| Chen Zhongyang | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Nanjing, Jiangsu (network video training) |
| | 2023-8-23 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Nanjing, Jiangsu |
| | 2023-12-4 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Nanjing, Jiangsu |
| | 2023-12-27 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Nanjing, Jiangsu |
| Ke Xiang | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Nanjing, Jiangsu (network video training) |
| | 2023-8-23 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Nanjing, Jiangsu |
| | 2023-12-4 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-12-5 | Jiangsu Association for Public Companies | Special training on independent director system reform | Nanjing, Jiangsu |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Nanjing, Jiangsu |
| | 2023-12-27 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Nanjing, Jiangsu | |

| Director Name | Date | Organizer | Content | Training Location | |
|----------------------|--------------|--|--|---|----------------------------------|
| Liu Changchun | 2023-11-24 | Jiangsu Association for Public Companies | Special training on independent director system reform | Nanjing, Jiangsu | |
| | 2023-11-24 | Clifford Chance | Introduction to the responsibility of directors under Hong Kong laws and regulations and related laws and regulations Companies Registry in Hong Kong – A Guide on Directors’ Duties Hong Kong Stock Exchange – Corporate Governance Guidance for Boards and Directors SFC – Guidelines on Disclosure of Inside Information SFC – Guidance note on directors’ duties in the context of valuations in corporate transactions Introduction to the regulations on connected transactions and notifiable transactions | Nanjing, Jiangsu | |
| | 2023-12-4 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu | |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Nanjing, Jiangsu | |
| | 2023-12-27 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu | |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Nanjing, Jiangsu | |
| | Zhang Jinxin | 2023-1-13 | Clifford Chance | Introduction to the responsibility of directors under Hong Kong laws and regulations and related laws and regulations Companies Registry in Hong Kong – A Guide on Directors’ Duties Hong Kong Stock Exchange – Guidance for Boards and Directors SFC – Guidelines on Disclosure of Inside Information SFC – Guidance note on directors’ duties in the context of valuations in corporate transactions Introduction to the regulations on connected transactions and notifiable transactions | Beijing |
| | | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Beijing (network video training) |
| | | 2023-8-23 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Beijing |

| Director Name | Date | Organizer | Content | Training Location |
|----------------------|-------------|--|---|---|
| | 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Beijing |
| | 2023-12-4 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Beijing |
| | 2023-12-5 | Jiangsu Association for Public Companies | Special training on independent director system reform | Beijing |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Beijing |
| | 2023-12-27 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Beijing |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Beijing |
| Yin Lihong | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Nanjing, Jiangsu (network video training) |
| | 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Nanjing, Jiangsu |
| | 2023-11-24 | Jiangsu Association for Public Companies | Special training on independent director system reform | Nanjing, Jiangsu |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Nanjing, Jiangsu |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Nanjing, Jiangsu |
| Wang Jianwen | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Nanjing, Jiangsu (network video training) |
| | 2023-8-23 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Nanjing, Jiangsu |
| | 2023-12-4 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Nanjing, Jiangsu |
| | 2023-12-27 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Nanjing, Jiangsu |
| | 2023-12-29 | China Association for Public Companies | Guidance on code of professional ethics for independent directors of listed companies | Nanjing, Jiangsu |

| Director Name | Date | Organizer | Content | Training Location |
|----------------------|-----------------------------|---|---|---|
| Wang Quansheng | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Nanjing, Jiangsu (network video training) |
| | 2023-8-23 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Nanjing, Jiangsu |
| | 2023-12-4 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Nanjing, Jiangsu |
| | 2023-12-27 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Nanjing, Jiangsu |
| | 2023-12-29 | China Association for Public Companies | Guidance on code of professional ethics for independent directors of listed companies | Nanjing, Jiangsu |
| Peng Bing | 2023-1-13 | Clifford Chance | Introduction to the responsibility of directors under Hong Kong laws and regulations and related laws and regulations | Beijing |
| | | | Companies Registry in Hong Kong – A Guide on Directors’ Duties | |
| | | | Hong Kong Stock Exchange – Guidance for Boards and Directors | |
| | | | SFC – Guidelines on Disclosure of Inside Information | |
| | | | SFC – Guidance note on directors’ duties in the context of valuations in corporate transactions | |
| | | | Introduction to the regulations on connected transactions and notifiable transactions | |
| | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Beijing (network video training) |
| | 2023-8-23 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Beijing |
| 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Beijing | |
| 2023-12-4 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Beijing | |
| 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Beijing | |

| Director Name | Date | Organizer | Content | Training Location |
|----------------------|-------------|--|---|---|
| | 2023-12-27 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Beijing |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Beijing |
| | 2023-12-29 | China Association for Public Companies | Guidance on code of professional ethics for independent directors of listed companies | Beijing |
| Wang Bing | 2023-1-13 | Clifford Chance | Introduction to the responsibility of directors under Hong Kong laws and regulations and related laws and regulations Companies Registry in Hong Kong – A Guide on Directors’ Duties Hong Kong Stock Exchange – Guidance for Boards and Directors SFC – Guidelines on Disclosure of Inside Information SFC – Guidance note on directors’ duties in the context of valuations in corporate transactions Introduction to the regulations on connected transactions and notifiable transactions | Nanjing, Jiangsu |
| | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Nanjing, Jiangsu (network video training) |
| | 2023-8-23 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Nanjing, Jiangsu |
| | 2023-12-4 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Nanjing, Jiangsu |
| | 2023-12-27 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Nanjing, Jiangsu |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Nanjing, Jiangsu |
| | 2023-12-29 | China Association for Public Companies | Guidance on code of professional ethics for independent directors of listed companies | Nanjing, Jiangsu |

| Director Name | Date | Organizer | Content | Training Location |
|----------------------|-------------|--|---|------------------------------------|
| Tse Yung Hoi | 2023-1-13 | Clifford Chance | Introduction to the responsibility of directors under Hong Kong laws and regulations and related laws and regulations Companies Registry in Hong Kong – A Guide on Directors’ Duties Hong Kong Stock Exchange – Guidance for Boards and Directors SFC – Guidelines on Disclosure of Inside Information SFC – Guidance note on directors’ duties in the context of valuations in corporate transactions Introduction to the regulations on connected transactions and notifiable transactions | Hong Kong |
| | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Hong Kong (network video training) |
| | 2023-8-23 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Hong Kong |
| | 2023-10-12 | Huatai Securities Co., Ltd. | Introduction to policies and regulations relating to the standardization of shareholding reduction behavior | Hong Kong |
| | 2023-12-4 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Hong Kong |
| | 2023-12-26 | Huatai Securities Co., Ltd. | Anti-corruption training | Hong Kong |
| | 2023-12-27 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Hong Kong |
| | 2023-12-29 | Huatai Securities Co., Ltd. | Training on the changes of anti-money laundering legislation | Hong Kong |
| | 2023-12-29 | China Association for Public Companies | Guidance on code of professional ethics for independent directors of listed companies | Hong Kong |
| Hu Xiao | 2023-3-13 | China Association for Public Companies | Special training on the interpretation of the registration-based IPO system reform policy | Shanghai (network video training) |
| | 2023-8-23 | Clifford Chance | Introduction to latest regulatory laws in the Hong Kong capital market | Shanghai |

2. *Chairman and Chief Executive Officer*

Chairman and Chief Executive Officer are two different positions, and according to the provisions of the Articles of Association, the chairman is the legal representative of the Company, responsible for managing the operations of the Board, ensuring that the Board acts in compliance with the best interests of the Company, ensuring the effective operation of the Board, ensuring that the Board has fulfilled its due duties and discussions about all significant and appropriate matters are held so that Directors get accurate, timely and explicit data. Chief Executive Officer manages the daily work of the Company, attends Board meetings, reports to the Board and exercises the functions and powers according to the responsibility scope of the Chief Executive Officer.

According to provisions of Rule C.2.1 of Corporate Governance Code, the roles of the chairman of the board and chief executive shall be separate and should not be performed by the same individual at the same time. On December 30, 2022, at the first meeting of the sixth session of the Board, the Company elected Mr. Zhang Wei as the chairman of the sixth session of the Board and continued to hire Mr. Zhou Yi as the Chief Executive Officer and the Chairman of the Executive Committee of the Company. The Board thinks that this management structure is effective and has enough checks and balances for the Company's operation.

3. *Non-executive Directors*

As of the end of the Reporting Period, the Company has 5 non-executive Directors and 5 independent non-executive Directors. For details of their terms of office, please refer to "Changes in shareholding structure and remuneration of current and resigned Directors, Supervisors and senior management during the Reporting Period" under "Directors, Supervisors and senior management" under "Corporate Governance" in this report.

4. *Performance of Duties by Independent Non-executive Directors*

(1) Works regarding periodic reports

In the annual report compilation process, all independent non-executive Directors of the Company have performed full duties according to the requirements of the CSRC and the provisions of the Working System for Independent Directors of the Company.

On January 17, 2023, at the first meeting of the Audit Committee of the sixth session of the Board of the Company for 2023, the Audit Committee listened to the report of annual audit work arrangement of A+H+G Share and pre-audit work for 2022 of the Company made by relevant personnel from Deloitte, and made discussion and communication with relevant personnel from Deloitte. Two out of the three members in the Audit Committee are independent non-executive Directors, who put forward opinions and suggestions to the supplement and perfection of the Auditing Plan of the Company for 2022 from different perspectives in their roles as members of the Audit Committee and as independent non-executive Directors.

On February 24, 2023, at the second meeting of the Audit Committee of the sixth session of the Board for 2023, the Audit Committee considered and approved the Resolution on the Auditing Plan of the Company for 2022. Two out of the three members in the Audit Committee are independent non-executive Directors, who examined the Auditing Plan of the Company for 2022 from different perspectives in their roles as members of the Audit Committee and as independent non-executive Directors.

On March 28, 2023, at the third meeting of the Audit Committee of the sixth session of the Board for 2023, the Audit Committee examined the Company's Annual Financial Statement in 2022, Annual Report in 2022, Annual Internal Control Evaluation Report in 2022, Report on Performance of Duties by the Audit Committee of the Board in 2022 and Internal Audit Work Plan in 2023, etc., reviewed the "Key Audit Matters" and other important issues involved in the Company's 2022 Annual Audit Report, and listened to the report on the internal audit work of the Company in 2022. Two out of the three members in the Audit Committee are independent non-executive Directors, who examined relevant resolutions and gave opinions from different perspectives in their roles as members of the Audit Committee and as independent non-executive Directors.

On August 3, 2023, at the fifth meeting of the Audit Committee of the sixth session of the Board for 2023, the Audit Committee listened to the report on the review of 2023 interim financial statements of the Company's H+G Shares and the audit plan of the Company's 2023 A+H+G Share annual report made by relevant personnel from Deloitte, and made discussion and communication with relevant personnel from Deloitte. Two out of the three members in the Audit Committee are independent non-executive Directors, who made discussions, exchanged views and made comments and suggestions from different perspectives in their roles as members of the Audit Committee and as independent non-executive Directors.

(2) Consideration on related-party transactions

On March 29, 2023, all the independent non-executive Directors of the Company granted the prior approval for the Proposal on the Estimated Ordinary Transactions with Related Parties of the Company for 2023; on March 30, 2022, all the independent non-executive Directors of the Company gave independent opinions on the Proposal on the Estimated Ordinary Transactions with Related Parties of the Company for 2023. They were of the opinion that the relevant related-party transactions were fair with reference to the market price for pricing the transactions without compromising the interests of the Company and other shareholders; the relevant related-party transactions were all derived in the ordinary operation of the Company and would help carry out the businesses of the Company and bring certain income to the Company; the procedures for approval for relevant related-party transactions complied with relevant laws, regulations and regulatory documents as well as the Articles of Association and the Management System for Related-party Transactions of the Company.

(3) Other performance of duties

On March 30, 2023, all the independent non-executive Directors of the Company gave independent opinions on the fulfilment of conditions for release from selling restriction of the first lock-up period under the restricted share incentive scheme of A Shares of the Company, gave independent opinions on the repurchase and cancellation of part of the restricted A Shares by the Company, gave special clarification and independent opinions on external guarantees carried out by the Company in 2022, gave special clarification and independent opinions on fund intercourse between the Company and the controlling shareholders and other related parties, gave independent opinions on the Proposal on Profit Distribution of the Company in 2022, gave independent opinions on the remuneration of the Directors and senior management of the Company for 2022, gave independent opinions on Annual Internal Control Evaluation Report of the Company in 2022 and gave independent opinions on the re-appointment of the accounting firms of the Company. On April 28, 2023, all the independent non-executive Directors of the Company gave independent opinions on the change of accounting policies of the Company. On October 30, 2023, all the independent non-executive Directors of the Company gave independent opinions on the cancellation of the 2023 first extraordinary general meeting, the 2023 first A Share class meeting and the 2023 first H Share class meeting of the Company, gave independent opinions on the election of a non-executive Director of the sixth session of the Board of the Company and gave independent opinions on the cancellation of the repurchased A Shares and reduction of registered capital by the Company.

VIII. SPECIAL COMMITTEES UNDER THE BOARD

(I) Members of the special committees of the Board

Five special committees, namely, Development Strategy Committee, Compliance and Risk Management Committee, Audit Committee, Nomination Committee and Remuneration and Appraisal Committee were established under the Board, members of which were as follows:

The Development Strategy Committee (a total of five members): Zhang Wei, Zhou Yi, Chen Zhongyang, Liu Changchun and Zhang Jinxin and Mr. Zhang Wei is the chairman (convener) of the Development Strategy Committee;

The Compliance and Risk Management Committee (a total of three members): Zhou Yi, Ke Xiang and Wang Jianwen and Mr. Zhou Yi is the chairman (convener) of the Compliance and Risk Management Committee;

The Audit Committee (a total of three members with the independent non-executive Directors accounting for more than 1/2): Wang Bing, Ding Feng and Tse Yung Hoi and Mr. Wang Bing is the chairman (convener) of the Audit Committee;

The Nomination Committee (a total of three members with the independent non-executive Directors accounting for more than 1/2): Wang Quansheng, Yin Lihong and Peng Bing and Mr. Wang Quansheng is the chairman (convener) of the Nomination Committee;

The Remuneration and Appraisal Committee (a total of three members, all are independent non-executive Directors): Wang Quansheng, Peng Bing and Wang Bing and Mr. Wang Quansheng is the chairman (convener) of the Remuneration and Appraisal Committee.

(II) Performance of duties by the special committees of the Board

1. Development Strategy Committee of the Board

The major duties of the Development Strategy Committee of the Board include:

1. Understanding and grasping the overall situation of the Company's operation;
2. Understanding, analyzing and grasping the current situation of international and domestic industries;
3. Understanding and grasping the relevant domestic policies;
4. Studying the short-term, medium-term and long-term development strategies of the Company or relevant issues;
5. Providing consultancy advice on the Company's long-term development strategies, major investments, reforms and other major decisions, and promoting the deep integration of the Company's cultural concept and the Company's development strategies;
6. Considering and approving the special research reports on development strategies;
7. Publishing daily research reports in a regular or irregular manner;
8. Other duties assigned by the Board.

During the Reporting Period, the Development Strategy Committee of the Board convened a total of two meetings, the details of which were as follows:

| Meeting name | Convening date | Meeting contents | Important comments and suggestions | Other conditions on execution of duty |
|---|----------------|---|--|---|
| The first meeting of the Development Strategy Committee of the sixth session of the Board for 2023 | March 29, 2023 | To consider and approve the Resolution on the Implementation Plan for Benchmarking Against World-class Enterprises for Value Creation Actions | The Development Strategy Committee considered and approved the resolution at the meeting | The meeting was convened by way of teleconference |
| The second meeting of the Development Strategy Committee of the sixth session of the Board for 2023 | June 2, 2023 | To consider and approve the Resolution on the 2022 Report on the Implementation of Construction of Corporate Culture | The Development Strategy Committee considered and approved the resolution at the meeting | The meeting was convened by way of teleconference |

Attendance of members of the Development Strategy Committee at the meetings held during the Reporting Period was as follows:

| Name | Attendance in person/ Number of meetings requiring attendance |
|----------------|---|
| Zhang Wei | 2/2 |
| Zhou Yi | 2/2 |
| Chen Zhongyang | 2/2 |
| Hu Xiao | 2/2 |
| Zhang Jinxin | 2/2 |
| Liu Changchun | -/- |

Note: On November 24, 2023, at the sixth meeting of the sixth session of the Board of the Company, the Resolution on the Adjustments to the Composition of Special Committees under the Sixth Session of the Board of the Company was considered and approved. The members of the Development Strategy Committee included Zhang Wei, Zhou Yi, Chen Zhongyang, Liu Changchun and Zhang Jinxin, and Mr. Zhang Wei is the chairman (convener) of the Audit Committee.

2. *Compliance and Risk Management Committee of the Board*

The main duties of the Compliance and Risk Management Committee of the Board include: 1. Reviewing and making recommendations on the overall targets and fundamental policies of compliance management and risk management; 2. Reviewing and making recommendations on the setup of compliance management and risk management bodies and their duties; 3. Evaluating and making recommendations on the risks of major decisions which require the Board's review as well as the solutions to these risks; 4. Reviewing and making recommendations on the compliance reports and risk assessment reports that require the Board's review; 5. Other duties prescribed in the Articles of Association.

During the Reporting Period, the Compliance and Risk Management Committee of the Board convened two meetings, the details of which were as follows:

| Meeting name | Convening date | Meeting content | Important comments and suggestions | Other conditions on execution of duty |
|---|-----------------|---|---|---|
| The first meeting of the Compliance and Risk Management Committee of the sixth session of the Board for 2023 | March 29, 2023 | <ol style="list-style-type: none"> To consider and approve the Resolution on the Annual Compliance Report of the Company in 2022; To consider and approve the Resolution on the Annual Risk Management Report of the Company in 2022; To consider and approve the Resolution on the 2022 Annual Internal Control Evaluation Report of the Company. | The Compliance and Risk Management Committee considered and approved the resolutions at the meeting | The meeting was convened by way of teleconference |
| The second meeting of the Compliance and Risk Management Committee of the sixth session of the Board for 2023 | August 29, 2023 | <ol style="list-style-type: none"> To consider and approve the Resolution on the 2023 Interim Compliance Report of the Company; To consider and approve the Resolution on Amendments to the Basic System for Risk Management of Huatai Securities Co., Ltd. | The Compliance and Risk Management Committee considered and approved the resolutions at the meeting | The meeting was convened by way of teleconference |

Attendance of members of the Compliance and Risk Management Committee at the meetings held during the Reporting Period was as follows:

| Name | Attendance in person/ Number of meetings requiring attendance |
|--------------|---|
| Zhou Yi | 2/2 |
| Ke Xiang | 2/2 |
| Wang Jianwen | 2/2 |

3. *Audit Committee of the Board*

The main duties of the Audit Committee of the Board include: 1. Supervising and guiding the audit work. It shall manage and guide the internal audit work planning and audit team construction, regularly listen to and review the comprehensive report of audit work, annual audit plan and important audit reports, make judgements on the truthfulness, accuracy and completeness of the audited financial report, and submit them to the Board for reviewing. It shall supervise the Company's financial statement and the completeness of the Company's annual report and account, interim report and quarterly report and review statements as well as major opinions on financial declaration in reports. The Committee shall pay special attention to the following matters: ① Changes in accounting policies and practices; ② Matters concerning significant judgment; ③ Significant adjustments due to the audit; ④ Assumptions of on-going operations of the Company and its qualified opinions; ⑤ Compliance with the accounting standards; and ⑥ Compliance with the listing rules or relevant laws and regulations of the listing place where the financial reporting shall be made; 2. Proposing the engagement or changing of external audit institutions and supervising the professional conduct of external audit institutions, so as to ensure the coordination of internal and external auditors. Moreover, it shall also ensure that the internal audit institution is given enough resources for operation and appropriate status within the Company and check and supervise its validity; 3. Considering and putting forward suggestions for the appointment, reappointment, remuneration, appointment terms and any other issues about the resignation or dismissal of external auditors. It shall hold the position as the main representative between the Company and the external auditor and supervise their relationship; 4. Discussing with the external auditors about the nature, scope and relevant responsibility of audit and frequently check if the audit procedure is valid and whether the external auditor is objective and independent before carrying out the audit work; 5. Checking the Explanation Letter on Audit offered by external auditors to the management and any major doubts put forward by the auditors to the management about the accounting record, financial account or monitoring system as well as the response of the management and ensure that the Board can timely reply to issues put forward in the Explanation Letter on Audit offered by external auditors to the management; 6. Checking and monitoring the Company's financial supervision, risk management and internal monitoring system and check the financial and accounting policies and practices of the Company and its subsidiaries; 7. Discussing the risk management and internal supervision system with the management so as to ensure that the management has performed its duty and established a valid internal supervision system; studying the important investigation results and responses of the management related to risk management and internal supervision system actively or as assigned by the Board of Directors; 8. Reporting the above issues to the Board; 9. Checking the Company's following arrangement: Employees of the Company may secretly raise concerns on irregular conducts about financial reporting, internal monitoring, or other aspects. The Audit Committee shall ensure that there is appropriate arrangement for the Company to make fair and independent investigation and take appropriate actions on such issues; 10. Studying other projects defined by the Board; 11. Other responsibilities according to the Articles of Association or the Listing rules or laws and regulations of the place where the Company is listed.

During the Reporting Period, the Audit Committee of the Board convened seven meetings, the details of which were as follows:

| Meeting name | Convening date | Meeting contents | Important comments and suggestions | Other conditions on execution of duty |
|--|-----------------------|--|--|---|
| The first meeting of the Audit Committee of the sixth session of the Board for 2023 | January 17, 2023 | To listen to the report of annual audit work arrangement of A+H+G Share and pre-audit work for 2022 of the Company made by relevant personnel from Deloitte, and to make discussion and communication with relevant personnel from Deloitte. | The Audit Committee considered and approved the resolution at the meeting. Committee member Tse Yung Hoi advised to focus on the risk control and audit of the Company's investment business. Committee chairman Wang Bing advised Deloitte to keep communication with the former auditor, arrange audit resource and perform audit at a high-quality level. In this regard, relevant personnel of Deloitte and the Company made detailed explanations and records | The meeting was convened by way of on-site & video meetings |
| The second meeting of the Audit Committee of the sixth session of the Board for 2023 | February 24, 2023 | To consider and approve the Resolution on the Auditing Plan of the Company for 2022 | The Audit Committee considered and approved the resolution at the meeting | The meeting was convened by way of teleconference |

| Meeting name | Convening date | Meeting contents | Important comments and suggestions | Other conditions on execution of duty |
|---|----------------|---|--|---|
| The third meeting of the Audit Committee of the sixth session of the Board for 2023 | March 28, 2023 | <ol style="list-style-type: none"> 1. To consider and approve the Final Financial Report of the Company for 2022; 2. To consider and approve the Financial Budget Report of the Company for 2023; 3. To consider and approve the Proposal on the Profit Distribution Plan of the Company for 2022; 4. To consider and approve the Resolution on the Annual Financial Statements of the Company for 2022; 5. To consider and approve the Proposal on the Annual Report of the Company for 2022; 6. To consider and approve the Resolution on the Internal Control Assessment Report of the Company for 2022; 7. To consider and approve the Proposal on the Estimated Ordinary Transactions with Related Parties of the Company for 2023; 8. To consider and approve the Proposal on the Re-appointment of the Accounting Firms of the Company; 9. To consider and approve the Report on Performance of Duties of Audit Committee under the Board of the Company for 2022; 10. To consider and approve the Special Audit Report on Related Party Transactions of the Company for 2022; 11. To consider and approve the Special Audit Report on the Use of Proceeds, Provision of Guarantees and Related-party Transactions and Other Major Events of the Company in 2022; | The Audit Committee considered and approved the resolutions at the meeting. Committee member Tse Yung Hoi reminded the Company of strengthening the management on assets and liabilities and paying closer attention to the interest rate risk and exchange rate risk. Committee member Ding Feng inquired about the reasons for the reversal of expected loss. Committee chairman Wang Bing inquired about the work in relation to the tendering of accounting firms and the arrangement of internal audit personnel. In this regard, relevant personnel of Deloitte and the Company made detailed explanations and records | The meeting was convened by way of on-site & video meetings |

| Meeting name | Convening date | Meeting contents | Important comments and suggestions | Other conditions on execution of duty |
|--|----------------|---|---|---|
| | | <p>12. To consider and approve the Work Plan for the Internal Audit of the Company for 2023;</p> <p>13. To review the Important Matters Involved in the “Key Audit Matters” as Set Out in the Annual Audit Report of the Company for 2022;</p> <p>14. Debriefing the Report on Internal Audit of Anti-money Laundering of the Company for 2022;</p> <p>15. Debriefing the Report on Internal Audit of the Company for 2022.</p> | | |
| The fourth meeting of the Audit Committee of the sixth session of the Board for 2023 | April 27, 2023 | <p>1. To consider and approve the Resolution on Change of Accounting Policies of the Company;</p> <p>2. To consider and approve the Resolution on the Financial Statements for January to March 2023 of the Company.</p> | The Audit Committee considered and approved the resolutions at the meeting | The meeting was convened by way of teleconference |
| The fifth meeting of the Audit Committee of the sixth session of the Board for 2023 | August 3, 2023 | To listen to the report on the review of 2023 interim financial statements of the Company’s H+G Share and the Company’s 2023 A+H+G Share annual audit plan made by relevant personnel from Deloitte, and to discuss and communicate with relevant personnel from Deloitte | The Audit Committee considered and approved the resolution at the meeting. Committee member Tse Yung Hoi advised to enhance resource allocation on the audit of information system. Committee member Wang Bing advised to further benchmark against domestic securities companies in terms of ESG disclosure. Relevant personnel of Deloitte and the Company made detailed explanations and records | The meeting was convened by way of on-site & video meetings |

| Meeting name | Convening date | Meeting contents | Important comments and suggestions | Other conditions on execution of duty |
|---|------------------|---|--|---|
| The sixth meeting of the Audit Committee of the sixth session of the Board for 2023 | August 29, 2023 | <ol style="list-style-type: none"> To consider and approve the Resolution on the Financial Statement of the Company in the First Half of 2023; To consider and approve the Resolution on Interim Report of the Company in 2023; To consider and approve the Special Audit Report on the Use of Proceeds, Provision of Guarantees and Related-party Transactions and Other Major Events of the Company in the First Half of 2023. | The Audit Committee considered and approved the resolutions at the meeting | The meeting was convened by way of teleconference |
| The seventh meeting of the Audit Committee of the sixth session of the Board for 2023 | October 27, 2023 | To consider and approve the Resolution on the Financial Statements for January to September of 2023 of the Company | The Audit Committee considered and approved the resolution at the meeting | The meeting was convened by way of teleconference |

Attendance of the members of the Audit Committee at the meetings held during the Reporting Period was as follows:

| Name | Attendance in person/ Number of meetings requiring attendance |
|--------------|---|
| Wang Bing | 7/7 |
| Ding Feng | 6/7 |
| Tse Yung Hoi | 7/7 |

4. *Nomination Committee of the Board*

The main duties of the Nomination Committee of the Board include: 1. Reviewing the structure, headcount and composition (including skills, knowledge and experience) of the Board at least once each year and making recommendations regarding any proposed changes in the Board in line with the Company's strategies; 2. Considering and making suggestions on the criteria and procedures for the selection of Directors and senior management members; 3. Searching for qualified candidates for Director and senior management, and selecting from the list of candidates nominated by Directors or making recommendations to the Board; 4. Reviewing and making suggestions on the qualification requirements for Directors and senior management; 5. Assessing the independence of

independent non-executive Directors; 6. Making recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors (in particular the Chairman and the Chief Executive Officer); 7. Other responsibilities stipulated in the Articles of Association or as required by the Board.

The procedures to nominate and criteria to select and recommend candidates for directorship and senior management are: in accordance with the provisions of the Company Law, the Securities Law, the Rules for the Independent Directors of Listed Companies (《上市公司獨立董事規則》) of the CSRC, Measures for the Supervision and Administration of Directors, Supervisors, Senior Management Officers and Practitioners of Securities 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》), the Hong Kong Listing Rules of the Hong Kong Stock Exchange and other relevant laws, regulations and the Articles of Association, the Nomination Committee under the Board shall base on the Company's actual situation, study the criteria for election of the Company's senior management officers including directors, the chief executive officer and others, the procedures for selection and term of the office and submit such resolution once made to the Board for approval. It then follows and implements the resolution. Selection procedures are: 1. the Nomination Committee shall actively exchange opinions with the relevant departments of the Company, study the Company's requirements for the senior management officers including directors, the chief executive officer and others and shall prepare materials in written form; 2. the Nomination Committee may search for the candidates for the senior management officers including directors, the chief executive officer and others both from and within the Company and a controlling (shareholding) enterprise, and out of the Company; 3. to collect data of the natural condition of the preliminarily screened candidate and his/her morality, ability, diligence and performance, and prepare written information; 4. to obtain the consent of the nominee regarding the nomination or else the nominee cannot act as a candidate for a senior management officer including a director, the chief executive officer and others; 5. to convene a meeting of the Nomination Committee and to examine the qualifications of the preliminarily selected candidates based on the appointment criteria for senior management officers including directors, the chief executive officer and others; 6. one to two months prior to the election of new directors and appointment of new senior management officers including the chief executive officer and others, to submit to the Board the suggestion on the candidates for directors and the candidates for newly hired senior management officers including the chief executive officer and others and the relevant materials; 7. other follow-up work is to be carried out pursuant to the decision and feedback of the Board.

During the Reporting Period, the Nomination Committee of the Board convened two meetings, the details of which were as follows:

| Meeting name | Convening date | Meeting contents | Important comments and suggestions | Other conditions on execution of duty |
|---|-------------------|---|--|---|
| The first meeting of the Nomination Committee of the sixth session of the Board for 2023 | October 30, 2023 | To consider and approve the Resolution on the Election of a Non-executive Director of the Sixth Session of the Board of the Company | The Nomination Committee considered and approved the resolution at the meeting | The meeting was convened by way of teleconference |
| The second meeting of the Nomination Committee of the sixth session of the Board for 2023 | December 29, 2023 | To consider and approve the Report on Performance of Duties of Nomination Committee under the Board of the Company for 2023 | The Nomination Committee considered and approved the resolution at the meeting | The meeting was convened by way of teleconference |

Attendance of the members of the Nomination Committee at the meetings held during the Reporting Period was as follows:

| Name | Attendance in person/ Number of meetings requiring attendance |
|----------------|---|
| Wang Quansheng | 2/2 |
| Yin Lihong | 2/2 |
| Peng Bing | 2/2 |

5. *Remuneration and Appraisal Committee of the Board*

The main duties of the Remuneration and Appraisal Committee of the Board include: 1. Reviewing and providing opinions on the appraisal and remuneration management system for Directors and senior management, and making recommendations to the Board on the Company's overall policy and structure for the remuneration of the Directors and senior management, and on the establishment of a formal and transparent procedure to develop remuneration policy; 2. Reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; 3. Conducting assessment on and making recommendations to the Directors and senior management: making recommendations on the remuneration packages, including benefits in kind, pensions and compensation payments (including any compensation payable for loss or termination of office or appointment), for certain executive Directors and senior management, and making recommendations to the Board on the remuneration of non-executive Directors; 4. Considering salaries paid by comparable companies, time commitment and responsibilities and engagement condition elsewhere in the Group; 5. Reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent

with the relevant contractual terms. In case of inconsistency with the relevant contractual terms, the compensation shall be fair and not be excessive; 6. Reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with the contractual terms. In case of inconsistency with the relevant contractual terms, the compensation shall be reasonable and appropriate; 7. Ensuring that no Director or any of his/her associates is involved in determining their own remuneration; 8. Other responsibilities stipulated in the Articles of Association.

During the Reporting Period, the Remuneration and Appraisal Committee of the Board convened two meetings, the details of which were as follows:

| Meeting name | Convening date | Meeting contents | Important comments and suggestions | Other conditions on execution of duty |
|---|-----------------|--|--|---|
| The first meeting of the Remuneration and Appraisal Committee of the sixth session of the Board for 2023 | March 29, 2023 | <ol style="list-style-type: none"> To consider and approve the Resolution on Fulfilment of Conditions for Release from Selling Restriction of the First Lock-up Period under the Restricted Share Incentive Scheme of A Shares of the Company; To consider and approve the Report on Performance Assessment and Remuneration of the Directors of the Company in 2022; To consider and approve the Report on Execution of Duty, Performance Assessment and Remuneration of the Senior Management of the Company in 2022. | The Remuneration and Appraisal Committee considered and approved the resolutions at the meeting. Committee member Wang Bing inquired about the performance appraisal criteria for employees of the Company and relevant information on the resigned and retired employees. Committee chairman Wang Quansheng inquired about the business segment for which each senior management member of the Company is responsible. In this regard, relevant personnel of the Company made detailed explanations and records | The meeting was convened by way of on-site & video meetings |
| The second meeting of the Remuneration and Appraisal Committee of the sixth session of the Board for 2023 | August 29, 2023 | To consider and approve the Resolution in Relation to the Performance Plan and Target of the Company's Senior Management for 2023 | The Remuneration and Appraisal Committee considered and approved the resolution at the meeting | The meeting was convened by way of teleconference |

Attendance of the members of the Remuneration and Appraisal Committee at the meetings held during the Reporting Period was as follows:

| Name | Attendance in person/ Number of meetings requiring attendance |
|----------------|--|
| Wang Quansheng | 2/2 |
| Peng Bing | 1/2 |
| Wang Bing | 2/2 |

IX. PERFORMANCE OF DUTIES OF SUPERVISORS

The Supervisory Committee is the Company's supervisory body and is accountable to the Shareholders' general meeting. The Supervisory Committee is responsible for supervising the financial activities and internal control of the Company, and supervising the legality and compliance of the performance of duties by the Board of Directors, operating management and its members in accordance with the Company Law and the Articles of Association.

In 2023, the Supervisory Committee of the Company complied with the relevant provisions of the Company Law, the Securities Law, the Articles of Association, the Rules of Procedures for the Supervisory Committee and other relevant regulations, to conscientiously perform and independently exercise the supervisory powers and duties of the Supervisory Committee. In the spirit of being responsible to all shareholders, the Supervisory Committee effectively supervised the Company's operating activities, financial position, major decisions of the Board of Directors and the legality and compliance of the performance of duties by operating management. It actively protects the interests of the Company and the shareholders, and escorts the healthy and long-term development of the Company.

(I) Performance of duties by Supervisors

During the Reporting Period, the Supervisory Committee of the Company held 4 meetings in total. For relevant information, please refer to “VI. Meetings of the Supervisory Committee Convened During the Reporting Period” in this section.

During the Reporting Period, all the Supervisors of the Company attended the meetings of the Supervisory Committee, the Board of Directors, and the Shareholders’ general meetings, the details of which were as follows:

| | | Attendance at meetings of the Supervisory Committee | | | | | | Whether or not he/she failed to attend the meeting in person for two successive times | Attendance at Board meeting | Attendance at the general meeting |
|--|---|--|----------------------|---|---------------------|---------|-----|---|-----------------------------|-----------------------------------|
| Name of Supervisor | Position | Number of meetings of Supervisory Committee requiring attendance | Attendance in person | Attendance in the way of teleconference | Attendance by proxy | Absence | | | | |
| Gu Chengzhong | Chairman of the Supervisory Committee, employee representative Supervisor | 4 | 3 | - | 1 | - | No | 3 | 3 | |
| Li Chongqi | Supervisor | 4 | 1 | - | 3 | - | Yes | 1 | 6 | |
| Yu Lanying | Supervisor | 4 | 3 | - | 1 | - | No | 3 | - | |
| Zhang Xiaohong | Supervisor | 4 | 2 | - | 2 | - | No | 2 | 6 | |
| Zhou Hongrong | Supervisor | 4 | 3 | - | 1 | - | No | 3 | 6 | |
| Wang Ying | employee representative Supervisor | 4 | 4 | - | - | - | No | 4 | 6 | |
| Wang Juan | employee representative Supervisor | 4 | 4 | - | - | - | No | 4 | 3 | |
| Number of meetings of Supervisory Committee convened during the year | | | | | | | | | 4 | |
| Of which: number of meetings held on-site | | | | | | | | | 1 | |
| number of meetings in the way of teleconference | | | | | | | | | - | |
| number of meetings held on-site and in the way of teleconference | | | | | | | | | 3 | |

Note: During the Reporting Period, Ms. Li Chongqi failed to attend the meetings of the Supervisory Committee in person for two consecutive times due to business commitments, and she has appointed other supervisors in writing to exercise voting rights on her behalf.

(II) Independent opinions of the Supervisory Committee

During the Reporting Period, the Supervisory Committee convened 4 meetings in total, at which 15 proposals and reports were considered. The Supervisors sat in the Board meetings and general meetings of the Company, monitored the decision-making process on material matters on a real-time basis, kept abreast of the management's implementation of the decisions made by the Board through carefully reading the reports of the Company, including Work Newsletter (monthly) and Brief Report on Audit Work (quarterly) and conducting onsite investigations and surveys on the Company's branches. On this basis, the Supervisory Committee gave independent opinions on the Company's relevant matters as follows:

1. Legal operation

During the Reporting Period, the Company was under legal operation in compliance with relevant laws and regulations such as the Company Law, the Securities Law and the Articles of Association as well as the requirements of the Company's systems. Major operational decisions of the Company were reasonable, and the decision-making procedures were lawful. The Company established a relatively sound internal management system and internal control system, under which various regulations were effectively implemented. During the Reporting Period, the Supervisory Committee found no conduct violating laws, regulations, the Articles of Association or damaging the interests of the Company and its shareholders made by Directors and senior management of the Company when performing their duties, and there were no material risks in the Company.

2. Financial conditions of the Company

During the Reporting Period, the Supervisory Committee of the Company regularly convened meetings of the Supervisory Committee to review quarterly reports, interim reports, annual financial reports, annual evaluation reports on internal control and other documents of the Company, and checked the business and financial conditions of the Company. The Supervisory Committee believed that the financial report of the Company for 2023 had been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP which had issued a standard audit report without qualified opinions. The Company's financial statements were prepared in compliance with the relevant requirements of the ASBE, which truly reflected the financial conditions and operational achievements of the Company. Regular reports were prepared and reviewed in compliance with relevant laws, regulations and various requirements of the CSRC, the contents of which were true, accurate and complete to reflect the actual conditions of the Company.

3. Implementation of the System regarding Insider Registration and Management and Confidentiality

The Company established the System regarding Insider Registration and Management and Confidentiality of Huatai Securities Co., Ltd. in accordance with relevant laws and regulations. During the Reporting Period, the Company carried out the registration and management of insider information in an orderly manner pursuant to the policies. There were no incidents found in the Company in violation of insider registration and management and confidentiality obligation.

4. *Related-party transactions*

During the Reporting Period, the related-party transactions of the Company were fair and reasonable, and no circumstances impairing interests of the Company and shareholders have been found. When the Board of Directors of the Company considered related matters, independent directors expressed independent opinions, affiliated directors abstained from voting, and the voting procedures were legal and valid.

5. *Use of funds raised*

During the Reporting Period, the Company successfully issued ten tranches of corporate bonds with a total scale of RMB32.0 billion; issued six tranches of short-term corporate bonds with a total scale of RMB24.0 billion; issued two tranches of perpetual subordinated bonds with a total scale of RMB6.5 billion; issued two tranches of non-public corporate bonds with a total scale of RMB6.4 billion; issued overseas medium-term notes with a total scale of USD4.290 billion. During the Reporting Period, the Company issued 3,563 income certificates with a total scale of RMB21.189 billion. As of the end of the Reporting Period, 1,064 income certificates continued to exist with a total scale of RMB13.562 billion. The funds raised from the corporate bonds have been fully utilised, which is conformed to the purpose, utilisation plan and other agreements as undertaken in the prospectus.

6. *Implementation of share incentive scheme*

During the Reporting Period, the Supervisory Committee considered the Resolution on Fulfilment of Conditions for Release from Selling Restriction of the First Lock-up Period under the Restricted Share Incentive Scheme of A Shares of the Company and issued its written review opinions. The conditions for release from selling restriction of the first lock-up period under the Restricted Share Incentive Scheme of A Shares of the Company have been fulfilled, which was in compliance with the requirements under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. without compromising the interests of the Company and the shareholders.

During the Reporting Period, the Supervisory Committee considered the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares of the Company and issued its written review opinions. The repurchase and cancellation of part of the restricted A Shares of the Company and relevant consideration procedures were in compliance with the requirements under the laws, regulations and regulatory documents such as the Administrative Measures on Share Incentives of Listed Companies as well as the Articles of Association and the Restricted Share Incentive Scheme of A Shares of the Company without compromising the interests of the Company and the shareholders.

7. *Change of accounting policies of the Company*

During the Reporting Period, the Supervisory Committee considered the Resolution on Change of Accounting Policies of the Company and issued its written review opinions. The change of accounting policies of the Company and the adjustments to relevant financial information were based on the rules and requirements published by the Ministry of Finance, which could objectively and fairly reflect the financial condition and results of operations of the Company and were in the interest of the Company and the shareholders as a whole, and the decision-making procedures were in compliance with the requirements under the relevant laws and regulations as well as the Articles of Association.

8. *General meetings*

During the Reporting Period, the Supervisory Committee considered the Resolution on Cancellation of the 2023 First Extraordinary General Meeting, the 2023 First A Share Class Meeting and the 2023 First H Share Class Meeting of the Company and issued its written review opinions. Necessary procedures have been performed for the matters in relation to the resolution, which were in compliance with the requirements under the relevant laws and regulations as well as the Articles of Association.

9. *Cancellation of the repurchased A Shares*

During the Reporting Period, the Supervisory Committee considered the Resolution on the Cancellation of the Repurchased A Shares and Reduction of Registered Capital by the Company and issued its written review opinions. The cancellation of the repurchased A Shares and reduction of registered capital by the Company as well as relevant consideration procedures were in compliance with the requirements under the laws, regulations and regulatory documents such as the Company Law, the Securities Law and the Rules for Share Repurchase of Listed Companies as well as the Articles of Association, and would not materially affect the financial condition and results of operations of the Company, without compromising the interests of the Company and the shareholders as a whole.

10. *Review of relevant reports*

- (1) Written reviews and opinions on the annual report of the Company for 2023 prepared by the Board of Directors were as follows:

The annual report of the Company for 2023 was prepared and reviewed in compliance with the relevant laws, regulations and requirements of regulatory authorities, the contents of which were true, accurate and complete and could reflect the actual conditions of the Company.

- (2) The Supervisory Committee of the Company reviewed the Assessment Report on Internal Control of the Company for 2023, and had no objections to the contents therein.

X. RISKS FOUND BY THE SUPERVISORY COMMITTEE IN THE COMPANY

The Supervisory Committee of the Company had no objections towards the matters under supervision during the Reporting Period.

XI. ESTABLISHMENT AND IMPLEMENTATION OF INTERNAL CONTROL SYSTEM DURING THE REPORTING PERIOD

(I) Statement of the Board

In accordance with the requirements of the corporate internal control standard system, it is the responsibility of the Board of the Company to establish, improve and effectively implement internal control, assess its effectiveness and truthfully disclose the assessment report on internal control. The Supervisory Committee oversees the establishment and implementation of internal control by the Board. The operation management is responsible for organizing and steering the day-to-day operation of corporate internal control. The Board of Directors, the Supervisory Committee, Directors, Supervisors and senior management of the Company undertake that this report contains no false record, misleading statement or material omission, and assume individual and joint legal liabilities to the authenticity, accuracy and integrity of this report.

The objective of internal control of the Company is to reasonably ensure the legality and compliance of the operation and management, the security of the assets, and the truthfulness and completeness of the financial report and its relevant information, to improve operating efficiency and effectiveness, and to promote the accomplishment of the development strategy. Due to the inherent limitations of internal control, only reasonable assurance can be provided for the achievement of the above objectives. In addition, internal control may become inappropriate or the level of compliance with control policies and procedures may become lower due to the changes of situation, so it subjects to certain risks to speculate the effectiveness of internal control in the future based on the results of internal control evaluation.

(II) Structure of the internal control system

The Board of Directors has set up special committees such as the Compliance and Risk Management Committee, the Audit Committee and the Development Strategy Committee to comprehensively monitor the effective implementation of internal control and self-evaluation of internal control. The Company established the leading group for the construction and continuous optimization of internal control to comprehensively lead internal control standardized project construction and continuously promote the improvement of the internal control system. The Company designates Risk Management Department, Planning and Finance Department, Inspection Department, Legal Compliance Department, etc. as internal control management departments and all departments as internal control implementation departments to fully cooperate with the improvement and self-assessment of the internal control system, actively rectify defects in internal control and give feedback on rectification results as required. The Inspection Department shall be responsible for conducting internal control evaluation independently and implementing internal audit and assessment independently on the Company's internal control measures annually.

(III) Construction and improvement of the internal control system

The Company strictly follows the Company Law, the Securities Law, Guidelines for Internal Control of Securities Firms, Regulation on Supervision and Administration of Securities Firms, Basic Internal Control Norms for Enterprises, Implementation Guidelines for Enterprise Internal Control and other laws and regulations, and continually improves the corporate governance structure, compliance risk control system and internal control management system. The Company practices internal control management methods, constantly enhances its ability to restrict itself and effectively prevents and resolves various risks so as to ensure the continuous, stable and rapid development of various businesses thereof. The Company makes clear the internal control organizational structure and division of responsibilities, and the leading group for internal control construction and continuous optimization supervises and promotes the internal control construction of the Company. The Company's whole businesses, departments, branches and all staff are involved in internal control, throughout each link from decision-making, implementation, supervision to feedback. Based on regulatory requirements and business development, the Company continued to improve various internal control management systems and constantly established and improved internal control systems appropriate to the scale and complexity of the business of the Company. Starting from prudent operation and identification, prevention and resolution of risks, the Company established and continued to improve a multi-level internal control evaluation mechanism comprising regular and irregular self-evaluation of the effectiveness of internal control, evaluation of the effectiveness of internal control by internal audit department and independent evaluation by external auditors, so as to continuously strengthen the overall internal control.

(IV) Operation of the internal control system

With a focus on the regulatory requirements, development strategies and operation objectives, the Company continued to deepen the operation of the internal control system. The Company regularly or irregularly carried out a review and update of the system to ensure the comprehensiveness, prudence, effectiveness and applicability of the system and standards, so as to avoid blank or loopholes. The Company strengthened its risk review, assessment, examination, management and control in material institutions, major businesses and key fields to guarantee the risks are measurable, controllable and bearable. It deepened the establishment of the business continuity management mechanism and improved the systems of emergency management; and actively conducted publicity and trainings to strengthen the internal control culture publicity. Starting from prudent operation and identification, prevention and resolution of risks, the Company established a multi-level internal control evaluation mechanism, including regular and irregular self-assessment on the effectiveness of internal control, the evaluation on the effectiveness of internal control by the internal audit departments and the independent evaluation by the external auditors, so as to consistently deepen the analysis on high residual risk points and control defects and the tracking and rectification of internal control defects, and improve the effectiveness of the design and implementation of control measures.

(V) Basis for the assessment of internal control

The Company organizes to conduct internal control assessment according to the corporate internal control standard system and the Guidelines for Internal Control of Securities Firms (《證券公司內部控制指引》) and Rules for the Preparation and Reporting of Information Disclosure by Listed Issuers of Securities No. 21 – General Provisions on the Annual Internal Control Assessment Report (《公開發行證券的公司信息披露編報規則第21號 – 年度內部控制評價報告的一般規定》) issued by the CSRC and other relevant laws, regulations and regulatory rules.

(VI) Internal control defect and its identification

According to the identification requirements for major defects, important defects and general defects as stipulated by the internal control system of enterprises, the Board of the Company, in consideration of such factors as the scale of the Company, industrial characteristics, risk appetite and risk tolerance, distinguished financial report internal control from non-financial report internal control and determined the internal control defects applicable to the Company and its specific identification standards, which were consistent with those of the previous years.

A material defect refers to a combination of one or more controlling defects that could cause the enterprise to deviate significantly from its control objectives; a significant defect refers to a combination of one or more controlling defects that is less severe and has less economic consequences than a material defect, but may still cause the enterprise to deviate from its control objectives; general defects refer to defects other than material defects and significant defects.

(VII) The Company's internal control effectiveness assessment

According to the Basic Norms of Internal Control and its provisions in its supporting guidelines and other regulatory requirements on internal control as well as the Company's internal control system and assessment methods, we have assessed the Company's internal control effectiveness on December 31, 2023 (base date of internal control assessment report) based on the daily supervision and specialized supervision of internal control, and have issued the Annual Internal Control Evaluation Report for 2023.

The main businesses and matters included in the evaluation scope of the Company's internal control include: internal environment, risk assessment, control activities, information and communication, internal supervision, as well as incompatible position separation control, authorization and approval control, accounting system control, property protection control, budget control, operation analysis control and performance appraisal control involved in the control activities. High risk areas we focused on include: brokerage business, financial product sales and fund investment advisory business, margin financing and securities lending and stock pledge businesses, equity trading business, FICC trading business, OTC derivatives trading business, investment banking business, funds custody and service business, research business, financial management, information technology, compliance and legal affairs, related-party transactions, internal control of subsidiaries and other key fields, as well as the liquidity risk, market risk, credit risk, operational risk, reputation risk, information technology risk, compliance risk, legal risk and integrity risk that have significant impact on the Company's operation and management.

According to the identification results of major defects in financial report internal control, on the base date of internal control assessment report, the Company does not have major defects in financial report internal control.

The Board of Directors thinks that the Company has maintained effective financial report internal control in all major aspects according to the enterprise internal control standardized system and requirements in relevant regulations.

According to the identification results of major defects in non-financial report internal control, on the base date of internal control assessment report, the Company is not aware of major defects in non-financial report internal control.

(VIII) Work plan for internal control in 2024

In 2024, the Company will continuously promote internal control optimize work. The key contents include referring to and implementing new regulatory and industrial requirements and improving the execution effectiveness of management and control measures with focus on normalizing and deepening special evaluation and examination as well as enhancing the efficiency of management and control tools; improving the process control and the ability to identify risks, improving monitoring indicators system and enhancing the insurmountability of management and control; and deepening the establishment of internal control and management culture and intensifying training and publicity.

During the Reporting Period, there was no material defect in internal control system.

XII. MANAGEMENT AND CONTROL OF SUBSIDIARIES DURING THE REPORTING PERIOD

The Company incorporated its onshore and offshore subsidiaries into the comprehensive risk management system. Adhering to the philosophy of collectivization, specialization and platformization, it established a management model with the concentration and deep penetration of professional risks and the hierarchical authorization of business risks of subsidiaries, establishing an integrated management system with full coverage of the Group.

During the Reporting Period, the Company continued to enhance the refined management and control ability, and continuously improved hierarchical authorization and quota management. It comprehensively integrated risk data and information of the Group, further enhanced the unified risk measuring, monitoring and analysis capability of the Group and normally urged subsidiaries to implement the unified rules of the Group to ensure that the risks of subsidiaries are measurable, controllable and bearable under the overall risk preference of the Group.

XIII. INFORMATION ABOUT THE INTERNAL CONTROL AUDITING REPORT

When disclosing the annual report for 2023, the Company will also disclose the 2023 Annual Internal Control Evaluation Report of Huatai Securities Co., Ltd. and the Internal Control Audit Report of Huatai Securities Co., Ltd. at the same time, which will be published on the website of the Shanghai Stock Exchange (www.sse.com.cn), the HKEX news website of the HKEX (www.hkexnews.hk) and the Company's official website (www.htsc.com.cn) on March 29, 2024.

Whether to disclose the internal control audit report: Yes

Type of opinion on the audit report on internal control: Standard unqualified opinion

XIV. RECTIFICATION OF PROBLEMS DISCOVERED IN SPECIAL SELF-INSPECTION ACTIONS ON LISTED COMPANIES GOVERNANCE

Under the requirements of the Announcement Regarding Implementation of Special Actions on Listed Companies Governance issued by the CSRC, the Company conducted careful review and searching based on the list of items for special self-inspection on listed companies governance and discovered no problems to be rectified.

XV. BUILDING OF THE COMPLIANCE MANAGEMENT SYSTEM OF THE COMPANY AND THE INSPECTION AND AUDIT FINISHED BY THE COMPLIANCE AND INSPECTING DEPARTMENT DURING THE REPORTING PERIOD

The Company always places emphasis on the corporate culture of operation in compliance with laws and regulations, and carries out strict management and prudent and standard operation. During the Reporting Period, in accordance with the relevant laws and regulations and the regulatory requirements, the Company further established a sound compliance management system, improved the organizational structure for compliance management, and continued to strengthen the compliance management of the Company to keep continuous and standardized development of the Company's various businesses.

(I) Organizational Structure for Compliance Management

Since its establishment, the Company has been adjusting and improving the organizational structure for compliance management and the relevant systems based on the changes of the market environment and regulatory requirements and the development needs of business. According to the Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies (hereinafter referred to as the “Measures”) issued by the CSRC in 2017, the Company further clarified the compliance duties of the Board of Directors, Supervisory Committee, senior management, chief compliance officer, and responsible persons of all departments, all branches and subsidiaries at all levels (hereinafter referred to collectively as “all subordinate units”) in the Articles of Association and the basic compliance management system. The current compliance organizational system comprehensively reflects the basic requirements of the Measures for “full compliance” and “starting compliance management from the senior management”, and a resultant force situation of sound compliance management organizational structure, clear positioning of responsibilities at all levels and full compliance is basically created.

The Board of Directors is the supreme decision-making body for compliance management of the Company, which bears ultimate responsibility for the effectiveness of compliance management, decides on the compliance management objectives and is responsible for the effectiveness of compliance management of the Company; the Compliance and Risk Management Committee under the Board of Directors is responsible for overseeing the overall risk management of the Company and controlling the risks within a reasonable range to ensure that the internal management system, business rules, significant decisions and main business activities of the Company are in compliance with laws and regulations and the risks are controllable and bearable; the Supervisory Committee is responsible for supervising the compliance management and the performance of compliance management duties by Directors and senior management; the senior management assumes the major responsibilities for compliance management, implements the compliance management objectives of the Company and is responsible for the whole company’s compliance management; responsible persons of all subordinate units are responsible for their units’ operations in accordance with laws and regulations; all the staff of the Company are responsible for the compliance of the operational matters and professional conducts within the range of their operational activities.

The chief compliance officer is in charge of the compliance of the Company, conducts audit, inspection and supervision on the compliance of the management and professional conducts of the Company and its staff, and helps the operation management effectively identify and manage compliance risks. The chief compliance officer is a member of the Company’s senior management, and is appointed by the Board of Directors. The chief compliance officer does not hold any concurrent posts or take charge of any departments that conflict with his/her compliance management duties.

The Company has established a Legal Compliance Department to assist the chief compliance officer in performing specific compliance management duties, mainly including: establishment of the compliance management system of the Company; compliance training, inspection and guidance; assessment and unified disposal of compliance risks; compliance review and compliance reports; cooperation with external compliance supervision and management institutions; anti-money laundering and Chinese Wall; establishment of the legal system of the Company; review of legal documents; handling of legal affairs; assessment of and consultation on legal risks.

All departments and branches of the Company have their own compliance officers. A compliance officer is mainly responsible for the compliance management work of the unit he/she belongs to, performing such duties as carrying out timely and effective supervision, inspection, assessment and reporting on the implementation of compliance policies and procedures by such unit and its staff, and is responsible for the unit's communication and exchange of information with the Legal Compliance Department and other compliance management work.

During the Reporting Period, the Company further promoted the integrated and vertical management on compliance of branches, optimized the compliance performance appraisal plan for branches, and further improved the compliance management mode of branches; launched compliance training for branches at different levels, continued to enhance the professional competence of compliance personnel across branches for institutional services business and wealth management business, strengthened the performance capabilities of the compliance team and improved the level of business synergy; deepened the management on the compliance management team of branches, and strengthened the strength of the compliance management and control of branches, to prevent the compliance risks of the frontline business from the source.

The Company established the management measures for compliance of subsidiaries, which made detailed arrangements for basic principles, organizational structure and working mechanism of compliance management of the subsidiaries, and established a sound compliance management system appropriate to the group strategy on the basis of ensuring the independence of the subsidiaries' legal representatives. Meanwhile, the Company established a special compliance management information reporting mechanism, and all subsidiaries shall report on the operation of compliance management quarterly and report on any major risk or abnormal situation timely after the event so that the Company can grasp the compliance risk management and control of its subsidiaries timely; the Company established a mechanism for regular meetings between compliance chiefs of the parent company and subsidiaries to call together compliance chiefs of the subsidiaries to hold regular meetings quarterly and unblock the communication mechanism between the Group's compliance chiefs and the Compliance Department, and built an important platform of notifying the Group's compliance risk events, sharing supervision information, exchanging key and difficult points of the compliance management work and forming a resultant force for compliance management; and the Company strengthened the collaborative management, inspection and supervision over key subsidiaries and key business areas, and enhanced the follow-up and guidance on business compliance and control of subsidiaries, especially on new businesses.

(II) Compliance System Building of the Company

The Company continued to improve the compliance management system and formed various compliance management systems, including the Compliance Management System (2017 Revision), Measures for the Compliance Management of Subsidiaries (2020 Revision), Daily Working Measures for Compliance Management (2020 Revision), Measures for Management of Compliance Management Personnel (2020 Revision) and Measures for the Implementation of Compliance Accountability.

During the reporting period, the Company formulated or amended internal control systems such as the Administrative Measures for Eligibility of Investors, the Administrative Measures on Clean Practices, the Administrative Measures on the Securities Investment Behavior of Staff, the Organizational Structure and Responsibilities of Anti-Money Laundering Work, the Rules for the Compliance Management of Bond Investment Transactions, the Administrative Measures on the Appointment of Attorneys, the Investors' Rights and Interests Protection System, the Measures on the Handling of Business Complaints from Customers, the Administrative Measures on the Prevention of and the Fight Against Illegal Collecting of Capital and Illegal Securities Activities, the Management System for Abnormal Securities Transaction Behaviors of Customers of Stock Exchanges, and Guidelines on the Compliance Management of the Sales of Private Financial Products, which further optimized the compliance control system, the anti-money laundering management system and other internal control systems.

(III) Implementation of the Compliance Management Mechanism

Since the full implementation of the compliance management system, the Company saw continuous improvement of its compliance management work, explored to build up the "core competitiveness in terms of compliance" and saw significant improvement in the standardization of operations. During the Reporting Period, the Company deepened the effective integration of business and compliance, and focused on key business links to build an embedded compliance management and control mechanism with penetration and coverage. The Compliance Department provided all branches with comprehensive compliance consultation, put forward recommendations on common issues in time and monitored and gave guidance over the rectification and improvement of relevant systems and procedures by relevant departments; carried out compliance review comprehensively, clarified the front-line compliance review responsibilities.

(IV) Information about Inspection Carried out by the Compliance Department during the Reporting Period

During the Reporting Period, the compliance department of the Company continued to carry out targeted inspections on key businesses and key processes, and organized and launched compliance inspections on over-the-counter derivatives business, compliance inspections on research report issuance business, special compliance inspections on agency trading business, special compliance inspections on bulk trading business, special compliance inspections on subsidiaries and special inspections on anti-money laundering, as well as continued to follow up on the progress of rectification and improvement work.

(V) Progress of Audit Work of the Audit Department during the Reporting Period

During the Reporting Period, the Company's Audit Department earnestly implemented the development strategy. Based on the functional positioning of "identifying problems, facilitating rectification, resolving risks and creating value", it gave play to the development concept of becoming "specialized, comprehensive, digital and intelligent" by taking the initiative to think and act and striving to build a "centralized, unified, overall, authoritative and efficient" audit supervision system, thus effectively carried out inspections and evaluation on the establishment and implementation of the internal control mechanisms of each department and subsidiary, and each branch and securities business department of the Company, the legality and compliance of business operation, operating guarantee, client services, anti-money laundering and innovative business, as well as the accuracy of financial revenue and expenditure and accounting calculation, making contribution to the steady operation and sustainable development of the Company.

Based on the annual operational targets and audit supervision, for the purpose of serving group development and deployment and in accordance with regulatory requirements, the Company's Audit Department made appropriate allocation of audit resources and optimized audit means, continued to expand the scope of audit supervision in depth and width without leaving any area undiscovered, ensuring that audits are carried out in an overall and rigorous manner and that violations must be held accountable. During the Reporting Period, it completed 184 audit items, representing a new record in recent years and an increase by 19% compared with the previous year, including 2 departure audits of the Company's senior management, including the Company's Executive Committee members and the Company's chief financial officer; 20 regular and General Managers' departure audits on business and management departments, including the research institute, asset custody department, financial products department, securities investment department, assets operation department, compliance law department, wealth management department, fixed income department, digital operation department, debt financing department, central trading room, information technology department, financing and securities department, sales and trading department, planning and finance department, operation center, platform operation department, investment advisor development department and financial innovation department; 9 regular and senior management' departure audits on branches, including Huatai Futures, Huatai United Securities, Huatai Asset Management, Huatai Innovative Investment, Huatai Purple Gold Investment, Huatai International and Jiangsu Equity Exchange; 10 departure and

mandatory leave audits on General Managers of branches, including those in west and north regions, Zhejiang, Tianjin, Henan, Heilongjiang, Anhui, Liaoning, Guangdong, Nantong and Fujian; 133 departure and mandatory leave audits on General Managers of securities branches, including those in Beijing Yonghe Palace, Xisanhuan International Finance Center in Beijing, Dongsanhuan North Road in Beijing, Shanghai Wuding Road, Weihai Road of Jing'an District in Shanghai, Guobin Road of Yangpu District in Shanghai, Xingmin Road of Guangzhou, Guangzhou Teemall City, Huanshi East Road of Guangzhou, Shennan Avenue of Shenzhen, Hongli Road of Shenzhen, Caitian Road of Shenzhen, Zhimaying in Nanjing, Zhonghua Road in Nanjing, Renmin Road in Suzhou and Heshan Road in Suzhou; 10 special audits including assessment of the effectiveness of corporate compliance management, corporate internal control evaluation, effectiveness evaluation of the dynamic monitoring system for corporate risk control indicators, evaluation of corporate anti-money laundering, specific securities investment and funds custody and service business, specific funds sales business, specific related-party transactions, special key matters in the year of 2022 and special key matters in the first half of 2023. As of the end of the Reporting Period, audit reports have been issued for 178 audit items; 614 audit opinions and suggestions were put forward, representing a year-on-year increase by 22%; according to the Implementing Rules for Penalties of Illegal Behaviors Discovered in Audit of Huatai Securities Co., Ltd., suggestions were made on penalties for 119 person-times and the penalty amounted to RMB192,000. As of the end of the Reporting Period, a total of 165 audit items had reached the deadline for rectification (one month after the issuance of the document), and 545 issues were discovered during the current auditing, with 492 were rectified, representing a rectification completion rate of 90.28%; and 519 issues were discovered in the previous period of the above-mentioned items, with 509 were rectified so far, representing a rectification completion rate of 98.07%. All units under auditing actively coordinated in the auditing process and the audit opinions and suggestions were recognized by units under auditing and their responsible persons.

During the Reporting Period, the Audit Department of the Company gave further play of the advantage of its platform to enhance the digital and intelligent capability of auditing. On the one hand, with autonomous construction, it has made it possible to have audit work done on platform. On top of completing the first phase of the functional construction of the new-generation audit digital work platform as scheduled, in response to the requirements of IT innovation, it maintained its autonomous development ability and cooperated with the Information Technology Department of the Company to independently optimize and transform the platform's second-phase functions, further promoted the systematic accumulation of knowledge and experience, made data migration between the old and the new systems and sorted out the data standards of both systems, to guarantee the inheritance of auditing experience. On the other hand, guided by Big Data thinking, it has made data application modeling. Leveraging on the entire instrument chain system and the data governance system on the data middle

platform of the Company, while fully guaranteeing information security, it continued to strengthen the collection and application of data required for auditing, ensuring that such data are easy to access, understand and use. It also stepped up efforts to promote audit data governance by revising data based on audit work templates, comprehensively sorting out data requirements, building cross-departmental data information access channels through the Data Intelligence Middle Platform and conducting multiple rounds of communication with relevant departments to push the recording of data in various fields such as brokerage business, financial product sales, marketing management and abnormal behavior of customers; at the same time, data standards were regulated and data quality tested to constantly improve the building of audit data mart at a high standard.

During the Reporting Period, the Company's Audit Department continued to promote the application of audit results, giving equal emphasis to the "latter part" of audit rectification and the "former part" of revealing problems by auditing, ensuring the planning, promoting and implementing work to be done in an integrated way. It strengthened coordination with other supervisions to achieve the same goal of applying audit results in a more authoritative and efficient manner, together creating a closed loop of risk prevention. On the one hand, it fulfilled supervisory responsibilities, promoted rectification and accountability, and further improved the long-term mechanism of audit rectification which combines comprehensive rectification and key supervision. It worked to hold rectification responsibility case by case and monitor the rectification process in a systematic and ongoing way; as for key issues and previously unrectified issues, it carried out special communication with units under auditing to strengthen tracking frequency and supervision, and at the same time, it strictly performed the functions on punishment and suggestion to achieve a deterrent effect. On the other hand, it tapped into the value of issues, implemented results transformation and kept normalized delivery of reports to the operating management and functional departments, sending specifically gathered reports to relevant units for their work reference; it put forward specific recommendations to relevant units to promote prevention and control from the source; as for general and typical issues, it compiled and delivered analysis reports on auditing issues, and sent audit briefs to the whole company to prevent the "broken windows effect".

XVI. INFORMATION ABOUT THE STAFF OF THE PARENT COMPANY AND MAJOR SUBSIDIARIES AS AT THE END OF THE REPORTING PERIOD

(I) Information about the staff

| | |
|--|--------|
| Number of staff employed by the parent company | 11,501 |
| Number of staff employed by major subsidiaries | 5,157 |
| The total number of staff employed | 16,658 |
| Number of retired staff of the parent company and its major subsidiaries that need to be paid for the cost | 234 |

Profession Composition

| Profession | Number of staff |
|--|-----------------|
| Operation professionals | 10,940 |
| Operation support professionals | 2,432 |
| Research and development professionals | 3,286 |
| Total | 16,658 |

Education

| Level of education | Number (persons) |
|-----------------------------------|------------------|
| Doctor | 164 |
| Master | 7,299 |
| Bachelor | 6,711 |
| Junior college graduate and below | 995 |
| Total | 15,169 |

Note: Due to the internal policies of corporations in the United States, the above statistics do not include those of employees of corporations in the United States. Number of the Group's staff includes dispatched workers and brokers etc.

As of December 31, 2023, the Group had a total of 10 members of senior management, of whom 8 were male and 2 were female. The Group had 8,430 male employees and 6,739 female employees in total, representing 44% being female employees (Note: Due to the internal policies of US companies, the gender structure statistics do not include US company employees). The Board is of the opinion that the Company has achieved gender diversity among its employees (including senior management), and is not aware of any factors or circumstances which make achieving gender diversity across the workforce more challenging or less relevant.

The Company issued the "Statement of Rights and Benefits of Huatai Securities Co., Ltd." (《华泰证券股份有限公司权益及福利声明》) on the official website of the Company, which explicitly advocates employee diversity and ensures that the employment and career development of employees are not affected by any factors such as race, faith, gender, religion, nationality, ethnicity, age, marital status and social status.

(II) Remuneration policy

The Company implements the concept of stable operation, closely integrates compensation management with risk management, pays attention to the bottom-line requirements of compliance and fully considers the impact of market cycle fluctuations, industry characteristics and the Company's business development trends. The Company integrated the cultural concept of "compliance, integrity, professionalism and stability" into its compensation management and established a compensation incentive mechanism for long-term development to promote high-quality and sustainable development of the Company and the industry.

The Company attached importance to the linkage between remuneration and benefits, took into account both internal fairness and external competitiveness of incentives, and established a competitive remuneration and incentive allocation mechanism that is linked to the Company's overall benefits, guided by the results of the comprehensive appraisal, and matched with compliance and risk management. Staff remuneration of the Company consists of fixed salary, performance bonus, share incentive and employee benefits. The Company has established and implemented the restricted share incentive scheme of A Shares in accordance with national laws and regulations, which established a sound medium and long-term incentive and restraint mechanism, and created a market-oriented institutional mechanism and development platform to gather core talents.

Pursuant to relevant laws and regulations, the Company makes full payments to social insurances and housing fund accounts for staff in accordance with laws. Meanwhile, the Company has established the supplementary medical insurance plan and enterprise annuity plan to improve supplementary medical care and retirement treatment of staff.

(III) Training programs

In line with the development trend of industry innovation and transformation, the Company continued to centralize its training on the aspects including strategic culture, comprehensive quality, professional ability, professional ethics, technology empowerment and international vision and its annual training plan was implemented smoothly. The Company organized trainings on securities industry culture and corporate culture to promote the integration of cultural construction and business development. The Company carried out series of training projects such as the "BAL" project for managers, the "HIPO" project for senior employees and the "STAR" project for new employees to support employees' career development, and implemented business trainings on wealth management, institutional business, financial technology, compliance and risk control and etc. to improve employees' professional capabilities and strengthen their professional ethics. In addition, the Company effectively utilized the cloud learning platform and continuously optimized its functions to improve employees' user experience. During the Reporting Period, the Company organized 505 live broadcast training sessions on the platform. 1,260,000 participants studied through the platform and completed 426,000 hours of learning with an average of 45.6 hours for each participant.

(IV) During the Reporting Period, there was no labor outsourcing by the Company

XVII. SHARE INCENTIVE SCHEME, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVES MEASURES AND THEIR IMPLICATION

On February 8, 2021, a series of resolutions including the Resolution on the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd. (Draft) and its Summary was considered and approved at the Company's first extraordinary general meeting of 2021. On March 23, 2021, upon consideration and approval at the fourteenth meeting of the fifth session of the Board of Directors of the Company, the Company made adjustment to the Restricted Share Incentive Scheme of A Shares and agreed to grant restricted A Shares to the incentive participants, and the grant date was determined to be March 29, 2021. For details, please refer to the announcements of the Company dated December 31, 2020 and March 23, 2021.

(I) Summary of the Share Incentive Scheme

1. Purposes

The Company has formulated the Incentive Scheme in accordance with the relevant requirements of the Company Law, the Securities Law, the Trial Measures on Implementation of Share Incentive Schemes by State-owned Listed Companies (Domestic) (Guo Zi Fa Fen Pei [2006] No. 175), the Notice on Issues concerning Regulating the Implementation of the Share Incentive Schemes by State-Owned Listed Companies (Guo Zi Fa Fen Pei [2008] No. 171), Opinions on Supporting Share Repurchase by Listed Companies (CSRC Announcement [2018] No. 35) and The Administrative Measures on Incentive Scheme of Listed Companies (CSRC Decree No. 148). The main purposes of implementing the Incentive Scheme are as follows: (1) to deepen and implement the mixed-ownership reform of state-owned enterprises; (2) to stabilize and enhance the Company's value; (3) to advocate the concept of joint and sustainable development of both the Company and the individual; (4) to establish and improve the long-term incentive and restriction mechanism of the Company.

2. Scope of the Incentive Participants

The incentive participants granted under the Incentive Scheme shall include directors and senior management officers and other core key employees of the Company, but exclude non-executive Directors (including independent Directors) and Supervisors of the Company. All of the incentive participants are employed with the Company (including branches) or wholly-owned or majority-controlled subsidiaries.

3. Interests Proposed to be Granted under the Share Incentive Scheme

The Restricted A Shares proposed to be granted to the incentive participants under the Incentive Scheme shall be not more than 45,640,000 shares, representing 0.50% of the total share capital of the Company at the end of the Reporting Period. The source of shares is the ordinary A shares repurchased from the secondary market by the Company. The grant price shall be RMB9.10 per share and shall

not be lower than the higher of 50% of the average trading price of the A Shares for the last trading day preceding the date of the Share Incentive Scheme and 50% of the average trading price of the A Shares for either the last 20 trading days, 60 trading days or 120 trading days immediately preceding the Share Incentive Scheme.

4. *Validity Period of the Share Incentive Scheme and Arrangement of Lock-up Period*

The validity period of the Incentive Scheme shall commence from the date of completion of registration of the granted Restricted Shares and end on the date when all the Restricted Shares granted to the incentive participants are fully unlocked (excluding those subject to voluntary lock-up or reduction restriction over Directors and senior management) or repurchased and deregistered, for a maximum of six years.

The lock-up period of the Restricted Shares granted under the Incentive Scheme is 24 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares, and the unlocking period and unlocking schedule of each period of the Restricted Shares granted is set out below:

| Unlocking Arrangement | Unlocking Period | Unlocking proportion |
|------------------------------|--|-----------------------------|
| The first unlocking period | Commencing from the first trading day upon the expiry of 24 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day of 36 months from the date of completion of registration for the grant of the Restricted Shares | 33% |
| The second unlocking period | Commencing from the first trading day upon the expiry of 36 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day of 48 months from the date of completion of registration for the grant of the Restricted Shares | 33% |
| The third unlocking period | Commencing from the first trading day upon the expiry of 48 months from the date of completion of registration for the grant of the corresponding portion of the Restricted Shares to the last trading day of 60 months from the date of completion of registration for the grant of the Restricted Shares | 34% |

(II) Particulars of the Grant under the Share Incentive Scheme

On April 7, 2021, the Company received the Certificate of Registration of Changes in Securities issued by China Securities Depository and Clearing Corporation Limited Shanghai Branch to set out the record date being April 6, 2021 and granted 45,488,000 Restricted A Shares to 810 eligible incentive participants at the grant price of RMB9.10 per Share. The Company has completed the registration of the grant of the restricted A Shares. For details, please refer to the announcement of the Company dated April 7, 2021.

(III) Subsequent Development of the Share Incentive Scheme during the Reporting Period

1. Release from Selling Restriction of the First Lock-up Period under the Restricted Share Incentive Scheme of A Shares of the Company and Listing of Relevant Shares

During the Reporting Period, the second meeting of the sixth session of the Board and the second meeting of the sixth session of the Supervisory Committee of the Company considered and approved the Resolution on Fulfilment of Conditions for Release from Selling Restriction of the First Lock-up Period under the Restricted Share Incentive Scheme of A Shares of the Company respectively. The Company has completed the relevant procedures for release from selling restriction of 14,222,943 restricted shares held by 770 incentive participants in accordance with relevant regulations, the above-mentioned Shares were released from selling restriction and were listed for trading on April 24, 2023. The closing price of A Shares as at the trading date preceding to the release of selling restriction (i.e. April 21, 2023) was RMB13.48 per share. For details, please refer to the announcements of the Company dated March 30, 2023 and April 17, 2023, respectively.

2. Repurchase and Cancellation of Part of the Restricted A Shares

During the Reporting Period, the second meeting of the sixth session of the Board, the second meeting of the sixth session of the Supervisory Committee of the Company and the 2022 Annual General Meeting, the 2023 Second A Share Class Meeting, and the 2023 Second H Share Class Meeting of the Company considered and approved the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares of the Company, respectively. The Company repurchased and canceled part or all of 925,692 restricted shares granted to 137 persons but subject to selling restriction due to non-fully fulfillment of condition of individual performance by incentive participants, release or termination of employment with the Company and other circumstances. The repurchase price was RMB8.25 per share, and the total amount of consideration for repurchase was RMB7,636,959.00. The cancellation of such Shares was completed on September 22, 2023. For details, please refer to the announcements of the Company dated March 30, 2023, June 30, 2023 and September 19, 2023, respectively.

During the Reporting Period, changes in the restricted A Shares granted under the Share Incentive Scheme are as follows:

| Name/Type of Incentive Participant | Number of Restricted Shares Locked at the Beginning of the Period (share) | Changes in the Reporting Period | | | | Number of Restricted Shares Locked at the End of the Period (share) |
|---------------------------------------|---|--|-----------------------------------|--|--|---|
| | | Number of Shares Newly Granted (share) | Number of Shares Unlocked (share) | Number of Shares Lapsed/ Cancelled (share) | Purchase Price for Shares Cancelled (Yuan) | |
| Zhou Yi | 720,000 | - | 237,600 | - | - | 482,400 |
| Five highest remuneration individuals | 450,000 | - | 148,500 | - | - | 301,500 |
| Other incentive participants | 43,257,027 | - | 13,836,843 | 925,692 | 8.25 | 28,494,492 |
| Total | 44,427,027 | - | 14,222,943 | 925,692 | 8.25 | 29,278,392 |

Other incentives

For the employee incentives adopted by AssetMark (not a major subsidiary of the Company within the meaning of the Hong Kong Listing Rules), a controlled company of the Group, please refer to Note 63(b) Share-based payments of an overseas subsidiary to the consolidated financial statements in this report.

(IV) No share incentive granted to the Directors and senior management during the Reporting Period

(V) Appraisal mechanism for the senior management and the establishment and implementation of incentive mechanism during the Reporting Period

During the Reporting Period, the Company comprehensively promoted the tenure system and contractual management of the operating management, and organized a new session of senior management to sign the annual operating performance responsibility letter, the tenure operating performance responsibility letter and position appointment agreements. The annual and tenure performance appraisal on the Company's senior management was carried out in the principle of sharing goals, comprehensively benchmarking the market and attaching equal importance to incentives and restrictions. Appraisal on senior management adopts the target appraisal on key performance indicators. The performance indicators are related not only to the annual operating goals of the Company but also reflect the orientation of compliance operation as well as the emphasis and difficulties of relevant work charged by such individual. The performance indicators and target value on senior management are determined by the Board based on the Company's annual operation strategies, the characteristics of the Company, the market environment and others. The Board determines the level of annual appraisal and remuneration allocation of senior management at the end of the year after comprehensively considering the Company's annual operating goals, the completion of relevant work charged by the senior management member and the special annual compliance appraisal.

XVIII. PROPOSAL OF PROFIT DISTRIBUTION OR CAPITALIZATION FROM CAPITAL RESERVE

(I) Formulation, implementation or adjustment of cash dividend policy

Article 261 of the Articles of Association has clarified the Company's profit distribution policy, the decision-making process for the profit distribution plan and the decision-making process for adjustments of the profit distribution policy. The policy of the Company's profit distribution is: "The Company shall focus on generating a reasonable investment return to the investors and implements continual and steady policy of profit distribution; the Company's profit distribution shall not exceed the scope of accumulated distributable profits nor impair the Company's continual operational capability; the Company may distribute dividends in form of cash, shares or a combination of cash and shares. Except for the special condition under which the Company plans to conduct material investments or make major cash expenses within the next twelve months, or other conditions that may result in the fact that the Company fails to comply with the regulatory requirements regarding net capital, the Company shall distribute its dividends in form of cash if the Company's profits for the current year and its accumulated non-distributed profits are positive; for the last three years, the Company's accumulated profits distributed in form of cash shall not be less than 30% of the annual average distributable profit realized for the last three years; upon the proposal by the Board of Directors and approval by the general meeting, an interim dividend distribution may be made in the form of cash; the Company may distribute dividends in the form of shares based on the annual profits and cash flow status and subject to the satisfaction of the lowest ratio for cash dividend and the reasonableness of the Company's equity scale."

For the last three years (including the Reporting Period), the Company did not have any plan or proposal regarding capitalization from capital reserve to share capital. The details of the profit distribution plan or proposal of ordinary shares of the Company over the last three years (including the Reporting Period) were as follows:

In 2021, the Company distributed cash dividend of RMB4.50 (tax inclusive) per 10 shares based on the Company's total share capital of 9,076,650,000 shares after deducting 45,278,495 A Shares deposited in the special account for securities repurchase and 1,060,973 A Shares to be repurchased and cancelled (i.e. on the basis of 9,030,310,532 shares), with the total cash dividend of RMB4,063,639,739.40 (tax inclusive), representing 30.45% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2021. According to relevant provisions of the Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 7 –Repurchase of Shares (《上海證券交易所上市公司自律監管指引第7號－回購股份》), the amount of share repurchases effected by a company in a year shall be deemed as cash dividends and be counted in the calculation of the cash dividend payout ratio for the year. Accordingly, based on the amount of share repurchases effected by the Company for 2021 of RMB48,959,144.00 (excluding transaction costs), the total cash dividend amounted to RMB4,112,598,883.40, representing 30.81% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2021.

In 2022, the Company distributed cash dividend of RMB4.50 (tax inclusive) per 10 shares based on the Company's total share capital of 9,075,589,027 shares after deducting 45,278,495 A Shares deposited in the special account for securities repurchase and 925,692 A Shares to be repurchased and cancelled (i.e. on the basis of 9,029,384,840 shares), with the total cash dividend of RMB4,063,223,178.00 (tax inclusive), representing 36.76% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2022.

In 2023, after comprehensive consideration of factors such as the interests of shareholders and the development of the Company, the 2023 profit distribution proposal of the Company is as follows:

1. The Company will distribute cash dividend of RMB0.43 (tax inclusive) per share based on the Company's existing total share capital of 9,029,384,840.00 shares, with the total cash dividend of RMB3,882,635,481.20 (tax inclusive), representing 30.45% of net profit attributable to the shareholders of the Parent Company on a consolidated basis for 2023.

If the total share capital of the Company changes as a result of repurchase and cancellation of shares granted in the equity incentive during the period from the disclosure date of this proposal to the record date of the implementation of the dividend distribution, the Company intends to maintain the distribution ratio per share unchanged and adjust the total distribution accordingly. The remaining profits available for distribution to investors will be carried forward to the next year.

2. Cash dividend is denominated and declared in RMB and paid to holders of A Shares (including the depository of GDRs) and the investors of Southbound Trading in RMB and to holders of H Shares (excluding the investors of Southbound Trading) in HKD. The actual distribution amount in HKD shall be calculated at the rate of average basic exchange rate of RMB to HKD issued by the PBOC five business days prior to the date of the 2023 Annual General Meeting of the Company.

(II) Particulars of cash dividend policy

| | | |
|--|------|-----------------------------|
| Whether it is in compliance with the requirements of the Articles of Association or the resolutions of general meetings | √Yes | <input type="checkbox"/> No |
| Whether the dividend distribution criteria and proportion are well defined and clear | √Yes | <input type="checkbox"/> No |
| Whether the relevant decision-making procedures and mechanism are complete | √Yes | <input type="checkbox"/> No |
| Whether the independent directors fulfil their duties and play their roles | √Yes | <input type="checkbox"/> No |
| Whether the minority shareholders have the opportunities to sufficiently voice their opinions and make requests, and whether their legal interests are fully protected | √Yes | <input type="checkbox"/> No |

(III) PROFIT DISTRIBUTION AND SHARE CAPITAL INCREASE BY WAY OF TRANSFER FROM CAPITAL RESERVES DURING THE REPORTING PERIOD

Unit: Yuan Currency: RMB

| | |
|---|-------------------|
| Number of bonus shares per 10 shares (share) | – |
| Dividends per 10 shares (Yuan) (tax inclusive) | 4.30 |
| Number of increased shares per 10 shares (share) | – |
| Amount of cash dividends (tax inclusive) | 3,882,635,481.20 |
| Net profit attributable to the shareholders of ordinary shares of the Company in the consolidated statement during the dividend year | 12,750,632,499.51 |
| Percentage of net profit attributable to the shareholders of ordinary shares of the Company in the consolidated financial statements (%) | 30.45 |
| Amount for repurchase of shares under cash included in cash dividends | – |
| Total amount of dividends (tax inclusive) | 3,882,635,481.20 |
| Ratio of total amount of dividends to net profit attributable to ordinary shareholders of the listed company in consolidated statements (%) | 30.45 |

XIX. OTHER INFORMATION

(I) Company Secretary

Mr. Zhang Hui is one of the joint company secretaries of the Company, while Ms. Kwong Yin Ping Yvonne, manager of SWCS Corporate Services Group (Hong Kong) Limited, is the joint company secretary fulfilling the relevant qualification requirements of the Hong Kong Listing Rules. The company secretary is mainly responsible for facilitating the operation of the Board, ensuring the effective communication between the members of the Board and the observation of the policies and procedures of the Board, and ensuring the compliance with the Hong Kong Listing Rules and other regulations by the Company. Any Director can discuss with, seek advice from and obtain information from the company secretary. The primary contact person for Ms. Kwong Yin Ping Yvonne at the Company is Mr. Zhang Hui.

Each of Mr. Zhang Hui and Ms. Kwong Yin Ping Yvonne has complied with the requirements of Rule 3.29 of the Hong Kong Listing Rules by receiving relevant professional training for no less than 15 hours during the Reporting Period.

(II) Responsibilities of the Directors and Auditors in respect of the Accounts

The following statement of responsibilities of Directors regarding the financial statements shall be read in conjunction with the responsibility statement of the certified public accountants included in the audit report of this report. Each responsibility statement shall be understood separately.

The Board of Directors confirmed that it took responsibility for the preparation of the annual report of the Group for the year ended December 31, 2023.

The Board of Directors is responsible for presenting a clear and well-defined assessment of the annual and interim reports, stock price sensitive information, and other matters that need to be disclosed according to the Hong Kong Listing Rules and other regulatory provisions. The management has provided relevant and necessary explanation and information for the Board of Directors so that the Board of Directors could make informed assessment on the financial data and position of the Group for examination and approval at the Board meetings.

To the knowledge of all Directors, the Company does not face any events or situations of significant uncertainty likely to give rise to the significant doubt of the Company's capability of sustainable operations. In addition, the Company has arranged appropriate insurance cover for the legal actions and liabilities which the Directors, Supervisors and senior management may be exposed to.

For the purposes of the United Kingdom's Financial Conduct Authority's Transparency Rule 4.1.12(3), each Director (whose names and functions are listed on page 139 of this report) of the Company, to the best of their knowledge, confirm the following two points, respectively:

- (a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- (b) the management report (being this annual report, excluding the financial statements referred to above (on pages 8-199 of the financial report attached to this report) and the independent auditor's report thereon (on pages 1-7 of the financial report attached to this report)) includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Group faces.

(III) Performance Assessment Results for Directors and Supervisors

During the Reporting Period, the Directors and Supervisors of the Company had abided by the relevant provisions of laws, administrative laws and regulations as well as the Articles of Association, and performed their duties and obligations honestly and diligently.

All the Directors of the Company have performed their statutory duties honestly, faithfully and diligently in compliance with laws. They have attended Board meetings and various meetings of special committees in accordance with relevant provisions, considered each proposal seriously, offered advice and suggestions on significant strategic decisions and plans, important investment and financing projects, business innovations, related-party transactions, compliance management and internal control, system construction, appointment of senior management, performance assessment, enterprise cultural construction and social responsibilities of the Company, and acted as professional gatekeepers on such issues, which ensured those material decisions to be scientific and standardized as well as the sustainable and innovative development of the Company, and preserved the interests of the shareholders practically.

All the Supervisors of the Company have performed their statutory duties honestly, faithfully and diligently in compliance with laws. They have attended the meetings of the Supervisory Committee in accordance with relevant provisions, attended the Board meetings, considered each proposal carefully, supervised and inspected the legality of operation, material decisions and important business activities as well as the financial position of the Company, actively protected the legal interests of the Company and its shareholders, promoted the legal operation and standardized management, and ensured the sound development of the Company.

For details on the performance of duties of the Company's Directors and Supervisors, please refer to the "Performance of Duties of Directors" and "Performance of Duties of Supervisors" under this section in this report.

(IV) Communication with Shareholders

The shareholders' general meeting is the organ of the highest authority of the Company, and the shareholders exercise their rights through the shareholders' general meeting. The Company convenes and holds shareholders' general meetings in strict accordance with the relevant provisions of the Articles of Association and the Rules of Procedures for General Meetings to ensure the equal status of all shareholders, in particular the minority shareholders, and enable them to exercise their rights completely.

The Company pays great attention to the shareholders' opinions and advice, actively and regularly carries out various investor relations activities to keep communication with shareholders and meet their reasonable needs timely. The Company has formulated a series of relatively perfect rules and regulations such as the Administrative System Regarding Investor Relationship, to manage investor relationship in accordance with the standards, systems and procedures.

The Company's Administrative System Regarding Investor Relationship, namely the shareholder communication policy of the Company, was reviewed and amended by the Board on October 28, 2022 to ensure implementation and effectiveness. The Company confirms that the current Administrative System Regarding Investor Relationship, namely the shareholder communication policy of the Company, is effectively implemented by the following measures:

The provisions set out in the Administrative System Regarding Investor Relationship are designed to ensure that shareholders of the Company, including individual and institutional investors (collectively, "shareholders") and, where appropriate, securities analysts and potential investors, have full and equal access to information about the Company in due course, thus to help the effective performance of shareholders' rights, to enhance communication between shareholders and the Company, and to increase their understanding and recognition of the Company.

The main channels through which the Company communicates information to its shareholders are the regular reports, announcements and circulars published on the websites of the SSE, the HKEXnews website of Hong Kong Stock Exchange, the website of LSE and the official website of the Company. In addition, the Company has developed good interaction and communication with its shareholders by means of holding regular results announcement meetings, opening a service hotline, setting up an investor relations column on the website of the Company and conducting on-site research and receptions to ensure timely communication of the relevant information about the Company to Shareholders and relevant parties.

The Board of Directors of the Company is willing to listen to shareholders' advice and encourages shareholders to attend the general meetings to ask the Board of Directors or the management directly about any doubts they may hold. Shareholders may convene extraordinary general meetings or submit interim proposals to general meetings according to the procedures set out in Article 84 and Article 89 of the Articles of Association, which were published on the website of the Shanghai Stock Exchange, the HKEX news website of the HKEX and the Company's official website. The Company will arrange for the Board of Directors to answer the shareholders' questions at its annual general meeting for 2023.

(V) *Investor Relations*

The investor relations management is one of the most important tasks on the normative development and legitimate operation of the Company and is highly valued by the Board of the Company. The Company planned, arranged and organized various activities to manage investor relations with a strong sense of responsibility, including coordinating on-site interviews to the Company, and keeping in contact with regulatory authorities, investors, intermediary agencies and news media and so on.

During the Reporting Period, the Company timely updated information on the "Investor Relations" column on the Company's website, and answered inquiries from investors of the interactive e-platform on the website of the Shanghai Stock Exchange. The Company has received 37 times of onsite investigations and surveys or telephone interviews from approximately 119 researchers and investors such as securities companies and funds companies at home and abroad in the whole year. The Company also carried out daily consultation work seriously for investors and answered their questions in detail. Meanwhile, to assist the issuance of the periodic reports, the Company held 2 presentations for operating performance and 3 online briefings on performance, and proactively attended strategy seminars and investment forums held by domestic or foreign securities institutions. It attended 9 strategy seminars and investment forums during the Reporting Period and maintained full communications with investors and researchers on issues such as the development trend of the industry, operational results of the Company as well as its business development strategy, which effectively promoted investors' and researchers' understanding of the business condition and result performance of the Company, completely marketed the development advantages of the Company, and correctly guided market expectations. The Company persisted in inducing and analyzing various questions proposed by institutional investors and researchers to improve the professionalism, normalization and the quality of investor relations management of the Company.

The Company's reception of investigations and surveys, communications and participation in strategy seminars and investment forums held by domestic or overseas securities institutions in the year of 2023 are as follows:

| No. | Date of reception | Meeting name | Way of reception | Guests | Major topics discussed and information provided |
|-----|-------------------|--|-------------------------------|--|--|
| 1 | January 4, 2023 | Institutional investigations and surveys | Telephone interview | DBS Bank (1 person-time) | Business highlights, operations and financial performance, and long-term strategic planning of the Company |
| 2 | March 31, 2023 | Presentation for 2022 Annual Results of HTSC | Video and telephone interview | Morgan Stanley, J.P. Morgan, UBS Securities, Citibank, HSBC, CITIC Securities, CICC, China Securities, Guotai Junan, Shenwan Hongyuan, etc. (more than 1,000 person-times) | |
| 3 | April 3, 2023 | Institutional investigations and surveys | Telephone interview | Ren Bridge Asset (1 person-time) | |
| 4 | April 11, 2023 | Institutional investigations and surveys | Onsite interview | Citadel International Equities (1 person-time) | |
| 5 | April 13, 2023 | Institutional investigations and surveys | Telephone interview | Wellington Assets Management (2 person-times) | |
| 6 | April 17, 2023 | Institutional investigations and surveys | Telephone interview | Greenwoods Asset (2 person-times) | |
| 7 | April 20, 2023 | Institutional investigations and surveys | Telephone interview | J.P. Morgan (1 person-time) | |
| 8 | April 21, 2023 | Institutional investigations and surveys | Telephone interview | DBS Bank (1 person-time) | |
| 9 | April 25, 2023 | Institutional investigations and surveys | Onsite interview | Industrial Securities, Neuberger Berman, Taikang Asset, Guotai Fund, Western Leadbank, Wealspring Asset, Fullgoal Fund, etc. (8 person-times) | |
| 10 | May 8, 2023 | Conference of Shenwan Feiyin and HTSC | Telephone interview | Shenwan Hongyuan, Bank of China Investment Management, Caitong Securities, GF Securities, Nanjing Securities, Greenwoods Asset, etc. (24 person-times) | |
| 11 | May 9, 2023 | Institutional investigations and surveys | Onsite interview | CICC (3 person-times) | |

| No. | Date of reception | Meeting name | Way of reception | Guests | Major topics discussed and information provided |
|-----|-------------------|---|-------------------------------|--|---|
| 12 | May 12, 2023 | Institutional investigations and surveys | Onsite interview | Foresight Fund (1 person-time) | |
| 13 | May 15, 2023 | Institutional investigations and surveys | Onsite interview | Great Wall Securities, etc. (7 person-times) | |
| 14 | May 17, 2023 | 2023 interim strategy forum of TF Securities | Teleconference | TF Securities, CITIC Securities, Greenwoods Asset, Industrial Bank, China Universal Asset Management, ICBCCS, Pingan Wealth Management, etc. (28 person-times) | |
| 15 | May 18, 2023 | Institutional investigations and surveys | Onsite interview | Changjiang Securities, Jingan Investment (3 person-times) | |
| 16 | May 25, 2023 | “Talk to Presidents” –2023 privileged conference among boutique listed companies of GF Securities | Onsite interview | GF Securities, BNB Wealth Management, Dehui Investment, CPIC AMC (5 person-times) | |
| 17 | June 1, 2023 | CITIC Securities 2023 Capital Market Forum | Onsite interview | CITIC Securities, Changjiang Pension, Double-safeguard Asset, GS Capital, Springs Capital (6 person-times) | |
| 18 | June 12, 2023 | Institutional investigations and surveys | Onsite interview | UBS Securities, Guotai Junan, Shenwan Hongyuan (5 person-times) | |
| 19 | June 14, 2023 | Institutional investigations and surveys | Onsite interview | Hua Chuang Securities (5 person-times) | |
| 20 | June 15, 2023 | Institutional investigations and surveys | Onsite interview | GF Securities (4 person-times) | |
| 21 | June 16, 2023 | Institutional investigations and surveys | Onsite interview | Pacific Securities (1 person-time) | |
| 22 | July 5, 2023 | Institutional investigations and surveys | Onsite interview | ICBCCS (1 person-time) | |
| 23 | August 31, 2023 | Presentation for 2023 Interim Results of HTSC | Video and telephone interview | UBS Securities, BoFA Securities, Morgan Stanley, CICC, CITIC Securities, Shenwan Hongyuan, Citibank, Credit Suisse, Fosun International, Guotai Junan, etc. (more than 400 person-times) | |

| No. | Date of reception | Meeting name | Way of reception | Guests | Major topics discussed and information provided |
|-----|--------------------|---|---------------------|---|---|
| 24 | September 5, 2023 | Institutional investigations and surveys | Onsite interview | UBS Securities, CPPIB, Qianxi Investment (千禧投資), China Investment, Nan Fung Group, Lazard Asset Management, Fountain Capital (噴泉資本), RAYS Capital, Citadel (9 person-times) | |
| 25 | September 6, 2023 | Institutional investigations and surveys | Telephone interview | BoFA Securities, Franklin Templeton Investments, Aberdeen Asset Management, Segantii Capital, RAYS Capital, NSR Capital (6 person-times) | |
| 26 | September 6, 2023 | Institutional investigations and surveys | Telephone interview | Zheshang Securities, Xingyin Fund, Jingan Investment, Greenwood Asset, China Securities, Shanxi Securities, CCB Principal Asset Management, Founder Fubon, Ren Bridge Asset, HSBC Life Insurance, Hua Chuang Securities (11 person-times) | |
| 27 | September 8, 2023 | Autumn strategy forum of Haitong Securities | Onsite interview | Haitong Securities, HuaAn Funds, Changjiang Pension, Manulife Fund, CITIC Securities, GTS Fund (6 person-times) | |
| 28 | September 22, 2023 | Institutional investigations and surveys | Telephone interview | Fidelity (1 person-time) | |
| 29 | September 25, 2023 | Institutional investigations and surveys | Onsite interview | Citibank (1 person-time) | |
| 30 | November 1, 2023 | Strategy forum of Founder Securities | Onsite interview | Founder Securities, ABC-CA, Minsheng Royal, etc. (5 person-times) | |
| 31 | November 2, 2023 | Institutional investigations and surveys | Onsite interview | Taikang Asset (1 person-time) | |

| No. | Date of reception | Meeting name | Way of reception | Guests | Major topics discussed and information provided |
|-----|-------------------|--|---------------------|---|---|
| 32 | November 2, 2023 | Institutional investigations and surveys | Telephone interview | GF Fund, BOCOM Schroders, ICBCCS, Taikang Asset, Fullgoal Fund, Dacheng Fund, Huatai Insurance, Zhonggong Fund, China Merchants Fund, Changsheng Fund, China Life Pension, Greenwoods Asset, Ren Bridge Asset (13 person-times) | |
| 33 | November 3, 2023 | Institutional investigations and surveys | Telephone interview | Harvest Fund (3 person-times) | |
| 34 | November 6, 2023 | Institutional investigations and surveys | Telephone interview | Zhong Ou AMC (1 person-time) | |
| 35 | November 7, 2023 | Strategy forum of Citibank | Onsite interview | Citibank, Schroders, ADIA, AllianceBernstein, Brimstone, etc. (10 person-times) | |
| 36 | November 9, 2023 | Institutional investigations and surveys | Onsite interview | Dongxing Securities (2 person-times) | |
| 37 | November 10, 2023 | Institutional investigations and surveys | Onsite interview | Industrial Securities, Temasek (2 person-times) | |
| 38 | November 14, 2023 | Institutional investigations and surveys | Onsite interview | Guotai Junan, Zking Insurance, AEGON-INDUSTRIAL Fund (4 person-times) | |
| 39 | November 15, 2023 | Institutional investigations and surveys | Teleconference | CEPHEI Capital (2 person-times) | |
| 40 | November 17, 2023 | Strategy forum of Shenwan Hongyuan | Onsite interview | Shenwan Hongyuan, Hongyuan Futures, Wealspring Asset, GYXD Capital, Heng An Standard Life Insurance (5 person-times) | |
| 41 | November 20, 2023 | Institutional investigations and surveys | Onsite interview | Ovata Capital (1 person-time) | |

| No. | Date of reception | Meeting name | Way of reception | Guests | Major topics discussed and information provided |
|-----|-------------------|--|------------------|---|---|
| 42 | November 20, 2023 | Institutional investigations and surveys | Onsite interview | Point72 (1 person-time) | |
| 43 | November 20, 2023 | Institutional investigations and surveys | Onsite interview | CPPIB, BOCI-Prudential, Allianz Global Investors, J.P. Morgan Asset Management, China Asset Management (5 person-times) | |
| 44 | November 21, 2023 | Institutional investigations and surveys | Onsite interview | CIC International, Goldman Sachs Asset Management, AllianceBernstein, Morgan Stanley (4 person-times) | |
| 45 | November 22, 2023 | Strategy forum of CITIC Securities | Onsite interview | CITIC Securities, PICC Asset Management, DH Fund Management, Taikang Funds, GF Securities, GF Fund, GH Shining Asset Management, CIC International, Infore Capital, Zhida Asset Management, Zhongtai Securities, Dehui Investment (德匯投資), Gansu Financial Holding (16 person-times) | |
| 46 | November 30, 2023 | Institutional investigations and surveys | Teleconference | DBS Bank (1 person-time) | |
| 47 | December 13, 2023 | Institutional investigations and surveys | Teleconference | J.P. Morgan (2 person-times) | |
| 48 | December 21, 2023 | Institutional investigations and surveys | Teleconference | CLSA (2 person-times) | |

(VI) Corporate Cultural Construction

The Company strives to become a first-class investment bank with both domestic advantages and global influence, always adheres to the core values of “high efficiency, integrity, stability and innovation”, is committed to the service philosophy of “One Customer” internally and “One Huatai” externally, spares no effort in being accountable to all clients, shareholders, staff and society to achieve harmony and unity. The Company continuously strengthened the cultural characteristics of “technology empowerment, innovation and initiative”, gradually cultivating an “open and inclusive” cultural atmosphere that is “positive and innovative”.

The Reporting Period marked a critical year for the Company to break new ground in cultural construction. In addition to continuously practicing the core cultural values of industry of “compliance, integrity, professionalism and stability” and following the Ten Elements of Cultural Construction of the Securities Industry (《證券行業文化建設十要素》), the Company has formulated a special work plan by taking into account the establishment of the concept of honor and disgrace in the securities industry as well as the relevant requirements of the industry’s future work arrangement for cultural construction, which specifies the overall strategic goals and major measures of cultural construction in the future, and fully integrates into the Company’s operation and development. At the same time, the Company actively promoted a new round of cultural construction by building a distinctive cultural brand system. The Company reviewed the cultural value system and the effectiveness of key work, carried out regular quality assessment of cultural construction, continuously optimized the working mechanism of cultural construction to make it more systematic and effective.

The Company focuses on strengthening cultural transmission and cultural practice with innovative thinking and forms, actively creating a distinctive cultural brand. During the Reporting Period, the Company established and optimized its cultural matrix and worked to promote industry and company cultural values and company cultural brand towards all staff through both online and offline channels to continuously strengthen staff’s professional conduct and enhance cultural identity within and outside the Company. The Company furthered to shape its cultural brand by stages and priorities through organizing a series of cultural salon activities, including speech contests for young employees and risk culture month activity, so that the Company’s cultural values and concepts could be more widely embraced.

The Company always attaches importance to the feedback from internal and external. It carries out “Employee Reception Day” activities online and offline every month, and put in place a special post named “Freely Talk Inner Voices, Offer Help with Same Empathy” (暢談心聲共情同力) in the special column of “Colleague Bar (同事吧)”, an instant messaging APP online, to optimize regular interactive communication mechanism between the Company’s leaders and employees. Meanwhile, a sound and effective feedback supervision system has been established to strengthen the communication and feedback for relevant issues.

The Company pays attention to the establishment and optimization of financial and non-financial reward measures for cultural construction, with organizations, systems, personnel, funds and platform put in place to foster a virtuous working mechanism led by the headquarter, cooperated by the Group and participated by all staff. During the Reporting Period, the Company carried out various commending activities to stimulate talents to be innovative and vigorous, improve their value and empower their growth; at the same time, the Company also adopted effective measures to encourage its staff to participate in the trainings in relation to culture and professional ethics, so as to help its staff develop the awareness of conscious protection of state's financial safety and enhancement on social responsibility.

In the new journey of serving high-quality development, the Company has continuously demonstrated its new role, new performance and new image, and constantly enhanced its cultural influence and industry reputation. During the Reporting Period, the Company was awarded the “Best Securities Company for Cultural Construction of the Year (年度最佳文化建設證券公司)” in the “2023 Gold Medal List of Chinese Financial Institutions – Golden Dragon Award” by Financial Times, and the practice case of the Company's culture construction and cultivation among youth staff was listed under the “2022 Annual Report of Cultural Construction in the Securities Industry”.

(VII) Independence of the Auditor

According to the relevant provisions in Rule 19A.31 of the Hong Kong Listing Rules, annual accounts should be audited by a prestigious certified public accountant (whether it is an individual, a firm or a company), who (whether it is an individual, a firm or a company) also should be independent of the Chinese issuer to the extent that its independent procedures should be substantially the same as those specified in the statements on independence issued in the Companies Ordinance or by the International Federation of Accountants. According to the relevant provisions in Rule D.3.3 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules, the Audit Committee should review and monitor the independence and objectiveness of external auditors as well as the validity of the auditing process in accordance with applicable standards. During the Reporting Period, the Company re-appointed Deloitte Touche Tohmatsu Certified Public Accountants LLP as the auditors of A Shares and Deloitte Touche Tohmatsu as the auditors of H Shares. The Audit Committee had carried out necessary review and supervision to ensure the independence between the firms and the Company.

(VIII) Auditor's remuneration

For auditor's audit service fee during the Reporting Period, please refer to “Auditors” under “Other Disclosures” in the section headed “Management Discussion and Analysis and Report of the Board” in this report.

During the Reporting Period, the Company and its subsidiaries employed Deloitte (including other members within the Deloitte network) to provide non-auditing services, such as agreed procedures and advisory service, and the fees for such non-auditing services were RMB16.64 million, in which, the fees for non-auditing services provided by Deloitte as the statutory auditor as a component of the Group were RMB0.74 million.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

I. ENVIRONMENTAL INFORMATION

Currency: RMB

| | |
|--|--------|
| Establishment of environmental protection-related mechanisms | Yes |
| Investment in environmental protection funds during the Reporting Period (unit: Ten Thousand Yuan) | 521.18 |

(I) The Company is not in the list of attention units discharging pollutants published by the environmental protection authority

(II) Description of the environmental protection of enterprises excluding attention units discharging pollutants

- 1. During the Reporting Period, the Company was not subject to any administrative penalty arising from environmental issues*
- 2. Other environmental information with reference to disclosures of attention units discharging pollutants*

The Company is a financial company, which is not in the list of attention units discharging pollutants and their major subsidiaries published by the environmental protection authority. The Company entrusts qualified third-party organizations to conduct inspections for the wastewater, exhaust gases and noises of the headquarters office every year. All inspections are in line with the national standards.

(III) Relevant information beneficial to protecting ecosystem, preventing pollution and performing environmental responsibilities

1. The Company actively responds to the Nanjing Municipal Domestic Waste Management Regulations and sets waste sorting points on each floor. It publicizes the concepts and practice on waste sorting among staff through pasting posters on waste sorting in striking parts of public places and playing videos on waste sorting repeatedly in elevators to create an atmosphere of “waste sorting with all participation” and form a habit of actively sorting and consciously putting waste. Office wastes of the Company are collected and transported by the property management company. Hazardous wastes such as electronic wastes, light pipes, toner cartridges and ink cartridges are recovered by qualified entities for further disposal or recycling.
2. As specified in the vehicle management system by the Company, new energy vehicles shall be given priority when purchasing vehicles for corporate affairs and operation of the Company to practice low-carbon and environmental operation. The underground garage of Huatai Securities Square is equipped with charging piles for new energy vehicles to encourage employees to practice green commuting and advocate green and environmental concepts.
3. For the decoration and renovation of business and office buildings of the Company, it takes measures such as setting the shortest decoration intervals (decoration and renovation are not allowed for those not exceeding the shortest decoration intervals except under special circumstances) and improving the quality of decoration and renovation projects to extend the life of decoration for business buildings, reduce the frequency of decoration and minimize pollution from decoration and renovation. The Company adopts new construction materials in decoration and renovation to achieve the integration of environmental protection and buildings. For curtain walls, interior furnishings and landscapes, it follows green, innovative and environmental concepts and focuses on the popularization of LED lighting with low energy consumption in office areas to save lighting power in daily office to the maximum extent. It significantly reduces the use of paint and other decoration materials and adopts environmental and paint-free materials instead. Panel furniture is widely adopted for office and it generally eliminates the use of paint furniture. Greater efforts are made in aerial detection and governance after decoration to improve the air quality in the office environment so as to create a safe and comfortable office environment for employees.

(IV) Measures adopted for reducing its carbon emission during the Reporting Period and their effects

| | |
|---|--|
| Adoption of carbon reduction measures | Yes |
| Reduction of carbon dioxide equivalent emissions (unit: tons) | 68.88 |
| Type of carbon reduction measures (e.g. use of clean energy for power generation, use of carbon reduction technologies in the production process, R&D and production of new products that help reduce carbon emissions, etc.) | Use of clean energy for power generation and carbon reduction technologies in data centers |

Detailed description

Principal methods

Specific measures

Adoption of clean energy

- In the operation of the office park, the Company took various measures such as the sunlight induced lighting device system, the ice storage air-conditioning system, the underfloor air distribution system and the intelligent lighting control in office areas to implement the concept of energy conservation and emission reduction.
- The headquarters park of the Company is equipped with a solar photovoltaic power generation system, which saved 87,927KW of electricity in 2023.

Promotion of energy conservation and emission reduction

- The Company continuously promoted energy conservation and consumption reduction, and completed optimization and reconstruction of the energy management system, realizing regular analysis on energy consumption situation, and further strengthening the control on the energy consumption.
- The air-conditioning system adopts ice storage technology, underfloor air distribution system and other technologies, giving full play to the energy-saving benefits of low-temperature air supply.
- The Company adopted sunlight induced lighting device system, the intelligent lighting control and low-energy LED lighting in office areas to save electricity for office lighting.
- The Company applied video conferencing system to reduce the number of on-site meetings and therefore reduce carbon emissions due to business travel.
- In practicing the concept of garden-like office, the Company expanded the plantation area of green plants and followed green, innovative and environmental concepts, and adopted new construction materials.
- In the operation of the office park, the Company applied underfloor air distribution system to facilitate the implementation of the concept of energy conservation and emission reduction.

| Principal methods | Specific measures |
|--------------------------------------|--|
| Advocating green travel | <ul style="list-style-type: none"> <li data-bbox="603 193 1489 378">• The Company adopted new construction materials in decoration and renovation to achieve the integration of environmental protection and building. For curtain walls, interior furnishings and landscapes, it followed green, innovative and environmental concepts. <li data-bbox="603 421 1489 606">• The Company formulated relevant documents for the Administrative Rules on Vehicles, which clearly stipulate that new energy vehicles shall be given priority when purchasing vehicles for corporate affairs and operation of the Company. <li data-bbox="603 649 1489 719">• The Company encouraged employees to use public transportation for daily travel and business trip. |
| Promotion of paperless office | <ul style="list-style-type: none"> <li data-bbox="603 761 1489 946">• The Company has fully realized an online and standardized whole process from procurement to centralized settlement and payment for procurement of office consumables and publicity materials, greatly reducing the use of paper materials. <li data-bbox="603 989 1489 1244">• The Company further strengthened visitor management and realized brand-new paperless and intelligent visitor management. Through system check-in in place of paper check-in, system authentication in place of manual authentication, and self-service scan code access in place of manual gate opening, the Company has saved significant labor costs and environmental protection costs. <li data-bbox="603 1287 1489 1504">• The Company provides various businesses convenient and efficient online signing services by establishing unified electronic signing services. In 2023, a total of over 5 million pieces of paper were saved for the Company through online signing services on electronic seal management platforms. |

| Principal methods | Specific measures |
|---|--|
| Building a low-carbon data center | <ul style="list-style-type: none"> • The Company built a low-carbon data center through measures such as improving the heat dissipation efficiency of equipment and renovating air-conditioning rooms for light and heat insulation. The run time of air conditioning compressors in corresponding areas is therefore shortened. One air conditioner can save about 30KW of electricity per day, and save about 10,950KWh of electricity throughout the year. |
| Developing green architecture | <ul style="list-style-type: none"> • Huatai Securities Plaza received the LEED-NC Gold Certification issued by the United States Green Building Council (USGBC), demonstrating the recognition for its resource and energy use efficiency. |
| Strengthening emergency management | <ul style="list-style-type: none"> • The Company has established relatively complete emergency management measures, implemented a 24-hour duty and accident information reporting system for security personnel, and prepared emergency equipment to effectively reduce the impact of extreme weather on company operations. |

II. SOCIAL RESPONSIBILITIES

The Company is a financial company in Shanghai, Hong Kong and London. While disclosing its 2023 Annual Report, the Company will also disclose the 2023 Corporate Social Responsibility Report of Huatai Securities Co., Ltd., which will be published on the website of SSE (www.sse.com.cn), the HKEXnews website of HKEX (www.hkexnews.hk), the website of LSE (www.londonstockexchange.com) and the website of the Company (www.htsc.com.cn) on March 29, 2024.

In 2023, in the ESG rating of Morgan Stanley Capital International (MSCI), the MSCI ESG rating of the Company jumped from A to AA, becoming the first AA brokerage in the domestic securities industry.

Currency: RMB

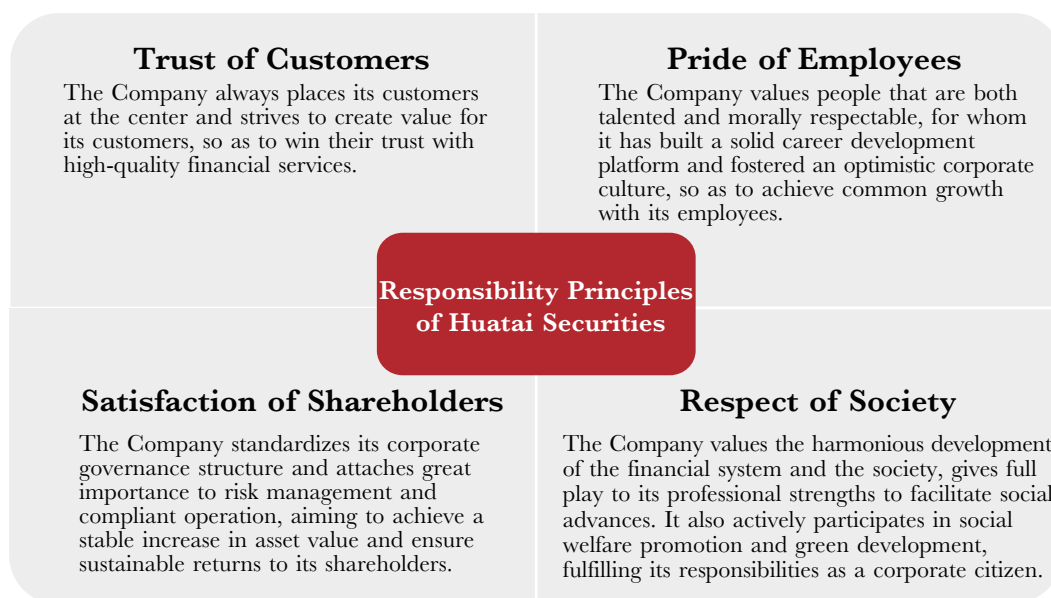
| External donations, public welfare projects | Number/Content | Description |
|---|----------------|--|
| Total investment (Ten Thousand Yuan) | 2,927.18 | Total investment in public welfare and charity projects of the Company |
| Of which: Funds (Ten Thousand Yuan) | 2,927.18 | Total investment in public welfare and charity projects of the Company |
| Material equivalent (Ten Thousand Yuan) | - | - |
| Number of persons benefited (people) | - | Please refer to the description below this table |

Description: Through Huatai Foundation, the Company closely followed national strategies and carried out in-depth cooperation with various partners to launch the “One Yangtze River” program, further exploring in protection of biodiversity and green transformation, with 7,000 persons benefited; the Company carried out three-year cooperation with Peking University, Fudan University and Shanghai Jiao Tong University, to incentivize outstanding students with extraordinary overall quality and high ranking in technology-related majors of schools of fundamental science, so as to support the national strategy with innovation as the driving force and facilitate the growth of young technology talents, with 280 persons benefited; the Company took public science as the starting point to improve public scientific quality, and the influence of the “One Commonwealth Heart of Huatai” public welfare brand continued to increase.

(I) Continuously Strengthening ESG Governance

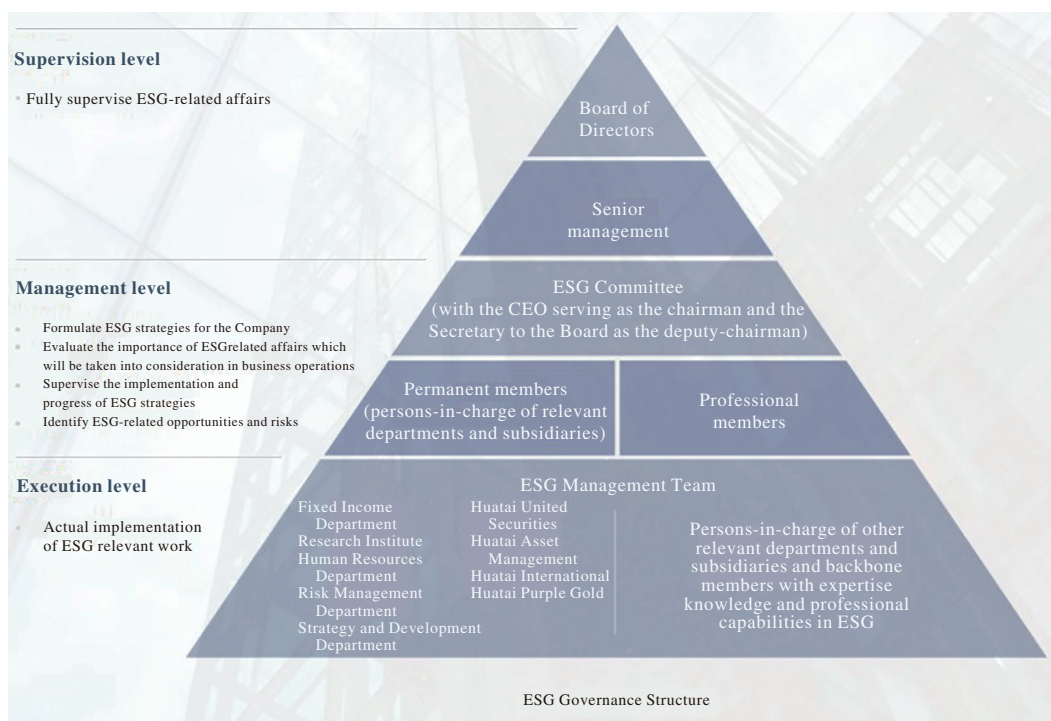
1. Deepening ESG Concepts

The Company always regards fulfilling social responsibilities and practicing environmental, social and corporate governance (ESG) concepts as an important part of its sustainable development strategy. The Company has always been adhering to its core values of “efficiency, honesty, prudence, and innovation” and its responsibility philosophy of “trust of customers, satisfaction of shareholders, pride of employees, respect of society”, integrating ESG standards into the routine businesses of the Company, striving to create value for customers, shareholders, employees, society and other stakeholders.



2. ESG Governance Structure

Deeply integrating ESG governance with corporate development strategies, the Company set up the ESG Committee under the direct leadership and management of the Board of Directors and the senior management of the Company to continuously improve its ESG management structure, established an ESG management mechanism with the linkage between upper and lower levels, providing a guarantee for continuously improving the systematicness and effectiveness of its ESG management. The Company established an ESG management team under the ESG Committee and arranged liaison officers in relevant departments of the headquarters and in subsidiaries to be responsible for the actual implementation of ESG-related works.



3. ESG Management Systems

The Company's ESG management system covers many aspects, such as employee rights and welfare, code of conduct of suppliers, anti-corruption and integrity, environmental and social management, among others. In the Articles of Association, provisions on ESG related issues are specified, including balancing the interests of all relevant parties, protecting the legitimate rights and interests of investors, paying taxes according to law, and fulfilling social responsibilities. ESG management related systems are developed and implemented to back up ESG work management from institutional level. In 2023, the Company organized and held the meeting of the ESG Committee, which considered and released the Relevant Systems of Huatai Securities Co., Ltd. on Whistle-blowing and Protection of Whistle-blowers (《华泰证券股份有限公司检举及检举者保护相关制度》) and the Statements of Huatai Securities Co., Ltd. on Data and Information Protection (《华泰证券股份有限公司数据及信息保护声明》).

(II) Practicing Modern Governance Concepts

As the first domestic securities company listed in Shanghai, Hong Kong and London, the Company, in strict compliance with the requirements of relevant laws, regulations and normative documents applicable in domestic and overseas markets where the shares of the Company are listed, has established a structure of modern enterprise organization and an operation mechanism with the General Meeting, the Board of Directors, the Supervisory Committee and the senior management. The Rules of Procedures for General Meetings, the Rules of Procedures for the Board of Directors, the Rules of Procedures for the Supervisory Committee and the Terms of Reference of the CEO and the Executive Committee were developed and improved. It follows the principles of independent operation, effective checks and balances, mutual cooperation and coordinated operation of various governance bodies and continuously improves the operation mechanism of the Meetings and the management to improve its corporate governance efficiency, and is committed to maintaining and improving corporate image in the market.

The Company acted in strict accordance with the Administrative Measures for the Disclosure of Information of Listed Companies issued by the CSRC and other legal norms and relevant requirements, and formulated the Management Measures for Information Disclosure and the System regarding Insider Registration and Management and Confidentiality and other rules and regulations. During the Reporting Period, the Office of the Board of Directors continuously improved the specific work system and management measures for information disclosure, and clarified and refined the management process and norms of the Company's information disclosure. The stable operation of information disclosure channels was ensured through the establishment of a comprehensive and regular communication mechanism with relevant business departments, compliance risk control departments of the Company and law firms in various places.

In line with changes in laws and regulations, the Company's business practice and compliance management requirements, the Company continued to strengthen compliance management, strictly implemented the anti-money laundering responsibilities as a financial institution, and actively promoted the effective integration of anti-money laundering and business practice. During the Reporting Period, the Company formulated and revised various rules according to the requirements of laws and regulations and in light of the actual situation, continuously improved the systems of compliance management and anti-money laundering, thus ensuring management requirements to be more institutional and well-regulated.

The suppliers of Company mainly include those related to IT hardware, IT software, products for project construction, comprehensive materials, products for Internet marketing and promotion, information products and relevant services. The Company strictly followed the Tendering and Bidding Law (《招標投標法》), the Government Procurement Law (《政府採購法》) and other laws and regulations. The Company continued to strengthen the supplier management and optimize supplier management system thus to create a sound supplier cooperation ecosystem. The Company independently developed a dynamic supplier evaluation system in 2023. Based on different types of suppliers, it could customize evaluation dimensions and also support evaluation functions for customized special scenarios, which added real-time evaluations taking project as a dimension and enhanced the timeliness and accuracy of supplier evaluation.

The Company strictly complied with various requirements on financial marketing publicity and product advertisement stipulated by the Advertisement Law (《廣告法》), the Notice on Further Standardizing Financial Marketing Publicity (《關於進一步規範金融營銷宣傳行為的通知》), the Measures for Supervision and Administration of the Sales Organizations of Securities Investment Funds in Public Offering (《公開募集證券投資基金銷售機構監督管理辦法》) and the Interim Regulations on the Administration of Publicity and Referral Materials of Securities Investment Funds in Public Offering (《公開募集證券投資基金宣傳推介材料管理暫行規定》) and formulated and implemented the Administrative Measures for Marketing Publicity Activities (《規範營銷宣傳管理辦法》) and the Administrative Measures for Proxy Sale of Financial Products (《金融產品代銷管理辦法》). The Company carries out strict management on marketing and promotional materials and activities of marketing staff, provides customers with “Publicity and Information Disclosure” column on the official website of the Company and multiple channels for complete product information, including the ZhangLe Fortune Path (漲樂財富通). The Company specifies the preparation, review and use of publicity materials and code of conduct on marketing and publicity as well as special requirements on the marketing of financial products, continuously establishes and improves the internal control systems on the advertising and marketing management of financial products, and strives to make it convenient for customers to obtain true and complete product information.

(III) Practicing Responsible Finance

The Company attached great importance to ESG risk management, continuously improved policies and systems in relation to ESG due diligence, and incorporated the ESG due diligence management mechanism for clients into financing, private equity investment and relevant business processes, so as to implement normalized clients’ ESG due diligence. It enhanced concerns on climate-related risks, strengthened the internal establishment of ESG risk management and improved the business management capability of ESG risks of the Company by means of research, exchange, training and others.

The Company continuously advocated technology on ESG risks. The CAMS system is the Group’s unified credit risk management tool and credit research platform built by Huatai Securities, which has taken ESG factors into an integral part of enterprise risk profiling modules to continuously follow and monitor the level of exposure to ESG risks and the response to ESG risks of listed companies and bond issuers. The CAMS ESG function module is an important tool for the Company to apply financial technology to empower ESG risk management and integrate the ESG concepts into the decision-making on investment of the business departments of the Company.

The Company practiced the concept of responsible investment and deepened the integration of ESG with business investment and financing. On the basis of the Responsible Investment Statement of Huatai Securities Co., Ltd. (Revised in 2021), the Company gradually improved the work on the organizational structure and management system, included ESG factors in investment process, such as preliminary screening on investment targets, in-depth analysis of the investment and research team, approval and decision-making of the investment decision-making committee. The Company clearly requires relevant business units to internalize ESG factors into the full investment process of group-wide equity investment business (including equity investment in listed companies and equity investment in emerging markets), fixed-income investment business, private equity investment and equity investment in alternative investment business. It continuously improves the investment decision-making mechanism that incorporates ESG factors into consideration. It includes three important factors, namely environmental responsibility, social responsibility and corporate governance, as restrictive indexes, into regular investment decision-making, to fully implement the concepts of responsible investment and continuously improve its ESG management level, including responsible investment.

(IV) Developing Green Finance Through Innovation

The Company vigorously develops green finance, supports the listing of new energy, energy-saving and environmental protection enterprises. We continue to develop green finance products with differentiated competitive advantages and meet customers' demand for green finance products to jointly promote green technology innovation and help the green transformation of economic development. In 2023, the Company gave full play to its capabilities of FICC investment and trading and product innovation, continuously enriched the product linked targets, and successively launched a variety of financial products linked to green financial targets to serve the green and high-quality development of the real economy.

The Company continues to promote its green bond business to support the development of green industry projects. In 2023, the Company underwrote a total of 51 green bonds with an underwriting scale of RMB27.54 billion and a total issuance amount of RMB229.35 billion, representing a year-on-year increase of 47.9%. In 2023, the Company invested in 17 green bonds with a scale of RMB0.74 billion, representing a year-on-year increase of 37%; and participated in 3 carbon neutrality bonds with a scale of RMB0.15 billion. The Company actively participated in the important exchange activities in the field of “carbon peak and carbon neutrality” and “sustainability” both at home and abroad. In 2023, the Company released multiple research reports related to dual carbon, green and sustainable development, involving multiple industries such as computer, communication and construction engineering.

(V) Actively Serving the Development of the Real Economy

The Company actively served the national strategies and upheld serving the real economy as the starting point and landing point of its businesses. The diversified financial needs arising during the development of the real economy were effectively met with multiple layout in serving the construction of modern industry system, accelerating regional coordinated development, promoting higher-standard opening up, and facilitating industrial transformation and upgrading as well as industrial adjustments. In 2023, Huatai Asset Management issued a total of 3 asset securitization products serving manufacturing industry, with an issuance scale of RMB3.24 billion.

Focusing on strategic emerging industries, the Company efficiently integrated the entire business chain of research, investment banking, investment and asset management. Relying on a highly coordinated business model, it continued to enhance its comprehensive financial services capabilities, while actively carrying out publicity and exchange activities on economic issues of serving the real economy, therefore facilitated the high-quality development of the real economy.

(VI) Safeguarding Product Service Responsibility

The Company is a forward-looking financial technology provider by deepening the application of digital technology in finance. Adhered to product innovation and quality service driven by scientific and technological empowerment, we actively pursued the sustainable development strategy of “finance + technology + green”. A work system of Huatai Securities boosting high-quality digital transformation was formed with a digital Rubik’s cube system framework, which incorporated 4 strategic targets of “client’s success, business innovation, operation optimization and employee empowering” in relation to digital transformation of the Company.

The Company strictly complied with the Data Security Law (《數據安全法》), the Personal Information Protection Law (《個人信息保護法》) and other relevant laws and regulations, and attached great importance to information security work. Taking customer privacy protection as priority, we strengthened the construction of information security and customer privacy protection system. Our information security and privacy protection were bolstered through measures such as improving privacy protection and ensuring transaction security. In 2023, the Company received the Third-level (Comprehensive Governance Level) Certification of Data Security Governance Capability (數據安全治理能力三級(全面治理級)認證) from the China Academy of Information and Communications Technology (CAICT), which was among the first batch of companies in the financial industry and the first company in the securities industry being awarded the third-level certification, marking the highest-level certification in the currently available evaluation.

The Company implemented the relevant requirements of the regulators on investor protection and investor education by focusing on the full integration of investor education and protection into the whole process of daily business and intensifying investor education to continuously enhance the awareness of investors on risk prevention. It actively pursued new models for investor education services and operations. With “ZhangLe Fortune Path” as the core service platform and combined with differentiated investor education bases and outlets, it constructed an online and offline investor education service matrix. By deepening extensive cooperation with social organizations, it constantly innovated forms and carriers for events to highlight their thematic features, and continuously improved the breadth and depth of investor education in a platform-based and ecological operation manner.

(VII) Growing Together with Employees

The Company strictly observed the Labour Law (《勞動法》), the Labour Contract Law (《勞動合同法》) and other laws and regulations to offer equal employment opportunities to employees. The Company firmly opposed discrimination in employment and ensured that the employment and career development of employees are not affected by any factors such as race, faith, gender, religion, nationality, ethnicity, age, marital status and social status. The Company focused on building a branded and ecological recruitment operation system. We made forward-looking planning of talent layout, continued to increase the introduction of talents in core and emerging fields to deepen the market influence of our brand as an employer and enhance our appeal to attract talents so as to sharpen our advantages amid competition for talents.

The Company has always regarded the growth of employees as one of the core elements of the Company’s development, implemented the international talent introduction and cultivation strategy, provided employees with a perfect talent cultivation mechanism, scientific career advancement channel, sound welfare protection system and reasonable incentive measures, and enhanced employees’ sense of identity and belonging to the Company. Focusing on three major training objectives, namely professional improvement, field expansion and leadership development, the Company continued to optimize the talent cultivation system based on the whole life cycle for talent growth, fully meeting employees’ development demands in different stages of career.

(VIII) Earnestly Fulfilling Social Responsibilities

1. Assisting in ecological protection

In 2018, in response to the national strategy of “Great Protection of Yangtze River” and the policy advocacy of deepening “East-west Collaboration”, Huatai Securities launched the campaign “One Commonweal Heart of Huatai One Yangtze River” to promote the ecological environmental protection of the Yangtze River Basin. Over the past 5 years, Huatai Securities has invested more than RMB20 million. The project teams with young employees as the backbone continuously invested in various aspects in association with colleges, universities and social organizations, such as biodiversity research and protection, rural ecological revitalization, development supports for young talents, ecological civilization education and practice for teenagers and green transformation advocacy, and the social benefits were remarkable.

The “Independent Commitments by Non-State Actors” of Huatai Securities with the theme of “One Yangtze River One World” was officially included in the database of the United Nations CBD “Action Agenda”. In 2023, Huatai Securities kept its promise to promote the popularization of the protection of biodiversity, embodying responsibilities of the securities industry in China.

2. Promoting educational equity

Since its establishment in 2016, the “One Commonweal Heart of Huatai One Tomorrow” rural education program of the Company is aimed at boosting the all-round development for children in need and promoting educational equity. It covers rural schools and children in need in Qinghai, Yunnan, Hubei, Anhui, Jiangsu and other places, and is committed to improving the mental health and comprehensive quality of left-behind children. It helps left-behind children grow up healthily through diversified public welfare models such as quality education, family care, volunteer service, etc., and mobilizes multiple forces to help children in need to continuously improve their living conditions. As of the end of 2023, such program had benefited 93,722 children and 11,065 teachers, and received RMB2.943 million donations from 122,334 persons through Internet public welfare platforms, cumulatively subsidizing 913 children in need.

(IX) Actively Deal with Climate Change

The Company has always attached great importance to and actively dealt with the risks and challenges brought by climate change. In order to disclose its measures to address climate change in a more specific and detailed manner, the Company disclosed its identification, analysis and countermeasures of climate risks and opportunities related to its operations based on the recommended framework of Task Force on Climate-related Financial Disclosures (TCFD) in 2023 Corporate Social Responsibility Report of Huatai Securities Co., Ltd., including: climate-related risk management, strategy, risk management, metrics and targets and potential financial impact analysis. For details of 2023 Corporate Social Responsibility Report of Huatai Securities Co., Ltd., please refer to the website of the SSE (www.sse.com.cn), the HKEXnews website of the HKEX (www.hkexnews.hk), the website of the LSE (www.londonstockexchange.com) and our Company website (www.htsc.com.cn) on March 29, 2024.

Summary of climate-related disclosures by TCFD

| | | |
|------------|---|---|
| Governance | <ul style="list-style-type: none"><li data-bbox="528 193 1203 710">• The Board of Directors of the Company is responsible for comprehensively supervising climate risk Fully aware of the severity and urgency of addressing the impact of climate change and strengthening the standardization and supervision on climate risk management. Assuming overall responsibility for the Company's climate risk management, regularly reviewing climate risk management strategies, objectives, risks and opportunities, action plans and other major decisions and paying particular attention to resolutions on climate change.<li data-bbox="528 753 1203 1349">• The ESG Committee is the decision-making and deliberative body for ESG work Responsible for reviewing strategies, goals and other major decisions related to environmental protection, climate change and other sustainable development. Conducting important tasks such as climate change strategy formulation, determination of the importance of climate change issues, and identification of risks and opportunities of climate. Responsible for the construction and management of climate-related mechanism, and coordination of the formation and overall implementation of climate change strategies.<li data-bbox="528 1391 1203 1759">• The ESG management team is accountable to the ESG Committee and responsible for the implementation and promotion of environmental and climate change-related policies The implementation of climate risk management strategy, statistics of energy and resource consumption, and the accounting of greenhouse gas emissions. | P15-16, 35-40 of 2023 Corporate Social Responsibility Report of Huatai Securities Co., Ltd. |
|------------|---|---|

- All business departments and subsidiaries jointly promote the implementation of climate change actions
- The Company exercises the voting right externally and states its concerns about resolutions on climate change, including but not limited to carbon neutrality goals, actions on carbon emission reduction and response to climate-related substantial and transformation risks

Approving relevant resolutions in principle and incorporating relevant regulatory policies on climate change, relevant systems of the Company on climate change, the impacts of climate change risks on the operation and finance of the Company as well as the measures of the Company on identifying and responding to risks into consideration.

| | | |
|-----------------|--|--|
| Strategy | <ul style="list-style-type: none"> • Carrying out the identification, evaluation and analysis of climate-related risks and opportunities • Determining the climate-related risks and opportunities which are material for the Company's business and operations • Gradually improving the top-level design for managing climate-related risks and opportunities | P35-40 of 2023 Corporate Social Responsibility Report of Huatai Securities Co., Ltd. |
| Risk management | <ul style="list-style-type: none"> • Based on its business and strategy, and combined with expert opinions, the Company evaluates climate-related risks and opportunities. Moreover, the Company constructs a climate-related risk and opportunity matrix based on the assessment results and identifies the materiality of the risks and opportunities based on their probability and degree of impact, while also improves the mechanism for climate-related risks and opportunities on an on-going basis | P35-40 of 2023 Corporate Social Responsibility Report of Huatai Securities Co., Ltd. |

Metrics and targets

- As a financial enterprise, the Company consumes energy and discharges carbon mainly for daily office work in the course of operations, involving energy such as electricity, natural gas, petrol used for company owned vehicles and diesel used for diesel generators

P35-40, 43-48, 83-85 of 2023 Corporate Social Responsibility Report of Huatai Securities Co., Ltd.

Implementing various energy conservation and emission reduction measures such as adopting renewable energy sources, promoting recycling, reducing paper consumption and advocating green and low-carbon travel, so as to reduce energy consumption and carbon emissions.

- The Company conducts statistics and analysis of total carbon emissions and energy consumption and intensity to assess the management on climate change issue and accordingly formulate improvement scheme to promote energy conservation and emission reduction

With taking 2021 as the base year, the Company has set carbon emission and energy management targets, and will track and report on the progress of such targets on an annual basis.

III. Details on Consolidation and Expansion of the Results of Poverty Alleviation, Rural Revitalization and Other Work

Currency: RMB

| Poverty alleviation and rural revitalization project | Number/Content | Description |
|--|--|---|
| Total investment (Ten Thousand Yuan) | 1,529.48 | Total investment in poverty alleviation and rural revitalization projects |
| Of which: Funds (Ten Thousand Yuan) | 1,529.48 | Total investment in poverty alleviation and rural revitalization projects |
| Material equivalent (Ten Thousand Yuan) | – | – |
| Number of persons benefited (people) | 105,000 | Accumulative number of beneficiaries under rural education programs such as “One Commonweal Heart of Huatai One Tomorrow” |
| Forms of poverty alleviation (such as industry alleviation, employment alleviation, education alleviation, etc.) | Industrial assistance, education assistance, consumption assistance and etc. | Implementing programs such as efficient facility-assisted farming, intelligent rural house building and environmental governance at Binding Assistance Points to facilitate rural revitalization; continuously carrying out the “One Tomorrow” rural education program, launching voluntary services and charity activities of visiting children in difficulty to help the growth of the left-behind children; the labor union of the Company further carried out the consumption assistance program to proactively procure consumption assistance product catered for the targeted support area. |

The Company insisted on integrating its own development strategies with the concept of social responsibility, and wholeheartedly served the national strategy of rural revitalization. It continued to deepen the “One Company Helps One County” assistance in pair with Jinzhai County, Anhui Province, organized elite forces to carry out research in Jinzhai, visited families with difficulties in Jinzhai, carried out the “One Tomorrow” rural education program in Jinzhai Shuanghe Middle School, and promoted the work of pairing assistance in an all-round way. It actively participated in the “Five-party Linkage” fixed-point assistance in Jiangsu Province, and designated young backbone employees with good political quality and strong working competence as the promotion members to serve as the “first secretary” stationed in the villages. The Company, Huatai United Securities and Huatai Futures donated a total of RMB1.60 million to implement efficient facility agriculture, smart village housing construction, environment improvement and other projects in Feng County, Jiangsu Province. Huatai Foundation carried out the “One Tomorrow” program of dream center in Feng County, launched the construction of the dream center of five schools in Feng County, and provided a software and hardware integrated quality education public welfare service system for the local area. The Company fully supported the “East-west Collaboration and Support”, continued to implement the two-year action plan for supportive consumption and support for targeted assistance areas from 2022 to 2023, and purchased supportive consumption products from targeted assistance areas in Jiangsu Province with a cumulative amount of RMB8.15 million this year.

In six places of five provinces, including Suqian in Jiangsu Province, Jinzhai and Yuexi in Anhui Province, Enshi in Hubei Province, Lancang in Yunnan Province and Yushu in Qinghai Province, the Company carried out the “One Tomorrow” rural education program in a deep-going way, conducted voluntary services and public welfare activities for visiting children in need, and launched the sixth phase of the “Funding Program for Children in Need” to provide children in need in the project schools living allowance to improve their learning environment. At the same time, through funding schools with concentrated left-behind children, the Company carried out targeted volunteer services for left-behind children and teachers according to the characteristics and differentiated demands of the schools, and introduced psychology, pedagogy, sociology, ecology and other expert resources to cultivate children’s diversified interests and hobbies, and help left-behind children grow up.

MAJOR EVENTS

I. PERFORMANCE OF UNDERTAKINGS

(I) Undertakings of de facto controllers, Shareholders, related parties, purchasers of the Company, the Company and other undertaking-related parties made or remained effective during the Reporting Period

| Background of undertaking | Type of undertaking | Undertaking party | Content of undertaking | Date of undertaking | Any deadline for performance or not | Duration of undertaking | Strictly performed in a timely manner or not |
|---|---------------------------------|-------------------|--|---------------------|-------------------------------------|-------------------------|--|
| Other undertakings made to minority Shareholders of the Company | To solve horizontal competition | Guoxin Group | Guoxin Group and its subsidiaries or associated companies shall not engage in or conduct any business which may compete with the primary business of Huatai Securities in any way (including but not limited to self-operated, joint – ventured or associated) at any time in the future (except for Jintai Futures Co., Ltd.). For any opportunities to conduct, engage in or invest in any business that may compete with the business of Huatai Securities available to Guoxin Group and its subsidiaries or associated companies, Guoxin Group will give such opportunities to Huatai Securities except for Jintai Futures Co., Ltd.). | June 27, 2014 | No | Long term | Yes |

II. THERE WAS NO NON-OPERATING MISAPPROPRIATION OF FUNDS OF THE COMPANY BY ANY CONTROLLING SHAREHOLDERS AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD

- III. THE COMPANY HAD NO GUARANTEES IN VIOLATION OF REGULATIONS DURING THE REPORTING PERIOD**
- IV. STANDARD UNQUALIFIED OPINION AUDIT REPORT WAS PREPARED BY THE ACCOUNTING FIRM OF THE COMPANY**
- V. ANALYSIS AND EXPLANATION FROM THE COMPANY ON THE REASONS AND IMPACT OF THE CHANGE OF ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES OR CORRECTION OF MAJOR ACCOUNTING ERRORS**

(I) Analysis and explanation from the Company on the reasons and impact of the change of accounting policies and accounting estimates

For the change of accounting policies and accounting estimates during the Reporting Period, please refer to Note 2. Significant accounting policies to the consolidated financial statements in this report.

(II) The Company made no correction of major accounting errors

VI. APPOINTMENT AND REMOVAL OF ACCOUNTING FIRM

Unit: Ten Thousand Yuan Currency: RMB

Currently employed

| | |
|---|--|
| Name of the domestic accounting firm | Deloitte Touche Tohmatsu Certified Public Accountants LLP |
| Remuneration of the domestic accounting firm | 321 |
| Audit duration of the domestic accounting firm | 2 years |
| Name of certified public accountants of the domestic accounting firm | Hu Xiaojun, Han Jian |
| Continued duration of auditing services by certified public accountants of the domestic accounting firm | 2 years |
| Name of the overseas accounting firm | Deloitte Touche Tohmatsu |
| Remuneration of the overseas accounting firm | 138 |
| Audit duration of the overseas accounting firm | 2 years |

| | Name | Remuneration |
|---|---|--|
| Accounting firm for the auditing of internal controls | Deloitte Touche Tohmatsu Certified Public Accountants LLP | Please refer to the description below this table |

Description of appointment and removal of accounting firm

During the Report Period, upon consideration and approval at the Company's 2022 Annual General Meeting, the Company continued employing Deloitte Touche Tohmatsu Certified Public Accountants LLP as the audit service institute of the Company and its holding subsidiaries for the 2023 annual financial statements and internal control to issue A Share audit report, internal control audit report and GDR audit report; and employed Deloitte Touche Tohmatsu as the audit service institute for the Company's H Shares to issue H Share audit report. The audit service fee was capped at RMB4.60 million (of which the internal control audit fee was RMB0.40 million).

VII. THE COMPANY HAD NO RISKS OF SUSPENSION OF LISTING, TERMINATION OF LISTING, BANKRUPTCY AND RESTRUCTURING

VIII. MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, there were no material litigation and arbitration of the Company with amount involving more than RMB10 million and accounting for more than 10% of the absolute value of the audited net assets of the Company for the latest period, which are required to be disclosed by the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange.

(I) Litigation and arbitration disclosed in ad hoc announcements without subsequent development

| Summary and type of event | Query indexes |
|---|--|
| Debt dispute between the Company and Sichuan Shengda Group Co., Ltd. (四川聖達集團有限公司) | Could be retrieved in the annual report for the Year 2021 to 2022 |
| Debt disputes between Huatai United Securities, Stone Group (四通集團) and Stone Group Financial Company (四通集團財務公司) | Could be retrieved in the annual reports for the Year 2011 to 2022 |
| Debt disputes between Huatai United Securities and Beijing Huazi Syndicated Group (北京華資銀團集團) | Could be retrieved in the annual reports for the Year 2011 to 2022 |
| Debt disputes between Huatai United Securities, China Huacheng Group Financial Co., Ltd. (中國華誠集團財務有限責任公司) and Huacheng Investment Management Co., Ltd. (華誠投資管理有限公司) | Could be retrieved in the annual reports for the Year 2011 to 2022 |
| Bond default contract dispute under collective asset management program of Huatai Asset Management | Could be retrieved in the annual report for the Year 2021 to 2022 |
| Stock pledged repurchase contract dispute under No. 3 Targeted Assets Management Plan on Capital Innovation of China Merchants of Huatai Asset Management | Could be retrieved in the annual report for the Year 2022 |
| A considerable overloss in futures account of Zhang Xiaodong, a client of Huatai Futures | Could be retrieved in the annual reports for the Year 2013 to 2022 |

(II) Litigation and arbitration not disclosed in ad hoc announcements or with subsequent development

The litigation or arbitration of the Company which was newly raised but has not been disclosed (with an involved amount of over RMB100 million) or has been disclosed but had progress during the Reporting Period:

1. Equity transfer dispute between the Company and Cheng Xi

In 2016, the Company acquired the shares of Zhangzhou Sanlida Environmental Technology Corporation Limited (漳州三利達環保科技股份有限公司) (stock code: 833329, the “Lida Corporation”) for market-making. In July 2018, Lida Corporation stated that it planned to delist from the National Equities Exchange and Quotations (NEEQ) with a view to overseas development, and its shareholder, Cheng Xi, agreed to be a transferee of all the shares of Lida Corporation held by the Company subsequent to the delisting. Lida Corporation and its shareholder, Cheng Xi, issued a “Letter of Undertaking” to the Company, in which they undertook to be transferred the entire 1,407,000 shares of Lida Corporation held by the Company by way of cash payment upon the delisting of Lida Corporation, with the total transfer amount being no less than RMB63,315,000. Upon the delisting of the Lida Corporation, Cheng Xi did not pay for the transfer price. And in that case, the Company filed a pleading with the Xiamen Intermediate People’s Court on November 14, 2022, requesting the defendant, Cheng Xi, to pay the equity transfer amount, liquidated damages and overdue interests in a total amount of RMB108,363,622.50 (as of October 20, 2022). The court filed a case on November 15, 2022. On June 5, 2023, the Xiamen Intermediate People’s Court made the first-instance judgment ruling that Cheng Xi shall pay the Company the equity transfer amount, liquidated damages and preservation fee of RMB63,315,000, RMB12,663,000 and RMB5,000, respectively. The Company has lodged an application to the Xiamen Intermediate People’s Court for enforcement after the judgment becoming effective, and the court accepted and filed a case for execution on October 7, 2023, which is currently in the process of execution and there is no proceeds from the execution.

2. *Dispute over pledged securities repurchase*

| Matters | Descriptions |
|---|--|
| Dispute over pledged securities repurchase between the Company, Chu Jinfu, Tang Fujun and Henan Senyuan Group Co., Ltd. | Due to the breach of contract on stock pledged repurchase transaction by Chu Jinfu, the Company filed a lawsuit with the Intermediate People's Court of Nanjing in July 2020, requesting the court to order Chu Jinfu to pay the outstanding principal of RMB571.80 million and the corresponding interest, liquidated damages and the fees on the realization of creditor's rights, order Tang Fujun to undertake joint settlement obligations and order that the Company is entitled to the priority of claim for the money from the discounting, auction or sale of relevant shares, equity interests and the corresponding dividend pledged to the Company by Chu Jinfu and Henan Senyuan Group Co., Ltd. (hereinafter referred to as "Senyuan Group") within the scope of relevant payment obligations. On June 24, 2021, the Company received the first-instance judgment from the Intermediate People's Court of Nanjing, ruling that Chu Jinfu, the defendant, shall repay the financing principal, the interest and liquidated damages to the Company and pay the lawyer's fee. The Company is entitled to the priority of claim for the money from the discounting, auction or sale of relevant shares, equity interests and the corresponding dividend pledged to the Company by Chu Jinfu and Senyuan Group within the scope of the above payment obligations. Tang Fujun shall undertake joint responsibilities on the payment obligations of Chu Jinfu. On July 8, 2021, Senyuan Group and Tang Fujun appealed to the High People's Court of Jiangsu Province. On December 23, 2021, the Company received the second-instance judgment from the High People's Court of Jiangsu Province, which rejected the appeal and upheld the original judgment. The Company has lodged an application to the court for enforcement after the judgement becoming effective. During the Reporting Period, the proceeds from the execution amounted to RMB323,225,614.19. On March 6, 2023, the Nanjing Qixia District People's Court determined to terminate the execution procedure. |

| Matters | Descriptions |
|---|---|
| Dispute over pledged securities repurchase between the Company, Henan Senyuan Group Co., Ltd. and Chu Jinfu | <p>Due to the breach of contract on stock pledged repurchase transaction by Senyuan Group, the Company filed a lawsuit with the Intermediate People’s Court of Nanjing in July 2020, requesting the court to order Senyuan Group to pay the outstanding principal of RMB300 million and the corresponding liquidated damages and the fees on the realization of creditor’s rights, order Chu Jinfu to undertake joint settlement obligations and order that the Company is entitled to the priority of claim for the money from the discounting, auction or sale of relevant shares, equity interests and the corresponding dividend pledged to the Company by Senyuan Group within the scope of relevant payment obligations. On June 24, 2021, the Company received the first – instance judgment from the Intermediate People’s Court of Nanjing, ruling that Senyuan Group, the defendant, shall repay the financing principal and liquidated damages to the Company and pay the lawyer’s fee. The Company is entitled to the priority of claim for the proceeds from the disposal of relevant shares, equity interests and the corresponding dividend pledged to the Company by Senyuan Group within the scope of the above payment obligations. Chu Jinfu shall undertake joint responsibilities on the above payment obligations of Senyuan Group. On July 8, 2021, Senyuan Group appealed to the High People’s Court of Jiangsu Province. On December 23, 2021, the Company received the second – instance judgment from the High People’s Court of Jiangsu Province, which rejected the appeal and upheld the original judgment. The Company has lodged an application to the court for enforcement after the judgement becoming effective. During the Reporting Period, the proceeds from the execution amounted to RMB107,410,774.17. On January 5, 2023, the Nanjing Qixia District People’s Court determined to terminate the execution procedure.</p> |

| Matters | Descriptions |
|--|--|
| Dispute over pledged securities repurchase between the Company, Han Hua and Yang Lijun | <p>Due to the breach of contract on stock pledged repurchase transaction by Han Hua, the Company filed a lawsuit with the Intermediate People's Court of Nanjing in August 2020, requesting the court to order Han Hua to pay the outstanding principal of RMB161,905,600 and the corresponding interest, liquidated damages and the fees on the realization of creditor's rights, order Yang Lijun to undertake joint settlement obligations and order that the Company is entitled to the priority of claim for the money from the discounting, auction or sale of relevant shares and the corresponding dividend pledged to the Company by Han Hua within the scope of relevant payment obligations. On June 16, 2021, the Company received the first instance judgment from the Intermediate People's Court of Nanjing, ruling that Han Hua shall pay the amount on the stock repurchase transaction and liquidated damages to the Company. The Company is entitled to the priority of claim for the proceeds from the disposal of relevant shares pledged by Han Hua. Yang Lijun shall undertake joint settlement responsibilities on the debts of Han Hua. The Company has lodged an application to the court for enforcement after the judgment becoming effective. In 2022, the proceeds from the execution amounted to RMB24,007,579.91. During the Reporting Period, the additional proceeds from the execution amounted to RMB46,357,909.33. On March 31, 2023, the Nanjing Jianye District People's Court determined to terminate the execution procedure.</p> |

3. *Dispute over Magnate project between Huatai United Securities and Postal Savings Bank*

For the “Huatai Magnate Light Asset-backed Special Program” (the “Magnate ABS”), Shanghai Fortune HFT Asset Management Co., Ltd. (上海富誠海富通資產管理有限公司) acted as the program manager and Huatai United Securities acted as the financial consultant. On September 21, 2020, Shanghai Financial Court issued the Notice of Response to Action and served it to Huatai United Securities on September 25, 2020. Since investment in “Magnate ABS” was not fully redeemed, Postal Savings Bank of China, the plaintiff, requested to order the five defendants to jointly compensate the plaintiff an investment loss of RMB527 million and relevant interest and order the lawsuit fees shall be assumed by the five defendants, among which Huatai United Securities was listed as the fifth defendant. On April 14, 2023, Shanghai Financial Court made the first instance judgment ruling that Huatai United Securities shall jointly bear the compensation liability. Huatai United Securities has applied for appeal, the first-instance judgment has not become effective, and no second-instance judgment has been made yet.

4. *Dispute between Huatai United Securities and investors of 16 Bright Oceans Bonds*

Bright Oceans Group Co., Ltd. was approved to issue corporate bonds with a nominal value of no more than RMB2.5 billion (the “16 Bright Oceans Bonds”) to qualified investors in 2015. Huatai United Securities served as the joint lead underwriter.

In March 2022, Shanghai Qianfulai Asset Management Co., Ltd. (上海仟富來資產管理有限公司), the plaintiff, filed a lawsuit against the issuer, namely Bright Oceans Group Co., Ltd., for the reason of false statements on securities, requesting the issuer to repay the principal and the interest of the bond with a total amount of approximately RMB5,098,100 and requesting the lead underwriter and the joint lead underwriter, the accounting firm, the credit rating agency and the law firm to undertake joint compensation responsibilities. Beijing Financial Court ruled to transfer the case to the Intermediate People’s Court of Harbin. The plaintiff disagreed with the verdict and appealed. In August 2022, the Beijing High People’s Court ruled in the second instance judgment, which rejected the appeal and upheld the original judgment. On March 6, 2023, Harbin Intermediate People’s Court issued the Civil Judgement (2023) Hei 01 Minchu No. 527. The case was treated as withdrawal of file by Shanghai Qianfulai Asset Management Co., Ltd.

5. *Bill dispute of Huafu Xiamen Bank No. 1 Targeted Assets Management Plan of Huatai Securities (華泰證券華福廈門銀行1號定向資產管理計劃) in relation to Huatai Asset Management*

In October 2016 and March 2017, Xiamen Bank Co., Ltd., the client of Huafu Xiamen Bank No. 1 Targeted Assets Management Plan of Huatai Securities (hereinafter referred to as “Huafu Xiamen Bank No. 1 (華福廈門銀行1號)”), filed a lawsuit of contract dispute at Fujian Higher People’s Court for the bill dispute of Huafu Xiamen Bank No. 1, with Shenzhen Branch of Bank of Ningbo Co., Ltd. as the defendant. The total amount of the underlying bill was RMB950 million. Huatai Asset Management participated in the lawsuit as a third party. On June 26, 2018, Fujian Higher People’s Court made the first-instance judgment in favor of Xiamen Bank’s main litigation claim, and on December 12, 2020, the Supreme People’s Court made the second-instance judgment to reject the appeal and upheld the original judgment. After the second-instance judgment became effective, Shenzhen Branch of Bank of Ningbo fulfilled the judgment payment to Xiamen Bank. In 2023, the applicant, Shenzhen Branch of Bank of Ningbo, filed an application for retrial on the grounds that there were new evidence and facts in the case which were sufficient to overturn the second-instance judgment, which was accepted by the Supreme People’s Court on July 11, 2023.

6. *Contract dispute of Huatai Asset Management involving in Huatai Huize No. 1 Pooled Product*

In June 2021, an investor under the Huatai Huize No. 1 Pooled Asset Management Plan filed a lawsuit against Huatai Asset Management, the manager, in the Shanghai Financial Court on the ground of contract dispute over entrusted financial management, and claimed liability for compensation, with a damage amount of RMB86.31 million. In November 2021, the plaintiff amended its claim and adjusted the damage amount to RMB144.16 million. In September 2022, the first instance court ruled to reject all of the plaintiff’s claims. In February 2023, Shanghai High People’s Court made the second-instance judgement to reject the appeal request of such investor and upheld the original judgment. In July 2023, the plaintiff filed an application for a retrial with the Shanghai High People’s Court. On December 20, 2023, the Shanghai High People’s Court issued a ruling to reject the investor’s application for retrial.

7. *Performance Dispute between Yili Fund, a fund managed by Huatai Purple Gold Investment, and Der Group and its de facto controller, Ru Jiyong*

Yili Su Xin Investment Fund Partnership (Limited Partnership) (“Yili Fund”), a fund managed by Huatai Purple Gold Investment, filed an application for arbitration with the Nanjing Arbitration Commission in June 2020, requesting Ru Jiyong, the de facto controller of Der Group Co. Ltd. (德爾集團有限公司) (“Der Group”) to fulfil his obligation to repurchase the equity interest in Henan Yiteng New Energy Technology Co., Ltd. (“Henan Yiteng”) held by Yili Fund pursuant to the agreement entered into between the parties in relation to the investment in Henan Yiteng. The Nanjing Arbitration Commission held hearings on August 19, 2022, February 24, 2023 and October 7, 2023. In light of the bankruptcy and the cancellation of industry and commerce registration of Henan Yiteng, Yili Fund filed a new application for arbitration with the Nanjing Arbitration Commission on February 7, 2024. Because Ru Jiyong rejected to fulfil the repurchase obligation, Yili Fund requested him to further fulfil compensation obligation in light of the failure in repurchase after the deregistration of company, and requested Zhu Jizhong (朱繼中), the de facto controller of Henan Yiteng, to bear joint liability. The Nanjing Arbitration Commission accepted the arbitration application of Yili Fund on February 20, 2024.

On November 11, 2022, Yili Fund filed a lawsuit against Der Group with the Nanjing Jianye District People’s Court, requesting Der Group to be liable for the losses incurred by Yili Fund resulting from the invalid guarantee of pledge of shares of Der Future (with damages of RMB275,966,101, of which, the loss of investment principal amounted to RMB142,372,881 and the loss of interest amounted to RMB133,593,220). On November 28, 2022, the Nanjing Jianye District People’s Court froze 54,919,622 shares of Der Future held by Der Group upon the application of Yili Fund. The case was then transferred to Ili Kazakh Autonomous Prefecture Branch of the High People’s Court of Xinjiang Uygur Autonomous Region (the “Ili Court”), and the Ili Court held a hearing on September 8, 2023 and issued a civil ruling on October 18, 2023, holding that the case had to be based on the outcome of the Nanjing Arbitration Case, and ordered a stay of the litigation accordingly.

8. *Performance dispute between Yili Fund, a fund managed by Huatai Purple Gold Investment, and Su Yashuai (蘇亞帥)*

The project of J-Tech CNC Technology Co., Ltd. (“J-Tech CNC”) invested by Yili Fund, a fund managed by Huatai Purple Gold Investment, has triggered the repurchase and cash compensation obligations of Su Yashuai, the de facto controller of J-Tech CNC, due to the failure to fulfill the performance commitments and listing targets as stipulated in the investment agreement, which has resulted in a performance dispute. In October 2023, Yili Fund filed an application for litigation to the People’s Court of Jianye District, Nanjing, requesting, among others, Su Yashuai to pay the consideration for share repurchase of RMB127,623,943.2 and liquidated damages of RMB6,926,404.32 (as of September 18, 2023) to Yili Fund. The People’s Court of Jianye District has accepted the case and commenced the trial on January 15, 2024, and has not yet issued a judgment.

IX. SUSPECTED VIOLATIONS OF LAWS AND REGULATIONS BY, PUNISHMENT ON AND RECTIFICATION OF THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

1. In February 2023, Jiangsu Securities Regulatory Bureau issued the Decision on Ordering of Huatai Securities Co., Ltd. to Take Rectification Measures ([2023] No. 25) (《關於對華泰證券股份有限公司採取責令改正措施的決定》([2023]25號)) to the Company and took an administrative supervision measure against the Company by ordering it to take rectifications on issues related to the irregularities in the establishment and implementation of the systems of the Company's research institute. For relevant issues, the Company arranged works to check on the preparation and review process of the research report, sort out and improve the control measures, increase staff training on business, and strengthen the audit mechanism through technology empowerment to facilitate the implementation of rectifications.
2. In February and March 2023, Huatai United Securities received the Decision on Taking Measures by Issuing of Warning Letter to Huatai United Securities Co., Ltd., Sun Shenghu and Dong Xuesong (《關於對華泰聯合證券有限責任公司、孫聖虎、董雪松採取出具警示函措施的決定》) issued by Jiangsu Securities Regulatory Bureau and the Decision on Supervisory Warning to the Continuing Supervisory Institution and Sponsor Representative of Jiangsu HOB Biotech Group Corp., Ltd. (《關於對江蘇浩歐博生物醫藥股份有限公司持續督導機構及保薦代表人予以監管警示的決定》) issued by Shanghai Stock Exchange, respectively.

The aforesaid Warning Letter determined that Huatai United Securities had failed to fulfill its duties of diligence in the performance of its continuous supervision over Jiangsu HOB Biotech Group Corp., Ltd. (the "HOB"), including: failing to discover in a timely manner the non-compliance of HOB's fund occupation; failing to report to the CSRC in a timely manner after it became aware of the fund occupation issue; and failing to reflect truly and accurately the non-compliance of HOB with the relevant descriptions in the reports issued not matching the facts, and in accordance with Article 65 of the "Measures on the Securities Issuance and Listing Sponsorship Business" (《證券發行上市保薦業務管理辦法》), Huatai United Securities and relevant personnel were subject to supervision measures of issuing warning letters adopted by Jiangsu Securities Regulatory Bureau. In accordance with the aforesaid warning letter, the Shanghai Stock Exchange has taken self-disciplinary measures against Huatai United Securities and relevant personnel by issuing a supervisory warning to them.

Huatai United Securities has pursued respective internal accountability in accordance with its corporate system, and requested the responsible departments to conduct a comprehensive review and self-inspection on the continuous supervision and personnel arrangement on the sponsor business projects to prevent the recurrence of similar incidents.

3. In June 2023, Henan Securities Regulatory Bureau issued the Administrative Supervision Measures on Issuing Warning Letters to Henan Branch of Huatai Securities Co., Ltd. ([2023] No. 33) (《關於對華泰證券股份有限公司河南分公司採取出具警示函的行政監管措施》([2023]33號)), affirming that the brokerage business of Henan Branch had the following issues: firstly, the registered practice area of the securities brokers did not coincide with the practice area as agreed in the entrustment contract; secondly, the compliance of the practice acts of the securities brokers was not included in the assessment scope; thirdly, some of the confirmations of the brokerage relationship were missing and the traces of the practice of the securities brokers were incomplete; and fourthly, the information on handling the business of individual clients was kept incompletely, so it decided to adopt the administrative measures of issuing warning letters to the Branch. The Company has urged Henan Branch to make timely rectification and submit a written rectification report in accordance with the regulatory requirements, and in response to the issues reflected in the letter, Henan Branch has taken relevant measures to further strengthen the management of brokers' practice and enhance the level of standardized operation.
4. In July 2023, Huatai United Securities received the Decision on Supervisory Warning to Huatai United Securities Co., Ltd., Zhang Peng and Liu Xiaoning (《關於對華泰聯合證券有限責任公司及張鵬、劉曉寧予以監管警示的決定》) issued by the SSE, which determined that Huatai United Securities had failed to verify and disclose the truthfulness and fairness of the sales revenues and the relevant logistics and cash flow of Chipone Technology (Beijing) Co., Ltd. ("Chipone") made to the largest dealer, omitted to record in the sponsorship report of material matters identified through due diligence, failed to completely identify and restore the costs and expenses externally advanced to Chipone and so on. In accordance with the Rules Governing the Review of Offering and Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange and relevant provisions, the SSE imposed self-disciplinary measures on Huatai United Securities and the relevant personnel, including the issuance of a supervisory warning.

Huatai United Securities has pursued respective internal accountability in accordance with its corporate system, and requested the responsible departments to conduct a comprehensive review and self-inspection on their work mechanism to prevent the recurrence of similar incidents.

5. In August 2023, the Jiangsu Branch of the State Administration of Foreign Exchange issued an Administrative Penalty Decision (Su Hui Jian Fa [2023] No. 5) to the Company, which determined that the Company had violated the regulations on the management of foreign exchange accounts in the course of transferring funds for the relevant business of the Company's customers, and in respect of the aforesaid issues, the Jiangsu Branch of the State Administration of Foreign Exchange issued an administrative penalty on the Company in the form of ordering it to rectify the situation, giving it a warning and imposing it with a fine of RMB50,000. In view of the issues pointed out by the penalty, the Company has optimized the relevant fund account management mechanism and improved the relevant business operation procedures.

6. In December 2023, the Company received the Decision on Administrative Penalty (Su Yin Fa Jue Zi [2023] No. 3) issued by the Jiangsu Branch of the People’s Bank of China. Pursuant to Article 32 of the Anti-Money Laundering Law of the People’s Republic of China, the Jiangsu Branch of the People’s Bank of China imposed a fine of RMB870,000 in aggregate for the Company’s failure to fulfill its obligations in respect of customer identification, and failure to submit reports on large transactions or suspicious transactions in accordance with the requirements. The Company has paid the aforesaid fines within the prescribed time. In response to the issues pointed out in the Decision on Administrative Penalty, the Company made immediate review and corrections during the inspection period, formulated a special rectification plan as required by the Jiangsu Branch of the People’s Bank of China, conducted an in-depth analysis of the reasons and strictly implemented the rectification, promoted the governance of historical customer data reserve, further optimized the work of customer due diligence and suspicious transaction reporting, continuously enhanced the digital level of the anti-money laundering work, and strengthened the anti-money laundering supervision and inspection. The Company will continue to strengthen the internal control mechanism of anti-money laundering, improve internal control and compliance management, and made solid efforts in anti-money laundering.

Save for the foregoing, none of the Company and its Directors, Supervisors, senior management, shareholders holding over 5% of equity interest or de facto controllers were investigated by competent authorities, imposed with coercive measures by a judiciary authority or disciplinary department, transferred to a judicial authority or held criminally liable, banned from accessing to the market, identified as unsuitable persons, punished by other administrative departments or publicly condemned by a stock exchange.

X. INTEGRITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS DURING THE REPORTING PERIOD

During the Reporting Period, the Company and its de facto controllers maintained good faith with no cases such as non-performance of effective court judgment or overdue of relatively large liability.

XI. MAJOR RELATED-PARTY TRANSACTIONS

Details on the related-party transactions under the relevant accounting standards can be found in Note 59 to the consolidated financial statements in this report. The Company confirmed that the related-party transactions were not qualified as the “connected transactions” or the “continuing connected transactions” as defined in Chapter 14A of the Hong Kong Listing Rules (as the case may be), and were in compliance with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

XII. MATERIAL CONTRACTS AND PERFORMANCE THEREOF

(I) During the Reporting Period, the Company was not engaged in any material custody, contracting or leasing

(II) Guarantees

Unit: 100 million Yuan Currency: RMB

External guarantees of the Company (excluding the guarantees for subsidiaries)

| | |
|---|---|
| Total amount of guarantees during the Reporting Period (excluding the guarantees for subsidiaries) | – |
| Total balance of guarantees at the end of the Reporting Period (A) (excluding the guarantees for subsidiaries) | – |

Guarantees of the Company and its subsidiaries for its subsidiaries

| | |
|---|--------|
| Total amount of guarantees for subsidiaries during the Reporting Period | 100.89 |
| Total balance of guarantees for subsidiaries at the end of the Reporting Period (B) | 470.66 |

Total guarantee amount of the Company (including the guarantees for subsidiaries)

| | |
|--|--------|
| Total guarantee amount (A+B) | 470.66 |
| Percentage of the total guarantee amount to net assets of the Company (%) | 25.83 |
| Among which: | |
| Amount of guarantees provided for shareholders, de facto controllers and their related parties (C) | – |
| Amount of debt guarantees provided directly or indirectly for the guaranteed objects with an asset-liability ratio of more than 70% (D) | 421.66 |
| Excess amount of the total guarantee over 50% of the net assets (E) | – |
| Total amount of the three guarantees mentioned above (C+D+E) | 421.66 |
| Undue guarantees with joint Bearing the principal, interest and other expenses of the bonds and several liabilities | |

Explanations on
guarantees

1. Guarantees Provided by the Company

- (1) In 2017, as approved and passed at the fifth meeting of the fourth session of the Board and the 2016 Annual General Meeting of the Company, the Company provided a net capital guarantee with the maximum amount of RMB1.9 billion to Huatai Asset Management. The net capital guarantee of RMB1.9 billion has not been utilized during the Reporting Period.
- (2) In 2018, as approved and passed at the sixteenth meeting of the fourth session of the Board, the Company provided a net capital guarantee with the maximum amount of RMB2.0 billion to Huatai United Securities. The net capital guarantee will be available from July 1, 2019. In 2022, Shenzhen Securities Regulatory Bureau approved the Company to adjust the amount of the commitment on the provision of net capital guarantee to Huatai United Securities in 2019 from RMB2.0 billion to RMB1.0 billion from June 21, 2022. As at the end of the Reporting Period, the Company provided a net capital guarantee with a total amount of RMB1.0 billion to Huatai United Securities.
- (3) In 2020, as considered and approved at the seventh meeting of the fifth session of the Board, the Company provided a liquidity guarantee with a maximum amount of RMB2.0 billion to Huatai United Securities, which had not been utilized during the Reporting Period.
- (4) In 2020, as considered and approved at the second meeting of the fifth session of the Board, the Company (as the guarantor) entered into a guarantee agreement with Citicorp International Limited (as the trustee) for the provision of an unconditional and irrevocable guarantee of USD400 million for the bonds issued by Pioneer Reward Limited, a subsidiary of Huatai International. The bonds were due for repayment upon maturity in February 2023 with all principals and interests, and the guarantee was naturally expired.
- (5) In 2021, as considered and approved at the eleventh meeting of the fifth session of the Board and the 2021 First Extraordinary General Meeting of the Company, the persons authorized by the general mandate to issue onshore and offshore debt financing instruments of the Company may sign relevant agreements, and the Company (as the guarantor) has entered into a guarantee agreement with Citicorp International Limited (as the trustee), to provide an unconditional and irrevocable guarantee for USD1,300 million bonds and additional USD100 million bonds issued by Pioneer Reward Limited, a subsidiary of Huatai International.

- (6) In 2022, the Company (as the guarantor) entered into a guarantee agreement with Citicorp International Limited (as the trustee), to provide an unconditional and irrevocable guarantee for USD1,000 million bonds and RMB5,000 million bonds issued by Pioneer Reward Limited, a subsidiary of Huatai International.
- (7) In 2023, the Company (as the guarantor) entered into a guarantee agreement with Hongkong and Shanghai Banking Corporation Limited (as the trustee), to provide an unconditional and irrevocable guarantee for USD1,600 million bonds issued by Pioneer Reward Limited, a subsidiary of Huatai International.

2. Guarantees Provided by the Subsidiaries

During the Reporting Period, Huatai International and its subsidiaries had provided guarantees for the benefits of their subsidiaries in connection with their business operations, which are mainly guarantees for corporate bonds, guarantees for medium-term notes, and guarantees for transactions with counterparties involving the signing of international swaps and derivatives association agreements. The aggregate guaranteed amount was approximately RMB8.835 billion as of the end of the Reporting Period.

3. The aforesaid amount of debt guarantees provided directly or indirectly for the guaranteed objects with an asset-liability ratio of more than 70% was RMB42.166 billion, including: 1) guarantee provided by the Company to Pioneer Reward Limited, a subsidiary of Huatai International, for the issuance of USD4.0 billion bonds and RMB5.0 billion bonds; 2) the guarantee provided by Huatai International and its subsidiaries to meet the needs of the business operation of their subsidiaries.

(III) Other material contracts

1. According to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – Contents and Formats of Annual Report 《(公開發行證券的公司信息披露內容與格式準則第2號—年度報告的內容與格式)》, the Group did not enter into material contracts during the Reporting Period.

2. The progress of relevant significant contracts disclosed during the Reporting Period is as follows:

During the Reporting Period, the Construction Contract for the Work of Section II of the Interior Decoration and Renovation of the Plaza of Huatai Securities (《華泰證券廣場室內裝飾裝修二標段工程施工合同》) was performed normally, and the Company had paid the contract price of RMB739,100 in accordance with the contract during the Reporting Period. The Company had made contract payments of RMB140,388,900 in accumulation (excluding the financial review deduction amount of RMB671,500 committed to be deducted and the tax rate adjustment expenses), and the contract had been completely performed.

XIII. EXPLANATION ON PROGRESS IN USE OF FUNDS RAISED

(I) Overall utilisation of funds raised

Unit: 100 million Yuan

| Source of funds raised | Time of funds raised in place | Total funds raised | Of which: amount of surplus funds raised | Net funds raised after deducting expenses | Total investment amounts of funds raised | Total promised investment amounts of funds raised after adjustments | Total accumulated investment amount of funds raised as of the end of the Reporting Period | Progress of accumulated investment as of the end of the Reporting Period (%) |
|---|-------------------------------|--------------------|--|---|--|---|---|--|
| | | | | | | | | |
| Initial public offering of Shares | February 12, 2010 | 156.91 | - | 155.61 | 155.61 | 155.61 | 156.81 | 100.77 |
| H Shares | June 24, 2015 | 305.88 | - | 300.15 | 300.15 | 300.15 | 306.66 | 102.17 |
| Issuance of shares to specific target subscribers | July 31, 2018 | 142.08 | - | 141.33 | 141.33 | 141.33 | 141.84 | 100.36 |
| GDRs | June 28, 2019 | USD1.692 billion | - | USD1.652 billion | USD1.652 billion | USD1.652 billion | USD1.674 billion | 101.33 |

Notes:

- The above fund raised had been fully utilized as at the beginning of the Reporting Period. During the year, there was no investment amount of fund raised or change in the use of the above fund raised.
- The difference between total promised investment amounts of funds raised after adjustments and total accumulated investment amount of funds raised as of the end of the Reporting Period mainly included interest income from funds raised.

(II) During the Reporting Period, there was no change or termination of use of funds raised by the Company

XIV. DESCRIPTION OF OTHER MAJOR EVENTS THAT HAVE SIGNIFICANT IMPACTS ON INVESTORS TO MAKE VALUE JUDGMENTS AND INVESTMENT DECISIONS

(I) Capital increase in subsidiaries of the Company

For details on capital increase in subsidiaries of the Company during the Reporting Period, please refer to “(IX) Other information” under “VI. Major Operations during the Reporting Period” under “Management Discussion and Analysis and Report of the Board” in this report.

(II) Description of major events of the subsidiaries

1. Huatai Purple Gold Investment

During the Reporting Period, Huatai Purple Gold Investment initiated the establishment of Nanjing Huatai GenScript Bio-pharmaceutical Entrepreneurship and Investment Partnership (Limited Partnership) (南京華泰金斯瑞生物醫藥創業投資合夥企業(有限合夥)). As of the end of the Reporting Period, the total subscription scale of such fund amounted to RMB1,000 million. Huatai Purple Gold Investment, as a fund manager, an executive partner and a general partner, contributed RMB160 million.

During the Reporting Period, Huatai Purple Gold Investment initiated the establishment of Suzhou Huatai Huaxintaihu Photonics Industry Investment Fund Partnership (Limited Partnership) (蘇州華泰華芯太湖光子產業投資基金合夥企業(有限合夥)). As of the end of the Reporting Period, the total subscription scale of such fund amounted to RMB500 million. Huatai Purple Gold Investment, as a fund manager, an executive partner and a general partner, contributed RMB75 million.

During the Reporting Period, Huatai Purple Gold Investment initiated the establishment of Suqian Huatai Industry Development and Technology Equity Investment Fund (Limited Partnership) (宿遷華泰產發科技股權投資基金(有限合夥)). As of the end of the Reporting Period, the total subscription scale of such fund amounted to RMB500 million. Huatai Purple Gold Investment, as a fund manager, an executive partner and a general partner, contributed RMB1 million.

During the Reporting Period, Huatai Purple Gold Investment initiated the establishment of Nanjing Huatai Xingong Industries Investment Fund (Limited Partnership) (南京華泰新工產業投資基金(有限合夥)). As of the end of the Reporting Period, the total subscription scale of such fund amounted to RMB800 million. Huatai Purple Gold Investment, as a fund manager, an executive partner and a general partner, contributed RMB250 million.

During the Reporting Period, Shenzhen Huatai Ruilin Equity Investment Fund Partnership (Limited Partnership) (深圳市華泰瑞麟股權投資基金合夥企業(有限合夥)), managed by Shenzhen Huatai Ruilin Fund Investment Management Partnership (Limited Partnership) (深圳市華泰瑞麟基金投資管理合夥企業(有限合夥)), a holding subsidiary of Huatai Purple Gold Investment, completed its industrial and commercial deregistration.

During the Reporting Period, Nanjing Zhiyuan Equity investment Partnership (Limited Partnership) (南京致遠股權投資合夥企業(有限合夥)), a holding subsidiary of Huatai Purple Gold Investment, completed its industrial and commercial deregistration.

2. *Huatai International*

During the Reporting Period, Huatai Financial Holdings (Hong Kong), a wholly-owned subsidiary of Huatai International, obtained the following business qualifications or licenses: (1) the qualification of market maker under the “Southbound Scheme” for Bond Connect from the Hong Kong Monetary Authority; (2) type 7 (Providing Automated Trading Services) license under regulated activities by the Securities and Futures Commission of Hong Kong to provide automated trading services through a trading platform for pre-IPO share subscription; (3) dual Counter Market Maker Permit(s) by the Hong Kong Exchanges and Clearing Limited.

During the Reporting Period, Huatai International increased capital contribution to the Singapore Subsidiary by S\$50 million. Upon completion of the capital increase, the registered capital of the Singapore Subsidiary was changed to S\$55 million. During the Reporting Period, the Singapore Subsidiary obtained a capital market services license and waiver from financial advisor qualification from the Monetary Authority of Singapore.

During the Reporting Period, Huatai International established a new wholly-owned subsidiary, HS Carbon Neutrality & Energy Transition Investment Limited, in Hong Kong.

During the Reporting Period, Huatai HK Investment (Cayman) Limited, a wholly-owned subsidiary of Huatai International, changed its name to Huatai International Private Equity Investment Management Limited.

During the Reporting Period, AssetMark Retirement Services, Inc., a wholly-owned subsidiary of AssetMark (a subsidiary controlled by Huatai International), changed its name to AssetMark Services, Inc., and Global Financial Advisory, LLC, another wholly-owned subsidiary of AssetMark, was merged to AssetMark Services, Inc. and was deregistered subsequently.

3. *Huatai Innovative Investment*

During the Reporting Period, the registered address of Huatai Innovative Investment was changed from “Rooms 701-8 to 701-11, 7/F, Block 28, Fengsheng Hutong, Xicheng District, Beijing, the PRC” to “No. 234 Wuyi Road, Changning District, Shanghai, the PRC”.

4. *Huatai Futures*

During the Reporting Period, Huatai Futures increased capital contribution to its wholly-owned subsidiary, Huatai Capital Management (Hong Kong) Limited, by RMB192,045,000, after which the paid-in capital of Huatai Capital Management (Hong Kong) Limited amounted to RMB382,104,225.

(III) For other major events disclosed by the Company on China Securities Journal, Shanghai Securities News, Securities Times, Securities Daily and the website of the SSE (www.sse.com.cn) during the Reporting Period, please refer to Appendix IV Information Disclosures Index

XV. MAIN OFF-BALANCE SHEET ITEMS THAT MAY AFFECT THE COMPANY'S FINANCIAL SITUATION AND OPERATING RESULTS

For the main off-balance sheet items that may affect the Company's financial situation and operating results, please refer to "(II) Guarantees" under "XII. Material Contracts and Performance Thereof" under "Major Events" in this report.

XVI. IMPORTANT MATTERS AFTER THE BALANCE SHEET DATE

(I) Changes in Senior Management of Subsidiaries

In January 2024, Mr. Nie Tingjin, general manager of Huatai Asset Management, resigned for personal reasons. Ms. Cui Chun, the chairman of the board of directors, was appointed to act as the general manager of Huatai Asset Management upon consideration and approval at the second extraordinary meeting of the fourth session of the board of directors of Huatai Asset Management in 2024.

In February 2024, Huatai Asset Management held the third extraordinary meeting of the fourth session of the board of directors in 2024, at which Mr. Jiang Xiaoyang was appointed as the general manager and Ms. Cui Chun, as the chairman of the board of directors, ceased to act as the general manager.

In March 2024, Jiangsu Equity Exchange held the thirteen meeting of the third session of the board of directors, at which Mr. Zhang Anzhong was elected as the chairman of the board of directors. Mr. Sun Hanlin no longer served as the chairman of the board of directors of Jiangsu Equity Exchange.

(II) Proposal or resolution on annual distribution

Please refer to "Important Notice" in this report.

(III) Material investment and financing activities

Please refer to Note 65 to the consolidated financial statements headed "Events after the reporting date" in this report.

(IV) Material litigation and arbitration

After the Reporting Period, the Company did not have any material litigation and arbitration.

(V) Business combination or disposal of subsidiary

After the Reporting Period, the Company did not conduct any business combination or disposal of subsidiary.

(VI) Newly-established securities branches

| No. | Name | Location | Date of establishment | Business scope |
|------------|--|--|------------------------------|--|
| 1 | Securities Branch in Dongguan International Trade Center | Room 3303, Building 2, International Trade Center, No. 1 Hongfu East Road, Dongcheng Street, Dongguan City, Guangdong Province | January 15, 2024 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products. |
| 2 | Securities Branch in Zhongshan East Road, Ningbo | Room 1906, No. 1800 Zhongshan East Road, Yinzhou District, Ningbo City, Zhejiang Province | January 22, 2024 | Securities brokerage; securities investment consulting; margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only). |

(VII) Relocation of securities branches

| No. | Name before relocation | Name after relocation | Address after relocation | Issue date of license |
|------------|--|--|---|------------------------------|
| 1 | Securities Branch in Wenyi North Road, Xi'an | Securities Branch in Zhuque Street, Xi'an | 18/F, Xindi City, CapitaMall, No. 64 West Section of South Second Ring Road, Yanta District, Xi'an City, Shaanxi Province | January 8, 2024 |
| 2 | Securities Branch in Zhenzhu South Road, Lishui | Securities Branch in Zhenzhu North Road, Lishui | No. 218-13, Zhenzhu North Road, Economic Development Zone, Lishui District, Nanjing City, Jiangsu Province | January 9, 2024 |
| 3 | Securities Branch in Wenchang West Road, Yangzhou | Securities Branch in Changjian Center, Museum Road, Yangzhou | 6-2001, 2002, 2019, 2020, 2021, 2022, 2023, 2024, 20/F, Changjian Center, No. 364 Museum Road, Hanjiang District, Yangzhou City | January 9, 2024 |
| 4 | Securities Branch in Wulipai, Yueyang | Securities Branch in Yueyang Avenue, Yueyang | Rooms 1818, 1819, 1820, Building 4, Wanxiang Ruicheng, No. 219 Yueyang Avenue West, Yueyanglou District, Yueyang City | January 12, 2024 |
| 5 | Securities Branch in Xinhua East Street, Saihan District, Hohhot | Securities Branch in Xinhua East Street, Saihan District, Hohhot | No. 1, 1-2/F, Orient Restaurant, West Area of Tuanjie Community, Xinhua East Street, Yingxin Road, Xincheng District, Hohhot City, Inner Mongolia Autonomous Region | February 1, 2024 |

| No. | Name before relocation | Name after relocation | Address after relocation | Issue date of license |
|------------|--|--|--|------------------------------|
| 6 | Securities Branch in Taiping South Road, Taicang | Securities Branch in Taiping South Road, Taicang | 1-2/F, Building 1, No. 36 Taiping South Road, Chengxiang Town, Taicang City | February 1, 2024 |
| 7 | Securities Branch in Chengde North Road, Huaiyin, Huaian | Securities Branch in Fuyu Road, Huaian | Room 101, Block 1, No. 3 Fuyu Road, Economic and Technological Development Zone, Huaian | February 1, 2024 |
| 8 | Securities Branch in Yuncheng West Road, Guangzhou | Securities Branch in Yuncheng East Road, Guangzhou | Units 201, 202, 203, 204, 205, No. 561 Yuncheng East Road, Baiyun District, Guangzhou City | February 2, 2024 |

(VIII) The Company had no other situations that might materially affect the financial position, results of operation and cash flow of the Company after the Reporting Period

CHANGES IN SHARES AND SHAREHOLDERS

I. CHANGES IN SHARE CAPITAL

(I) Statement of changes in shares

1. Statement of changes in shares

| | Unit: Shares | | | | | | | | |
|--|-------------------|-------------------|-------------------------|--|----------------------------|-------------|-------------|------------------|-------------------|
| | Before the change | | New shares issued | Increase/decrease (+, -) of the change | | | | After the change | |
| | Number | Percentage (%) | | Bonus shares | converted from reserves | Others | Subtotal | Number | Percentage (%) |
| I. Shares subject to selling restrictions | 44,427,027 | 0.49 | - | - | - | -15,148,635 | -15,148,635 | 29,278,392 | 0.32 |
| 1. Shares held by the state | - | - | - | - | - | - | - | - | - |
| 2. Shares held by state-owned legal persons | - | - | - | - | - | - | - | - | - |
| 3. Shares held by other domestic investors | 44,427,027 | 0.49 | - | - | - | -15,148,635 | -15,148,635 | 29,278,392 | 0.32 |
| Including: Shares held by domestic non-state-owned legal persons | - | - | - | - | - | - | - | - | - |
| Shares held by domestic natural persons | 44,427,027 | 0.49 | - | - | - | -15,148,635 | -15,148,635 | 29,278,392 | 0.32 |
| 4. Shares held by foreign investors | - | - | - | - | - | - | - | - | - |
| Including: Shares held by overseas legal persons | - | - | - | - | - | - | - | - | - |
| Shares held by overseas natural persons | - | - | - | - | - | - | - | - | - |
| II. Tradable shares not subject to selling restrictions | 9,031,162,000 | 99.51 | - | - | - | 14,222,943 | 14,222,943 | 9,045,384,943 | 99.68 |
| 1. Ordinary shares in RMB | 7,312,116,320 | 80.57 | - | - | - | 14,222,943 | 14,222,943 | 7,326,339,263 | 80.73 |
| 2. Domestic listed foreign shares | - | - | - | - | - | - | - | - | - |
| 3. Overseas listed foreign shares | 1,719,045,680 | 18.94 | - | - | - | - | - | 1,719,045,680 | 18.94 |
| 4. Others | - | - | - | - | - | - | - | - | - |
| III. Total shares | 9,075,589,027 | 100.00 | - | - | - | -925,692 | -925,692 | 9,074,663,335 | 100.00 |

2. Information on changes in shares

On April 24, 2023, the conditions for lifting the selling restrictions of the first lock-up period under the Restricted Share Incentive Scheme of A Shares of the Company have been fulfilled, and a total of 14,222,943 restricted Shares were released from selling restrictions.

On June 30, 2023, the Company convened the 2022 Annual General Meeting, the 2023 Second A Share Class Meeting and the 2023 Second H Share Class Meeting, and considered and approved the Resolution on Repurchase and Cancellation of Part of the Restricted A Shares of the Company, agreeing the Company to repurchase and cancel part or all of 925,692 restricted A Shares granted to 137 incentive participants but subject to selling restriction due to non-fully fulfillment of condition of individual performance, release or termination of employment with the Company and other circumstances. On September 22, 2023, the Company completed the repurchase and cancellation of such restricted A Shares, the Shares subject to selling restrictions were reduced by 925,692 Shares, and the total share capital of the Company changed to 9,074,663,335 Shares.

3. *Impact of the change in shares on earnings per share, net asset value per share or other financial indicators for the latest year and the latest period*

In 2023, the total number of shares decreased by 925,692 as the Company completed the repurchase and cancellation of part of the Restricted A Shares. Based on the weighted average number of shares, basic earnings per share in 2023 were RMB1.35, diluted earnings per share were RMB1.33.

The net assets per share attributable to owners of the listed company as at the end of 2023 were RMB18.19. Such net assets per share attributable to owners of the listed company include perpetual bonds issued by the Company. Net of the influence of perpetual bonds, net assets per share attributable to ordinary shareholders of the listed company as at the end of 2023 were RMB16.91.

4. *Other information deemed necessary by the Company or discloseable as required by securities regulators*

On November 24, 2023, the Company held the 2023 Second Extraordinary General Meeting, the 2023 Third A Share Class Meeting and the 2023 Third H Share Class Meeting, and considered and approved the Resolution on the Cancellation of the Repurchased A Shares and Reduction of Registered Capital by the Company, pursuant to which the Company was approved to cancel the remaining repurchased A Shares of 45,278,495 shares and reduce the registered capital accordingly.

On January 10, 2024, the Company completed the cancellation of such repurchased A Shares and the total share capital of the Company was changed to 9,029,384,840 shares.

(II) Changes in shares subject to selling restrictions

Unit: Shares

| Name of shareholder | Number of shares subject to selling restrictions at the beginning of the year | Number of shares released from selling restrictions during the year | Increase in the number of shares subject to selling restrictions during the year | Number of shares subject to selling restrictions at the end of the year | Reasons for selling restrictions | Date of release from selling restrictions |
|---|---|---|--|---|---|---|
| Incentive participants of restricted A Shares | 44,427,027 | 14,222,943 | -925,692 | 29,278,392 | Incentive scheme of restricted A Shares | See note for details |
| Total | 44,427,027 | 14,222,943 | -925,692 | 29,278,392 | / | / |

Notes:

1. Pursuant to the requirements under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., which was disclosed by the Company on February 9, 2021, if the restricted Shares granted under the incentive scheme meet the conditions of unlocking after 24 months from the date of completion of registration of the corresponding granted portion of shares, the incentive participants may release the restriction in three phases in the next 36 months in the proportion of 33%, 33% and 34%.
2. The registration date of the restricted Shares under the incentive scheme was April 6, 2021, and the first lock-up period expired on April 5, 2023. The number of the unlocked Shares was 14,222,943 Shares, and the listing and trading date of the unlocked Shares was April 24, 2023.
3. On September 22, 2023, the Company completed the repurchase and cancellation of 925,692 restricted A Shares.

II. THE ISSUANCE AND LISTING OF SECURITIES

(I) Issuance of securities during the Reporting Period

Currency: RMB

| Types of shares and their derivative securities | Date of issue | Issue price (or interest rate) | Number of securities issued | Date of listing | Number of securities permitted to be listed for trading | Ending date of the trading |
|---|---------------|--------------------------------|-----------------------------|-----------------|---|----------------------------|
| Bonds (including company bonds, corporate bonds and debt financing instruments of non-financial enterprises) | | | | | | |
| Corporate bonds | 2023-01-06 | 2.92% | RMB4.0 billion | 2023-01-13 | RMB4.0 billion | 2025-01-09 |
| Corporate bonds | 2023-01-12 | 3.00% | RMB0.8 billion | 2023-01-19 | RMB0.8 billion | 2025-01-15 |
| Corporate bonds | 2023-01-12 | 3.48% | RMB2.0 billion | 2023-01-19 | RMB2.0 billion | 2028-01-14 |
| Corporate bonds | 2023-02-02 | 3.23% | RMB4.5 billion | 2023-02-09 | RMB4.5 billion | 2026-02-05 |
| Corporate bonds | 2023-02-09 | 3.39% | RMB4.0 billion | 2023-02-16 | RMB4.0 billion | 2028-02-11 |
| Corporate bonds | 2023-02-23 | 3.14% | RMB1.5 billion | 2023-03-02 | RMB1.5 billion | 2026-02-26 |
| Corporate bonds | 2023-02-23 | 3.36% | RMB2.2 billion | 2023-03-02 | RMB2.2 billion | 2028-02-25 |
| Corporate bonds | 2023-05-08 | 2.82% | RMB1.7 billion | 2023-05-16 | RMB1.7 billion | 2025-07-09 |
| Corporate bonds | 2023-05-08 | 3.07% | RMB0.7 billion | 2023-05-16 | RMB0.7 billion | 2028-05-09 |
| Corporate bonds | 2023-08-22 | 2.64% | RMB2.0 billion | 2023-08-29 | RMB2.0 billion | 2026-08-21 |
| Corporate bonds | 2023-09-19 | 2.89% | RMB2.5 billion | 2023-09-26 | RMB2.5 billion | 2026-09-18 |
| Corporate bonds | 2023-10-12 | 2.80% | RMB1.0 billion | 2023-10-19 | RMB1.0 billion | 2025-10-15 |
| Corporate bonds | 2023-10-12 | 3.35% | RMB1.6 billion | 2023-10-19 | RMB1.6 billion | 2033-10-14 |
| Corporate bonds | 2023-11-02 | 2.83% | RMB1.0 billion | 2023-11-13 | RMB1.0 billion | 2026-08-05 |
| Corporate bonds | 2023-11-02 | 3.30% | RMB2.5 billion | 2023-11-13 | RMB2.5 billion | 2033-11-04 |
| Short-term corporate bonds | 2023-03-15 | 2.65% | RMB5.0 billion | 2023-03-23 | RMB5.0 billion | 2023-09-14 |
| Short-term corporate bonds | 2023-03-21 | 2.65% | RMB5.0 billion | 2023-03-28 | RMB5.0 billion | 2023-10-24 |
| Short-term corporate bonds | 2023-11-09 | 2.67% | RMB3.0 billion | 2023-11-16 | RMB3.0 billion | 2024-09-12 |
| Short-term corporate bonds | 2023-11-16 | 2.65% | RMB4.0 billion | 2023-11-23 | RMB4.0 billion | 2024-09-19 |
| Short-term corporate bonds | 2023-12-06 | 2.81% | RMB2.0 billion | 2023-12-14 | RMB2.0 billion | 2024-07-05 |
| Short-term corporate bonds | 2023-12-15 | 2.75% | RMB5.0 billion | 2023-12-25 | RMB5.0 billion | 2024-03-18 |
| Perpetual subordinated bonds | 2023-09-06 | 3.46% | RMB2.5 billion | 2023-09-14 | RMB2.5 billion | N/A |
| Perpetual subordinated bonds | 2023-10-18 | 3.58% | RMB4.0 billion | 2023-10-26 | RMB4.0 billion | N/A |
| Non-public corporate bonds | 2023-11-23 | 3.07% | RMB2.8 billion | 2023-12-01 | RMB2.8 billion | 2026-11-26 |
| Non-public corporate bonds | 2023-12-13 | 3.08% | RMB3.6 billion | 2023-12-21 | RMB3.6 billion | 2026-12-14 |

Information of the issuance of securities during the Reporting Period:

1. *Corporate bonds*

On January 6, 2023, the Company publicly issued the 2023 Corporate Bonds of Huatai Securities (First Tranche) to professional investors. The amount of the said bonds came to RMB4.0 billion at an issue price of RMB100 per bond, carrying 2-year fixed rates with a coupon rate of 2.92%. Such bonds were listed for trading on January 13, 2023. The abbreviation and code of the bonds were “23 Huatai G1” and “138816.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion with the trading to be ended on January 9, 2025.

On January 12, 2023, the Company publicly issued the 2023 Corporate Bonds of Huatai Securities (Second Tranche) to professional investors. The amount of the said bonds came to RMB2.8 billion at an issue price of RMB100 per bond, carrying 2-year and 5-year fixed rates. The amount of the 2-year bonds came to RMB0.8 billion with a coupon rate of 3.00%, while the amount of the 5-year bonds came to RMB2.0 billion with a coupon rate of 3.48%. Such bonds were listed for trading on January 19, 2023. The abbreviation and code of the 2-year bonds were “23 Huatai G2” and “138844.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB0.8 billion with the trading to be ended on January 15, 2025; the abbreviation and code of the 5-year bonds were “23 Huatai G3” and “138845.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.0 billion with the trading to be ended on January 14, 2028.

On February 2, 2023, the Company publicly issued the 2023 Corporate Bonds of Huatai Securities (Third Tranche) to professional investors. The amount of the said bonds came to RMB4.5 billion at an issue price of RMB100 per bond, carrying 3-year fixed rates with a coupon rate of 3.23%. Such bonds were listed for trading on February 9, 2023. The abbreviation and code of the bonds were “23 Huatai G4” and “138857.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.5 billion with the trading to be ended on February 5, 2026.

On February 9, 2023, the Company publicly issued the 2023 Corporate Bonds of Huatai Securities (Fourth Tranche) to professional investors. The amount of the said bonds came to RMB4.0 billion at an issue price of RMB100 per bond, carrying 5-year fixed rates with a coupon rate of 3.39%. Such bonds were listed for trading on February 16, 2023. The abbreviation and code of the bonds were “23 Huatai G5” and “138886.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion with the trading to be ended on February 11, 2028.

On February 23, 2023, the Company publicly issued the 2023 Corporate Bonds of Huatai Securities (Fifth Tranche) to professional investors. The amount of the said bonds came to RMB3.7 billion at an issue price of RMB100 per bond, carrying 3-year and 5-year fixed rates. The amount of the 3-year bonds came to RMB1.5 billion with a coupon rate of 3.14%, while the amount of the 5-year bonds came to RMB2.2 billion with a coupon rate of 3.36%. Such bonds were listed for trading on March 2, 2023. The abbreviation and code of the 3-year bonds were “23 Huatai G6” and “138915.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB1.5 billion with the trading to be ended on February 26, 2026; the abbreviation and code of the 5-year bonds were “23 Huatai G7” and “138916.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.2 billion with the trading to be ended on February 25, 2028.

On May 8, 2023, the Company publicly issued the 2023 Corporate Bonds of Huatai Securities (Sixth Tranche) to professional investors. The amount of the said bonds came to RMB2.4 billion at an issue price of RMB100 per bond, carrying 26-month and 5-year fixed rates. The amount of the 26-month bonds came to RMB1.7 billion with a coupon rate of 2.82%, while the amount of the 5-year bonds came to RMB0.7 billion with a coupon rate of 3.07%. Such bonds were listed for trading on May 16, 2023. The abbreviation and code of the 26-month bonds were “23 Huatai G8” and “115346.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB1.7 billion with the trading to be ended on July 9, 2025; the abbreviation and code of the 5-year bonds were “23 Huatai G9” and “115347.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB0.7 billion with the trading to be ended on May 9, 2028.

On August 22, 2023, the Company publicly issued the 2023 Corporate Bonds of Huatai Securities (Seventh Tranche) to professional investors. The amount of the said bonds came to RMB2.0 billion at an issue price of RMB100 per bond, carrying 3-year fixed rates with a coupon rate of 2.64%. Such bonds were listed for trading on August 29, 2023. The abbreviation and code of the bonds were “23 Huatai 10” and “115367.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.0 billion with the trading to be ended on August 21, 2026.

On September 19, 2023, the Company publicly issued the 2023 Corporate Bonds of Huatai Securities (Eighth Tranche) to professional investors. The amount of the said bonds came to RMB2.5 billion at an issue price of RMB100 per bond, carrying 3-year fixed rates with a coupon rate of 2.89%. Such bonds were listed for trading on September 26, 2023. The abbreviation and code of the bonds were “23 Huatai 11” and “115368.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.0 billion with the trading to be ended on September 18, 2026.

On October 12, 2023, the Company publicly issued the 2023 Corporate Bonds of Huatai Securities (Ninth Tranche) to professional investors. The amount of the said bonds came to RMB2.6 billion at an issue price of RMB100 per bond, carrying 2-year and 10-year fixed rates. The amount of the 2-year bonds came to RMB1.0 billion with a coupon rate of 2.80%, while the amount of the 10-year bonds came to RMB1.6 billion with a coupon rate of 3.35%. Such bonds were listed for trading on October 19, 2023. The abbreviation and code of the 2-year bonds were “23 Huatai 13” and “240068.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB1.0 billion with the trading to be ended on October 15, 2025; the abbreviation and code of the 10-year bonds were “23 Huatai 14” and “240069.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB1.6 billion with the trading to be ended on October 14, 2033.

On November 2, 2023, the Company publicly issued the 2023 Corporate Bonds of Huatai Securities (Tenth Tranche) to professional investors. The amount of the said bonds came to RMB3.5 billion at an issue price of RMB100 per bond, carrying 33-month and 10-year fixed rates. The amount of the 33-month bonds came to RMB1.0 billion with a coupon rate of 2.83%, while the amount of the 10-year bonds came to RMB2.5 billion with a coupon rate of 3.30%. Such bonds were listed for trading on November 13, 2023. The abbreviation and code of the 33-month bonds were “23 Huatai 15” and “240158.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB1.0 billion with the trading to be ended on August 5, 2026; the abbreviation and code of the 10-year bonds were “23 Huatai 16” and “240159.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.5 billion with the trading to be ended on November 4, 2033.

2. *Short-term corporate bonds*

On March 15, 2023, the Company publicly issued the 2023 short-term Corporate Bonds of Huatai Securities (First Tranche) to professional investors. The amount of the said bonds came to RMB5.0 billion at an issue price of RMB100 per bond, carrying a 182-day fixed rate with a coupon rate of 2.65%. Such bonds were listed for trading on March 23, 2023. The abbreviation and code of the bonds were “23 Huatai S1” and “115083.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB5.0 billion with the trading ended on September 14, 2023, and the principal together with the interest was repaid during the Reporting Period.

On March 21, 2023, the Company publicly issued the 2023 short-term Corporate Bonds of Huatai Securities (Second Tranche) to professional investors. The amount of the said bonds came to RMB5.0 billion at an issue price of RMB100 per bond, carrying a 216-day fixed rate with a coupon rate of 2.65%. Such bonds were listed for trading on March 28, 2023. The abbreviation and code of the bonds were “23 Huatai S2” and “115117.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB5.0 billion with the trading ended on October 24, 2023, and the principal together with the interest was repaid during the Reporting Period.

On November 9, 2023, the Company publicly issued the 2023 short-term Corporate Bonds of Huatai Securities (Third Tranche) to professional investors. The amount of the said bonds came to RMB3.0 billion at an issue price of RMB100 per bond, carrying a 305-day fixed rate with a coupon rate of 2.67%. Such bonds were listed for trading on November 16, 2023. The abbreviation and code of the bonds were “23 Huatai S3” and “240245.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB3.0 billion with the trading ended on September 12, 2024.

On November 16, 2023, the Company publicly issued the 2023 short-term Corporate Bonds of Huatai Securities (Fourth Tranche) to professional investors. The amount of the said bonds came to RMB4.0 billion at an issue price of RMB100 per bond, carrying a 305-day fixed rate with a coupon rate of 2.65%. Such bonds were listed for trading on November 23, 2023. The abbreviation and code of the bonds were “23 Huatai S4” and “240292.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion with the trading ended on September 19, 2024.

On December 6, 2023, the Company publicly issued the 2023 short-term Corporate Bonds of Huatai Securities (Fifth Tranche) to professional investors. The amount of the said bonds came to RMB2.0 billion at an issue price of RMB100 per bond, carrying a 213-day fixed rate with a coupon rate of 2.81%. Such bonds were listed for trading on December 14, 2023. The abbreviation and code of the bonds were “23 Huatai S5” and “240374.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.0 billion with the trading ended on July 5, 2024.

On December 15, 2023, the Company publicly issued the 2023 short-term Corporate Bonds of Huatai Securities (Sixth Tranche) to professional investors. The amount of the said bonds came to RMB5.0 billion at an issue price of RMB100 per bond, carrying a 91-day fixed rate with a coupon rate of 2.75%. Such bonds were listed for trading on December 25, 2023. The abbreviation and code of the bonds were “23 Huatai S6” and “240400.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB5.0 billion with the trading ended on March 18, 2024.

3. *Perpetual subordinated bonds*

On September 6, 2023, the Company publicly issued the 2023 perpetual subordinated bonds of Huatai Securities (First Tranche) to professional investors. The amount of the said bonds came to RMB2.5 billion at an issue price of RMB100 per bond, with a coupon rate of 3.46%. The basic term of the bonds shall be 5 years, with every 5 interest-bearing years as a cycle. The issuer has the right to choose to extend the term of the bonds by 1 cycle (that is, to extend it by 5 years) at the end of each cycle, or choose to settle the payment for the bonds in full at the end of the cycle. Such bonds were listed for trading on September 14, 2023. The abbreviation and code of the bonds were “23 Huatai Y1” and “115931.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB2.5 billion.

On October 18, 2023, the Company publicly issued the 2023 perpetual subordinated bonds of Huatai Securities (Second Tranche) to professional investors. The amount of the said bonds came to RMB4.0 billion at an issue price of RMB100 per bond, with a coupon rate of 3.58%. The basic term of the bonds shall be 5 years, with every 5 interest-bearing years as a cycle. The issuer has the right to choose to extend the term of the bonds by 1 cycle (that is, to extend it by 5 years) at the end of each cycle, or choose to settle the payment for the bonds in full at the end of the cycle. Such bonds were listed for trading on October 26, 2023. The abbreviation and code of the bonds were “23 Huatai Y2” and “240109.SH”, respectively, and the amount of the bonds permitted to be listed for trading came to RMB4.0 billion.

4. *Non-public corporate bonds*

On November 23, 2023, the Company non-publicly issued the 2023 Corporate Bonds of Huatai Securities (First Tranche) to professional investors. The amount of the said bonds came to RMB2.8 billion at an issue price of RMB100 per bond, carrying 3-year fixed rates with a coupon rate of 3.07%. Such bonds were listed on December 1, 2023. The abbreviation and code of the bonds were “23 Huatai F2” and “253163.SH”, respectively, with the trading to be ended on November 26, 2026.

On December 13, 2023, the Company non-publicly issued the 2023 Corporate Bonds of Huatai Securities (Second Tranche) to professional investors. The amount of the said bonds came to RMB3.6 billion at an issue price of RMB100 per bond, carrying 3-year fixed rates with a coupon rate of 3.08%. Such bonds were listed on December 25, 2023. The abbreviation and code of the bonds were “23 Huatai F4” and “253350.SH”, respectively, with the trading to be ended on December 14, 2026.

5. *Offshore bonds*

Pioneer Reward Limited, a subsidiary of Huatai International, established an offshore medium term note programme with principal up to USD3.0 billion (or equivalent in other currencies) (the “Medium Term Note Programme”) on July 31, 2023.

On August 9, 2023, Pioneer Reward Limited issued the first tranche of medium-term notes under the Medium Term Note Programme with an issue amount of USD0.8 billion, a three-year maturity and a coupon rate of 5.25%. The method to repay principal and pay interest shall be payment on interest on a semi-annual basis and repayment of principal upon maturity. The listing place is the Hong Kong Stock Exchange. The Company provided unconditional and irrevocable guarantee for the notes.

On November 29, 2023, Pioneer Reward Limited issued a tranche of medium-term notes under the Medium Term Note Programme with an issue amount of USD0.8 billion, a three-year maturity and a coupon rate of SOFR+0.9%. The method to repay principal and pay interest shall be payment on interest every three months and repayment of principal upon maturity. The listing place is the Hong Kong Stock Exchange. The Company provided unconditional and irrevocable guarantee for the notes.

During the Reporting Period, in order to supplement its working capital and repay its debt financing instruments, Huatai International Finance Limited, a subsidiary of Huatai International, issued the medium-term notes of approximately USD2,690 million in aggregate. Huatai International provided unconditional and irrevocable guarantee for the medium term note program.

6. *Structured notes*

During the Reporting Period, the Company cumulatively issued 3,563 structured notes, with a total amount of RMB21.189 billion. As of December 31, 2023, the Company had 1,064 structured notes in duration period, with an amount of RMB13.562 billion.

(II) Changes in total number of the shares and shareholding structure of the Company and changes in structure of assets and liabilities of the Company

Please refer to “I. Changes in Share Capital” in this section for the details of changes in total number of the shares and shareholding structure of the Company.

Please refer to “(II) Analysis of key items of consolidated statement of financial position” under “VI. Major Operations during the Reporting Period” in “Management Discussion and Analysis and Report of the Board” of this report for the details of changes in structure of assets and liabilities of the Company.

(III) Existing Shares held by employees

There were no Shares of the Company held by employees.

III. INFORMATION OF SHAREHOLDERS AND DE FACTO CONTROLLERS

(I) Total number of shareholders

| | |
|---|---------|
| Total number of shareholders of ordinary shares as of the end of the Reporting Period | 228,470 |
| Total number of shareholders of ordinary shares as of the end of last month prior to the date on which the annual report shall be disclosed | 288,939 |
| Total number of shareholders of preferred shares whose rights have been restored as of the end of the Reporting Period | – |
| Total number of shareholders of preferred shares whose voting rights have been restored as of the end of last month prior to the date on which the annual report shall be disclosed | – |

Among the total number of shareholders of ordinary shares as of the end of the Reporting Period, shareholders of A Shares came to 221,550 and registered shareholders of H Shares came to 6,920. Among the total number of shareholders of ordinary shares as of the end of last month (February 29, 2024) prior to the date on which the annual report shall be disclosed, shareholders of A Shares came to 222,043 and registered shareholders of H Shares came to 6,896.

(II) Shareholding of top ten shareholders and top ten holders of tradable shares (or holders of shares not subject to selling restrictions) as of the end of the Reporting Period

There were no changes in top ten shareholders of the Company.

Unit: Shares

| Name of shareholder (in full name) | Increase/decrease during the Reporting Period | Shareholding of top ten shareholders (excluding lent shares by way of refinancing) | | Number of shares held subject to selling restrictions | Pledged, marked or frozen shares Status of shares | Number of shares | Nature of shareholder |
|--|---|--|-------------------|---|--|---------------------|---|
| | | Number of shares held as at the end of the Reporting Period | Percentage (%) | | | | |
| Jiangsu Guoxin Investment Group Limited | - | 1,373,481,636 | 15.14 | - | Nil | - | State-owned legal person |
| HKSCC Nominees Limited | -8,371,879 | 1,266,063,248 | 13.95 | - | Nil | - | Foreign legal person |
| Jiangsu Communications Holding Co., Ltd. | - | 489,065,418 | 5.39 | - | Nil | - | State-owned legal person |
| Govtor Capital Group Co., Ltd. | -168,000 | 355,915,206 | 3.92 | - | Nil | - | State-owned legal person |
| Hong Kong Securities Clearing Company Limited | 173,178,607 | 346,253,032 | 3.82 | - | Nil | - | Foreign legal person |
| Jiangsu SOHO Holdings Group Co., Ltd. | 21,648,303 | 277,873,788 | 3.06 | - | Nil | - | State-owned legal person |
| Alibaba (China) Technology Co., Ltd. | - | 268,199,233 | 2.96 | - | Nil | - | Domestic non-state-owned legal person |
| China Securities Finance Corporation Limited | - | 152,906,738 | 1.68 | - | Nil | - | Unknown |
| Jiangsu SOHO International Group Corp. | -20,800 | 135,838,367 | 1.50 | - | Nil | - | State-owned legal person |
| Jiangsu Hiteker High-tech Co., Ltd. | - | 123,169,146 | 1.36 | - | Unknown | 123,169,146 | Domestic non-state-owned legal person |

Shareholding of top ten holders of shares not subject to selling restrictions

| Name of shareholder | Number of tradable shares not subject to selling restrictions | Class and number of shares | |
|---|--|--------------------------------|---------------|
| | | Class | Number |
| Jiangsu Guoxin Investment Group Limited | 1,373,481,636 | Ordinary shares in RMB | 1,271,072,836 |
| | | Overseas listed foreign shares | 102,408,800 |
| HKSCC Nominees Limited | 1,266,063,248 | Overseas listed foreign shares | 1,266,063,248 |
| Jiangsu Communications Holding Co., Ltd. | 489,065,418 | Ordinary shares in RMB | 452,065,418 |
| | | Overseas listed foreign shares | 37,000,000 |
| Govtor Capital Group Co., Ltd. | 355,915,206 | Ordinary shares in RMB | 341,710,006 |
| | | Overseas listed foreign shares | 14,205,200 |
| Hong Kong Securities Clearing Company Limited | 346,253,032 | Ordinary shares in RMB | 346,253,032 |
| Jiangsu SOHO Holdings Group Co., Ltd. | 277,873,788 | Ordinary shares in RMB | 76,460,788 |
| | | Overseas listed foreign shares | 201,413,000 |
| Alibaba (China) Technology Co., Ltd. | 268,199,233 | Ordinary shares in RMB | 268,199,233 |
| China Securities Finance Corporation Limited | 152,906,738 | Ordinary shares in RMB | 152,906,738 |
| Jiangsu SOHO International Group Corp. | 135,838,367 | Ordinary shares in RMB | 41,132,567 |
| | | Overseas listed foreign shares | 94,705,800 |
| Jiangsu Hiteker High-tech Co., Ltd. | 123,169,146 | Ordinary shares in RMB | 123,169,146 |
| Description of special repurchase accounts for the top ten shareholders | There are no special repurchase accounts for the top ten shareholders. | | |
| Description of the voting rights entrusted by the above shareholders, the voting rights the above shareholders are entrusted with and the voting rights the above shareholders abstained from | There are no voting rights entrusted by the above shareholders, the voting rights the above shareholders are entrusted with and the voting rights the above shareholders abstained from. | | |
| Description of the related party relationships or acting in concert among the above shareholders | Guoxin Group, Communications Holding, Govtor Capital and Jiangsu SOHO Holdings Group Co., Ltd. are wholly owned by Jiangsu SASAC. Jiangsu SOHO Holdings Group Co., Ltd. is the controlling shareholder of Jiangsu SOHO International Group Corp. Apart from the above, the Company is not aware of any related party relationship among other shareholders or whether such shareholders are parties acting in concert as specified in the Regulations on the Takeover of Listed Companies. | | |
| Explanation of shareholders of preferred shares with restored voting rights and the number of shares held by them | There are no shareholders of preferred shares of the Company. | | |

Notes:

- The class of shareholders of ordinary shares in RMB (A Shares) represents the class of accounts held by them registered with Shanghai Branch of China Securities Depository and Clearing Corporation Limited.
- Among the holders of overseas listed foreign shares (H Shares) of the Company, shares of non-registered shareholders are held by HKSCC Nominees Limited on their behalf. As of the end of the Reporting Period, Guoxin Group, Communications Holding, Govtor Capital, Jiangsu SOHO Holdings Group Co., Ltd. and Jiangsu SOHO International Group Corp. acquired, via Southbound Trading, 102,408,800, 37,000,000, 14,205,200, 201,413,000 and 94,705,800 H Shares of the Company, respectively, which are also being held by HKSCC Nominees Limited. These shares are specifically and separately listed at the time of disclosure of this report; should such shares be included, the actual number of shares held by HKSCC Nominees Limited on their behalf would have been 1,715,796,048, representing 18.91% of the Company's total shares.
- As of the end of the Reporting Period, 318,000 A Shares held by Govtor Capital remained outstanding due to refinancing. When fully repaid, its actual shareholding in the Company will be 342,028,006 A Shares and 14,205,200 H Shares, representing 3.93% of the Company's total shares.
- Hong Kong Securities Clearing Company Limited is the nominal holder of the A Shares of the Company held by the investors in Northbound Trading under Shanghai-Hong Kong Stock Connect.

5. Citibank, National Association is the depository of the Company's GDRs, and the domestic underlying A Shares represented by the GDRs are legally registered under its name. According to the statistics provided by the depository, the Company had a total of 133,845 GDRs in the duration period as of the end of the Reporting Period, accounting for 0.16% of the approved number for issuance by the CSRC.
6. In January 2024, by way of spin-off and transfer, Alibaba (China) Technology Co., Ltd. reassigned 268,199,233 A Shares of the Company held by it into the name of Hangzhou Haoyue Enterprise Management Co., Ltd. (杭州灝月企業管理有限公司), a subordinate company of Alibaba Group Holding Limited.

Lent shares by way of refinancing of any of top ten shareholders

Unit: Shares

| Name of shareholder (in full name) | Lent shares by way of refinancing of top ten shareholders | | | | | | | |
|------------------------------------|---|----------------|---|----------------|---|----------------|---|----------------|
| | Total number of shares held through ordinary account and credit account as at the beginning of the Reporting Period | | Lent shares by way of refinancing and outstanding as at the beginning of the Reporting Period | | Total number of shares held through ordinary account and credit account as at the end of the Reporting Period | | Lent shares by way of refinancing and outstanding as at the end of the Reporting Period | |
| | Total number | Percentage (%) | Total number | Percentage (%) | Total number | Percentage (%) | Total number | Percentage (%) |
| | | | | | | | | |
| Govtor Capital Group Co., Ltd. | 341,878,006 | 3.7670 | 150,000 | 0.0017 | 341,710,006 | 3.7655 | 318,000 | 0.0035 |

Note: Total number of shares presented in the above table is the total number of shares held by such shareholder through A shares ordinary securities account and A shares credit securities account, excluding the number of H Shares of the Company held by it.

Number of shares held by top ten holders of shares subject to selling restrictions and relevant selling restrictions

Unit: Shares

| No. | Name of holders of shares subject to selling restrictions | Number of shares held subject to selling restrictions | Listing and trading of shares subject to selling restrictions | | Selling restrictions |
|--|---|--|---|---|----------------------|
| | | | Permitted time for listing and trading | Number of additional shares permitted to be listed and traded | |
| 1 | Zhou Yi | 482,400 | See note for details | – | See note for details |
| 2 | Han Zhencong | 402,000 | See note for details | – | See note for details |
| 3 | Li Shiqian | 402,000 | See note for details | – | See note for details |
| 4 | Sun Hanlin | 402,000 | See note for details | – | See note for details |
| 5 | Jiang Jian | 402,000 | See note for details | – | See note for details |
| 6 | Zhang Hui | 402,000 | See note for details | – | See note for details |
| 7 | Chen Tianxiang | 402,000 | See note for details | – | See note for details |
| 8 | Jiao Xiaoning | 335,000 | See note for details | – | See note for details |
| 9 | Jiao Kai | 335,000 | See note for details | – | See note for details |
| 10 | Wang Chong | 335,000 | See note for details | – | See note for details |
| Description of the related party relationships or acting in concert among the above shareholders | | The Company is not aware of any related party relationship or acting in concert arrangement. | | | |

Note: The above shares subject to selling restrictions represent the shares granted by the Company to the incentive participants due to the implementation of incentive scheme of restricted A Shares. Details of listing and trading of shares subject to selling restrictions and selling restrictions are available in the Incentive Scheme of Restricted A Shares disclosed by the Company on the website of the SSE on February 9, 2021.

(III) A strategic investor or common legal person who became one of the top ten shareholders as a result of subscription for new shares allotted to them

During the Reporting Period, the Company did not have any strategic investor or common legal person who became one of the top ten shareholders as a result of subscription for new shares allotted to them.

IV. CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

(I) Controlling Shareholders

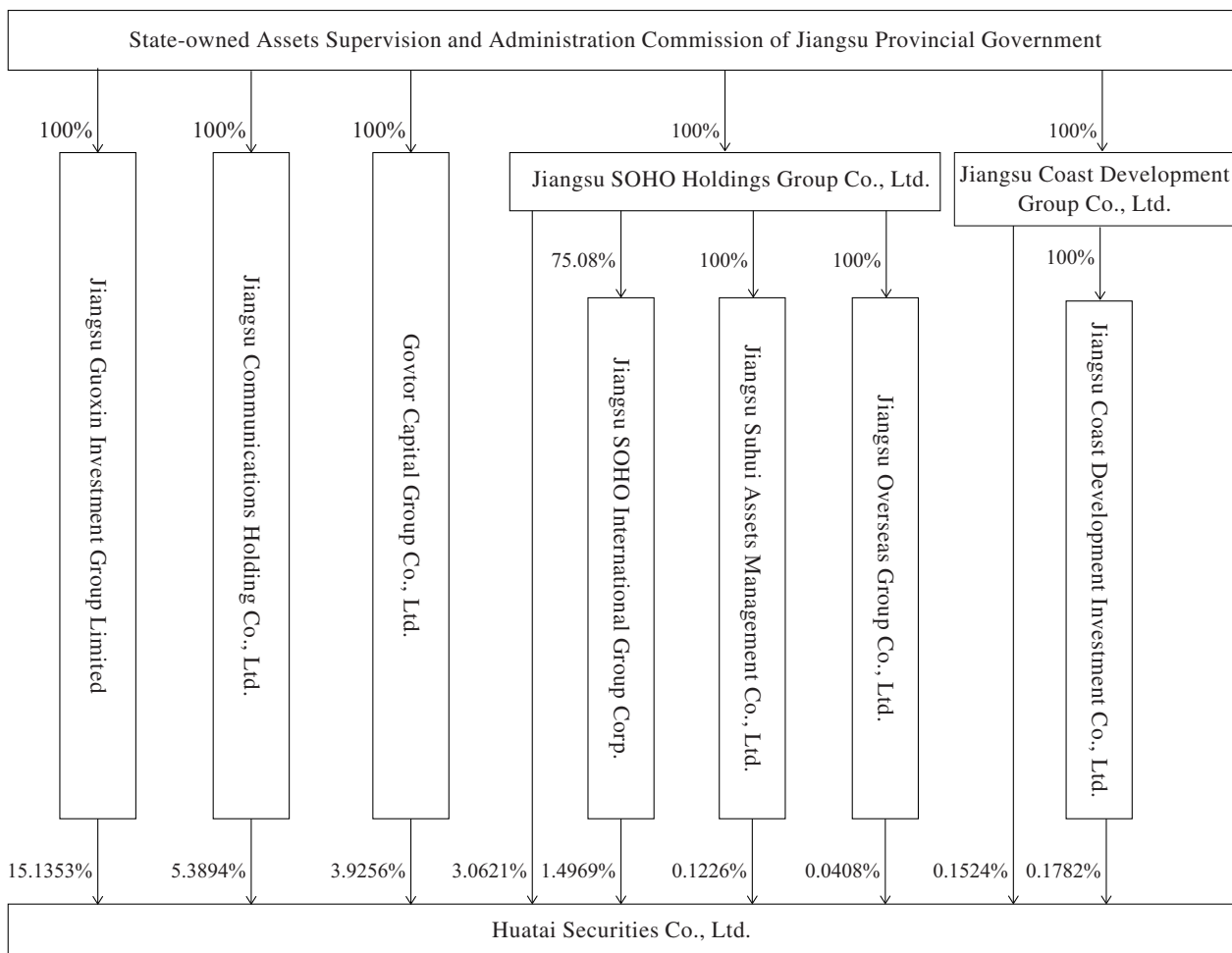
There are no controlling shareholders with more than 50% shareholding of the Company.

(II) De facto controllers

1 Legal person

| | |
|-------------------------|---|
| Name | State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government |
| Person in charge | Xie Zhengyi |

2 *Framework of the ownership and controlling relationship between the Company and the de facto Controllers*



3 *De facto controllers did not control the Company through trust or other asset management programs*

V. DURING THE REPORTING PERIOD, THERE WERE NO CIRCUMSTANCES WHERE THE CUMULATIVE NUMBER OF SHARES PLEDGED BY THE CONTROLLING SHAREHOLDERS OR THE LARGEST SHAREHOLDER AND PERSONS ACTING IN CONCERT WITH THEM ACCOUNTED FOR MORE THAN 80% OF THE COMPANY'S SHARES HELD BY THEM

VI. OTHER LEGAL-PERSON SHAREHOLDERS WITH MORE THAN 10% SHAREHOLDING

Unit: 100 million Yuan Currency: RMB

| Name of legal-person shareholder | Person in charge or legal representative of the unit | Date of establishment | Organization code | Registered capital | Main businesses or management activities |
|---|--|-----------------------|--------------------|--------------------|--|
| Jiangsu Guoxin Investment Group Limited | Dong Liang | February 22, 2002 | 91320000735724800G | 300 | Investment, management, operation, transfer of state-owned capital; enterprise trusteeship, assets restructuring, management consultation, house leasing and other businesses upon approval. |
| Remarks | Shares held by HKSCC Nominees Limited are owned by the non-registered holders of H Shares. | | | | |

VII. THE COMPANY HAD NO RESTRICTIONS ON SHAREHOLDING REDUCTION DURING THE REPORTING PERIOD

VIII. SPECIFIC IMPLEMENTATION OF SHARE REPURCHASE IN THE REPORTING PERIOD

Currency: RMB

| | |
|--|---|
| Name of share repurchase plan | Repurchase and Cancellation of Part of the Restricted A Shares |
| Date of share repurchase plan disclosed | March 31, 2023 |
| Number of shares repurchased and percentage to the total share capital | The total number of the Restricted Shares repurchased and cancelled is 925,692, representing approximately 0.01% of the total share capital of the Company as at March 31, 2023 |
| Amount of repurchase (Yuan) | 7,636,959.00 |
| Period of repurchase | September 22, 2023 |
| Purpose of repurchase | Cancellation |
| Number of shares repurchased (shares) | 925,692 |
| Number of shares repurchased as a percentage of the underlying shares under the stock incentive plan | 2.04% |
| Progress of the Company to reduce shareholding of shares repurchased through centralized price bidding | N/A |

IX. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2023, as far as the Company and the Directors are aware after having made all reasonable enquiries, the following persons (other than the Directors, Supervisors or chief executives of the Company) held interests or short positions in shares or underlying shares which shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and were recorded in the register required to be kept by the Company under Section 336 of the SFO:

| No. | Name of substantial shareholders | Class of shares | Nature of interests | Number of shares held (share) | Percentage of the total issued shares of the Company (%) | Percentage of the total issued A Shares/H Shares of the Company (%) | Long position ^(Note 2) /short position ^(Note 3) / shares available for lending |
|-----|--|-------------------------------|--------------------------------------|-------------------------------|--|---|--|
| 1 | Jiangsu Guoxin Investment Group Limited | A Shares | Beneficial owner | 1,271,072,836 | 14.01 | 17.28 | Long position |
| | | H Shares (Southbound Trading) | Beneficial owner | 102,408,800 | 1.13 | 5.96 | Long position |
| 2 | Jiangsu Communications Holding Co., Ltd. | A Shares | Beneficial owner | 452,065,418 | 4.98 | 6.15 | Long position |
| | | H Shares (Southbound Trading) | Beneficial owner | 37,000,000 | 0.41 | 2.15 | Long position |
| 3 | Jiangsu SOHO Holdings Group Co., Ltd. | A Shares | Beneficial owner | 76,460,788 | 0.84 | 1.04 | Long position |
| | | | Interests of controlled corporations | 41,132,567 | 0.45 | 0.56 | Long position |
| | | H Shares (Southbound Trading) | Beneficial owner | 201,413,000 | 2.22 | 11.72 | Long position |
| | | | Interests of controlled corporations | 94,705,800 | 1.04 | 5.51 | Long position |

Notes:

- Under Section 336 of the SFO, forms disclosing interests shall be submitted by shareholders of the Company upon satisfaction of certain conditions. Changes of shareholders' shareholdings in the Company are not required to inform the Company and the Hong Kong Stock Exchange unless certain conditions are satisfied. Therefore, there could be differences between substantial shareholders' latest shareholdings in the Company and the shareholding information reported to the Hong Kong Stock Exchange.

Jiangsu SOHO Holdings Group Co., Ltd. directly held a long position in 76,460,788 A Shares and 201,413,000 H Shares of the Company, and, through its controlled corporation (namely Jiangsu SOHO International Group Corp. (江蘇蘇豪國際集團股份有限公司)), indirectly held a long position in 41,132,567 A Shares and 94,705,800 H Shares of the Company.

2. A shareholder has a “long position” if such shareholder has interests in shares, including interests through holding, writing or issuing financial instruments (including derivatives), under which such shareholder (1) has a right to purchase the underlying shares; (2) is under an obligation to purchase the underlying shares; (3) has a right to receive payments if the price of the underlying shares increases; or (4) has a right to avoid or reduce a loss if the price of the underlying shares increases.
3. A shareholder has a “short position” if such shareholder borrows shares under a securities borrowing and lending agreement, or holds, writes or issues financial instruments (including derivatives) under which such shareholder (1) has a right to require another person to purchase the underlying shares; (2) is under an obligation to deliver the underlying shares; (3) has a right to receive payments if the price of the underlying shares declines; or (4) has a right to avoid or reduce a loss if the price of the underlying shares declines.

Save as disclosed above, the Company is not aware of any other person (other than the Directors, Supervisors and chief executives of the Company) having any interests or short positions in the shares or underlying shares of the Company as at December 31, 2023, which shall be recorded in the register pursuant to Section 336 of the SFO.

X. DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of the end of the Reporting Period, details on the shares held by the Director(s) of the Company due to the Company’s implementation of the Restricted Share Incentive Scheme of A Shares are as follows:

| No. | Name | Class of shares | Nature of interests | Number of shares held (share) | Percentage of the total issued shares of the Company | Percentage of the total issued A Shares of the Company | Long position/ short position/ shares available for lending |
|-----|---------|-----------------|---------------------|-------------------------------|--|--|---|
| | | | | | (%) | (%) | |
| 1 | Zhou Yi | A Shares | Beneficial owner | 720,000 | 0.008 | 0.010 | Long position |

Save as disclosed above, as of December 31, 2023, the Company was not aware of any other Directors, Supervisors or chief executives of the Company having any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations, which shall be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to section 352 of the SFO, to be recorded in the register of interests, or which shall, pursuant to the Model Code, be notified to the Company and the Hong Kong Stock Exchange.

XI. REPURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY AND ITS SUBSIDIARIES

On January 13, 2022, the Company issued non-public corporate bonds with sell back option, namely “22 Huatai F1”, with an issuance size of RMB4 billion and a coupon rate of 2.75%, which was listed on the SSE. On December 16, 2022, the Company exercised the option of issuer to adjust the coupon rate on 22 Huatai F1, and the investors chose to sell back in full, and the Company did not resell the bonds which have been sold back and thus paid RMB4 billion resale fund in full on January 17, 2023, and paid a period interest of RMB110 million (tax inclusive).

Save as disclosed above and the repurchase and cancellation of part of the restricted A Shares stated in “VIII. Specific Implementation of Share Repurchase in the Reporting Period” in this section of this report and “XVII. Share Incentive Scheme, Employee Stock Ownership Plan or Other Employee Incentives Measures and Their Implication” under “Corporate Governance” in this report, the Company and its subsidiaries have not repurchased, sold or redeemed any listed securities of the Company and its subsidiaries during the Reporting Period.

XII. ARRANGEMENT FOR DIRECTORS AND SUPERVISORS TO PURCHASE SHARES OR DEBENTURES

Save for the incentive plan stated in “XVII. Share Incentive Scheme, Employee Stock Ownership Plan or Other Employee Incentives Measures and Their Implication” under “Corporate Governance” in this report, at no time during the Reporting Period has the Company, its holding companies or any of its subsidiaries or fellow subsidiaries, entered into any arrangements to enable the Directors and Supervisors to acquire benefits by means of the purchase of shares in, or debentures of, the Company or any other corporate bodies.

XIII. THE COMPANY HAD NO PREFERRED SHARES

BONDS

I. ENTERPRISE BONDS, CORPORATE BONDS AND NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENTS

(I) Enterprise Bonds

During the Reporting Period, the Company did not issue any enterprise bonds.

(II) Corporate Bonds

1. Basic information on corporate bonds

Information on corporate bonds of the Company in duration as at the date on which the annual report was approved to publish is as follows:

Unit: 100 million Yuan Currency: RMB

| Name of bond | Abbreviation | Code | Issue date | Value date | Expiration date | Balance | Interest Rate (%) | Principal and interest payment method | Trading place | Whether there are risks of termination of listing and trading |
|--|--------------|--------|------------|------------|-----------------|---------|-------------------|---|---------------|---|
| 2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Qualified Investors (Second tranche) | 20 Huatai G3 | 163482 | 2020-04-27 | 2020-04-29 | 2025-04-29 | 35 | 2.90 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2020 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Qualified Investors (Third tranche) | 20 Huatai G4 | 163558 | 2020-05-19 | 2020-05-21 | 2025-05-21 | 30 | 3.20 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2020 Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) | 20 Huatai C1 | 175409 | 2020-11-11 | 2020-11-13 | 2025-11-13 | 50 | 4.48 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) | 21 Huatai C1 | 175721 | 2021-01-27 | 2021-01-29 | 2026-01-29 | 90 | 4.50 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) | 21 Huatai G3 | 188047 | 2021-04-22 | 2021-04-26 | 2024-04-26 | 50 | 3.42 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |

| Name of bond | Abbreviation | Code | Issue date | Value date | Expiration date | Balance | Interest Rate (%) | Principal and interest payment method | Trading place | Whether there are risks of termination of listing and trading |
|--|--------------|--------|------------|------------|-----------------|---------|-------------------|---|---------------|---|
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche) | 21 Huatai G4 | 188106 | 2021-05-13 | 2021-05-17 | 2026-05-17 | 60 | 3.71 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche) (Type I) | 21 Huatai G5 | 188134 | 2021-05-20 | 2021-05-24 | 2024-05-24 | 40 | 3.28 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche) (Type II) | 21 Huatai G6 | 188140 | 2021-05-20 | 2021-05-24 | 2026-05-24 | 20 | 3.63 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche) (Type I) | 21 Huatai G7 | 188239 | 2021-06-10 | 2021-06-15 | 2024-06-15 | 20 | 3.40 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type I) | 21 Huatai 09 | 188282 | 2021-06-17 | 2021-06-21 | 2024-06-21 | 25 | 3.45 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) (Type I) | 21 Huatai 11 | 188324 | 2021-09-03 | 2021-09-07 | 2024-09-07 | 15 | 3.03 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) (Type II) | 21 Huatai 12 | 188325 | 2021-09-03 | 2021-09-07 | 2031-09-07 | 27 | 3.78 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) | 21 Huatai Y1 | 188785 | 2021-09-15 | 2021-09-17 | - | 30 | 3.85 | Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments | SSE | No |

| Name of bond | Abbreviation | Code | Issue date | Value date | Expiration date | Balance | Interest Rate (%) | Principal and interest payment method | Trading place | Whether there are risks of termination of listing and trading |
|---|--------------|--------|------------|------------|-----------------|---------|-------------------|---|---------------|---|
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type I) | 21 Huatai 13 | 188874 | 2021-10-14 | 2021-10-18 | 2024-10-18 | 21 | 3.25 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type II) | 21 Huatai 14 | 188875 | 2021-10-14 | 2021-10-18 | 2031-10-18 | 34 | 3.99 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type I) | 21 Huatai 15 | 188926 | 2021-10-21 | 2021-10-25 | 2024-10-25 | 22 | 3.22 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type II) | 21 Huatai 16 | 188927 | 2021-10-21 | 2021-10-25 | 2031-10-25 | 11 | 3.94 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) | 21 Huatai Y2 | 188942 | 2021-10-26 | 2021-10-28 | - | 50 | 4.00 | Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments | SSE | No |
| 2021 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche) | 21 Huatai Y3 | 185019 | 2021-11-16 | 2021-11-18 | - | 20 | 3.80 | Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments | SSE | No |

| Name of bond | Abbreviation | Code | Issue date | Value date | Expiration date | Balance | Interest Rate (%) | Principal and interest payment method | Trading place | Whether there are risks of termination of listing and trading |
|---|--------------|--------|------------|------------|-----------------|---------|-------------------|---|---------------|---|
| 2022 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) | 22 Huatai Y1 | 185337 | 2022-01-24 | 2022-01-26 | - | 27 | 3.49 | Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments | SSE | No |
| 2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) | 22 Huatai G1 | 185364 | 2022-02-10 | 2022-02-14 | 2025-02-14 | 50 | 2.79 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2022 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) | 22 Huatai Y2 | 185388 | 2022-07-07 | 2022-07-11 | - | 30 | 3.59 | Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments | SSE | No |
| 2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) | 22 Huatai G2 | 137666 | 2022-08-11 | 2022-08-15 | 2024-08-15 | 20 | 2.43 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche) | 22 Huatai G3 | 137732 | 2022-08-24 | 2022-08-26 | 2024-08-26 | 30 | 2.33 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche) | 22 Huatai G4 | 137780 | 2022-09-01 | 2022-09-05 | 2025-09-05 | 20 | 2.52 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche) | 22 Huatai G5 | 137814 | 2022-09-08 | 2022-09-13 | 2025-09-13 | 30 | 2.50 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |

| Name of bond | Abbreviation | Code | Issue date | Value date | Expiration date | Balance | Interest Rate (%) | Principal and interest payment method | Trading place | Whether there are risks of termination of listing and trading |
|--|--------------|--------|------------|------------|-----------------|---------|-------------------|---|---------------|---|
| 2022 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche) | 22 Huatai Y3 | 137604 | 2022-10-19 | 2022-10-21 | - | 35 | 3.20 | Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments | SSE | No |
| 2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type I) | 22 Huatai G6 | 138597 | 2022-11-17 | 2022-11-21 | 2024-11-21 | 36 | 2.87 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type II) | 22 Huatai G7 | 138598 | 2022-11-17 | 2022-11-21 | 2027-11-21 | 14 | 3.18 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) (Type I) | 22 Huatai G8 | 138679 | 2022-12-01 | 2022-12-05 | 2024-12-05 | 15 | 2.87 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type I) | 22 Huatai 10 | 138709 | 2022-12-08 | 2022-12-12 | 2025-12-12 | 20 | 3.35 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type II) | 22 Huatai 11 | 138710 | 2022-12-08 | 2022-12-12 | 2027-12-12 | 5 | 3.49 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2022 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type I) | 22 Huatai 12 | 138737 | 2022-12-20 | 2022-12-22 | 2024-12-22 | 40 | 3.24 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |

| Name of bond | Abbreviation | Code | Issue date | Value date | Expiration date | Balance | Interest Rate (%) | Principal and interest payment method | Trading place | Whether there are risks of termination of listing and trading |
|--|--------------|--------|------------|------------|-----------------|---------|-------------------|---|---------------|---|
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) | 23 Huatai G1 | 138816 | 2023-01-06 | 2023-01-10 | 2025-01-10 | 40 | 2.92 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) (Type I) | 23 Huatai G2 | 138844 | 2023-01-12 | 2023-01-16 | 2025-01-16 | 8 | 3.00 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) (Type II) | 23 Huatai G3 | 138845 | 2023-01-12 | 2023-01-16 | 2028-01-16 | 20 | 3.48 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche) | 23 Huatai G4 | 138857 | 2023-02-02 | 2023-02-06 | 2026-02-06 | 45 | 3.23 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche) | 23 Huatai G5 | 138886 | 2023-02-09 | 2023-02-13 | 2028-02-13 | 40 | 3.39 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche) (Type I) | 23 Huatai G6 | 138915 | 2023-02-23 | 2023-02-27 | 2026-02-27 | 15 | 3.14 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche) (Type II) | 23 Huatai G7 | 138916 | 2023-02-23 | 2023-02-27 | 2028-02-27 | 22 | 3.36 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type I) | 23 Huatai G8 | 115346 | 2023-05-08 | 2023-05-10 | 2025-07-10 | 17 | 2.82 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |

| Name of bond | Abbreviation | Code | Issue date | Value date | Expiration date | Balance | Interest Rate (%) | Principal and interest payment method | Trading place | Whether there are risks of termination of listing and trading |
|---|--------------|--------|------------|------------|-----------------|---------|-------------------|---|---------------|---|
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) (Type II) | 23 Huatai G9 | 115347 | 2023-05-08 | 2023-05-10 | 2028-05-10 | 7 | 3.07 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) | 23 Huatai 10 | 115367 | 2023-08-22 | 2023-08-24 | 2026-08-24 | 20 | 2.64 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) | 23 Huatai Y1 | 115931 | 2023-09-06 | 2023-09-08 | - | 25 | 3.46 | Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) (Type I) | 23 Huatai 11 | 115368 | 2023-09-19 | 2023-09-21 | 2026-09-21 | 25 | 2.89 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type I) | 23 Huatai 13 | 240068 | 2023-10-12 | 2023-10-16 | 2025-10-16 | 10 | 2.80 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) (Type II) | 23 Huatai 14 | 240069 | 2023-10-12 | 2023-10-16 | 2033-10-16 | 16 | 3.35 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) | 23 Huatai Y2 | 240109 | 2023-10-18 | 2023-10-20 | - | 40 | 3.58 | Interest to be paid annually under the condition that the issuer does not exercise the right to defer interest payments | SSE | No |

| Name of bond | Abbreviation | Code | Issue date | Value date | Expiration date | Balance | Interest Rate (%) | Principal and interest payment method | Trading place | Whether there are risks of termination of listing and trading |
|--|--------------|--------|------------|------------|-----------------|---------|-------------------|---|---------------|---|
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Tenth tranche) (Type I) | 23 Huatai 15 | 240158 | 2023-11-02 | 2023-11-06 | 2026-08-06 | 10 | 2.83 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Tenth tranche) (Type II) | 23 Huatai 16 | 240159 | 2023-11-02 | 2023-11-06 | 2033-11-06 | 25 | 3.30 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche) | 23 Huatai S3 | 240245 | 2023-11-09 | 2023-11-13 | 2024-09-13 | 30 | 2.67 | One-off payment of principal and interest upon expiration | SSE | No |
| 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche) | 23 Huatai S4 | 240292 | 2023-11-16 | 2023-11-20 | 2024-09-20 | 40 | 2.65 | One-off payment of principal and interest upon expiration | SSE | No |
| 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche) | 23 Huatai S5 | 240374 | 2023-12-06 | 2023-12-08 | 2024-07-08 | 20 | 2.81 | One-off payment of principal and interest upon expiration | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Non-publicly Issued to Professional Investors (First tranche) (Type II) | 23 Huatai F2 | 253163 | 2023-11-23 | 2023-11-27 | 2026-11-27 | 28 | 3.07 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |
| 2023 Corporate Bonds of Huatai Securities Co., Ltd. Non-publicly Issued to Professional Investors (Second tranche) (Type II) | 23 Huatai F4 | 253350 | 2023-12-13 | 2023-12-15 | 2026-12-15 | 36 | 3.08 | Principal to be paid upon expiration and interest to be paid annually | SSE | No |

Notes:

1. The above-mentioned corporate bonds were issued to professional investors who shall have the ability to identify and bear respective risks. They shall be aware of and bear their own investment risks of the corporate bonds and in compliance with the requirements of the Administrative Measures for Issuance and Trading of Corporate Bonds, the Administrative Measures of the Shanghai Stock Exchange for Eligibility of Investors in the Bond Market (《上海證券交易所債券市場投資者適當性管理辦法》), the Administrative Measures for the Eligibility of the Investors of Securities and Future (《證券期貨投資者適當性管理辦法》) and relevant laws and regulations (excluding purchasers subject to prohibition under laws and regulations). Investors shall not subscribe by illegal use of others' accounts or fund accounts, or illegally financing or financing for others. Investors subscribing for above-mentioned corporate bonds shall observe relevant laws and regulations and relevant provisions of the CSRC and assume corresponding legal responsibilities on their own.
2. The above-mentioned corporate bonds are listed on the SSE. Pursuant to the Rules Governing the Trading of Bonds on the Shanghai Stock Exchange, publicly issued bonds can be traded by way of matching, one-click-order, price-enquiry, bidding and negotiating, while non-publicly issued corporate bonds can be traded by way of one-click-order, price-enquiry, bidding and negotiating.
3. Information on the lead underwriters and entrusted managers of the above-mentioned corporate bonds can be found in the prospectus for bonds.
4. 21 Huatai Y1, 21 Huatai Y2, 21 Huatai Y3, 22 Huatai Y1, 22 Huatai Y2 and 22 Huatai Y3 are subject to issuer's renewal option, issuer's redemption right, issuer's redemption option when certain conditions are met and issuer's right of deferring interest payment. The coupon rate for the first five interest-bearing years is determined through book-building, which remains unchanged during the first five interest-bearing years. The coupon rate shall be repriced every five years from the sixth interest-bearing year. If no redemption right was exercised by the issuer, the coupon rate would be adjusted to be the sum of the current benchmark interest rate and the initial spread plus 300bp from the sixth interest-bearing year, which will remain unchanged from the sixth interest-bearing year to the tenth interest-bearing year. Afterwards, the coupon rate repriced every five years is the sum of the current benchmark interest rate and the initial spread plus 300bp. The initial spread is the difference between the coupon rate and the initial benchmark interest rate for the first five interest-bearing years.

Interest Payment for Bonds during the Reporting Period is as follows:

| Name of bond | Redemption and interest payment |
|---------------------|--|
| 13 Huatai 02 | Redemption in full as scheduled |
| 18 Huatai G2 | Redemption in full as scheduled |
| 20 Huatai G1 | Redemption in full as scheduled |
| 20 Huatai G6 | Redemption in full as scheduled |
| 20 Huatai G7 | Redemption in full as scheduled |
| 20 Huatai G9 | Redemption in full as scheduled |
| 22 Huatai S2 | Redemption in full as scheduled |
| 23 Huatai S1 | Redemption in full as scheduled |
| 23 Huatai S2 | Redemption in full as scheduled |
| 20 Huatai G3 | Payment of interest in full as scheduled |
| 20 Huatai G4 | Payment of interest in full as scheduled |
| 20 Huatai C1 | Payment of interest in full as scheduled |
| 21 Huatai C1 | Payment of interest in full as scheduled |
| 21 Huatai G3 | Payment of interest in full as scheduled |
| 21 Huatai G4 | Payment of interest in full as scheduled |
| 21 Huatai G5 | Payment of interest in full as scheduled |
| 21 Huatai G6 | Payment of interest in full as scheduled |
| 21 Huatai G7 | Payment of interest in full as scheduled |
| 21 Huatai 09 | Payment of interest in full as scheduled |
| 21 Huatai 11 | Payment of interest in full as scheduled |
| 21 Huatai 12 | Payment of interest in full as scheduled |
| 21 Huatai Y1 | Payment of interest in full as scheduled |
| 21 Huatai 13 | Payment of interest in full as scheduled |
| 21 Huatai 14 | Payment of interest in full as scheduled |
| 21 Huatai 15 | Payment of interest in full as scheduled |
| 21 Huatai 16 | Payment of interest in full as scheduled |
| 21 Huatai Y2 | Payment of interest in full as scheduled |
| 21 Huatai Y3 | Payment of interest in full as scheduled |
| 22 Huatai Y1 | Payment of interest in full as scheduled |
| 22 Huatai G1 | Payment of interest in full as scheduled |
| 22 Huatai Y2 | Payment of interest in full as scheduled |
| 22 Huatai G2 | Payment of interest in full as scheduled |
| 22 Huatai G3 | Payment of interest in full as scheduled |
| 22 Huatai G4 | Payment of interest in full as scheduled |
| 22 Huatai G5 | Payment of interest in full as scheduled |
| 22 Huatai Y3 | Payment of interest in full as scheduled |
| 22 Huatai G6 | Payment of interest in full as scheduled |
| 22 Huatai G7 | Payment of interest in full as scheduled |
| 22 Huatai G8 | Payment of interest in full as scheduled |
| 22 Huatai 10 | Payment of interest in full as scheduled |
| 22 Huatai 11 | Payment of interest in full as scheduled |
| 22 Huatai 12 | Payment of interest in full as scheduled |

During the Reporting Period, the issuance and payment of interest for corporate bonds non-publicly issued by the Company were as follows:

Unit: 100 million Yuan Currency: RMB

| Abbreviation of bond | Issuing size | Balance as at the end of the period | Coupon rate | | Expiration date | Payment of interest |
|----------------------|--------------|-------------------------------------|-------------|------------|-----------------|---------------------|
| | | | (%) | Value date | | |
| 22 Huatai F1 | 40.00 | - | 2.75 | 2022-01-17 | 2024-01-17 | Sell back in full |
| 23 Huatai F2 | 28.00 | 28.00 | 3.07 | 2023-11-27 | 2026-11-27 | - |
| 23 Huatai F4 | 36.00 | 36.00 | 3.08 | 2023-12-15 | 2026-12-15 | - |

Note: An investor's sell-back option and an issuer's coupon rate adjustment option at the end of the first interest-bearing year are available for "22 Huatai F1"

2. *Triggers and execution of issuer's or investor's option clauses or investor protection clauses*

21 Huatai Y1, 21 Huatai Y2, 21 Huatai Y3, 22 Huatai Y1, 22 Huatai Y2, 22 Huatai Y3, 23 Huatai Y1 and 23 Huatai Y2 issued by the Company are subject to the issuer's renewal option, issuer's redemption option and the right of deferring interest payment. As of the disclosure date of this report, the aforementioned bonds have not triggered the issuer's options as the exercise date of the renewal option and redemption option has not yet reached. During the Reporting Period, the Company did not execute the right of deferring interest payment and paid the current interest of the aforementioned bonds on time and in full.

As of the disclosure date of this report, the Company has strictly implemented the relevant terms and agreements on investor protection clauses and settlement safeguards in accordance with the covenants in the prospectus for corporate bonds, and paid the principal and/or interest of each bond on time and in full.

3. *Intermediary Agency to Provide Services for Bond Issuance and Existing Business*

| Name of intermediary agency | Office address | Name of signatory accountant | Contact person | Contact number |
|---|--|-------------------------------------|----------------|----------------|
| Deloitte Touche Tohmatsu Certified Public Accountants LLP | 30/F, 222 Yan An Road East, Shanghai | Hu Xiaojun, Han Jian | Hu Xiaojun | 021-61418888 |
| KPMG Huazhen LLP | 8/F, KPMG Tower, Oriental Plaza, No. 1 East Chang'an Avenue, Beijing | Cheng Hailiang, Qian Ruwen, Zou Jun | Zhang Nan | 021-22123075 |

Other intermediary agencies to provide services for the above bond issuance and existing business are as below:

| Intermediary agency | Name | Office address | Contact person | Contact number |
|---------------------|--|--|---|------------------------------|
| Lead Underwriter | Huatai United Securities Co., Ltd. | 5/F, Building 1, Huatai Securities Square, No. 228 Middle Jiangdong Road, Nanjing | Wang Chengcheng | 025-83387750 |
| | Shenwan Hongyuan Securities Co., Ltd. | 45/F, No. 989 Changle Road, Xuhui District, Shanghai | Liu Qiuyan, Ding Tianshuo | 021-33388507 021-33388508 |
| | China International Capital Corporation Limited | 33/F, Tower 2, China World Office, No. 1 Jianguomenwai Avenue, Chaoyang District, Beijing | Liu Liu | 010-65051166 |
| | China Development Bank Securities Company Limited | 1-9/F, No. 29 Fuchengmen Wai Avenue, Xicheng District, Beijing | Wang Tianwei | 010-88300840 |
| | China Industrial Securities Co., Ltd. (興業證券股份有限公司) | 32/F, SK Tower, Building 1, 6A Jianguomenwai Avenue, Chaoyang District, Beijing | Tao Jian | 13581681404 |
| | Kaiyuan Securities Co., Ltd. (開源證券股份有限公司) | 2/F, Kaiyuan Securities Wealth Management Center, No. 62 Furong West Road, Yanta District, Xi'an, Shaanxi Province | Xu Mengyuan | 029-81208821 |
| | Caitong Securities Co., Ltd. (財通證券股份有限公司) | West Tower, Caitong Shuangguan Building, No. 198 Tianmushan Road, Xihu District, Hangzhou, Zhejiang Province | Xu Zongxuan, Zhang Zhening, Wang Wenxu, Zhang Yifei | 0571-87821802 |
| | Central China Securities Co., Ltd. (中原證券股份有限公司) | 10 Business Outer Ring Road, Zhengdong New District, Zhengzhou | Gao Lingfang | 021-50581985 |

| Intermediary agency | Name | Office address | Contact person | Contact number |
|------------------------|---|--|--|------------------------------|
| Entrusted manager | Shenwan Hongyuan Securities Co., Ltd. | 45/F, No. 989 Changle Road, Xuhui District, Shanghai | Liu Qiuyan, Ding Tianshuo | 021-33388507 021-33388508 |
| | China International Capital Corporation Limited | China World Office, No. 1 Jianguomenwai Avenue, Beijing | Liu Liu | 010-65051166 |
| | China Lianhe Credit Rating Co., Ltd. | 17/F, Tower 2, No. 2 Jianguomenwai Avenue, Chaoyang District, Beijing | Pan Yuechen | 010-85679696 |
| Credit rating agencies | Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. | 14/F, Huasheng Mansion, No. 398 Hankou Road, Shanghai | Gao Fei | 021-63501349-637 |
| | Law Firm | JC Master Law Offices | 9/F, National Water Resources Building, No. 70 Qingjiang South Road, Nanjing | Yin Tingting |
| | Zhong Lun Law Firm | 22-31/F, South Tower of Building 3, CP Center, No. 20 Jinhe East Road, Chaoyang District, Beijing | Guo Zhi | 025-69511868 |
| | AllBright Law Offices | 9, 11, 12/F, Shanghai Tower, No. 501 Middle Yincheng Road, Pudong New Area, Shanghai | Sun Zuan, Bai Xue | 021-20511000 |
| | King & Wood Mallesons | 17-18/F, East Tower, World Financial Center 1, No. 1 Middle East 3rd Ring Road, Chaoyang District, Beijing | Yao Lei | 021-24126099 |

Note: Certain bond issuances were underwritten by Shenwan Hongyuan Financing Services Co., Ltd. (hereinafter referred to as “Shenwan Hongyuan Financing Services”), a subsidiary of Shenwan Hongyuan Securities Co., Ltd. (hereinafter referred to as “Securities Parent Company”). Due to changes in the business scope of Securities Parent Company, bond underwriting business, except for convertible bonds, of Shenwan Hongyuan Financing Services was included into the business scope of Securities Parent Company. For the above changes in business scope, relevant authorities had issued approval. Therefore, the rights and obligations under the agreement entered into by Shenwan Hongyuan Financing Services have succeeded to Securities Parent Company.

There were no changes in the above intermediary agencies during the Reporting Period.

4. Utilisation of funds raised as at the end of the Reporting Period

As at the end of the Reporting Period, the utilisation of funds raised from corporate bonds publicly issued in duration of the Company is as follows:

Unit: 100 million Yuan Currency: RMB

| Name of bond | Total amount of funds raised | Utilised amount | Unutilised amount | Use agreed in the prospectus |
|--------------|------------------------------|-----------------|-------------------|--|
| 20 Huatai G3 | 35 | 35 | – | 80% for replenishment of working capital, 20% for repayment of matured debts |
| 20 Huatai G4 | 30 | 30 | – | 40% for replenishment of working capital, 60% for repayment of matured debts |
| 20 Huatai C1 | 50 | 50 | – | 60% for replenishment of working capital, 40% for repayment of matured debts |
| 21 Huatai C1 | 90 | 90 | – | Replenishment of working capital |
| 21 Huatai G3 | 50 | 50 | – | Replenishment of working capital |
| 21 Huatai G4 | 60 | 60 | – | Replenishment of working capital |
| 21 Huatai G5 | 40 | 40 | – | Replenishment of working capital |
| 21 Huatai G6 | 20 | 20 | – | Replenishment of working capital |
| 21 Huatai G7 | 20 | 20 | – | Replenishment of working capital |
| 21 Huatai 09 | 25 | 25 | – | Replenishment of working capital |
| 21 Huatai 11 | 15 | 15 | – | Repayment of matured debts |
| 21 Huatai 12 | 27 | 27 | – | Repayment of matured debts |
| 21 Huatai Y1 | 30 | 30 | – | Repayment of corporate bonds |
| 21 Huatai 13 | 21 | 21 | – | 60% for replenishment of working capital, 40% for repayment of matured debts |
| 21 Huatai 14 | 34 | 34 | – | 60% for replenishment of working capital, 40% for repayment of matured debts |
| 21 Huatai 15 | 22 | 22 | – | Replenishment of working capital |
| 21 Huatai 16 | 11 | 11 | – | Replenishment of working capital |
| 21 Huatai Y2 | 50 | 50 | – | Repayment of corporate bonds |
| 21 Huatai Y3 | 20 | 20 | – | Repayment of corporate bonds |
| 22 Huatai Y1 | 27 | 27 | – | Repayment of corporate bonds |
| 22 Huatai G1 | 50 | 50 | – | Repayment of corporate bonds (excluding interest) |
| 22 Huatai Y2 | 30 | 30 | – | Repayment of corporate bonds |
| 22 Huatai G2 | 20 | 20 | – | Repayment of corporate bonds (excluding interest) |
| 22 Huatai G3 | 30 | 30 | – | Repayment of corporate bonds (excluding interest) |
| 22 Huatai G4 | 20 | 20 | – | Repayment of corporate bonds (excluding interest) |

| Name of bond | Total amount of funds raised | Utilised amount | Unutilised amount | Use agreed in the prospectus |
|---------------------|-------------------------------------|------------------------|--------------------------|--|
| 22 Huatai G5 | 30 | 30 | – | Repayment of corporate bonds (excluding interest) |
| 22 Huatai Y3 | 35 | 35 | – | Repayment of corporate bonds and interest-bearing debt |
| 22 Huatai G6 | 36 | 36 | – | Repayment of corporate bonds (excluding interest) |
| 22 Huatai G7 | 14 | 14 | – | Repayment of corporate bonds (excluding interest) |
| 22 Huatai G8 | 15 | 15 | – | Repayment of corporate bonds (excluding interest) and replenishment of working capital |
| 22 Huatai 10 | 20 | 20 | – | Replenishment of working capital |
| 22 Huatai 11 | 5 | 5 | – | Replenishment of working capital |
| 22 Huatai 12 | 40 | 40 | – | Replenishment of working capital |
| 23 Huatai G1 | 40 | 40 | – | Replenishment of working capital |
| 23 Huatai G2 | 8 | 8 | – | Replenishment of working capital |
| 23 Huatai G3 | 20 | 20 | – | Replenishment of working capital |
| 23 Huatai G4 | 45 | 45 | – | Replenishment of working capital |
| 23 Huatai G5 | 40 | 40 | – | Replenishment of working capital |
| 23 Huatai G6 | 15 | 15 | – | Replenishment of working capital |
| 23 Huatai G7 | 22 | 22 | – | Replenishment of working capital |
| 23 Huatai G8 | 17 | 17 | – | 40% for repayment of corporate bonds, 60% for replenishment of working capital |
| 23 Huatai G9 | 7 | 7 | – | 40% for repayment of corporate bonds, 60% for replenishment of working capital |
| 23 Huatai 10 | 20 | 20 | – | Repayment of corporate bonds |
| 23 Huatai Y1 | 25 | 25 | – | Repayment of corporate bonds |
| 23 Huatai 11 | 25 | 25 | – | Replenishment of working capital |
| 23 Huatai 13 | 10 | 10 | – | 60% for repayment of corporate bonds, 40% for replenishment of working capital |
| 23 Huatai 14 | 16 | 16 | – | 60% for repayment of corporate bonds, 40% for replenishment of working capital |
| 23 Huatai Y2 | 40 | 40 | – | 40% for repayment of corporate bonds, 60% for replenishment of working capital |
| 23 Huatai 15 | 10 | 10 | – | Replenishment of working capital |
| 23 Huatai 16 | 25 | 25 | – | Replenishment of working capital |
| 23 Huatai S3 | 30 | 30 | – | Replenishment of working capital |
| 23 Huatai S4 | 40 | 40 | – | Replenishment of working capital |
| 23 Huatai S5 | 20 | 20 | – | Replenishment of working capital |

During the Reporting Period, the utilisation of funds raised from corporate bonds non-publicly issued by the Company was as follows:

| Abbreviation of bond | Total amount of funds raised | Utilised amount (actually utilised amount) | Unutilised amount (balance of funds raised and specific accounts of funds raised as at the end of the Reporting Period) |
|-----------------------------|-------------------------------------|---|--|
| 23 Huatai F2 | 28 | 28 | – |
| 23 Huatai F4 | 36 | 36 | – |

During the Reporting Period, the Company did not utilise raised funds for construction projects nor change the use of funds raised from foregoing bonds.

According to the requirements of the Administrative Measures for Issuance and Trading of Corporate Bonds, in order to ensure that the utilisation of funds raised is consistent with the prospectus and to guarantee the legal rights of bondholders, the Company has set up a special account for the utilisation of funds raised in supervisory banks, which is subject to the supervision of the supervisory banks.

The funds raised from the corporate bonds have been fully utilised, which is conformed to the purpose, utilisation plan and other agreements as undertaken in the prospectus. Utilisation of funds raised from bonds issued in prior years can be found in the prospectus for bonds and the annual report of that year.

During the Reporting Period, there was no non-compliance use of funds raised, and no funds raised from corporate bonds were used in temporary replenishment of liquidity.

During the Reporting Period, the Company non-publicly issued the 2023 Corporate Bonds of Huatai Securities (First Tranche) to professional investors, with a scale of RMB2.8 billion. The abbreviation and code of the bonds were “23 Huatai F2” and “253163.SH”, respectively; the Company non-publicly issued the 2023 Corporate Bonds of Huatai Securities (Second Tranche) to professional investors, with a scale of RMB3.6 billion. The abbreviation and code of the bonds were “23 Huatai F4” and “253350.SH”, respectively. The fund raised from non-public issuance of corporate bonds of the Company was fully utilized to supplement working capital.

5. *Adjustments to the credit ratings*

During the Reporting Period, the rating agencies did not make any adjustments to the credit ratings of corporate bonds. Information on credit ratings of bonds in different periods can be found in the rating report for bonds.

6. *Implementation and Changes of Guarantees, Settlement Plan and other Settlement Safeguards and their Impact during the Reporting Period*

| Current status | Implementation | Any change |
|---|---|------------|
| <p>The existing corporate bonds of the Company are issued unsecured and performed the settlement plan in accordance with the covenants in the prospectus for corporate bonds. According to the covenants in the prospectus for corporate bonds, the Company has settlement safeguards in place, including but are not limited to setting up terms of settlement safeguards undertaking and relief measures for issuer, formulating the Rules for Meeting of Bondholders, entrusting bond manager, establishing a special working group for the settlement, strictly performing the obligations of information disclosure and setting up a special debt repayment account.</p> | <p>The Company strictly performed the various covenants in the prospectus in relation to the investor protection mechanism, paid the interest for the corporate bonds on time, and disclosed relevant information on the Company in a timely manner to protect the legal interest of investors.</p> | <p>No</p> |

7. Other Information on Corporate Bonds

(1) Debt structure of the Company

As at the beginning and the end of the Reporting Period, the interest-bearing debt balance of the Company were RMB282.183 billion and RMB303.663 billion, respectively. During the Reporting Period, the interest-bearing debt balance recorded a year-on-year change of 7.61%.

Unit: 100 million Yuan Currency: RMB

| Type of interest-bearing debts | Time to maturity | | | | Total amount | Proportion of amount to interest-bearing debts |
|--|------------------|-----------------------------|--|------------------------------|--------------|--|
| | Overdue | Within 6 months (inclusive) | 6 months (exclusive) to 1 year (inclusive) | More than 1 year (exclusive) | | |
| Corporate credit bonds | – | 229.17 | 290.21 | 895.81 | 1,415.19 | 46.60% |
| Bank loans | – | – | – | – | – | – |
| Loans from non-bank financial institutions | – | – | – | – | – | – |
| Other interest-bearing debts | – | 1,547.00 | 43.17 | 31.27 | 1,621.44 | 53.40% |
| Total | – | 1,776.17 | 333.38 | 927.08 | 3,036.63 | – |

Note: Other interest-bearing debts include placement from other financial institutions, financial assets sold under repurchase agreements and etc.

The above interest-bearing debts exclude perpetual subordinated bonds that were included in other equity instruments with closing principal amount of RMB25.7 billion and opening principal amount of RMB19.2 billion.

Among the corporate credit bonds of the Company in duration as at the end of the Reporting Period, the balance of corporate bonds was RMB141.519 billion, and a total of RMB42.797 billion of corporate credit bonds will mature or can be sold back between April to December 2024.

(2) Interest-bearing debt structure of the Group

As at the beginning and the end of the Reporting Period, the interest-bearing debt balance of the Group were RMB345.986 billion and RMB385.987 billion, respectively. During the Reporting Period, the interest-bearing debt balance recorded a year-on-year change of 11.56%.

| Type of interest-bearing debts | Time to maturity | | | | Total amount | Proportion of amount to interest-bearing debts |
|--|------------------|-----------------------------|--|------------------------------|--------------|--|
| | Overdue | Within 6 months (inclusive) | 6 months (exclusive) to 1 year (inclusive) | More than 1 year (exclusive) | | |
| Corporate credit bonds | – | 344.24 | 326.05 | 1,168.61 | 1,838.90 | 47.64% |
| Bank loans | – | 114.79 | – | 6.47 | 121.26 | 3.14% |
| Loans from non-bank financial institutions | – | – | – | – | – | – |
| Other interest-bearing debts | – | 1,800.48 | 43.54 | 55.69 | 1,899.71 | 49.22% |
| Total | – | 2,259.51 | 369.59 | 1,230.77 | 3,859.87 | – |

Note: Other interest-bearing debts include placement from other financial institutions, financial assets sold under repurchase agreements and etc.

The above interest-bearing debts exclude perpetual subordinated bonds that were included in other equity instruments with closing principal amount of RMB25.7 billion and opening principal amount of RMB19.2 billion.

Among the corporate credit bonds of the issuer in duration on a consolidated basis as at the end of the Reporting Period, the balance of corporate bonds was RMB141.545 billion, and a total of RMB54.391 billion of corporate credit bonds will mature or can be sold back between April to December 2024.

3. Offshore bonds

As of the end of the Reporting Period, the balance of offshore bonds issued within the scope of the consolidated statements of the issuer was RMB42.346 billion, and the balance of offshore bonds maturing between April and December 2024 was RMB11.590 billion.

4. Balance of non-operating transaction appropriation and capital placements

As at the beginning of the Reporting Period, on a consolidated basis, receivable balance of the transaction appropriation to other parties that were not directly attributable to operation and the capital placements (the “non-operating transaction appropriation and capital placements”) of the Company was RMB281,700.

During the Reporting Period, the addition to and the recovery of non-operating transaction appropriation and capital placements were RMB1,610,400 and RMB1,731,600, respectively. There was no non-compliance of non-operating transaction appropriation and capital placements with relevant agreements or commitments as set out in the prospectuses.

As at the end of the Reporting Period, total outstanding non-operating transaction appropriation and capital placements amounted to RMB160,500, in which there were no appropriation to or capital placements with and from the controlling shareholders, de facto controllers and other related parties. On a consolidated basis, the Company had no outstanding non-operating transaction appropriation and capital placements.

(III) Non-financial corporate debt financing instruments in the inter-bank bond market

During the Reporting Period, the Company did not issue any non-financial corporate debt financing instruments in the inter-bank bond market.

(IV) During the Reporting Period, the Company did not record a loss in the consolidated statements exceeding 10% of the net assets at the end of the previous year

(V) Interest-bearing debt (other than bonds) overdue at the end of the Reporting Period

The Company enjoyed a good reputation, and repaid matured debts and paid interests on time without any overdue debts during the Reporting Period.

For details of the issuance and payment of interest for corporate bonds and debt financing instruments, please refer to “II. The Issuance and Listing of Securities” under “Changes in Shares and Shareholders” in this report and “Interest Payment for Bonds during the Reporting Period” under this section.

(VI) The Impacts of Non-compliance in Laws and Regulations, the Articles of Association, the Management Measures for Information Disclosure and Violation of Relevant Covenants or Undertakings in the Prospectus for Bonds on the Interests of Bond Investors during the Reporting Period

During the Reporting Period, the Company complied with laws and regulations, the Articles of Association and the Management Measures for Information Disclosure, strictly performed its obligations of information disclosure and paid the interest for the bonds on time to protect the legal interest of investors. In addition, the Company strictly performed the relevant covenants or undertakings in the prospectus for corporate bonds, and the usage of the proceeds was in line with the covenants in the prospectus. During the Reporting Period, the Company did not default on the redemption and interest payment of issued bonds, and operated stably with satisfactory earnings and there is no risk of the Company failing to make payments on time in the future.

(VII) Accounting Data and Financial Indicators of the Company for the Past Two Years up to the end of the Reporting Period

| | Unit: Thousand Yuan | | Currency: RMB |
|--|---------------------|----------------------------|------------------------------------|
| Primary indicators | 2023 | 2022 (Adjusted) | Year-on-year change (%) |
| Net profit after extraordinary profit and loss | 12,886,560 | 10,773,592 | 19.61 |
| Current ratio | 1.38 | 1.40 | (1.58) |
| Quick ratio | 1.38 | 1.40 | (1.58) |
| Gearing ratio (%) | 76.05 | 75.81 | Increased by 0.24 percentage point |
| EBITDA to total debt ratio (%) | 6.67 | 6.19 | Increased by 0.48 percentage point |
| Times interest earned | 2.10 | 2.16 | (2.73) |
| Times cash-interest earned | (1.11) | 7.31 | N/A |
| Times interest earned of EBITDA | 2.25 | 2.31 | (2.70) |
| Loan repayment ratio (%) | 100 | 100 | |
| Interest payment ratio (%) | 100 | 100 | |

Note: Customer's funds are not included in the above-mentioned indicators.

II. THE COMPANY HAD NO CONVERTIBLE CORPORATE BONDS

INDEX OF DOCUMENTS FOR INSPECTION

Index of Documents for Inspection Financial statements carrying the signature and seal of the Company's legal representative, person in charge of accounting and head of accounting department

Audit report carrying the seal of the accounting firm and the signature and seal of the certified public accountant

Original copies of all documents and announcements of the Company publicly disclosed during the Reporting Period

Articles of Association

INFORMATION DISCLOSURE OF SECURITIES COMPANIES

I. MAJOR ADMINISTRATIVE APPROVALS OF THE COMPANY

1. Letter on No Objection for Proprietary Participation in Carbon Emissions Trading of Huatai Securities Co., Ltd. (Ji Gou Bu Han [2023] No. 102) dated January 30, 2023.
2. Approval for the Registration of Public Issuance of Short-term Corporate Bonds to Professional Investors by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2023] No. 414) dated February 27, 2023.
3. Approval for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds to Professional Investors by Huatai Securities Co., Ltd. (Zheng Jian Xu Ke [2023] No. 1537) dated July 13, 2023.

APPENDIX

I. MAIN BUSINESS QUALIFICATIONS

The Company was entitled to become the members of the Shanghai Stock Exchange, the Shenzhen Stock Exchange and Beijing Stock Exchange, and Securities Association of China, to engage in the clearing of warrants of China Securities Depository and Clearing Corporation Limited and to participate in the clearing of China Securities Depository and Clearing Corporation Limited. Besides, the Company also has the following main business qualifications:

| No. | Type of License | Approval Department | Years |
|-----|---|--|---------------|
| 1 | National interbank market access qualification | PBOC | January 2000 |
| 2 | Qualification for online entrusted securities brokerage business | CSRC | May 2001 |
| 3 | Qualification for distributing open-end securities investment funds | CSRC | February 2003 |
| 4 | Qualification for entrusted investment management business | CSRC | March 2003 |
| 5 | Value-added telecommunications business license | Jiangsu Communications Administration | July 2004 |
| 6 | Pilot securities firm for relevant innovative activities | Securities Association of China | March 2005 |
| 7 | Qualification for underwriting short-term financing bills | PBOC | August 2005 |
| 8 | License for foreign exchange operation in the securities business | State Administration of Foreign Exchange | November 2006 |
| 9 | Foreign exchange registration certificate for overseas investment | Jiangsu Provincial Bureau of SAFE | December 2006 |
| 10 | Qualification for agency business of stock transfer | Securities Association of China | June 2007 |
| 11 | Qualification of tier-1 dealer on the integrated e-platform for fixed income securities | Shanghai Stock Exchange | August 2007 |
| 12 | Qualified domestic institutional investor (QDII) qualification for overseas securities investment management business | CSRC | December 2007 |
| 13 | Qualification to provide intermediary introduction business for Great Wall Weiye Futures Co., Ltd. | CSRC | April 2008 |
| 14 | Qualified investor qualification in block trade system | Shanghai Stock Exchange | June 2008 |
| 15 | Qualification to incorporate wholly-owned specialized subsidiaries to engage in direct investment business | CSRC | July 2008 |
| 16 | Obtain a stock index futures trading code and a hedging limit | China Financial Futures Exchange | June 2010 |
| 17 | Pilot program of securities margin trading | CSRC | June 2010 |
| 18 | Qualification of the dealer for credit risk mitigation tools and creator for credit risk mitigation certificates | National Association of Financial Market Institutional Investors | December 2010 |

| No. | Type of License | Approval Department | Years |
|-----|---|--|----------------|
| 19 | Change the securities brokerage business (the business in Jiangsu, Shanghai, Zhejiang, Anhui, Shandong, Heilongjiang, Jilin, Liaoning, Beijing, Tianjin, Hebei, Henan, Shaanxi, Shanxi, Ningxia, Inner Mongolia, Gansu, Xinjiang, Qinghai only) within the original business scope to securities brokerage business, change the securities underwriting and sponsorship business (the relevant business on the Shanghai Stock Exchange only) to securities underwriting business (the underwriting of government bonds, debt financing instruments of non-financial enterprises only), and reduce the financial advisory business relating to securities trading and securities investment activities | CSRC | August 2011 |
| 20 | Provide trading seats to insurance institutional investors | China Insurance Regulatory Commission | January 2012 |
| 21 | Pilot program of bonds collateralized quotation repurchase business | CSRC | January 2012 |
| 22 | Bonds collateralized quotation repurchase business | Shanghai Stock Exchange | February 2012 |
| 23 | CSI 300ETF liquidity service provider | Shanghai Stock Exchange | May 2012 |
| 24 | Innovative brokerage deposit business | CSRC | June 2012 |
| 25 | Participate in interest rate swap trading by using the Company's proprietary funds | Jiangsu Securities Regulatory Bureau | August 2012 |
| 26 | Pilot program of margin refinancing | China Securities Finance Corporation Limited | August 2012 |
| 27 | Pilot program of agreed repurchase type securities trading | CSRC | September 2012 |
| 28 | Lead underwriting business for non-financial enterprises debt financing instruments in the interbank market | National Association of Financial Market Institutional Investors | November 2012 |
| 29 | Qualification and transaction code for conducting arbitrage and speculative trading of CSI 300 index-futures | China Financial Futures Exchange | December 2012 |
| 30 | Agency sale of financial products | Jiangsu Securities Regulatory Bureau | January 2013 |
| 31 | Qualification for the agreed repurchase type securities trading business | Shenzhen Stock Exchange | January 2013 |
| 32 | Pilot comprehensive custody business for private funds, which can provide comprehensive custody services, such as asset custody, settlement, computation of net value, investment control, custody report and etc., for private securities investment funds (limited partnership) | Institutional Supervision Department of the CSRC | February 2013 |
| 33 | Qualification of margin refinancing business | China Securities Finance Corporation Limited | February 2013 |
| 34 | Insurance fund investment manager | China Insurance Regulatory Commission | March 2013 |

| No. | Type of License | Approval Department | Years |
|-----|---|--|----------------|
| 35 | Operate recommendation and brokerage business on the National Equities Exchange and Quotations as the lead securities firm | National Equities Exchange and Quotations Company Limited | March 2013 |
| 36 | Qualification to submit filing materials for witnessing the opening of customers' securities accounts | China Securities Depository and Clearing Corporation Limited | April 2013 |
| 37 | Qualification of financial bonds (including policy finance bonds) underwriting business | Jiangsu Securities Regulatory Bureau | June 2013 |
| 38 | Conducting stock pledge-style repo transaction business for securities listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange | Shanghai Stock Exchange and Shenzhen Stock Exchange | June 2013 |
| 39 | Treasury bonds futures business | Jiangsu Securities Regulatory Bureau | September 2013 |
| 40 | Qualification to conduct treasury bonds futures arbitrage and hedging businesses | CSRC and China Financial Futures Exchange | September 2013 |
| 41 | Qualification to conduct asset management share transfer business | Shenzhen Stock Exchange | September 2013 |
| 42 | Qualification to carry out equity return swaps business | Securities Association of China | September 2013 |
| 43 | Qualification to conduct pre-issuance of treasury bonds | Shanghai Stock Exchange | October 2013 |
| 44 | Pass the on-site inspection on stock options | Shanghai Stock Exchange | June 2014 |
| 45 | Operate market-making business on the National Equities Exchange and Quotations as a market maker, namely market-making qualification on the National Equities Exchange and Quotations | National Equities Exchange and Quotations Company Limited | July 2014 |
| 46 | Trial market maker on the interbank market | National Inter-Bank Funding Center | July 2014 |
| 47 | Pilot program of financing by exercising the share incentive scheme business | Shenzhen Stock Exchange | August 2014 |
| 48 | Qualification of capital payment services for clients that could provide various payment services for investors such as deposits collection, mobile recharging, online store consumption, sales return, water fee and credit card payment | Securities Fund Supervision Department of the CSRC | August 2014 |
| 49 | Qualification of custodian for securities investment funds | CSRC | September 2014 |
| 50 | Qualification for pilot operations of Internet-based securities business | Securities Association of China | September 2014 |
| 51 | OTC qualification | Securities Association of China | September 2014 |
| 52 | Qualification to conduct Southbound trading under A Shares trading seats | Shanghai Stock Exchange | October 2014 |
| 53 | Pilot program on the OTC market | Securities Association of China | October 2014 |

| No. | Type of License | Approval Department | Years |
|-----|--|--|---------------|
| 54 | Pilot program of restricted securities lending under share incentive schemes of listed companies | Shenzhen Stock Exchange | December 2014 |
| 55 | Qualification of practicing on an authentic basis and brokerage business for stock option businesses | Shenzhen Stock Exchange | December 2014 |
| 56 | Qualification for stock option trading participant, stock option brokerage and proprietary business trading | Shanghai Stock Exchange | January 2015 |
| 57 | Qualification for stock options market making business | CSRC | January 2015 |
| 58 | Main market maker of SSE 50ETF option contracts | Shanghai Stock Exchange | January 2015 |
| 59 | Qualification of standard interest rate swap and forward centralized settlement of standard bonds | Shanghai Clearing House | April 2015 |
| 60 | Qualification of participating in the net settlement of bond trade | Shanghai Clearing House | April 2015 |
| 61 | Provide private equity with valuation and calculation service, share registration service, sales backstage service support and other outsourcing services, as well as other value-added services derived from the above services | Asset Management Association of China | April 2015 |
| 62 | Qualification of pilot innovative business for one-way video verification of investors' identities | China Securities Depository and Clearing Corporation Limited | June 2015 |
| 63 | Permission to conduct Southbound trading under Shenzhen-Hong Kong stock connect | Shenzhen Stock Exchange | November 2016 |
| 64 | Agency qualification for subscription, purchasing and redeeming of gold ETF in spot | Shanghai Gold Exchange | June 2017 |
| 65 | Pilot program of cross-border business | CSRC | December 2017 |
| 66 | Qualification of tier-1 dealer on OTC options | CSRC | July 2018 |
| 67 | Carry out credit derivatives business | CSRC | December 2018 |
| 68 | Qualification of main market maker of funds listed on the SSE | Shanghai Stock Exchange | January 2019 |
| 69 | Conducting credit protection contract business | Shanghai Stock Exchange | February 2019 |
| 70 | Conducting market making business of treasury bond futures | CSRC | May 2019 |
| 71 | Pilot Program of Foreign Exchange Settlement and Sales Business | State Administration of Foreign Exchange | August 2019 |
| 72 | Conducting credit protection certificate business | Shanghai Stock Exchange | December 2019 |
| 73 | Conducting market making business of commodity options | CSRC | December 2019 |
| 74 | Conducting market making business of stock index options | CSRC | December 2019 |
| 75 | Conducting pilot fund investment advisory business | CSRC | February 2020 |

| No. | Type of License | Approval Department | Years |
|-----|---|--|----------------|
| 76 | Conducting agency for trading of foreign exchange Business | State Administration of Foreign Exchange | July 2020 |
| 77 | Conducting market making business of commodity futures | CSRC | January 2021 |
| 78 | Conducting pilot business of account management function optimization | CSRC | November 2021 |
| 79 | Engaging in “Southbound Trading” business | PBOC | December 2021 |
| 80 | Qualification for tier-1 dealer on commodity swap business | Shanghai Futures Exchange | July 2022 |
| 81 | Qualification for market making and trading business of listed securities | CSRC | September 2022 |

In 2023, the individual business qualifications obtained by the Company mainly include

| | | | |
|---|---|------|--------------|
| 1 | Proprietary participation in carbon emissions trading | CSRC | January 2023 |
|---|---|------|--------------|

II. LIST OF BRANCH OFFICES AND SECURITIES BRANCHES

1. Establishment of Securities Branch Offices of the Company

As of the end of the Reporting Period, the basic information of the establishment of securities branch offices of the Company is as follows:

Unit: Ten Thousand Yuan Currency: RMB

| No | Name | Address | Date of establishment | Registered capital (or working capital) | Zip code | Person in charge | Contact number | Business scope |
|----|------------------|--|-----------------------|---|----------|------------------|----------------|--|
| 1 | Anhui Branch | 6/F & 7/F, Block A, Feili Shidai Square Commercial Complex, No. 310 Suixi Road, Luyang District, Hefei | August 25, 2014 | 10,000 | 230011 | Chen Zhijun | 0551-64297088 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products. |
| 2 | Beijing Branch | Room 1501, 15/F, Block 28, Fengsheng Hutong, Xicheng District, Beijing | May 28, 2010 | 500 | 100032 | Wang Yujie | 010-63211388 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products. |
| 3 | Changzhou Branch | No. 9, North Heping Road, Changzhou | April 16, 2014 | 2,000 | 213003 | Yuan Hongbin | 0519-81006688 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products. |

| No | Name | Address | Date of establishment | Registered capital (or working capital) | Zip code | Person in charge | Contact number | Business scope |
|----|------------------|--|-----------------------|---|----------|------------------|----------------|---|
| 4 | Fujian Branch | Unit 10D, Block A, Tefang Portman Wealth Center, No. 81 Zhanhong Road, Siming District, Xiamen | September 18, 2014 | 2,000 | 361004 | Ren Qiaojian | 0592-5918981 | Securities brokerage; securities investment consulting; agency sale of securities investment funds; margin financing and securities lending business; agency sale of financial products; securities underwriting (limited to ancillary works such as project contracting, project information transmission and recommendation and customer relationship maintenance of underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only). |
| 5 | Guangdong Branch | Units 02 & 03, 36/F, No. 10 Huaxia Road, Tianhe District, Guangzhou | May 19, 2012 | 500 | 510620 | Liu Yong | 020-88830128 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending; agency sale of securities investment funds; agency sale of financial products. |
| 6 | Henan Branch | No. 16, Nongye Road East, Jinshui District, Zhengzhou | April 16, 2014 | 2,000 | 450008 | Fan Hao | 0371-609598336 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |

| No | Name | Address | Date of establishment | Registered capital (or working capital) | Zip code | Person in charge | Contact number | Business scope |
|----|---------------------|---|-----------------------|---|----------|------------------|----------------|---|
| 7 | Heilongjiang Branch | 3/F, Block B, Aocheng International, No. 239 Xuanhua Street, Nangang District, Harbin, Heilongjiang Province | May 28, 2010 | 500 | 150001 | Wang Haibin | 0451-51994000 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products; management of local business departments. |
| 8 | Hubei Branch | 24/F, Unit 6, Building 6-7, Wuhan 1818 Center (Phase 2), No. 109 Zhongbei Road, Shuiguohu Street, Wuchang District, Wuhan | March 19, 2012 | 500 | 430070 | Min Jie | 027-87739318 | Securities brokerage; securities investment consulting; securities underwriting (limited to ancillary works such as project contracting, project information transmission and recommendation and customer relationship maintenance of underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products; management of securities branches at Hubei of Huatai Securities Co., Ltd. |
| 9 | Hunan Branch | Rooms 1301-1305 & 1313-1316, Buildings 4 & 5, Huayuanhua Center, No 36, Section 2, Middle Xiangjiang Road, Tianxin District, Changsha, Hunan Province | May 27, 2014 | 500 | 410015 | Deng Jing | 0731-85120568 | Securities brokerage; securities investment consulting; agency sale of securities investment funds; margin financing and securities lending business; agency sale of financial products; securities underwriting and sponsoring (limited to ancillary works such as project contracting, project information transmission and recommendation and customer relationship maintenance). |

| No | Name | Address | Date of establishment | Registered capital (or working capital) | Zip code | Person in charge | Contact number | Business scope |
|----|-----------------|---|-----------------------|---|----------|------------------|----------------|---|
| 10 | Jiangxi Branch | Shop -3#, No. 101, 1/F, Podium Building, and Nos. 1603, 1604, 1605, 1606, 1607, 16/F, Office Building, Publishing Center, No. 95 Lijing Road, Honggutan District, Nanchang City, Jiangxi Province | November 3, 2014 | 500 | 330002 | Wan Bin | 0791-86600577 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; intermediary introduction business for the futures companies; agency sale of financial products; management of securities branches at Jiangxi. |
| 11 | Liaoning Branch | Units 1, 2, 3 and 4, 15/F, Block B, Enterprise Square, No. 125 Qingnian Street, Shenhe District, Shenyang City, Liaoning Province | June 3, 2011 | 500 | 110004 | Chen Min | 024-31881777 | Securities brokerage; securities investment consulting; margin financing and securities lending business; agency sale of securities investment funds; intermediary introduction business for the futures companies; agency sale of financial products; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only). |
| 12 | Nanjing Branch | No. 90 Zhongshan Road East, Qinhuai District, Nanjing, Jiangsu Province | April 9, 2010 | 2,000 | 210002 | Wang Yansheng | 025-84791077 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |

| No | Name | Address | Date of establishment | Registered capital (or working capital) | Zip code | Person in charge | Contact number | Business scope |
|----|-----------------|--|-----------------------|---|----------|------------------|----------------|---|
| 13 | Nantong Branch | Fangtian Building, No. 6 Yaogang Road, Nantong, Jiangsu Province | May 28, 2010 | 500 | 226000 | Ruan Jing | 0513-85529888 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |
| 14 | Shandong Branch | Rooms 2101 & 2104, 21/F, Block A, Yinfeng Fortune Plaza, No. 1 West Long'ao Road, Lixia District, Jinan City | April 16, 2014 | 2,000 | 250061 | Zhang Feng | 0531-55686555 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |
| 15 | Shanghai Branch | Room 2201, No. 18 Dongfang Road, China (Shanghai) Pilot Free Trade Zone | May 28, 2010 | 500 | 200120 | Lu Chunguang | 021-28972296 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |
| 16 | Shenzhen Branch | 8A, Fund Mansion, No. 5999, Yitian Road, Lianhua Street, Futian District, Shenzhen | March 19, 2012 | 500 | 518048 | Wang Lianfen | 0755-82492098 | Securities brokerage; securities underwriting (limited to contracting); securities investment consulting; margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |

| No | Name | Address | Date of establishment | Registered capital (or working capital) | Zip code | Person in charge | Contact number | Business scope |
|----|----------------|--|-----------------------|---|----------|------------------|----------------|---|
| 17 | Sichuan Branch | Rooms 2503, 2504, 2505, 2506, 2507 and 2508, 25/F, Unit 1, Building 1, China Overseas Chinese Financial Center, No. 33, Jiaozi Avenue, Hitech Zone, Chengdu, China (Sichuan) Pilot Free Trade Zone | May 19, 2012 | 500 | 610091 | Li Hui | 028-8125398 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |
| 18 | Suzhou Branch | 4/F & 5/F, No. 102 Xinshi Road, Canglang District, Suzhou | May 28, 2010 | 500 | 215000 | Liu Xiaobing | 0512-67579666 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |
| 19 | Taizhou Branch | No. 22, Yingchun Road West, Hailing District, Taizhou, Jiangsu Province | August 4, 2014 | 2,000 | 225300 | Liang Qiuming | 0523-86234237 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |

| No | Name | Address | Date of establishment | Registered capital (or working capital) | Zip code | Person in charge | Contact number | Business scope |
|----|------------------|---|-----------------------|---|----------|------------------|----------------|---|
| 20 | Tianjin Branch | Block C-I, 5/F, North Finance Building, No. 5 Youyi Avenue, Hexi District, Tianjin | May 28, 2010 | 500 | 300211 | Li Yijun | 022-59657718 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |
| 21 | Wuxi Branch | No. 325, Jiefang Road West, Wuxi, Jiangsu Province | June 11, 2014 | 2,000 | 214000 | Lu Rong | 0510-82723020 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |
| 22 | Northwest Branch | Room 21401, Unit 2, Building 2, CROSS Wanxianghui, No. 21 Gaoxin Six Road, Zhangba Sub-district Office, High-Tech Zone, Xi'an, Shaanxi Province | August 5, 2019 | - | 710000 | Liu Ming | 029-88811161 | Securities brokerage; securities investment consulting; agency sale of securities investment funds; margin financing and securities lending; agency sale of financial products; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy financial bonds) only). |

| No | Name | Address | Date of establishment | Registered capital (or working capital) | Zip code | Person in charge | Contact number | Business scope |
|----|-----------------|---|-----------------------|---|----------|------------------|----------------|---|
| 23 | Xuzhou Branch | 1-301# to 1-308#, Building B, Baolong Square, No. 99 Heping Road, Yunlong District, Xuzhou City | April 16, 2014 | 2,000 | 221001 | Li Gang | 0516-85602988 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |
| 24 | Yancheng Branch | Room 201, Building 6, Financial City, No. 5 Century Avenue, Yancheng City | March 24, 2014 | 2,000 | 224002 | Zhang Tingwen | 0515-88216888 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |
| 25 | Yangzhou Branch | No. 406, Wenchang Middle Road, Guangling District, Yangzhou | August 4, 2014 | 2,000 | 225001 | Ji Chunbo | 0514-82196688 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |

| No | Name | Address | Date of establishment | Registered capital (or working capital) | Zip code | Person in charge | Contact number | Business scope |
|----|------------------|--|-----------------------|---|----------|------------------|----------------|---|
| 26 | Yunnan Branch | 6/F, Block C, Dushi Mingyuan Community, Middle Renmin Road, Kunming, Yunnan Province | February 25, 2014 | 500 | 650021 | Yin Tianshui | 0871-65951973 | Securities brokerage; securities investment consulting; agency sale of securities investment funds; margin financing and securities lending business; agency sale of financial products; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only). |
| 27 | Zhejiang Branch | Rooms 2801-2808, Xingguangcheng, No.1766 Binsheng Road, Changhe Street, Binjiang District, Hangzhou, Zhejiang Province | March 25, 2013 | 500 | 310052 | Fei Yangwen | 0571-86698700 | Securities brokerage; securities investment consulting; agency sale of securities investment funds; margin financing and securities lending business; agency sale of financial products; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only). |
| 28 | Zhenjiang Branch | Rooms 101, 201 and 301, Building 1, Huangshan Yaju, No. 6 Huangshan South Road, Zhenjiang, Jiangsu Province | March 24, 2014 | 2,000 | 212000 | Wang Jixiang | 0511-85037099 | Securities brokerage; securities investment consulting; securities underwriting (limited to underwriting of government bonds, debt financing instruments of non-financial enterprises and financial bonds (including policy-bank bonds) only); margin financing and securities lending business; agency sale of securities investment funds; agency sale of financial products. |

2. *Number and Distribution of Securities Branches of the Company*

As of the end of the Reporting Period, the number and distribution of securities branches of the Company are as follows:

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|-----------|--|---|----------|---|--|
| 1 | Anhui | Hefei | Securities Branch in Xiyou Road, Hefei | 1/F, Building 5, Commercial Building of Yiyuan Shijia, No. 888 Xiyou Road, Bijiaoshan Street, Shushan District, Hefei City, Anhui Province | 230022 | Li Jing | 0551-65175008 |
| 2 | | | Securities Branch in Chuangxin Road, Hefei | 4F, Block C, Chuangxin Department, No. 2760, Chuangxin Road, High-tech District, Hefei City, Anhui Province | 230088 | Fan Huijuan | 0551-62686969 |
| 3 | | Ma'anshan | Securities Branch in Hudong Middle Road, Ma'anshan | No. 1046, Hudong Middle Road, Huashan District, Ma'anshan City | 243000 | Gao Guosheng | 0555-2963619 |
| 4 | | Chuzhou | Securities Branch in Fengle Avenue, Chuzhou | Nos. 1112 & 1114, Commercial Block S3, No. 1118 Fengle Avenue (Yutianxia South Garden), Chuzhou City, Anhui Province | 239001 | Lu Rudong | 0550-3019976 |
| 5 | | Tongling | Securities Branch in Huaihe Avenue, Tongling | Shop 142, 1/F, No. 203A, 2/F, Huijin Building, Tongling Trade Building, Middle Section of Huaihe Avenue, Tongguan District, Tongling City, Anhui Province | 244000 | Hu Jing | 0562-2801988 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|------------------|---------|---|---|----------|---|--|
| 6 | Beijing 7 | Beijing | Securities Branch in Dongsanhuan North Road, Beijing | Units 101 (inside 102), 201, 1-2/F, Building 27, Dongsanhuan North Road, Chaoyang District, Beijing | 100062 | Tang Shengrui | 010-59725337 |
| 7 | | | Securities Branch in Suzhou Street, Beijing | Rooms 901, 902, 903, 911, 912, 9/F, Weiya Building, No. 29 Suzhou Street, Haidian District, Beijing | 100080 | Zhang Zhiqun | 010-62523799 |
| 8 | | | Securities Branch in International Finance and Economy Center, Xisanhuan, Beijing | 103, 1/F and 403, 404, 405, 4/F, No. 87 Xisanhuan North Road, Haidian District, Beijing | 100048 | Chen Xi | 010-68733708 |
| 9 | | | Securities Branch in Yonghe Temple, Beijing | Room 501, 5/F, Block F, Room 116, 1/F, & Room 216, 2/F, Block D, No. 28 Andingmen East Street, Dongcheng District, Beijing | 100007 | Zhao Youqiang | 010-84273989 |
| 10 | | | Securities Branch in Yuetan South Street, Beijing | 3/F Wanfeng Yihe Business Club, No. 12A Yuetan South Street, Xicheng District, Beijing | 100045 | Yang Junpeng | 010-68058688 |
| 11 | | | Securities Branch in Xueyuan South Road, Beijing | Room 107, 1/F, Room 309, 3/F, No. 62 Xueyuan South Road, Haidian District, Beijing | 100081 | Liu Zhifen | 010-82263313 |
| 12 | | | Securities Branch in Tianchen East Road, Beijing | No. D1003, 10/F (inside 101), 1/F, Building 1, No. 1 Yard, Tianchen East Road, Chaoyang District, Beijing | 100081 | Wang Xiaodan | 010-84274002 |
| 13 | Inner Mongolia 3 | Baotou | Securities Branch in Huanghe Street, Baotou | No. 87, Huanghe Street, Xitu Hightech Zone, Baotou City, Inner Mongolia Autonomous Region | 014040 | Cao Mingdong | 0472-4136027 |
| 14 | | | Securities Branch in Gangtie Street, Baotou | 2/F, No. 15 Gangtie Street, Qingshan District, Baotou City, Inner Mongolia Autonomous Region | 014010 | Ma Xiaoju | 0472-6867886 |
| 15 | | Hohhot | Securities Branch in Xinhua East Street, Saihan District, Hohhot | Room 1707, 17/F, Block A, Wanda Plaza Complex, No. 26, Xinhua East Street, Saihan District, Hohhot City, Inner Mongolia Autonomous Region | 010010 | Qi Hong | 0471-3251997 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|--------------|---|---|----------|---|--|
| 16 | Hebei 1 | Shijiazhuang | Securities Branch in Ziqiang Road, Shijiazhuang | Unit 0-103A, Commercial Podium of Office Building (1/F), Zhongjiao Fortune Center T1/T2, No. 118 Ziqiang Road, Qiaoxi District, Shijiazhuang City, Hebei Province | 050051 | Han Jiancai | 0311-66788203 |
| 17 | Fujian 4 | Fuzhou | Securities Branch in North Wuyi Road, Fuzhou | 19/F, Block 3, Zhengxiang Center, No. 153 North Wuyi Road, Shuibu Street, Gulou District, Fuzhou City | 350009 | Wei Xiang | 0591-88037887 |
| 18 | | Quanzhou | Securities Branch in Jinhuai Street, Quanzhou | Units 705-707, Building 1, Zhongjun Square, No. 16 Jinhuai Street, Fengze District, Quanzhou, Fujian Province | 362000 | Jiang Yongjun | 0595-22187188 |
| 19 | | Xiamen | Securities Branch in Xiahe Road, Xiamen | Rooms 201 & 202, Unit One, Block B, Haiyi Building, No. 668 Xiahe Road, Siming District, Xiamen City | 361004 | Lv Yuexiang | 0592-2997398 |
| 20 | | Zhangzhou | Securities Branch in Shuixian Avenue, Zhangzhou | Room 101, Room 403, Room 404, Building B, No. 88 Shuixian Street, Longwen District, Zhangzhou City, Fujian Province | 363000 | Liu Huafeng | 0596-2900350 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|-----------|-----------|---|--|----------|---|--|
| 21 | Guangdong | Foshan | Securities Branch in Denghu East Road, Foshan | Units 1203-1206, 12/F, Huaya Financial Center, No. 8 Denghu East Road, Guicheng Street, Nanhai District, Foshan City (subject to domicile declaration) | 528200 | Yang Siyu | 0757-29808978 |
| 22 | | Guangzhou | Securities Branch in Zhujiang West Avenue, Guangzhou | 17/F (self-edited rooms 05, 06 and 07), No. 15 Zhujiang West Avenue, Tianhe District, Guangzhou City | 510000 | Zheng Chengbin | 020-37279969 |
| 23 | | | Securities Branch in Pazhou Avenue, Guangzhou | Rooms 2304, 2305, 2306 and 2307, No. 109 Pazhou Avenue, Haizhu District, Guangzhou City | 510440 | Zhu Daoming | 020-39213388 |
| 24 | | | Securities Branch in Middle Guangzhou Avenue, Guangzhou | Rooms 3205 and 3206, No. 307 Middle Guangzhou Avenue, Yuexiu District, Guangzhou City | 510220 | Liu Li | 020-84133637 |
| 25 | | | Securities Branch in Huanshi East Road, Guangzhou | Rooms S1201 & 1218-23, 12/F, South Tower, No. 371-375 Huanshi East Road, Yuexiu District, Guangzhou City, Guangdong Province | 510060 | Cheng Feng | 020-83853823 |
| 26 | | | Securities Branch in Xingmin Road, Guangzhou | Rooms 906-911, No. 222-3, Xingmin Road, Tianhe District, Guangzhou | 510620 | Lin Hao | 020-89286707 |
| 27 | | | Securities Branch in Tianhecheng, Guangzhou | Units 03-1, 05, 06 and 07, 36/F, Yuehai Tianhecheng Building (namely, Tianhecheng East Tower), No. 208 Tianhe Road, Tianhe District, Guangzhou City | 510620 | Tang Jia | 020-22031389 |
| 28 | | | Securities Branch in Yuncheng West Road, Guangzhou | Rooms 4002, 4003 & 4004, No. 888 Yuncheng West Road, Baiyun District, Guangzhou City | 510420 | Luo Fanglin | 020-86273767 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|-----------|--|---|----------|---|--|
| 29 | | Zhongshan | Securities Branch in Zhongshan Fifth Road, Zhongshan | No. 2 of Unit 01, 1/F, Block 3, Zima Benteng Square, No. 2 Zhongshan Fifth Road, Eastern District, Zhongshan City | 528403 | Liao Xiwu | 0760-89823338 |
| 30 | | Shantou | Securities Branch in Changping Road, Shantou | Rooms 103 and 202, North Tower, China Resources Building, No. 95 Changping Road, Longhu District, Shantou City, Guangdong Province | 515041 | Chen Yu | 0754-89898179 |
| 31 | | Shenzhen | Securities Branch in Qianhai, Shenzhen | Rooms 101, 102, 201, 202, 301 and 402, Building B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan Fifth Road, Nanshan Sub-district, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen City | 518031 | Cheng Tao | 0755-25889919 |
| 32 | | | Securities Branch in Caitian Road, Shenzhen | 1/F & 2/F, Block 3, Fuyuan Building, No. 2014-9 Caitian Road, Futian District, Shenzhen City | 518026 | Ma Jianmin | 0755-82993655 |
| 33 | | | Securities Branch in China Resources Building, Keyuan South Road, Shenzhen | Rooms L1805 & L1806, China Resources Building, No. 2666 Keyuan South Road, Haizhu Community, Yuehai Sub-district, Nanshan District, Shenzhen | 518059 | Li Xiaoshan | 0755-86270363 |
| 34 | | | Securities Branch in Longgang Avenue, Shenzhen | 101S & 102S, Block 2, Vanke Times Square, Shangjing Community, Longcheng Subdistrict, Longgang District, Shenzhen City (at the junction of Longgang Avenue and Longcheng Avenue) | 518172 | Ye Qing | 0755-85205902 |
| 35 | | | Securities Branch in Baidu International Building, Keyuan Road, Shenzhen | 33/F, East Tower, Baidu International Building, Xuefu Road East, Yuehai Street, Nanshan District, Shenzhen City | 518040 | Gao Jian | 0755-82531008 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|------|--|--|----------|---|--|
| 36 | | | Securities Branch in Shennan Avenue, Shenzhen | Room 2501A, Block B, Phase I Donghai International Center, No. 7888 Shennan Road, Donghai Community, Xiangmihu Street, Futian District, Shenzhen City | 518040 | Cao Mengming | 0755-82719339 |
| 37 | | | Securities Branch in China Resources Land Building, Shennan Avenue, Shenzhen | Rooms 2904, 2905 and 2906, Block D, China Resources Land Building, No. 19 Kefa Road, Dachong Community, Yuehai Sub-district, Nanshan District, Shenzhen | 518057 | Song Tao | 0755-25870808 |
| 38 | | | Securities Branch in Hongli Road, Shenzhen | BC, 9/F, Block A, CIS Commercial Center, No. 1061 Xiangmei Road, Xiangmihu Street, Futian District, Shenzhen City | 518000 | Gu Guoxu | 0755-82027636 |
| 39 | | | Securities Branch in Fund Building, Shennan Avenue, Shenzhen | 8B, Fund Building, No. 5999 Yitian Road, Lianhua Street, Futian District, Shenzhen City | 518053 | Xiao Kang | 0755-23819115 |
| 40 | | | Securities Branch in Rongchao Business Center, Yitian Road, Shenzhen | Rooms 2201-2212 & 2501-2512, Building A, Rongchao Business Center, No. 6003 Yitian Road, Fuxin Community, Lianhua Street, Futian District, Shenzhen City | 518026 | Wu Sheng | 0755-83767319 |
| 41 | | | Securities Branch in Yitian Road, Shenzhen | Flats 02, 03, 04, 17/F, China Travel Service HK Building, No. 4011 Shennan Avenue, Futian District, Shenzhen City | 518048 | Shen Jiayan | 0755-82766159 |
| 42 | | | Securities Branch in Zhuzilin 4th Road, Shenzhen | Units 04 and 05, 70/F, Ping An Finance Center, No. 5033 Yitian Road, Fu'an Community, Futian Street, Futian District, Shenzhen City | 518041 | Wang Shaolian | 0755-369960908 |
| 43 | | | Securities Branch in Zhongxin Road, Houhai, Shenzhen | Units 1203, 1205 and 1206, Xizhilang Building, No. 3033 Zhongxin Road, Weilan Coast Community, Yuehai Street, Nanshan District, Shenzhen | 518048 | Chen Shun | 0755-27247971 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|-----------|-----------|--|--|----------|---|--|
| 44 | Guangxi 2 | Nanning | Securities Branch in Minzu Avenue, Nanning | Rooms 702-704, 7/F, South Office Building, Nanning China Resources Center, No. 136-5, Minzu Avenue, Qingxiu District, Nanning | 530029 | Wu Shiyan | 0771-5570215 |
| 45 | | Wuzhou | Securities Branch in Xidi 3rd Road, Wuzhou | Business office No. 3-2 and business apartment Nos. 2801-2809, 1/F, No. 19 Xidi 3rd Road, Wuzhou City | 543002 | Qin Shumin | 0774-3862288 |
| 46 | Hainan 2 | Haikou | Securities Branch in Guoxing Road, Haikou | Room 3807, 38/F, New Hainan Building, No. 5 Guoxing Road, Meilan District, Haikou City, Hainan Province | 570102 | He Ruijin | 0898-66202789 |
| 47 | | Sanya | Securities Branch in Yingbin Road, Sanya | Unit 1201, Yangguang Financial Square, No. 360-1 Yingbin Road, Jiyang District, Sanya City, Hainan Province | 572021 | Zhao Yang | 0898-88211669 |
| 48 | Shanxi 1 | Taiyuan | Securities Branch in Changzhi Road, Taiyuan | Room 301, 3/F, Block C, Juxin International, No. 331 Changzhi Road, Xuefu Industrial Park, Shanxi Transformation Comprehensive Reform Demonstration Zone | 030001 | Wang Guoqi | 0351-7775553 |
| 49 | Henan 3 | Zhengzhou | Securities Branch in Jingsan Road, Zhengzhou | Guanghai Building, No. 15, Jingsan Road, Jinshui District, Zhengzhou City | 450003 | Yu Dong | 0371-65585009 |
| 50 | | | Securities Branch in Nongye Road, Zhengzhou | No. 101, Floors 1-2, Building 1, No. 16, East Nongye Road, Jinshui District, Zhengzhou City | 450000 | Zhou Rui | 0371-60958371 |
| 51 | | | Securities Branch in Ruyi West Road, Zhengzhou | Nos.107 & 305, Kailin Building, No. 99 Ruyi West Road, Zhengzhou District (Zhengdong), Henan Pilot Free Trade Zone | 450008 | Xia Mengfei | 0371-58670567 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|--------------|------------|---|--|----------|---|--|
| 52 | Heilongjiang | Harbin | Securities Branch in West 16th Street, Harbin | No. 15, West 16th Street, Daoli District, Harbin City, Heilongjiang Province | 150010 | Li Yan | 0451-51531355 |
| 53 | | | Securities Branch in Xuanhua Street, Harbin | Floors 1-2, Block B, Aocheng International, No. 239, Xuanhua Street, Nangang District, Harbin City | 150001 | Wang Qishen | 0451-51998768 |
| 54 | | Mudanjiang | Securities Branch in Xiyitiao Road, Mudanjiang | No. 236, Xiyitiao Road, Xi'an District, Mudanjiang City, Heilongjiang Province | 157001 | Ma Xiuhui | 0453-8111898 |
| 55 | | Suihua | Securities Branch in Zhengyang Street, Zhaodong, Suihua | Zhengyang South 10th Street, No. 3, Zhaodong, Suihua City, Heilongjiang Province (Office of ICBC Zhaodong Branch on the 2/F) | 151100 | Sun Peng | 0455-8182228 |
| 56 | | Daqing | Securities Branch in Xinchao Street, Daqing | Commercial Service Building S10, Xinchao Jiayuan Community Phase I, Ranghulu District, Daqing City, Heilongjiang Province | 163400 | Zheng Ye | 0459-8971477 |
| 57 | Jilin | Changchun | Securities Branch in Minkang Road, Changchun | No. 855, Minkang Road, Nanguan District, Changchun City | 130041 | Cheng Bo | 0431-81910599 |
| 58 | | | Securities Branch in Ziyou Avenue, Changchun | No. 1000, Ziyou Avenue, Chaoyang District, Changchun City | 130021 | Guo Jiayin | 0431-81919187 |
| 59 | Jilin | Jilin | Securities Branch in Jiefang East Road, Jilin City | Branch No. 7, Dongchang Complex Building 2, No. 62 Jiefang East Road, Changyi District, Jilin City, Jilin Province | 132001 | Zhou Laiying | 0432-65128799 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|----------|---|--|----------|---|--|
| 60 | Hubei | Xiaogan | Securities Branch in Zijin Road, Anlu | No. 1, Zijin Road, Anlu City, Hubei Province | 432600 | Zou Yizhao | 0712-5231718 |
| 61 | | | Securities Branch in Xiyue Avenue, Dawu | Xiyue Avenue, Dawu County, Hubei Province | 432800 | Chen Junhong | 0712-7226466 |
| 62 | | | Securities Branch in Xiannv Avenue, Hanchuan | No. 215, Xiannv Avenue, Hanchuan City, Hubei Province | 431600 | Si Guoyao | 0712-8296358 |
| 63 | | | Securities Branch in Changzheng Road, Xiaogan | No. 29, Changzheng Road, Xiaogan City, Hubei Province | 432000 | Zhang Hongkai | 0712-2326827 |
| 64 | | | Securities Branch in West Main Street, Yingcheng | Shop 20, Gucheng Xindu, Gucheng Avenue, Chengzhong Street, Yingcheng City, Xiaogan City, Hubei Province | 432400 | Pan Jianping | 0712-3226017 |
| 65 | | | Securities Branch in Chaoyang Road, Yunmeng | No. 1, Chaoyang Road, Yunmeng County, Hubei Province | 432500 | Long Nina | 0712-4338338 |
| 66 | | Enshi | Securities Branch in Jingui Avenue, Enshi | No. 15, Jingui Avenue, Enshi City, Hubei Province | 445000 | Feng Bo | 0718-8237528 |
| 67 | | | Securities Branch in Yezhou Avenue, Jianshi | No. 109, Yezhou Avenue, Yezhou Town, Jianshi County | 445300 | Chen Yan | 0718-3230098 |
| 68 | | | Securities Branch in Chutian Road, Badong | No. 5 Chutian Road, Badong County, Enshi Tujia and Miao Autonomous Prefecture, Hubei Province | 444300 | Zhang Zhenqian | 0718-8239026 |
| 69 | | | Securities Branch in Fengxiang Avenue, Laifeng | No. 87, Fengxiang Avenue, Laifeng County | 445700 | Zhou Bingjie | 0718-6288118 |
| 70 | | | Securities Branch in Nanbin Avenue, Lichuan | Rooms 106 and 107, Block 8, Nanbin Garden, No. 66 Nanbin Avenue, Group 1, Wangjiawan Village, Dongcheng Subdistrict Office, Lichuan City | 445400 | Qin Xiqiong | 0718-7283339 |
| 71 | | Jingzhou | Securities Branch in Middle Jiangjin Road, Jingzhou | No. 14, Floor 1-2, Building 2, Xiangxie Lidu, Middle Jiangjin Road, Shashi District, Jingzhou City | 434000 | Zhou Wenting | 0716-8249551 |
| 72 | | | Securities Branch in Bijjashan Road, Shishou | No. 88, Bijjashan Road, Xiulin Agency, Shishou City | 434400 | Zuo Feng | 0716-7282593 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|-----------|--|---|----------|---|--|
| 73 | | Shiyan | Securities Branch in Chaoyang Middle Road, Shiyan | No. 29, Chaoyang Middle Road, Maojian District, Shiyan City | 442000 | Zhang Xingxin | 0719-8688188 |
| 74 | | Wuhan | Securities Branch in Minzu Avenue, Wuhan | No. 1 Minzu Avenue, Hongshan District, Wuhan City | 430074 | Xu Hui | 027-87575660 |
| 75 | | | Securities Branch in Jiangnan Road, Wuhan | R1, 1/F and R1-R3, 2/F, Shipping International Plaza, No. 250 Jiangnan Road, Jiang'an District, Wuhan City | 430032 | Li Pan | 027-83632286 |
| 76 | | | Securities Branch in Youyi Avenue, Wuhan | Rooms 03 and 04, 1/F, Unit 3, Building 1, Vanke Jinyu Huafu, No. 29 Fangji Road, Yangyuan Street, Wuchang District, Wuhan City | 430080 | Wang Kai | 027-86880966 |
| 77 | | | Securities Branch in Gaoxin Avenue, Wuhan | A103-A111, 1/F and A205-A208, 2/F, Tower A, Huigu Building, No. 768 Gaoxin Avenue, Donghu New Technology Development Zone, Wuhan City | 430060 | Li Qiaoni | 027-88133377 |
| 78 | | | Securities Branch in Wuluo Road, Wuhan | Room 1F-21, 1/F and Room 5-13, 15/F, Building 3, Disiman International Center, No. 421, Wuluo Road, Wuchang District, Wuhan City | 430070 | Liu Hongyan | 027-87816068 |
| 79 | | | Securities Branch in Xinhua Road, Wuhan | No. 314, Xinhua Road, Jiangnan District, Wuhan City | 430015 | Zhang Feng | 027-85558889 |
| 80 | | Xiangyang | Securities Branch in Changhong North Road, Xiangyang | No. 19, Changhong North Road, Hightech Zone, Xiangyang City | 441000 | Zhang Suicui | 0710-3278298 |
| 81 | | Huanggang | Securities Branch in Dongmen Road, Huanggang | Shops 101 & 102, 1/F and No. 201, 2/F, Building 8, No. 91-36 Dongmen Road, Huangzhou District, Huanggang City, Hubei Province | 438000 | Ning Yi | 0713-8613915 |
| 82 | | | Securities Branch in Minzhu Road, Wuxue | Shops 101-104 and 201-203, Building 3, Guoding Mansion, No. 138-17 Minzhu Road, Wuxue City, Hubei Province | 435400 | Xu Jian | 0713-6758589 |
| 83 | | | Securities Branch in Ronghui Road, Macheng | No. 33, Ronghui Road, Macheng City, Hubei Province | 438300 | Zou Rui | 0713-2772385 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|------------|-----------|---|--|----------|---|--|
| 84 | | Yichang | Securities Branch in Zilong Road, Dangyang | No. 59, Zilong Road, Dangyang City, Hubei Province | 444100 | Wang Zhenpeng | 0717-3252238 |
| 85 | | | Securities Branch in Xiling First Road, Yichang | No. 10, Xiling First Road, Yichang City | 443000 | Wang Lin | 0717-6237358 |
| 86 | | | Securities Branch in Changjiang Avenue, Yidu | No. 167, Changjiang Avenue, Lucheng, Yidu City | 443300 | Hu Dewen | 0717-4836899 |
| 87 | | | Securities Branch in Park Road, Zhijiang | Junction of Tuanjie Road and Park Road, Majiadian, Zhijiang City | 443200 | Yang Run | 0718-4200539 |
| 88 | Hunan 3 | Changsha | Securities Branch in Furong Middle Road, Changsha | Units 30028-30032, Fuxing Commercial Plaza, No. 303, Section 1, Furong Middle Road, Kaifu District, Changsha City, Hunan Province | 410007 | Tang Jingyu | 0731-85561098 |
| 89 | | Yueyang | Securities Branch in Tianyue Avenue, Pingjiang, Yueyang | Beside to the Local Tax Bureau, Tianyue Avenue, Pingjiang County, Yueyang City | 414500 | Chen Muyuan | 0730-6297006 |
| 90 | | | Securities Branch in Wulipai, Yueyang | 3/F, Jiamei Building, Wulipai, Yueyang City | 414000 | Chen Siyuan | 0730-8240599 |
| 91 | Jiangxi 3 | Nanchang | Securities Branch in Supu Road, Nanchang | No. 111, Supu Road, Donghu District, Nanchang City, Jiangxi Province | 330006 | Wu Di | 0791-86270340 |
| 92 | | | Securities Branch in Fenghe Middle Avenue, Nanchang | North side of Room 104 and Room 204, No. 2 Office and Commerce Building, Xinghehui Business Center, No. 1333 Fenghe Middle Avenue, Honggutan New District, Nanchang City, Jiangxi Province | 330100 | Han Tao | 0791-83751699 |
| 93 | | Ganzhou | Securities Branch in M&A Fund Park, Ganzhou | Shops 1-1, 1-10, 2-1 and 2-10, Building 1, Yangming International Center, Zhangjiang New Zone, Zhanggong District, Ganzhou City, Jiangxi Province | 341000 | Liu Jingwei | 0797-5886858 |
| 94 | Jiangsu 92 | Changzhou | Securities Branch in Dongheng Street, Changzhou | No. 2, Dongheng Street, Changzhou City | 213003 | Yang Lu | 18106123792 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|--------|---|---|----------|---|--|
| 95 | | | Securities Branch in Heping North Road, Changzhou | No. 9, Heping North Road | 213000 | Jing Wei | 0519-85522173 |
| 96 | | | Securities Branch in Taihu East Road, Changzhou | Nos. 1-10, 11, 12, 26, 27 and 28, Fuchen Park, Taihu East Road, Xinbei District, Changzhou City | 213000 | Yan Yao | 0519-86921660 |
| 97 | | | Securities Branch in Huayuan Street, Changzhou | A-101 and 201, No. 137 Huayuan Street, Wujin District, Changzhou City, Jiangsu Province | 213159 | Zou Wenjuan | 0519-81000818 |
| 98 | | | Securities Branch in Nanhuan First Road, Jintan | Nos. 109, 110, 111 and 112, Building 1, Binhe Xingcheng, Jintan District, Changzhou City | 213200 | Yao Haitang | 0519-82696969 |
| 99 | | | Securities Branch in South Street, Liyang | No. 91, South Street, Liyang City | 213300 | Shi Yuefeng | 18961106969 |
| 100 | | Huaian | Securities Branch in East Huahai Road, Huaian | Shops 1004-1006, and Rooms 801-814, Building 1, Huifeng Central Plaza, Huaian City | 223301 | Hu Xi | 0517-83907888 |
| 101 | | | Securities Branch in Chengde North Road, Huaiyin, Huaian | Rooms 2, 3, 4, Building 2, Chengde Mansion, Huaiyin District, Huaian City | 223300 | Yu Le | 0517-84908988 |
| 102 | | | Securities Branch in Hongri Avenue, Lianshui, Huaian | Rooms 103 and 104, Building Z02, Xin Lian Yi Pin, Zhong Lian One City, Lianshui County, Huaian | 223400 | Yang Fei | 0517-82660908 |
| 103 | | | Securities Branch in Xiangyu Avenue, Huai'an District, Huaian | No. 1007 Xiangyu Avenue, Huaian District, Huaian City | 223200 | Li Naigen | 0517-85198077 |
| 104 | | | Securities Branch in Huaihe East Road, Xuyi, Huaian | No. 45, Huaihe East Road, Xucheng Town, Xuyi County, Huaian City, Jiangsu Province | 211700 | Kang Le | 0517-88219875 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|---------|---|---|----------|---|--|
| 105 | | Nanjing | Securities Branch in Zhenzhu South Road, Lishui | Room 6, Building 109, Guangcheng Oriental City, No. 99 Zhenzhu South Road, Yongyang Town, Lishui District, Nanjing City | 211200 | Li Guangxiang | 025-56235323 |
| 106 | | | Securities Branch in Qingliangmen Street, Nanjing | Room 1901, No. 39 Qingliangmen, Gulou District, Nanjing City | 210036 | Zhang Haiqiao | 025-86586116 |
| 107 | | | Securities Branch in Changjiang Road, Nanjing | 1/F & 2/F, No. 99 Changjiang Road, Nanjing City | 210005 | Xing Qin | 025-84798478 |
| 108 | | | Securities Branch in Baota Road, Gaochun, Nanjing | No. 188-6, Baota Road, Chunxi Town, Gaochun District, Nanjing City, Jiangsu Province | 211300 | Jiang Lai | 025-56816719 |
| 109 | | | Securities Branch in Wenlan Road, Nanjing | No. 6, Wenlan Road, Xianlin University Town, Qixia District, Nanjing | 210024 | Li Boyang | 025-58010075 |
| 110 | | | Securities Branch in Lushan Road, Nanjing | No. 168, Lushan Road, Jianye District, Nanjing City | 210029 | Jiang Xianming | 025-83539789 |
| 111 | | | Securities Branch in Minzhi Road, Nanjing | 12/F, Block N, Nanjing Zendai Hima Centre, No. 2 Minzhi Road, Yuhuatai District, Nanjing | 210002 | Li Guoping | 025-86895618 |
| 112 | | | Securities Branch in Tianyuan East Road, Jiangning, Nanjing | Rooms 801-805, Building 8, Fortune Plaza II, No. 228 Tianyuan East Road, Chunhua Street, Jiangning, Nanjing City | 211100 | Hou Jiarui | 025-83389130 |
| 113 | | | Securities Branch in Daguang Road, Nanjing | Room 202A, Guanghua Building, No. 39 Daguang Road, Qinhuai District, Nanjing City | 210016 | Li Ying | 025-84636866 |
| 114 | | | Securities Branch in Xiongzhou West Road, Liuhe, Nanjing | 9/F, Building 1, No. 12 Xiongzhou West Road, Xiongzhou Street, Liuhe District, Nanjing City | 211500 | Xie Xiangshun | 025-57115051 |
| 115 | | | Securities Branch in Ningshuang Road, Nanjing | 12/F, Building A, Yunmi City, No. 19 Ningshuang Road, Yuhuatai District, Nanjing City, Jiangsu Province | 210007 | Xu Minfeng | 025-84480958 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|----------|---|---|----------|---|--|
| 116 | | | The Second Securities Branch in Zhongshan East Road, Nanjing | Room 801, Panda Building, No. 301 Zhongshan East Road, Xuanwu District, Nanjing City | 210008 | Yang Haikun | 025-84701234 |
| 117 | | | Securities Branch in Zhimaying, Nanjing | No. 26, Zhimaying, Nanjing City | 210004 | Chu Dongbing | 025-52210618 |
| 118 | | | Securities Branch in Zhonghua Road, Nanjing | No. 255, Zhonghua Road, Nanjing City, Jiangsu Province | 210001 | Wang Huan | 025-52230208 |
| 119 | | | Securities Branch in Huatai Securities Building, East Zhongshan Road, Nanjing | 25/F, No. 90 East Zhongshan Road, Qinhuai District, Nanjing | 210009 | Xu Yiping | 025-84718112 |
| 120 | | | Securities Branch in Zhenghe Middle Road, Nanjing | Room 902, 9/F, Building D, Nanjing Yangtze River International Shipping Center, No. 118, Zhenghe Middle Road; No. 3-15-2, Yongning Street, Gulou District, Nanjing | 210003 | Zhang Anzhong | 025-83539292 |
| 121 | | | Securities Branch in Suyuan Avenue, Jiangning District, Nanjing | South Side of 1/F, Block A1, Jiangning Jiulonghu International Corporate Headquarters Park, No. 19 Suyuan Avenue, Jiangning Economic and Technological Development Zone, Nanjing City | 210037 | Tao Kan | 025-83581116 |
| 122 | | | Securities Branch in Pukou Avenue, Nanjing | Room 3004, Building 1, No. 11 Pukou Avenue, Jiangpu Street, Pukou District, Nanjing | 210032 | Ma Qiaoping | 025-83176012 |
| 123 | | Nan Tong | Securities Branch in Changjiang Road, Haimen | No. 231, Changjiang Road, Haimen Town, Haimen City, Jiangsu Province | 226100 | Xu Ke | 0513-82227766 |
| 124 | | | Securities Branch in Middle Changjiang Road, Hai'an, Nantong | No. 93, Middle Changjiang Road, Hai'an Town, Hai'an County, Nantong City, Jiangsu Province | 226600 | Zhai Jiping | 0513-88856678 |
| 125 | | | Securities Branch in Gongnong Road, Nantong | Rooms 2404-2405, South Building, Harmony City, No. 57 Gongnong Road, Nantong City | 226000 | Sha Fei | 0513-85126758 |
| 126 | | | Securities Branch in Middle Renmin Road, Nantong | East half of the 2/F, Jinxin Building, No. 79, Middle Renmin Road, Chongchuan District, Nantong City | 226001 | Fan Ying | 0513-85123188 |
| 127 | | | Securities Branch in Jianghai Road, Rudong, Nantong | Southern section of the 4/F, Room 101, Zhongyang Plaza, No. 2 East Jianghai Road, Chengzhong Street, Rudong County | 226400 | Shi Shushu | 0513-84883333 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|--------|--|---|----------|---|--|
| 128 | | | Securities Branch in Shanghai East Road, Nantong | Room 101, Block 2, Jinhaiyuan, Development Zone, Nantong City | 226009 | Zhu Bing | 0513-85895597 |
| 129 | | | Securities Branch in New Century Avenue, Tongzhou, Nantong | Office 01B-2, No. 170, New Century Avenue, High-tech Zone, Nantong | 226300 | Ji Xi | 0513-81692959 |
| 130 | | | Securities Branch in Yaogang Road, Nantong | No. 6, Yaogang Road, Nantong City, Jiangsu Province | 226006 | Gu Zhun | 0513-85580999 |
| 131 | | | Securities Branch in Middle Renmin Road, Qidong | No. 505, Middle Renmin Road, Huilong Town, Qidong City, Jiangsu Province | 226200 | Yao Liang | 0513-83652208 |
| 132 | | | Securities Branch in Fushou Road, Rugao | Rooms 2-1 & 2-2, Complex Building, Chengjian Jiayuan Phase III, Rucheng Town, Rugao City, Jiangsu Province | 226500 | Wang Yongsheng | 0513-87335888 |
| 133 | | Suzhou | Securities Branch in Jinshajiang Road, Changshu | No. 18, Jinshajiang Road, Changshu City, Jiangsu Province | 215500 | Zhang Zhen | 0512-67579766 |
| 134 | | | Securities Branch in Heilongjiang North Road, Kunshan | Room 3-1, 1/F and Room 20, 3/F, Building 3, Yujing Mansion, No. 8 Heilongjiang North Road, Kunshan Development Zone | 215300 | Liu Xinglin | 0512-55219166 |
| 135 | | | Securities Branch in Ganjiang West Road, Suzhou | No. 1359, Ganjiang West Road, Suzhou City, Jiangsu Province | 215004 | Lu Renyan | 0512-68270515 |
| 136 | | | Securities Branch in Heshan Road, Suzhou | 2/F, Building 2, Jinri Jiayuan (No. 56, Heshan Road), Hightech Zone, Suzhou City | 215000 | Zhang Lin | 0512-68785488 |
| 137 | | | Securities Branch in Renmin Road, Suzhou | No. 1925, Renmin Road, Suzhou City, Jiangsu Province | 215001 | Pan Yi | 0512-52895998 |
| 138 | | | Securities Branch in East Suzhou Avenue, Suzhou | 29A, Modern Media Plaza, No. 265 East Suzhou Avenue, Suzhou Industrial Park | 215028 | Gong Chen | 0512-67248873 |
| 139 | | | Securities Branch in Xinshi Road, Suzhou | No. 102, Xinshi Road, Canglang District, Suzhou City, Jiangsu Province | 215007 | Guo Hengxi | 0512-65187816 |
| 140 | | | Securities Branch in Taiping South Road, Taicang | No. 36-1, Taiping South Road, Chengxiang Town, Taicang City | 215400 | Liu Lihong | 0512-53589559 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|---------|---|---|----------|---|--|
| 141 | | | Securities Branch in Guangzhou Road, Shengze Town, Wujiang | Room 107, Huiying Mansion, Financial Business Center, North Side of Chenjiaqiao Village Road, Xincheng District, Shengze Town, Wujiang District, Suzhou City | 215228 | Fan Xiaofeng | 0512-63910061 |
| 142 | | | Securities Branch in Middle Changjiang Road, Jingang Town, Zhangjiagang | No. 251, Middle Changjiang Road, Jingang Town, Zhangjiagang City, Jiangsu Province | 215633 | Zhang Lin | 0512-56767800 |
| 143 | | | Securities Branch in Yangshe East Road, Zhangjiagang | No. 2, Yangshe Road East | 215600 | Liu Xiao | 0512-58127000 |
| 144 | | | Securities Branch in Wuzhong Avenue, Suzhou | Rooms 106, 111,112 on 1/F and Rooms 202 & 203 on 2/F, Wuzhong Commercial Center, Building 1, No. 198 Su Street, Yuexi Sub-district, Wuzhong Economic Development Zone, Suzhou | 215104 | Sun Qiang | 0512-66021886 |
| 145 | | | Securities Branch in Gaoxin Road, Wujiang District, Suzhou | Nos. 946 and 948, Gaoxin Road, Songling Town, Wujiang District, Suzhou City | 215200 | Zhao Yang | 0512-63956208 |
| 146 | | Taizhou | Securities Branch in East Street, Jiangyan | No. 23, East Avenue, Luotang Street, Jiangyan District, Taizhou City, Jiangsu Province | 225500 | Miao Genping | 0523-88209518 |
| 147 | | | Securities Branch in Middle Renmin Road, Jingjiang | No. 150-3, Middle Renmin Road, Jingjiang City, Jiangsu Province | 214500 | Wu Haojun | 0523-89101088 |
| 148 | | | Securities Branch in Guoqing West Road, Taixing | D106 & D206, Hotel Building 4, Qingyun Garden, Taixing City, Jiangsu Province | 225400 | Tao Jin | 0523-87095597 |
| 149 | | | Securities Branch in Yongding East Road, Gaogang, Taizhou | 2/F, Building 3, No. 288 Yongding East Road, Taizhou City | 225300 | Ji Tao | 0523-86985597 |
| 150 | | | Securities Branch in Middle Yingwu Road, Xinghua, Taizhou | No. 198, Middle Yingwu Road, Xinghua City, Jiangsu province | 225700 | Cai Li'ang | 0523-83256333 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|-------------|--|---|----------|---|--|
| 151 | | Wuxi | Securities Branch in Futai Road, Jiangyin | 5/F, New Baiye Square, No. 8 Futai Road, Jiangyin City | 214421 | Zhang Ye | 0510-86837528 |
| 152 | | | Securities Branch in Huandong Road, Huashi Town, Jiangyin | No. 680, Huandong Road, Huashi Town, Jiangyin City | 214421 | Chen Dongdong | 0510-81662778 |
| 153 | | | Securities Branch in West Avenue, Zhouzhuang Town, Jiangyin | No. 318, West Avenue, Zhouzhuang Town, Jiangyin City | 214423 | Yan Ming | 0510-81660193 |
| 154 | | | Securities Branch in Hongqiao North Road, Changjing Town, Jiangyin | No. 10, Hongqiao North Road, Changjing Town, Jiangyin City | 214411 | Zhou Junning | 0510-81662758 |
| 155 | | | Securities Branch in Yingxiu Road, Qingyang Town, Jiangyin | No. 111, Yingxiu Road, Qingyang Town, Jiangyin City | 214401 | Liu Chaohui | 0510-86817241 |
| 156 | | | Securities Branch in Shenpu Road, Lingang, Jiangyin | No. 108, Shenpu Road, Lingang Sub-district, Jiangyin City | 214443 | Huang Yaqiu | 0510-81666278 |
| 157 | | | Securities Branch in Liangqing Road, Wuxi | 1/F, Jiangong Building, No. 56 Liangqing Road, Wuxi City | 214000 | You Lingyan | 0510-82768155 |
| 158 | | | Securities Branch in Jiefang West Road, Wuxi | No. 327, Jiefang West Road, Wuxi City | 214000 | Tang Kai | 0510-82722975 |
| 159 | | | Securities Branch in Financial First Street, Wuxi | 101B, No. 15 Financial First Street, Taihu Street, Binhu District, Wuxi City | 214123 | Yi Zilong | 0510-85065672 |
| 160 | | | Securities Branch in Yongle Road, Wuxi | 1/F, Shuili Building, No. 12 Nanhebang, Yongle Road, Liangxi District, Wuxi City | 214021 | Dong Jun | 0510-85045101 |
| 161 | | | Securities Branch in Jiefang East Road, Yixing | No. 177, Jiefang East Road, Yicheng Sub-district, Yixing City | 214299 | Wan Lei | 0510-80793526 |
| 162 | | Lianyungang | Securities Branch in Tongguan South Road, Lianyungang | No. 69, Tongguan South Road, Haizhou District, Lianyungang City, Jiangsu Province | 222001 | Wang Lei | 0518-85519068 |
| 163 | | Suqian | Securities Branch in Yongkang Road, Shuyang, Suqian | Room 101-2-1, Financial and Insurance Building, South Side of Suzhou Road and West Side of Yongkang Road, Shuyang County, Suqian City | 223600 | Feng Lingtong | 0527-87880259 |
| 164 | | | Securities Branch in Hongze Lake Road, Suqian | No. 581, Hongze Lake Road, Suqian City | 223800 | Zhang Yang | 0527-84390068 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|--------|--|--|----------|---|--|
| 165 | | Xuzhou | Securities Branch in Science Park, Xuzhou | Room 103, 1/F & Rooms 306, 307 and 308, 3/F, Technology Building, Technology Avenue, Quanshan District, Xuzhou City | 221006 | Zhou Xuehong | 0516-85850911 |
| 166 | | | Securities Branch in Tangmu Road, Pei County, Xuzhou | No. 2, Tangmu Road, Pei County, Xuzhou City, Jiangsu Province | 221600 | Luo Wei | 0516-81202066 |
| 167 | | | Securities Branch in Huaihai East Road, Xuzhou | No. 165, 1F/F and Rooms 2102 – 2105, Unit A, Suning Plaza, No. 29 Huaihai East Road, Gulou District, Xuzhou City | 221000 | Jiao Shuai | 0516-83718027 |
| 168 | | | Securities Branch in Renmin East Road, Suining, Xuzhou | Rooms 104, 205, 206, 214 and 215, Unit 1, Building 1, Hongrui Jiadi, Renmin East Road, Suicheng Town, Suining County | 221200 | Zhang Lei | 0516-81307121 |
| 169 | | | Securities Branch in Heping Road, Xuzhou | Room 1-104, Building B, Baolong Square, No. 99 Heping Road, Yunlong District, Xuzhou City | 221116 | Xu Xiaonan | 0516-85650329 |
| 170 | | | Securities Branch in Jianguo West Road, Xuzhou | Room 109, 1/F & Room 205, 2/F, Block 1A, Fortune Plaza, No. 75 Jianguo West Road, Xuzhou City | 221000 | Zhang Zhengxing | 0516-85803998 |
| 171 | | | Securities Branch in Daqiao West Road, Xinyi | No. 8, Daqiao West Road, Xinyi, Xuzhou City, Jiangsu Province | 221400 | Han Chao | 0516-88989808 |
| 172 | | | Securities Branch in Zhongyang Avenue, Feng County, Xuzhou | (Shops 2-10, Mingshi Garden), No. 5101 Zhongyang Avenue, Feng County, Xuzhou City, Jiangsu Province | 221700 | Chen Yanzhi | 0516-66650130 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|----------|--|--|----------|---|--|
| 173 | | Yancheng | Securities Branch in Renmin South Road, Dafeng, Yancheng | Rooms 102, 103 and 104, Building B, Yangguang Mall, Dafeng District, Yancheng | 224100 | Shen Zhongqin | 0515-83928806 |
| 174 | | | Securities Branch in Middle Hailing Road, Dongtai | Rooms 8017 & 8018, Building 3, Shangye New Village, No. 78 Middle Hailing Road, Dongtai | 224200 | Xi Jing | 0515-85105761 |
| 175 | | | Securities Branch in South Hongxing Alley, Binhai, Yancheng | Room 15-103 and Room 15-104, No. 15 Commercial and Residential Building, No. 16 Commercial and Office Building, Lvdu Jiayuan, No. 29 South Hongxing Alley, Dongkan Street, Binhai County | 224500 | Zhou Dehong | 0515-87021988 |
| 176 | | Yangzhou | Securities Branch in Pinghuai Road, Gaoyou, Yangzhou | No. 37, Pinghuai Road, Gaoyou | 225600 | Sheng Fuqing | 0514-85089721 |
| 177 | | | Securities Branch in Yeting East Road, Baoying, Yangzhou | No. 10, Yeting East Road, Baoying County | 225800 | Yu Jie | 0514-88259411 |
| 178 | | | Securities Branch in South Longchuan Road, Jiangdu, Yangzhou | Nos. 220, 222 and 226, Business Buildings, Longchuan Road, Zhongyuan Europe City, Xiannv Town, Jiangdu District, Yangzhou City | 225200 | Liu Handong | 0514-86534998 |
| 179 | | | Securities Branch in Wenchang West Road, Yangzhou | (Park International Building) No. 56, Wenchang West Road, Yangzhou City, Jiangsu Province | 225000 | Qiao Qi | 0514-82982003 |
| 180 | | | Securities Branch in Wenchang Middle Road, Yangzhou | No. 406, Wenchang Middle Road, Yangzhou City, Jiangsu Province | 225001 | Xu Xuefeng | 0514-87366418 |
| 181 | | | Securities Branch in Zhenzhou East Road, Yizheng, Yangzhou | No. 101, Zhenzhou East Road, Zhenzhou Town, Yizheng City, Jiangsu Province | 211400 | Xu Yiming | 0514-83962098 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|------------|-----------|---|--|----------|---|--|
| 182 | | Zhenjiang | Securities Branch in Cuizhu South Road, Yangzhong | No. 235, Cuizhu South Road, Sanmao Sub-district, Yangzhong City | 212200 | Yin Hang | 0511-88399933 |
| 183 | | | Securities Branch in Guyang Middle Avenue, Dantu, Zhenjiang | Rooms 131-133, 236-237, 239, 241, 243, Hengyu Building, Guyang Middle Avenue, Dantu District, Zhenjiang City | 212000 | Xu Rui | 0511-85115898 |
| 184 | | | Securities Branch in Fenghuang Road, Danyang, Zhenjiang | Nos. 16-1 to 16-3, Fenghuang Road, Development Zone, Danyang | 212300 | Hou Yeping | 0511-86699772 |
| 185 | | | Securities Branch in Huayang North Road, Jurong, Zhenjiang | No. 1, Huayang North Road, Huayang Town, Jurong City | 212400 | Liu Heng | 0511-85979998 |
| 186 | Liaoning 7 | Dalian | Securities Branch in Shengli East Road, Dalian | Nos. 223 and 231, Market Street; Nos. 2-1, 2-2 and 2-3, Unit 1, No. 227 Market Street, Xigang District, Dalian City, Liaoning Province | 116013 | Tang Wei | 0411-82815866 |
| 187 | | | Securities Branch in Lianhe Road, Dalian | No. 4, Meiduyuan, Shahekou District, Dalian City, Liaoning Province | 116021 | Zhang Yuwei | 0411-84342688 |
| 188 | | Panjin | Securities Branch in Huibin Street, Panjin | 1#1708-1715, Area E of Blue Kangqiao, South of Huibin Street and East of Xiangdao Road, Xinglongtai District, Panjin City, Liaoning Province | 124010 | Wang Fan | 0427-3257500 |
| 189 | | Shenyang | Securities Branch in Daxi Road, Shenyang | No. 187, Daxi Road, Shenhe District, Shenyang City, Liaoning Province | 110014 | Wang Hui | 024-31976665 |
| 190 | | | Securities Branch in Guangrong Street, Shenyang | Floors 2-5, No. 23, Guangrong Street, Heping District, Shenyang City, Liaoning Province | 110003 | Liu Xiaoqing | 024-31883577 |
| 191 | | | Securities Branch in Qingnian Street, Shenyang | No. 318 (Gate 1) and No. 320 (Annex Building 201), Qingnian Street, Heping District, Shenyang City | 110004 | Zhang Sai | 024-31883388 |
| 192 | | Yingkou | Securities Branch in Bohai Street, Yingkou | No. 16-A-1, Bohai Street East, Zhanqian District | 115000 | Wang Ran | 0417-3350961 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|-------------|----------|---|---|----------|---|--|
| 193 | Shandong 7 | Jinan | Securities Branch in Jingqi Road, Jinan | West Hall, 1F, Runheng Building, No. 83, Jingqi Road, Shizhong District, Jinan City | 250000 | Zhang Qinlei | 18660186343 |
| 194 | | | Securities Branch in Jiefang East Road, Jinan | Room 203, 2/F, Podium of Shandong Port Luhai Logistics Building, No. 25-6 Jiefang East Road, Lixia District, Jinan City | 250061 | Wang Qiang | 0531-82318318 |
| 195 | | | Securities Branch in Jiefang Road, Jinan | 1/F, East Dongyuan Building, No. 30 Jiefang Road, Lixia District, Jinan City | 250013 | Cheng Gaofeng | 0531-85829568 |
| 196 | | Yantai | Securities Branch in Changshan Road, Laiyang | No. 32, Changshan Road, Laiyang City, Shandong Province | 265200 | Zhang Baigang | 0535-7999111 |
| 197 | | | Securities Branch in South Street, Yantai | No. 236, South Street, Zhifu District, Yantai City, Shandong Province | 264000 | Wang Xiaodong | 0535-2150055 |
| 198 | | Qingdao | Securities Branch in West Hong Kong Road, Qingdao | No. 79, West Hong Kong Road, Shinan District, Qingdao, Shandong Province | 266071 | Cui Junfeng | 0532-85713938 |
| 199 | | Linyi | Securities Branch in Jinqushan Road, Linyi | Room 101, Block B, Weite Tianyuan Square, Jinqushan Road, Lanshan District, Linyi City, Shandong Province | 276000 | Jing Jianfei | 0539-7030698 |
| 200 | Shanghai 15 | Shanghai | Securities Branch in Jiangning Road, Putuo District, Shanghai | Room 901, No. 1158, Jiangning Road, Putuo District, Shanghai | 200060 | Chen Xiaoxue | 021-33532200 |
| 201 | | | Securities Branch in West Guangzhong Road, Jing'an District, Shanghai | Rooms 1103 & 1105, Nos. 359 & 365, West Guangzhong Road, Jing'an District, Shanghai | 200435 | Bao Jianghao | 021-56761987 |
| 202 | | | Securities Branch in Guobin Road, Yangpu District, Shanghai | Rooms 1801-1804, No. 36, Guobin Road, Yangpu District, Shanghai | 200433 | Qi Lili | 021-33621855 |
| 203 | | | Securities Branch in Huanghe Road, Shanghai | 4/F, No. 333, Huanghe Road, Huangpu District, Shanghai | 200003 | He Wei | 021-63181398 |
| 204 | | | Securities Branch in Raffles Square, Huangpu District, Shanghai | Room 5003-05 (actual room numbers are 4403A, 4403B, 4404), No. 268, Central Tibet Road, Huangpu District, Shanghai | 200042 | Shi Cao | 021-63550001 |
| 205 | | | Securities Branch in Weihai Road, Jing'an District, Shanghai | Room 1305, No. 511, Weihai Road, Jing'an District, Shanghai | 200041 | Xu Yixuan | 021-62678287 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|------|---|---|----------|---|--|
| 206 | | | Securities Branch in Mudanjiang Road, Shanghai | 5/F, No. 1508, Mudanjiang Road, Baoshan District, Shanghai | 201999 | Duan Baodong | 021-56106616 |
| 207 | | | Securities Branch in Wangyuan South Road, Fengxian District, Shanghai | Nos. 46, 47, 48 and 49, Miaojing New Village, Fengxian District, Shanghai | 201400 | Yang Junjie | 021-67136006 |
| 208 | | | Securities Branch in Kaixuan Road, Changning District, Shanghai | Room 1701, Building 1, Changning International Development Plaza, No. 1388 Kaixuan Road, Changning District, Shanghai | 200120 | Hu Shengqi | 021-20773068 |
| 209 | | | Securities Branch in Tianyaoqiao Road, Xuhui District, Shanghai | Rooms 1103, 1105, 1107 and 1109, No. 329, Tianyaoqiao Road, Xuhui District, Shanghai | 200030 | Fu Chenjing | 021-20426863 |
| 210 | | | Securities Branch in Xianxia Road, Changning District, Shanghai | No. 1398-1, Xianxia Road, Changning District, Shanghai (Temporary) | 200336 | Li Zhongyi | 021-52983009 |
| 211 | | | Securities Branch in Wuding Road, Shanghai | 6/F & 7/F, No. 1088, Wuding Road, Jing'an District, Shanghai | 200040 | Zhang Renrong | 021-62566063 |
| 212 | | | Securities Branch in South Huangpi Road, Huangpu District, Shanghai | Units 01B, 02, 03, 05, 06, 3/F, Building A, Block 4, No. 1, Lane 838, South Huangpi Road, Huangpu District, Shanghai | 200011 | Huang Weiqing | 021-63356099 |
| 213 | | | Securities Branch in Miaojing Road, Pudong New District, Shanghai | 1-3/F, No. 642, Miaojing Road, Pudong New District, Shanghai | 201299 | Miao Cong | 021-33825017 |
| 214 | | | Securities Branch in Century Avenue, Pudong New District, Shanghai | 3/F, No. 1229 Century Avenue, China (Shanghai) Pilot Free Trade Zone | 200120 | Huang Wei | 021-58392077 |
| 215 | | | Securities Branch in Dongfang Road, Pudong New District, Shanghai | Rooms 03 and 04, 15/F (actually Rooms 03 and 04, 12/F), No. 18 Dongfang Road, China (Shanghai) Pilot Free Trade Zone | 201120 | Luo Yihong | 021-28972315 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|----------|---------|--|---|----------|---|--|
| 216 | Sichuan | Chengdu | Securities Branch in Jinhui West 2nd Street, Chengdu | Room 2103, 21/F, Unit 1, Building 10, Tianfu Xingu, No. 399, West Section, Fucheng Avenue, Hitech Zone, Chengdu, China (Sichuan) Pilot Free Trade Zone | 610000 | Yang Rui | 028-87448096 |
| 217 | | | Securities Branch in Tianfu Square, Chengdu | Nos. 02 and 03, 21/F, Unit 1, Block 1, No. 5 Xiyu Street, Qingyang District, Chengdu City, Sichuan Province | 610041 | Liu Feng | 028-85512252 |
| 218 | | | Securities Branch in Renmin South Road, Chengdu | Rooms 1506 and 1507, 15/F, Unit 1, Building 1, Xinxiwang Building, No. 45, Renmin Road South Section IV, Wuhou District, Chengdu City, Sichuan Province | 610031 | Li Huiying | 028-85590880 |
| 219 | | | Securities Branch in Shujin Road, Chengdu | Rooms 1901 and 1905, Block B, Jinsha Wanrui Center, No. 1 Shujin Road, Qingyang District, Chengdu City | 610091 | Li Xiao | 028-61505176 |
| 220 | | | Securities Branch in Tianfu Avenue, Chengdu | Rooms 1401 and 04, 14/F, Block 1, No. 588 Middle Section of Tianfu Avenue, Hitech Zone, Chengdu City, China (Sichuan) Pilot Free Trade Zone | 610213 | Wang Hongtao | 028-85640443 |
| 221 | | | Securities Branch in Shixili, Xipu, Chengdu | Annexes 13 and 14 of No. 68 Yuanlin Road, Xipu Town, Pidu District, Chengdu City | 611731 | Shang Guang | 028-87843269 |
| 222 | | Deyang | Securities Branch in Diamond Plaza, Changjiang West Road, Deyang | A2, A3, A4, A5 and A6, 5/F, Building 1, Diamond Plaza, No. 29, Section 2, Changjiang West Road, Deyang, Sichuan Province | 618100 | Huang Wanqing | 0838-7201167 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|-------------|-----------|---|---|----------|---|--|
| 223 | Guizhou 1 | Guiyang | Securities Branch in Changling North Road, Guiyang | (1509, 1510, 1511) 15/F, Unit (1)1, North Zone, Financial Business District, Zone B, Zhongtian Exhibition City, Changling North Road, Guanshanhu District, Guiyang City, Guizhou Province | 550001 | Shu Mengxiang | 0851-86753279 |
| 224 | Chongqing 1 | Chongqing | Securities Branch in Jiangbeizui, Chongqing | Rooms 1502 and 1503, 15/F, Unit 2, No. 9 Juxiyan Square, Jiangbei District, Chongqing | 400084 | Xiao Yang | 023-68901837 |
| 225 | Tianjin 4 | Tianjin | Securities Branch in Baidi Road, Tianjin | No. 240, Baidi Road, Nankai District | 300192 | Zhang Haiyan | 022-87893469 |
| 226 | | | Securities Branch in Erwei Road, Dongli Development Zone, Tianjin | Rooms 209-211, 2/F, Caizhi Building, No. 9, Erwei Road, Dongli Development Zone, Tianjin City | 300399 | Liu Yongjun | 022-84373801 |
| 227 | | | Securities Branch in Qinjian Road, Tianjin | Bottom Floor (Business Area), Yunhan Building, No. 185, Qinjian Road, Hongqiao District | 300130 | Wu Yumeng | 022-26532286 |
| 228 | | | Securities Branch in Huachang Road, Tianjin | Units 07, 08, 09 and 10, 2/F, Building 1, No. 40, Huachang Road, Hedong District, Tianjin City | 300151 | Xu Jianguo | 022-58811908 |
| 229 | Gansu 1 | Lanzhou | Securities Branch in Donggang West Road, Lanzhou | 4/F, Changye Golden Villa, No. 621 Donggang West Road, Chengguan District, Lanzhou City, Gansu Province | 730000 | Fu Jie | 0931-8106511 |
| 230 | Shaanxi 2 | Xi'an | Securities Branch in Wenyi North Road, Xi'an | 1/F and 6/F, Western Culture Plaza, No. 11, Wenyi North Road, Beilin District, Xi'an City, Shaanxi Province | 710054 | Liu Zhiwei | 029-87889991 |
| 231 | | | Securities Branch in Zhangba East Road, Xi'an | 1/F, Jintai Holiday Flower City, Zhangba East Road, Yanta District, Xi'an City | 710065 | Chen Yuwen | 029-85587020 |
| 232 | Qinghai 1 | Xining | Securities Branch in Xinning Road, Xining | Room 59-147, 3/F, Building 5, Hexin Center, No. 23, Xinning Road, Chengxi District, Xining City, Qinghai Province | 810000 | Liang Xu | 0971-6368338 |
| 233 | Xinjiang 1 | Yining | Securities Branch in Jiefang West Road, Yining City | 8/F, Jinrong Building, No. 243, Jiefang West Road, Yining City | 835000 | Wang Hui | 0999-8986569 |

| No. | Province | City | Name | Address | Zip code | Person in charge of securities branches | Contact number of the person in charge |
|-----|------------|----------|--|---|----------|---|--|
| 234 | Ningxia 1 | Yinchuan | Securities Branch in Yinjiaqu North Street, Yinchuan | Room 101, Commercial Building No. 1, Jinhai Mingyue Garden, No. 65 Yinjiaqu North Street, Jinfeng District, Yinchuan City, Ningxia Hui Autonomous Region | 750004 | Jia Gang | 0951-6019666 |
| 235 | Zhejiang 8 | Hangzhou | Securities Branch in Jiefang East Road, Hangzhou | Room 14102, Building 3, GTland Plaza, Shangcheng District, Hangzhou City, Zhejiang Province | 310004 | Wang Qianwen | 0571-28002220 |
| 236 | | | Securities Branch in Qiushi Road, Hangzhou | Rooms 501B and 805, North Tower, Gongyuan Building, No. 8 Qiushi Road, Xihu District, Hangzhou City, Zhejiang Province | 310007 | Jin Yifei | 0571-87212722 |
| 237 | | Ningbo | Securities Branch in Liuting Street, Ningbo | 3/F, Office Building, No. 230, Liuting Street, Haishu District, Ningbo City, Zhejiang Province | 315010 | Ren Xin | 0574-87023678 |
| 238 | | Shaoxing | Securities Branch in Fushan, Shaoxing | No. 213 (101 & 102), No. 215 (101 & 102) and No. 217 (233, 234 & 236-241), Huancheng West Road, Shaoxing City, Zhejiang Province | 312000 | Qiu Honghong | 0575-85222928 |
| 239 | | Wenzhou | Securities Branch in Yangguang Avenue, Yongjia | Shops 8-13, 1/F, Yangguang Building, Xinqiao Village, Jiangbei Sub-district, Yongjia County, Zhejiang Province | 325102 | Liu Jiexing | 0577-66992188 |
| 240 | | Zhoushan | Securities Branch in Tiyu Road, Zhoushan | No. 353, 1/F of No. 355, 1/F of No. 357, 1/F of No. 359, Tiyu Road, Qiandao Street, Dinghai District, Zhoushan City, China (Zhejiang) Pilot Free Trade Zone | 316100 | Zhang Hangqing | 0580-3066008 |
| 241 | | Taizhou | Securities Branch in Zhongxin Avenue, Taizhou | Northeast Section, Room 104, Donggang Complex Office Building, No. 183, Zhongxin Avenue, Taizhou City, Zhejiang Province | 318000 | Chen Huang | 0576-89811389 |
| 242 | | Jiaxing | Securities Branch in Fanggong Road, Jiaxing | Nos. 1115 & 1119, Fanggong Road, Nanhu District, Jiaxing City, Zhejiang Province | 314000 | Gu Lijia | 0573-82862312 |

III. OTHER INFORMATION

(I) Accounting Firms

| | | |
|---|----------------------------------|--|
| Accounting firm engaged by the Company (domestic) | Name | Deloitte Touche Tohmatsu |
| | Office address | Certified Public Accountants LLP 30/F, 222 Yan An Road East, Huangpu District, Shanghai, the PRC |
| | Name of the signatory accountant | Hu Xiaojun, Han Jian |
| Accounting firm engaged by the Company (Hong Kong) | Name | Deloitte Touche Tohmatsu Registered |
| | Office address | PIE Auditor under the Hong Kong Financial Reporting Council Ordinance 35/F, One Pacific Place, 88 Queensway, Hong Kong, the PRC |
| | Name of the signatory accountant | Tang Yequan |
| Accounting firm engaged by the Company (United Kingdom) | Name | Deloitte Touche Tohmatsu |
| | Office address | Certified Public Accountants LLP 30/F, 222 Yan An Road East, Huangpu District, Shanghai, the PRC |
| | Name of the signatory accountant | Hu Xiaojun |

(II) Legal Advisors

| | | |
|---|----------------|---|
| Legal advisor engaged by the Company (domestic) | Name | King & Wood Mallesons |
| | Office address | 18/F, East Tower, World Financial Center 1 Middle East 3rd Ring Road, Chaoyang District, Beijing, the PRC |
| Legal advisor engaged by the Company (overseas) | Name | Clifford Chance |
| | Office address | 27/F, Jardine House, 1 Connaught Place, Central, Hong Kong, the PRC |

(III) Share Registrars

| | | |
|-----------------------------|----------------|--|
| Share registrar for A Share | Name | China Securities Depository and Clearing Corporation Limited, Shanghai Branch |
| | Office address | No. 188 South Yanggao Road, Pudong New Area, Shanghai, the PRC |
| Share registrar for H Share | Name | Computershare Hong Kong Investor Services Limited |
| | Office address | Shops 1712-1716, 17/F, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong, the PRC |

IV. INFORMATION DISCLOSURES INDEX

1. During the Reporting Period, the Company disclosed the following matters on China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily and on the website of the Shanghai Stock Exchange (www.sse.com.cn):

| No. | Date | Announcement |
|-----|------------|---|
| 1 | 2023-01-07 | H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended December 31, 2022 |
| 2 | 2023-01-16 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 3 | 2023-01-19 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 4 | 2023-01-20 | Announcement by Huatai Securities Co., Ltd. on the Completion of the Change in Industrial and Commercial Registration of Business Scope, Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 5 | 2023-02-06 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on Obtaining a No Objection Letter from the CSRC in relation to Proprietary Participation in Carbon Emissions Trading |
| 6 | 2023-02-07 | Extension Announcement on the 2023 First Extraordinary General Meeting and the 2023 First A Share Class Meeting of Huatai Securities Co., Ltd., H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended January 31, 2023 |
| 7 | 2023-02-08 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 8 | 2023-02-09 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 9 | 2023-02-11 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 10 | 2023-02-13 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 11 | 2023-02-18 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
|------------|-------------|---|
| 12 | 2023-02-23 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on Change of Registered Address of Wholly-owned Subsidiary Huatai Innovative Investment Co., Ltd. |
| 13 | 2023-02-24 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 14 | 2023-03-04 | H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended February 28, 2023 |
| 15 | 2023-03-07 | Announcement by Huatai Securities Co., Ltd. on Obtaining Approval by the CSRC for the Registration of Public Issuance of Short-term Corporate Bonds to Professional Investors |
| 16 | 2023-03-10 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 17 | 2023-03-13 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 18 | 2023-03-21 | H Share Announcement of HTSC (Date of Board Meeting) |
| 19 | 2023-03-23 | Announcement by Huatai Securities Co., Ltd. on the Briefing on the Annual Results of 2022 |
| 20 | 2023-03-29 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
|------------|-------------|--|
| 21 | 2023-03-31 | 2022 Annual Report of Huatai Securities Co., Ltd., 2022 Annual Report Summary of Huatai Securities Co., Ltd., 2022 Financial Statements and Audit Report of Huatai Securities Co., Ltd., Special Explanation of Huatai Securities Co., Ltd. on Occupation of Non-operating Funds and Transaction of Other Associated Funds for 2022, Annual Internal Control Evaluation Report of Huatai Securities Co., Ltd. for 2022, Annual Internal Control Audit Report of Huatai Securities Co., Ltd. in 2022, Corporate Social Responsibility Report of Huatai Securities Co., Ltd. for 2022, Report on Performance of Duties of Audit Committee under the Board of Huatai Securities Co., Ltd. in 2022, Report on Performance of Duties of Independent Directors of Huatai Securities Co., Ltd. for 2022, Prior Approval of Independent Directors of Huatai Securities Co., Ltd. for the Relevant Matters Discussed at the Second Meeting of the Sixth Session of the Board, Independent Opinions of Independent Directors of Huatai Securities Co., Ltd. on the Relevant Matters Discussed at the Second Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Second Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Second Meeting of the Sixth Session of the Supervisory Committee, Announcement by Huatai Securities Co., Ltd. on Re-appointment of the Accounting Firms, Announcement by Huatai Securities Co., Ltd. on Fulfilment of Conditions for Release from Selling Restriction of the First Lock-up Period under the Restricted Share Incentive Scheme of A Shares, Legal Opinions from Beijing King & Wood Mallesons (Nanjing) Law Firm on Fulfilment of Conditions for Release from Selling Restriction of the First Unlocking Period and Repurchase and Cancellation of Part of the Restricted Shares under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Repurchase and Cancellation of Part of the Restricted A Shares, Announcement on Annual Profit Distribution Plan of Huatai Securities Co., Ltd. for 2022, Announcement by Huatai Securities Co., Ltd. on Anticipation of Ordinary Transactions with Related Parties in 2023 |
| 22 | 2023-04-07 | H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended March 31, 2023 |
| 23 | 2023-04-18 | Announcement by Huatai Securities Co., Ltd. on Release from Selling Restriction of the First Lock-up Period under the Restricted Share Incentive Scheme of A Shares and Listing |
| 24 | 2023-04-19 | H Share Announcement of HTSC (Date of Board Meeting) |
| 25 | 2023-04-21 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
|------------|-------------|--|
| 26 | 2023-04-22 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 27 | 2023-04-26 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 28 | 2023-04-29 | First Quarterly Report of 2023 of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Third Meeting of the Sixth Session of the Board, Independent Opinion of Independent Directors of Huatai Securities Co., Ltd. on the Relevant Matters Discussed at the Third Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Third Meeting of the Sixth Session of the Supervisory Committee, Announcement by Huatai Securities Co., Ltd. on Changes in Accounting Policies |
| 29 | 2023-05-06 | H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended April 30, 2023, Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 30 | 2023-05-08 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 31 | 2023-05-09 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 32 | 2023-05-10 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 33 | 2023-05-12 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 34 | 2023-05-17 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 35 | 2023-05-23 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 36 | 2023-05-24 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
|------------|-------------|--|
| 37 | 2023-05-31 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Notice of Convening 2022 Annual General Meeting and 2023 Second A Share Class Meeting by Huatai Securities Co., Ltd., Documents of 2022 Annual General Meeting, 2023 Second A Share Class Meeting, 2023 Second H Share Class Meeting of Huatai Securities Co., Ltd. |
| 38 | 2023-06-06 | H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended May 31, 2023 |
| 39 | 2023-06-07 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 40 | 2023-06-15 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 41 | 2023-06-16 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 42 | 2023-06-17 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 43 | 2023-06-26 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 44 | 2023-06-28 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 45 | 2023-06-29 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 46 | 2023-07-01 | Announcement by Huatai Securities Co., Ltd. on the Resolutions of 2022 Annual General Meeting, 2023 Second A Share Class Meeting and 2023 Second H Share Class Meeting, Legal Opinions from King & Wood Mallesons on 2022 Annual General Meeting, 2023 Second A Share Class Meeting and 2023 Second H Share Class Meeting of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Notice to Creditors Regarding the Repurchase and Cancellation of Part of the Restricted A Shares to Reduce Registered Capital, Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 47 | 2023-07-07 | H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended June 30, 2023 |
| 48 | 2023-07-10 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
|------------|-------------|--|
| 49 | 2023-07-19 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 50 | 2023-07-20 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 51 | 2023-07-21 | Announcement by Huatai Securities Co., Ltd. on Obtaining Approval by the CSRC for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds to Professional Investors |
| 52 | 2023-07-26 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 53 | 2023-07-27 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 54 | 2023-07-29 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 55 | 2023-08-01 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on Establishment of a Guaranteed Offshore Medium Term Note Programme by an Offshore Wholly-owned Subsidiary |
| 56 | 2023-08-03 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 57 | 2023-08-04 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on Implementation of Equity Distribution for 2022, Special Legal Opinions from Beijing King & Wood Mallesons (Nanjing) Law Firm on Differentiated Distribution of Dividends of Huatai Securities Co., Ltd. in 2022 |
| 58 | 2023-08-05 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended July 31, 2023 |
| 59 | 2023-08-07 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 60 | 2023-08-10 | Announcement by Huatai Securities Co., Ltd. on Provision of Guarantees for Medium Term Notes Issued by an Indirectly Wholly-owned Subsidiary |

| No. | Date | Announcement |
|------------|-------------|--|
| 61 | 2023-08-12 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 62 | 2023-08-15 | Announcement by Huatai Securities Co., Ltd. on Preliminary Financial Data for the Half-year of 2023 |
| 63 | 2023-08-19 | H Share Announcement of HTSC (Date of Board Meeting) |
| 64 | 2023-08-21 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 65 | 2023-08-23 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on the Briefing on the Interim Results of 2023 |
| 66 | 2023-08-24 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 67 | 2023-08-31 | 2023 Interim Report of Huatai Securities Co., Ltd., 2023 Interim Report Summary of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Fourth Meeting of the Sixth Session of the Board, the Basic System for Risk Management of Huatai Securities Co., Ltd. (Revised in 2023) |
| 68 | 2023-09-06 | H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended August 31, 2023 |
| 69 | 2023-09-14 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 70 | 2023-09-20 | Announcement by Huatai Securities Co., Ltd. on Resignation of Non-executive Director, Announcement in relation to Implementation of Repurchase and Cancellation of Part of the Restricted A Shares of Huatai Securities Co., Ltd., Legal Opinions from Beijing King & Wood Mallesons (Nanjing) Law Firm on Relevant Matters on Repurchase and Cancellation of Part of the Restricted Shares under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 71 | 2023-09-23 | H Share Announcement of HTSC (Next Day Disclosure Return), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 72 | 2023-09-28 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
|------------|-------------|---|
| 73 | 2023-10-09 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 74 | 2023-10-10 | H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended September 30, 2023, Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 75 | 2023-10-12 | Announcement by Huatai Securities Co., Ltd. on the Completion of Acquiring Equity Interest in Huatai United Securities Co., Ltd. |
| 76 | 2023-10-13 | Announcement by Huatai Securities Co., Ltd. on the Completion of the Change in Industrial and Commercial Registration of Registered Capital and Amendments to the Articles of Association, the Articles of Association of Huatai Securities Co., Ltd. (Revised in 2023) |
| 77 | 2023-10-18 | H Share Announcement of HTSC (Date of Board Meeting), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 78 | 2023-10-21 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 79 | 2023-10-26 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 80 | 2023-10-28 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 81 | 2023-10-31 | Third Quarterly Report of 2023 of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Fifth Meeting of the Sixth Session of the Board, Independent Opinions of Independent Directors on Relevant Matters Discussed at the Fifth Meeting of the Sixth Session of the Board of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Fifth Meeting of the Sixth Session of the Supervisory Committee, Announcement by Huatai Securities Co., Ltd. on Cancellation of the 2023 First Extraordinary General Meeting and the 2023 First A Share Class Meeting, Announcement by Huatai Securities Co., Ltd. on Cancellation of Repurchased A Shares and Reduction of Registered Capital, Notice of Convening the 2023 Second Extraordinary General Meeting and the 2023 Third A Share Class Meeting by Huatai Securities Co., Ltd., Documents of the 2023 Second Extraordinary General Meeting, the 2023 Third A Share Class Meeting, the 2023 Third H Share Class Meeting of Huatai Securities Co., Ltd. |
| 82 | 2023-11-03 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
|------------|-------------|---|
| 83 | 2023-11-04 | H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended October 31, 2023 |
| 84 | 2023-11-08 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 85 | 2023-11-09 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 86 | 2023-11-11 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 87 | 2023-11-13 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 88 | 2023-11-15 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 89 | 2023-11-16 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 90 | 2023-11-17 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 91 | 2023-11-18 | Announcement by Huatai Securities Co., Ltd. on Publication of Offering Circular Regarding an Offshore Medium Term Note Programme, Announcement by Huatai Securities Co., Ltd. on the Briefing on the Third Quarterly Results of 2023 |
| 92 | 2023-11-22 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 93 | 2023-11-25 | Announcement by Huatai Securities Co., Ltd. on the Resolutions of the 2023 Second Extraordinary General Meeting, the 2023 Third A Share Class Meeting and the 2023 Third H Share Class Meeting, Legal Opinions from King & Wood Mallesons on the 2023 Second Extraordinary General Meeting, the 2023 Third A Share Class Meeting and the 2023 Third H Share Class Meeting of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Approval of Qualification as Director, Announcement by Huatai Securities Co., Ltd. on Notice to Creditors Regarding the Cancellation of Repurchased A Shares and Reduction of Registered Capital, the Working System for Independent Directors of Huatai Securities Co., Ltd. (Revised in 2023), Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Sixth Meeting of the Sixth Session of the Board |
| 94 | 2023-11-29 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
|------------|-------------|--|
| 95 | 2023-11-30 | Announcement by Huatai Securities Co., Ltd. on Provision of Guarantees for Medium Term Notes Issued by an Indirectly Wholly-owned Subsidiary |
| 96 | 2023-12-06 | H Share Announcement of HTSC – Monthly Return of Equity Issuer on Movements in Securities for the month ended November 30, 2023 |
| 97 | 2023-12-08 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 98 | 2023-12-09 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 99 | 2023-12-11 | Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

2. During the Reporting Period, the Company disclosed the following matters on the HKEXnews website of HKEX (www.hkexnews.hk):

| No. | Date | Announcement |
|------------|-------------|--|
| 1 | 2023-01-02 | Overseas Regulatory Announcements – Statements of Huatai Securities Co., Ltd. on the Satisfaction of the Conditions for the Rights Issue of the Company, Proposal for Public Issuance of Shares by Way of Rights Issue of Huatai Securities Co., Ltd., Feasibility Analysis Report on the Use of Proceeds from the Rights Issue of Huatai Securities Co., Ltd., Report on Use of Proceeds Previously Raised by Huatai Securities Co., Ltd., Report on Use of Proceeds Previously Raised by Huatai Securities Co., Ltd. and Assurance Report, Shareholders’ Interim Return Plan (2023-2025) of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Risk Reminder of and Remedial Measures to the Dilution of Immediate Returns Resulted from the Rights Issue to the Existing Shareholders and the Undertakings by Relevant Parties, Notice of Convening 2023 First Extraordinary General Meeting and 2023 First A Share Class Meeting by Huatai Securities Co., Ltd. |
| 2 | 2023-01-06 | Monthly Return of Equity Issuer on Movements in Securities for the month ended December 31, 2022 |
| 3 | 2023-01-09 | Overseas Regulatory Announcement – Announcement on Coupon Rate of 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) |
| 4 | 2023-01-11 | Overseas Regulatory Announcement – Announcement on Issuance Results for 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) |
| 5 | 2023-01-13 | Overseas Regulatory Announcement – Announcement on Coupon Rate of 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) |

| No. | Date | Announcement |
|------------|-------------|---|
| 6 | 2023-01-15 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 7 | 2023-01-16 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Perpetual Subordinated Bonds Publicly Issued to Professional Investors (First tranche), Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Subordinated Bonds Publicly Issued to Professional Investors (First tranche), Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (First tranche) (Type 1), Announcement on Issuance Results for 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) |
| 8 | 2023-01-18 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 9 | 2023-01-19 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on the Completion of the Change in Industrial and Commercial Registration of Business Scope |
| 10 | 2023-02-02 | Overseas Regulatory Announcement – Announcement on Coupon Rate of 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche) |
| 11 | 2023-02-05 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Obtaining a No Objection Letter from the CSRC in relation to Proprietary Participation in Carbon Emissions Trading, Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 12 | 2023-02-06 | Monthly Return of Equity Issuer on Movements in Securities for the month ended January 31, 2023, Overseas Regulatory Announcement – Announcement on Issuance Results for 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche), Extension Announcement on the 2023 First Extraordinary General Meeting and the 2023 First H Share Class Meeting |
| 13 | 2023-02-07 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
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| 14 | 2023-02-08 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (Ninth tranche) (Type 1), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 15 | 2023-02-10 | Overseas Regulatory Announcements – Announcement on Coupon Rate of 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 16 | 2023-02-12 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 17 | 2023-02-17 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 18 | 2023-02-22 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on Change of Registered Address of Wholly-owned Subsidiary Huatai Innovative Investment Co., Ltd. |
| 19 | 2023-02-23 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 20 | 2023-02-24 | Overseas Regulatory Announcement – Announcement on Coupon Rate of 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche) |
| 21 | 2023-02-28 | Overseas Regulatory Announcement – Announcement on Issuance Results for 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche) |
| 22 | 2023-03-03 | Monthly Return of Equity Issuer on Movements in Securities for the month ended February 28, 2023 |
| 23 | 2023-03-06 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Obtaining Approval by the CSRC for the Registration of Public Issuance of Short-term Corporate Bonds to Professional Investors |
| 24 | 2023-03-09 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
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| 25 | 2023-03-12 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 26 | 2023-03-16 | Overseas Regulatory Announcement – Announcement on Coupon Rate of 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) |
| 27 | 2023-03-17 | Overseas Regulatory Announcement – Announcement on Issuance Results for 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) |
| 28 | 2023-03-20 | Date of Board Meeting |
| 29 | 2023-03-22 | Overseas Regulatory Announcements – Announcement on Coupon Rate of 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche), Announcement by Huatai Securities Co., Ltd. on the Briefing on the Annual Results of 2022 |
| 30 | 2023-03-23 | Overseas Regulatory Announcement – Announcement on Issuance Results for 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) |
| 31 | 2023-03-28 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
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| 32 | 2023-03-30 | Announcement by Huatai Securities Co., Ltd. on Repurchase and Cancellation of Part of the Restricted A Shares, 2022 Corporate Social Responsibility Report, Results Announcement for the Year Ended December 31, 2022, Final Dividend for the Year Ended December 31, 2022, Overseas Regulatory Announcements – 2022 Annual Report of Huatai Securities Co., Ltd., 2022 Annual Report Summary of Huatai Securities Co., Ltd., 2022 Financial Statements and Audit Report of Huatai Securities Co., Ltd., Special Explanation of Huatai Securities Co., Ltd. on Occupation of Non-operating Funds and Transaction of Other Associated Funds for 2022, Annual Internal Control Evaluation Report of Huatai Securities Co., Ltd. for 2022, Annual Internal Control Audit Report of Huatai Securities Co., Ltd. in 2022, Report on Performance of Duties of Audit Committee under the Board of Huatai Securities Co., Ltd. in 2022, Report on Performance of Duties of Independent Directors of Huatai Securities Co., Ltd. for 2022, Prior Approval of Independent Directors of Huatai Securities Co., Ltd. for the Relevant Matters Discussed at the Second Meeting of the Sixth Session of the Board, Independent Opinions of Independent Directors of Huatai Securities Co., Ltd. on the Relevant Matters Discussed at the Second Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Second Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Second Meeting of the Sixth Session of the Supervisory Committee, Announcement by Huatai Securities Co., Ltd. on Re-appointment of the Accounting Firms, Announcement by Huatai Securities Co., Ltd. on Fulfilment of Conditions for Release from Selling Restriction of the First Lock-up Period under the Restricted Share Incentive Scheme of A Shares, Legal Opinions from Beijing King & Wood Mallesons (Nanjing) Law Firm on Fulfilment of Conditions for Release from Selling Restriction of the First Unlocking Period and Repurchase and Cancellation of Part of the Restricted Shares under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Announcement on Annual Profit Distribution Plan of Huatai Securities Co., Ltd. for 2022, Announcement by Huatai Securities Co., Ltd. on Anticipation of Ordinary Transactions with Related Parties in 2023 |
| 33 | 2023-04-06 | Monthly Return of Equity Issuer on Movements in Securities for the month ended March 31, 2023 |
| 34 | 2023-04-17 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Release from Selling Restriction of the First Lock-up Period under the Restricted Share Incentive Scheme of A Shares and Listing |
| 35 | 2023-04-18 | Date of Board Meeting |
| 36 | 2023-04-19 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Second tranche) |

| No. | Date | Announcement |
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| 37 | 2023-04-20 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 38 | 2023-04-21 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 39 | 2023-04-24 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2020 Corporate Bonds Publicly Issued to Qualified Investors (Second tranche) |
| 40 | 2023-04-25 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 41 | 2023-04-26 | 2022 Annual Report, Notification Letter and Request Form to Registered Shareholders, Notification Letter and Request Form to Non-Registered Holders |
| 42 | 2023-04-28 | First Quarterly Report of 2023, Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Changes in Accounting Policies, Independent Opinion of Independent Directors of Huatai Securities Co., Ltd. on the Relevant Matters Discussed at the Third Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Third Meeting of the Sixth Session of the Supervisory Committee, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Third Meeting of the Sixth Session of the Board |
| 43 | 2023-05-05 | Monthly Return of Equity Issuer on Movements in Securities for the month ended April 30, 2023, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 44 | 2023-05-08 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 45 | 2023-05-09 | Overseas Regulatory Announcements – Announcement on Coupon Rate of 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
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| 46 | 2023-05-10 | Overseas Regulatory Announcement – Announcement on Issuance Results for 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) |
| 47 | 2023-05-11 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Third tranche), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 48 | 2023-05-15 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2020 Corporate Bonds Publicly Issued to Qualified Investors (Third tranche) |
| 49 | 2023-05-16 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 50 | 2023-05-17 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Fourth tranche) (Type 1), Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Fourth tranche) (Type 2) |
| 51 | 2023-05-22 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 52 | 2023-05-23 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 53 | 2023-05-30 | Circular of 2022 Annual General Meeting, Notice of 2022 AGM, Notice of the 2023 Second H Share Class Meeting, Form of Proxy of Holders of H Shares for Use at the AGM to Be Held on June 30, 2023, Form of Proxy of Holders of H Shares for Use at the 2023 Second H Share Class Meeting to Be Held on June 30, 2023, Notification Letter and Request Form to Registered Shareholders, Notification Letter and Request Form to Non-Registered Holders, Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2023 and Delisting for 2013 Corporate Bonds (Ten-year bonds), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 54 | 2023-05-31 | Final Dividend for the Year Ended December 31, 2022 (Update) |
| 55 | 2023-06-05 | Monthly Return of Equity Issuer on Movements in Securities for the month ended May 31, 2023 |

| No. | Date | Announcement |
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| 56 | 2023-06-06 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 57 | 2023-06-08 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Fifth tranche) (Type 1) |
| 58 | 2023-06-12 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2023 and Delisting for 2020 Corporate Bonds Publicly Issued to Qualified Investors (Fourth tranche) (Type 2) |
| 59 | 2023-06-14 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Sixth tranche) (Type 1), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 60 | 2023-06-15 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 61 | 2023-06-16 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 62 | 2023-06-25 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 63 | 2023-06-27 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 64 | 2023-06-28 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
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| 65 | 2023-06-30 | Poll Results of 2022 Annual General Meeting, 2023 Second A Share Class Meeting and 2023 Second H Share Class Meeting; and Distribution of Final Dividend, Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Notice to Creditors Regarding the Repurchase and Cancellation of Part of the Restricted A Shares to Reduce Registered Capital, Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Legal Opinions from King & Wood Mallesons on 2022 Annual General Meeting, 2023 Second A Share Class Meeting and 2023 Second H Share Class Meeting of Huatai Securities Co., Ltd. |
| 66 | 2023-07-03 | Final Dividend for the Year Ended December 31, 2022 (Update) |
| 67 | 2023-07-05 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 68 | 2023-07-06 | Monthly Return of Equity Issuer on Movements in Securities for the month ended June 30, 2023 |
| 69 | 2023-07-09 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 70 | 2023-07-18 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 71 | 2023-07-19 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 72 | 2023-07-20 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Obtaining Approval by the CSRC for the Registration of Public Issuance of Perpetual Subordinated Corporate Bonds to Professional Investors |
| 73 | 2023-07-25 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 74 | 2023-07-26 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
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| 75 | 2023-07-28 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 76 | 2023-07-31 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 77 | 2023-08-01 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Establishment of a Guaranteed Offshore Medium Term Note Programme by an Offshore Wholly-owned Subsidiary |
| 78 | 2023-08-02 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 79 | 2023-08-03 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on Implementation of Equity Distribution for 2022, Special Legal Opinions from Beijing King & Wood Mallesons (Nanjing) Law Firm on Differentiated Distribution of Dividends of Huatai Securities Co., Ltd. in 2022 |
| 80 | 2023-08-04 | Monthly Return of Equity Issuer on Movements in Securities for the month ended July 31, 2023, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 81 | 2023-08-06 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 82 | 2023-08-08 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (Second tranche) |
| 83 | 2023-08-09 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Provision of Guarantees for Medium Term Notes Issued by an Indirectly Wholly-owned Subsidiary |
| 84 | 2023-08-11 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 85 | 2023-08-14 | Announcement by Huatai Securities Co., Ltd. on Preliminary Financial Data for the Half-year of 2023 |
| 86 | 2023-08-18 | Date of Board Meeting |

| No. | Date | Announcement |
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| 87 | 2023-08-20 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 88 | 2023-08-21 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (Third tranche) |
| 89 | 2023-08-22 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on the Briefing on the Interim Results of 2023, Announcement by Huatai Securities Co., Ltd. on Provision of Guarantees for Medium Term Notes Issued by an Indirectly Wholly-owned Subsidiary |
| 90 | 2023-08-23 | Overseas Regulatory Announcements – Announcement on Coupon Rate of 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche), Announcement by Huatai Securities Co., Ltd. on Provision of Guarantees for Medium Term Notes Issued by an Indirectly Wholly-owned Subsidiary |
| 91 | 2023-08-24 | Overseas Regulatory Announcement – Announcement on Issuance Results for 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Seventh tranche) |
| 92 | 2023-08-29 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (Fourth tranche) |
| 93 | 2023-08-30 | Interim Results Announcement for the Six Months ended June 30, 2023, Overseas Regulatory Announcements – 2023 Interim Report of Huatai Securities Co., Ltd., 2023 Interim Report Summary of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Fourth Meeting of the Sixth Session of the Board, the Basic System for Risk Management of Huatai Securities Co., Ltd. (Revised in 2023) |
| 94 | 2023-08-31 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Seventh tranche) (Type 1), Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Seventh tranche) (Type 2) |
| 95 | 2023-09-05 | Monthly Return of Equity Issuer on Movements in Securities for the month ended August 31, 2023 |
| 96 | 2023-09-06 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (Fifth tranche) |
| 97 | 2023-09-07 | Overseas Regulatory Announcement – Announcement on Coupon Rate of 2023 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) |

| No. | Date | Announcement |
|------------|-------------|---|
| 98 | 2023-09-10 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2023 and Delisting for 2023 Short-term Corporate Bonds Publicly Issued to Professional Investors (First tranche), Announcement on Issuance Results for 2023 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (First tranche) |
| 99 | 2023-09-11 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Perpetual Subordinated Bonds Publicly Issued to Professional Investors (First tranche) |
| 100 | 2023-09-13 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 101 | 2023-09-19 | Resignation of Non-Executive Director, List of Directors and Their Role and Function, Announcement in relation to Implementation of Repurchase and Cancellation of Part of the Restricted A Shares, Overseas Regulatory Announcements – Legal Opinions from Beijing King & Wood Mallesons (Nanjing) Law Firm on Relevant Matters on Repurchase and Cancellation of Part of the Restricted Shares under the Restricted Share Incentive Scheme of A Shares of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 102 | 2023-09-20 | Overseas Regulatory Announcement – Announcement on Coupon Rate of 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) |
| 103 | 2023-09-21 | Overseas Regulatory Announcement – Announcement on Issuance Results for 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Eighth tranche) |
| 104 | 2023-09-22 | Next Day Disclosure Return, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 105 | 2023-09-27 | 2023 Interim Report, Notification Letter and Request Form to Registered Shareholders, Notification Letter and Request Form to Non-Registered Holders, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
|------------|-------------|--|
| 106 | 2023-10-09 | Monthly Return of Equity Issuer on Movements in Securities for the month ended September 30, 2023, Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 107 | 2023-10-11 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on the Completion of Acquiring Equity Interest in Huatai United Securities Co., Ltd. |
| 108 | 2023-10-12 | Announcement on Completion of the Change of Registered Capital and the Amendment to the Articles of Association, the Articles of Association, Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Eighth tranche) (Type 1), Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Eighth tranche) (Type 2) |
| 109 | 2023-10-13 | Overseas Regulatory Announcement – Announcement on Coupon Rate of 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) |
| 110 | 2023-10-16 | Overseas Regulatory Announcement – Announcement on Issuance Results for 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Ninth tranche) |
| 111 | 2023-10-17 | Date of Board Meeting, Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 112 | 2023-10-18 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Ninth tranche) (Type 1), Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Corporate Bonds Publicly Issued to Professional Investors (Ninth tranche) (Type 2), Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2023 and Delisting for 2023 Short-term Corporate Bonds Publicly Issued to Professional Investors (Second tranche) |
| 113 | 2023-10-19 | Overseas Regulatory Announcement – Announcement on Coupon Rate of 2023 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) |
| 114 | 2023-10-20 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement on Issuance Results for 2023 Perpetual Subordinated Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Second tranche) |

| No. | Date | Announcement |
|------------|-------------|--|
| 115 | 2023-10-25 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 116 | 2023-10-27 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 117 | 2023-10-30 | Third Quarterly Report of 2023, Announcement on the Cancellation of the 2023 First Extraordinary General Meeting and the 2023 First H Share Class Meeting, Announcement on Cancellation of the Repurchased A Shares and Reduction of Registered Capital, Proposed Election of Non-Executive Director, Cancellation of the Repurchased A Shares and Reduction of Registered Capital, Amendments to the Working System for Independent Directors, Election of Non-Executive Director, Notice of the 2023 Second Extraordinary General Meeting and Notice of the 2023 Third H Share Class Meeting, Notice of the Extraordinary General Meeting, Notice of the 2023 Third H Share Class Meeting, Form of Proxy of Holders of H Shares for Use at the 2023 Second Extraordinary General Meeting to Be Held on November 24, 2023, Form of Proxy of Holders of H Shares for Use at the 2023 Third H Share Class Meeting to Be Held on November 24, 2023, Notification Letter and Request Form to Registered Shareholders, Notification Letter and Request Form to Non-Registered Holders, Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Fifth Meeting of the Sixth Session of the Board, Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Fifth Meeting of the Sixth Session of the Supervisory Committee, Notice of Convening the 2023 Second Extraordinary General Meeting and the 2023 Third A Share Class Meeting by Huatai Securities Co., Ltd., Independent Opinions of Independent Directors on Relevant Matters Discussed at the Fifth Meeting of the Sixth Session of the Board of Huatai Securities Co., Ltd., Documents of the 2023 Second Extraordinary General Meeting, the 2023 Third A Share Class Meeting, the 2023 Third H Share Class Meeting of Huatai Securities Co., Ltd. |
| 118 | 2023-11-02 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement on Coupon Rate of 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Tenth tranche) |
| 119 | 2023-11-03 | Monthly Return of Equity Issuer on Movements in Securities for the month ended October 31, 2023 |
| 120 | 2023-11-06 | Overseas Regulatory Announcement – Announcement on Issuance Results for 2023 Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Tenth tranche) |

| No. | Date | Announcement |
|------------|-------------|--|
| 121 | 2023-11-07 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2020 Subordinated Bonds Publicly Issued to Professional Investors (First tranche) |
| 122 | 2023-11-08 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 123 | 2023-11-10 | Overseas Regulatory Announcements – Announcement on Coupon Rate of 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 124 | 2023-11-12 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 125 | 2023-11-13 | Overseas Regulatory Announcements – Announcement on Issuance Results for 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Third tranche), Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2021 Perpetual Subordinated Bonds Publicly Issued to Professional Investors (Third tranche) |
| 126 | 2023-11-14 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (Sixth tranche) (Type 2), Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (Sixth tranche) (Type 1) |
| 127 | 2023-11-15 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 128 | 2023-11-16 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |

| No. | Date | Announcement |
|------------|-------------|---|
| 129 | 2023-11-17 | Overseas Regulatory Announcements – Announcement on Coupon Rate of 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche), Announcement by Huatai Securities Co., Ltd. on the Briefing on the Third Quarterly Results of 2023, Announcement by Huatai Securities Co., Ltd. on Publication of Offering Circular Regarding an Offshore Medium Term Note Programme, Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2023 and Delisting for 2020 Corporate Bonds Publicly Issued to Professional Investors (Fifth tranche) |
| 130 | 2023-11-20 | Overseas Regulatory Announcements – Announcement on Issuance Results for 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fourth tranche), Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2023 and Delisting for 2018 Corporate Bonds Publicly Issued to Qualified Investors (First tranche) (Type 2) |
| 131 | 2023-11-21 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 132 | 2023-11-24 | Poll Results of the 2023 Second Extraordinary General Meeting, 2023 Third A Share Class Meeting and 2023 Third H Share Class Meeting; Election of Non-Executive Director; and Proposal on Adjustment to the Composition of a Special Committee of the Board, List of Directors and Their Role and Function, Overseas Regulatory Announcements – Legal Opinions from King & Wood Mallesons on the 2023 Second Extraordinary General Meeting, the 2023 Third A Share Class Meeting and the 2023 Third H Share Class Meeting of Huatai Securities Co., Ltd., Announcement by Huatai Securities Co., Ltd. on Approval of Qualification as Director, Announcement by Huatai Securities Co., Ltd. on Notice to Creditors Regarding the Cancellation of Repurchased A Shares and Reduction of Registered Capital, the Working System for Independent Directors of Huatai Securities Co., Ltd. (Revised in 2023), Announcement by Huatai Securities Co., Ltd. on the Resolutions of the Sixth Meeting of the Sixth Session of the Board |
| 133 | 2023-11-28 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (Seventh tranche) (Type 1) |
| 134 | 2023-11-29 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Provision of Guarantees for Medium Term Notes Issued by an Indirectly Wholly-owned Subsidiary |

| No. | Date | Announcement |
|------------|-------------|--|
| 135 | 2023-12-04 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Settlement of the Principal and Interest of 2023 and Delisting for 2020 Corporate Bonds Publicly Issued to Professional Investors (Sixth tranche) (Type 2) |
| 136 | 2023-12-05 | Monthly Return of Equity Issuer on Movements in Securities for the month ended November 30, 2023, Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (Eighth tranche) (Type 1), Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (Eighth tranche) (Type 2) |
| 137 | 2023-12-07 | Overseas Regulatory Announcements – Announcement on Coupon Rate of 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche), Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 138 | 2023-12-08 | Overseas Regulatory Announcement – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee |
| 139 | 2023-12-10 | Overseas Regulatory Announcements – Announcement by Huatai Securities Co., Ltd. on Indirectly Wholly-owned Subsidiary Conducting Issuance according to Medium-term Notes Plan and with Wholly-owned Subsidiary Providing Guarantee, Announcement on Issuance Results for 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Fifth tranche) |
| 140 | 2023-12-15 | Overseas Regulatory Announcements – Announcement on Coupon Rate of 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche), Announcement by Huatai Securities Co., Ltd. on 2023 Interest Payment for 2022 Corporate Bonds Publicly Issued to Professional Investors (Ninth tranche) (Type 1) |
| 141 | 2023-12-20 | Overseas Regulatory Announcement – Announcement on Issuance Results for 2023 Short-term Corporate Bonds of Huatai Securities Co., Ltd. Publicly Issued to Professional Investors (Sixth tranche) |

3. During the Reporting Period, the Company disclosed the following matters on the website of the London Stock Exchange (www.londonstockexchange.com):

| No. | Date | Announcement |
|------------|-------------|--|
| 1 | 2023-01-03 | POLL RESULTS OF THE EGM, ARTICLES OF ASSOCIATION |
| 2 | 2023-02-06 | EXTENSION ANNOUNCEMENT ON THE GENERAL MEETINGS |

| No. | Date | Announcement |
|------------|-------------|---|
| 3 | 2023-03-30 | 2022 CORPORATE SOCIAL RESPONSIBILITY REPORT, REPURCHASE AND CANCELLATION OF PART OF SHARES, 2022 ANNUAL FINANCIAL REPORT |
| 4 | 2023-04-26 | 2022 ANNUAL REPORT |
| 5 | 2023-04-28 | FIRST QUARTERLY REPORT OF 2023 |
| 6 | 2023-05-30 | NOTICE OF AGM AND A SHARE CLASS MEETING |
| 7 | 2023-06-30 | RESULTS OF AGM AND A SHARE & H SHARE CLASS MEETING |
| 8 | 2023-08-01 | NOTICE OF BOND LISTING |
| 9 | 2023-08-03 | IMPLEMENTATION OF EQUITY DISTRIBUTION FOR 2022 |
| 10 | 2023-08-09 | NOTICE OF BOND LISTING |
| 11 | 2023-08-14 | 2023 INTERIM PRELIMINARY FINANCIAL DATA |
| 12 | 2023-08-30 | INTERIM RESULTS ANNOUNCEMENT |
| 13 | 2023-09-19 | RESIGNATION OF NON-EXECUTIVE DIRECTOR, LIST OF DIRECTORS AND THEIR ROLE AND FUNCTION, REPURCHASE AND CANCELLATION OF PART OF SHARES |
| 14 | 2023-09-27 | 2023 INTERIM REPORT |
| 15 | 2023-10-12 | COMPLETION OF THE CHANGE OF REGISTERED CAPITAL, ARTICLES OF ASSOCIATION |
| 16 | 2023-10-30 | THIRD QUARTERLY REPORT OF 2023, PROPOSED ELECTION OF NON-EXECUTIVE DIRECTOR, NOTICE OF EGM AND A SHARE CLASS MEETING, CANCELLATION OF EGM AND A SHARE CLASS MEETING |
| 17 | 2023-10-31 | CANCELLATION OF REPURCHASED A SHARES |
| 18 | 2023-11-24 | LIST OF DIRECTORS AND THEIR ROLE AND FUNCTION, RESULTS OF 2023 SECOND EGM AND CLASS MEETINGS |
| 19 | 2023-11-29 | NOTICE OF LISTING OF THE NOTES |

HUATAI SECURITIES CO., LTD.
(Incorporated in the People's Republic of China
with limited liability)

Independent Auditor's Report and Consolidated
Financial Statements

For the year ended 31 December 2023
(Prepared under International Financial
Reporting Standards)

HUATAI SECURITIES CO., LTD.

INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HUATAI SECURITIES CO., LTD.

(Incorporated in the People's Republic of China with Limited Liability)

Opinion

We have audited the consolidated financial statements of Huatai Securities Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 8 to 199, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT - continued

TO THE SHAREHOLDERS OF HUATAI SECURITIES CO., LTD. - continued
(A joint stock company incorporated in the People's Republic of China with limited liability)

Key Audit Matters - continued**Valuations of financial instruments classified under the fair value hierarchy as level 3**

| The Key Audit Matter | How our audit addressed the key audit matter |
|---|--|
| <p>The fair value of the Group's financial instruments is mainly based on active market quoted prices or valuation techniques. For level 3 financial instruments, including debt instruments, unlisted equity investments, private equity funds and over-the-counter derivative financial instruments, the Group uses valuation techniques to measure fair values.</p> <p>As disclosed in Note 62 to the consolidated financial statements, as at 31 December 2023, the fair value of the Group's level 3 financial assets and financial liabilities amounted to RMB24,386 million and RMB14,336 million, respectively.</p> <p>We identified valuation of level 3 financial instruments as a key audit matter because the amount involved was significant and the selection of valuation techniques and determination of unobservable inputs required significant judgements and estimations.</p> | <p>Our procedures in respect of this key audit matter included the following:</p> <ul style="list-style-type: none"> • Understanding and assessing the process and key controls relating to the valuation of level 3 financial instruments and testing the operating effectiveness of these controls; • Evaluating the appropriateness of the valuation models used by the management for level 3 financial instruments; • On a sample basis, reading the investment agreements to understand the relevant investment terms, identifying any conditions that were relevant to the valuations of these financial instruments and assessing the application in the valuation; • Evaluating, on a sample basis, the appropriateness of the significant unobservable and observable inputs which were used for measuring the fair value of level 3 financial instruments; • Performing independent valuations of level 3 financial instruments, on a sample basis, and comparing these valuations with the Group's valuations, with the involvement of our valuation experts, as appropriate. |

INDEPENDENT AUDITOR'S REPORT - continued

TO THE SHAREHOLDERS OF HUATAI SECURITIES CO., LTD. - continued
(A joint stock company incorporated in the People's Republic of China with limited liability)

Key Audit Matters - continued

Measurement of expected credit losses ("ECL") for margin accounts receivable and securities-backed lendings

| The Key Audit Matter | How our audit addressed the key audit matter |
|---|---|
| <p>The Group uses an expected credit loss ("ECL") model to determine the loss allowance for margin accounts receivable and securities-backed lendings.</p> <p>The management exercised significant judgements and estimations in its assessment of ECL allowance of margin accounts receivable and securities-backed lendings. They included the determination of staging of the relevant financial assets whether the credit risk had increased significantly and credit impairment events had occurred; the determination of key parameters used in the ECL model, including loss rate, exposure at default and forward-looking information for Stage 1 and 2 financial assets; the determination of recoverable amount in respect of Stage 3 financial assets based on value of collateral and repayment ability of borrowers.</p> <p>As at 31 December 2023, the Group held margin accounts receivable of RMB113,862 million, less impairment allowance of RMB1,521 million as disclosed in Note 37 to the consolidated financial statements and securities-backed lendings of RMB5,496 million, less impairment allowance of RMB524 million as disclosed in Note 30 to the consolidated financial statements.</p> <p>We identified the measurement of ECL for the Group's margin accounts receivable and securities-backed lendings as a key audit matter due to the significance of these assets to the Group's consolidated financial statements and the significant management estimations and judgments required in the measurement.</p> | <p>Our procedures in respect of this key audit matter included the following:</p> <ul style="list-style-type: none"> • Understanding and assessing the process and key controls relating to the measurement of ECL for margin accounts receivable and securities-backed lendings and testing the operating effectiveness of these controls; • Evaluating the appropriateness of the ECL model, the critical assumptions and parameters used in the model with the involvement of our internal experts; • Evaluating the appropriateness of the criteria for significant increase in credit risk ("SICR") and financial assets that were credit impaired determined by management and, on a sample basis, testing the application of such criteria to individual margin accounts receivable and securities-backed lendings; • Examining the correctness of major inputs to the ECL model for selected samples, including exposure at default and loss rate, and the mathematical accuracy of the calculation of ECL; • For credit-impaired financial assets, on a sample basis, assessing the reasonableness of expected credit losses made by management based on repayment ability of borrowers, value of collateral and other credit enhancements, as appropriate. |

INDEPENDENT AUDITOR'S REPORT - continued

TO THE SHAREHOLDERS OF HUATAI SECURITIES CO., LTD. - continued
(A joint stock company incorporated in the People's Republic of China with limited liability)

Key Audit Matters - continued

Consolidation of structured entities

| The Key Audit Matter | How our audit addressed the key audit matter |
|--|---|
| <p>The Group held interests as investor and/or acted as investment manager in various structured entities including asset management schemes, investment funds and partnerships. As disclosed in Note 57, as at 31 December 2023, the total assets of the consolidated structured entities amounted to RMB94,908 million and the total assets of the unconsolidated structured entities sponsored by the Group amounted to RMB530,502 million, respectively.</p> | <p>Our procedures in respect of this key audit matter included the following:</p> <ul style="list-style-type: none"> • Understanding and assessing the process and key controls relating to the consolidation of structured entities and testing the operating effectiveness of these controls; • Selecting samples to perform the following audit procedures: |
| <p>The Group consolidated the structured entities which it controlled. The principle of control sets out the following three elements of control: (a) power over the investee; (b) exposure, or rights, to variable returns from involvement with the investee; and (c) the ability to use power over the investee to affect the amount of the investor's returns. The Group considered its power, arising from the rights entitled directly or indirectly, over the structured entities, and assessed whether the combination of investments it held together with its remuneration created exposure to variability of returns from the structured entities that are of such significance that it indicated the Group controlled the structured entities and should consolidated these structured entities.</p> | <ul style="list-style-type: none"> - inspecting agreements relating to the structured entity and understanding the purpose of its set up; assessing the appropriateness of the Group's judgement on the power the Group had over the structured entity according to the Group's rights and obligations under different transaction structures and its involvement with the structured entity; - verifying the analysis on the Group's variable return which included, but was not limited to, fixed management fees and performance fees obtained through acting as asset manager, as well as the returns obtained from holding an interest in a structured entity; |
| <p>We identified the determination of consolidation scope of structured entities as a key audit matter due to the significant judgments applied by the management in determining whether a structured entity was required to be consolidated by the Group and the significance of the impact arising from consolidating these structured entities to the Group's consolidated financial statements as a whole.</p> | <ul style="list-style-type: none"> - analysing the scope of the Group's decision-making power over the structured entity, the substantive rights held by other participants, the level of remuneration obtained from providing asset management services and the risk of variable return borne by holding other interests in the structured entity and, checking the Group's analysis on the magnitude and variability of variable return, assessing whether the Group acts as principal or agent in the structured entities; - assessing the management's judgment on the consolidation of structured entities through carrying out the above procedures. |

INDEPENDENT AUDITOR'S REPORT - continued

TO THE SHAREHOLDERS OF HUATAI SECURITIES CO., LTD. - continued
(A joint stock company incorporated in the People's Republic of China with limited liability)

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT - continued

TO THE SHAREHOLDERS OF HUATAI SECURITIES CO., LTD. - continued

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements - continued

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT - continued

TO THE SHAREHOLDERS OF HUATAI SECURITIES CO., LTD. - continued
(A joint stock company incorporated in the People's Republic of China with limited liability)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements - continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu Certified Public Accountants LLP
Shanghai, People's Republic of China

28 March 2024

HUATAI SECURITIES CO., LTD.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Notes | Year ended 31 December | |
|--|-------|------------------------|---------------------------|
| | | <u>2023</u> | <u>2022</u> (Restated) |
| Revenue | | | |
| Fee and commission income | 4 | 18,940,982 | 20,981,425 |
| Interest income | 5 | 14,615,232 | 13,744,117 |
| Net investment gains | 6 | 11,670,400 | 6,026,587 |
| | | <u>45,226,614</u> | <u>40,752,129</u> |
| Other income and gains | 7 | 7,033,807 | 6,072,243 |
| Total revenue, gains and other income | | <u>52,260,421</u> | <u>46,824,372</u> |
| Fee and commission expenses | 8 | (4,328,290) | (4,745,839) |
| Interest expenses | 9 | (13,662,909) | (11,111,339) |
| Staff costs | 10 | (9,371,842) | (10,051,898) |
| Depreciation and amortisation expenses | 11 | (1,856,409) | (1,552,576) |
| Tax and surcharges | 12 | (187,664) | (189,971) |
| Other operating expenses | 13 | (11,644,373) | (8,649,106) |
| Impairment losses under expected credit loss model, net of reversal | 14 | 410,946 | 485,349 |
| Total expenses | | <u>(40,640,541)</u> | <u>(35,815,380)</u> |
| Operating profit | | 11,619,880 | 11,008,992 |
| Share of profit of associates and joint ventures | | 2,584,784 | 1,219,046 |
| Profit before income tax | | <u>14,204,664</u> | <u>12,228,038</u> |
| Income tax expense | 15 | (1,168,404) | (861,417) |
| Profit for the year | | <u>13,036,260</u> | <u>11,366,621</u> |
| Attributable to: | | | |
| Shareholders of the Company | | 12,750,633 | 11,053,987 |
| Non-controlling interests | | 285,627 | 312,634 |
| | | <u>13,036,260</u> | <u>11,366,621</u> |
| Earnings per share (Expressed in Renminbi per share) | 19 | | |
| - Basic | | <u>1.35</u> | <u>1.18</u> |
| - Diluted | | <u>1.33</u> | <u>1.16</u> |

The notes on pages 18 to 199 form part of these consolidated financial statements.

HUATAI SECURITIES CO., LTD.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Note | Year ended 31 December | |
|---|------|------------------------|--------------------|
| | | 2023 | 2022 (Restated) |
| Profit for the year | | 13,036,260 | 11,366,621 |
| Other comprehensive income/(expense) for the year | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Equity instruments at fair value through other comprehensive income/(expense) | | | |
| - Net change in fair value | | 17,759 | (59,673) |
| - Income tax impact | | (4,760) | 9,838 |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Net loss from debt instruments at fair value through other comprehensive income | | 106,977 | (122,522) |
| Fair value gain on hedging instruments designated in cash flow hedges | | (3,571) | 56,827 |
| Share of other comprehensive income of associates and joint ventures | | (40,580) | 18,719 |
| Exchange differences on translation of financial statements in foreign currencies | | 262,953 | 1,278,136 |
| Income tax impact | | (22,779) | 14,624 |
| Other comprehensive income for the year, net of income tax | 18 | 315,999 | 1,195,949 |
| Total comprehensive income for the year | | 13,352,259 | 12,562,570 |
| Attributable to: | | | |
| Shareholders of the Company | | 13,024,562 | 12,063,615 |
| Non-controlling interests | | 327,697 | 498,955 |
| Total | | 13,352,259 | 12,562,570 |

The notes on pages 18 to 199 form part of these consolidated financial statements.

HUATAI SECURITIES CO., LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Notes | As at 31 December | |
|---|-------|--------------------|--------------------|
| | | 2023 | 2022 (Restated) |
| Non-current assets | | | |
| Property and equipment | 20 | 6,519,710 | 6,287,383 |
| Investment properties | 21 | 136,284 | 217,586 |
| Goodwill | 22 | 3,419,332 | 3,352,219 |
| Land-use rights and other intangible assets | 23 | 7,515,260 | 7,439,816 |
| Interests in associates | 25 | 19,496,027 | 18,276,443 |
| Interests in joint ventures | 26 | 1,299,405 | 1,706,184 |
| Debt instruments at amortised cost | 27 | 45,404,582 | 36,586,707 |
| Debt instruments at fair value through other comprehensive income | 28 | 15,207,952 | 7,900,595 |
| Equity instruments at fair value through other comprehensive income | 29 | 124,506 | 241,587 |
| Financial assets at fair value through profit or loss | 31 | 7,952,021 | 10,142,583 |
| Refundable deposits | 32 | 40,544,278 | 42,706,777 |
| Deferred tax assets | 33 | 702,722 | 600,473 |
| Other non-current assets | 34 | 311,789 | 300,664 |
| Total non-current assets | | 148,633,868 | 135,759,017 |
| Current assets | | | |
| Accounts receivable | 35 | 9,743,761 | 7,804,341 |
| Other receivables, prepayments and other current assets | 36 | 2,539,985 | 2,157,529 |
| Margin accounts receivable | 37 | 112,341,094 | 100,648,375 |
| Debt instruments at amortised cost | 27 | 4,712,230 | 11,965,863 |
| Financial assets held under resale agreements | 30 | 12,460,232 | 34,824,221 |
| Debt instruments at fair value through other comprehensive income | 28 | 1,054,048 | 2,603,784 |
| Financial assets at fair value through profit or loss | 31 | 405,127,363 | 340,661,962 |
| Derivative financial assets | 38 | 16,259,881 | 15,788,301 |
| Clearing settlement funds | 39 | 9,129,266 | 8,716,506 |
| Cash held on behalf of brokerage clients | 40 | 137,210,295 | 140,460,346 |
| Cash and bank balances | 41 | 46,296,366 | 45,180,745 |
| Total current assets | | 756,874,521 | 710,811,973 |
| Total assets | | 905,508,389 | 846,570,990 |

HUATAI SECURITIES CO., LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
AS AT 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Notes | As at 31 December | |
|--|-------|--------------------|---------------------------|
| | | <u>2023</u> | <u>2022</u> (Restated) |
| Current liabilities | | | |
| Short-term bank loans | 43 | 11,478,573 | 7,997,434 |
| Short-term debt instruments issued | 44 | 25,475,507 | 25,772,604 |
| Placements from other financial institutions | 45 | 39,536,527 | 25,877,713 |
| Accounts payable to brokerage clients | 46 | 144,701,360 | 152,551,723 |
| Employee benefits payable | 47 | 4,151,439 | 5,304,177 |
| Other payables and accruals | 48 | 113,884,799 | 108,096,572 |
| Contract liabilities | 49 | 177,500 | 218,943 |
| Current tax liabilities | | 493,520 | 524,997 |
| Financial assets sold under repurchase agreements | 50 | 144,056,149 | 144,117,998 |
| Financial liabilities at fair value through profit or loss | 51 | 43,710,135 | 43,005,621 |
| Derivative financial liabilities | 38 | 16,848,878 | 9,638,125 |
| Long-term bonds due within one year | 52 | 44,803,489 | 29,062,749 |
| Total current liabilities | | <u>589,317,876</u> | <u>552,168,656</u> |
| Net current assets | | <u>167,556,645</u> | <u>158,643,317</u> |
| Total assets less current liabilities | | <u>316,190,513</u> | <u>294,402,334</u> |
| Non-current liabilities | | | |
| Derivative financial liabilities | 38 | 32,763 | - |
| Long-term bonds | 53 | 115,012,512 | 110,356,589 |
| Long-term bank loans | 54 | 647,052 | 804,903 |
| Non-current employee benefits payable | 47 | 6,431,780 | 6,588,448 |
| Deferred tax liabilities | 33 | 1,960,663 | 2,199,928 |
| Financial liabilities at fair value through profit or loss | 51 | 8,961,031 | 5,569,938 |
| Other payables and accruals | 48 | 927,280 | 1,025,918 |
| Total non-current liabilities | | <u>133,973,081</u> | <u>126,545,724</u> |
| Net assets | | <u>182,217,432</u> | <u>167,856,610</u> |

HUATAI SECURITIES CO., LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
AS AT 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Note | As at 31 December | |
|--|------|--------------------|---------------------------|
| | | <u>2023</u> | <u>2022</u> (Restated) |
| Equity | | | |
| Share capital | 55 | 9,074,663 | 9,075,589 |
| Other equity instruments | 55 | 25,700,000 | 19,200,000 |
| Treasury shares | 55 | (1,064,173) | (1,202,324) |
| Reserves | 55 | 102,967,146 | 100,092,751 |
| Retained profits | 55 | 42,430,731 | 37,929,086 |
| Total equity attributable to shareholders of the Company | | 179,108,367 | 165,095,102 |
| Non-controlling interests | | 3,109,065 | 2,761,508 |
| Total equity | | <u>182,217,432</u> | <u>167,856,610</u> |

The notes on pages 18 to 199 form part of these consolidated financial statements.

Approved and authorised for issue by the board of directors on 28 March 2024.

Zhang Wei
Chairman of the Board,
Director

Wang Bing
Director

HUATAI SECURITIES CO., LTD.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Attributable to shareholders of the Company | | | | | | | | | | | Non-controlling interests | Total equity |
|---|---|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------|---------------------------------------|----------------------------------|-------------------------------|--------------------|---------------------------|--------------------|
| | Share capital (Note 55) | Other equity instruments (Note 55) | Treasury shares (Note 55) | Capital reserve (Note 55) | Surplus reserve (Note 55) | General reserve (Note 55) | Fair value reserve (Note 55) | Cash flow hedges reserve (Note 38) | Translation reserve (Note 55) | Retained profits (Note 55) | Total | | |
| As at 1 January 2023 | 9,075,589 | 19,200,000 | (1,202,324) | 70,482,059 | 7,790,909 | 21,024,438 | 84,554 | 42,643 | 666,033 | 37,923,300 | 165,087,201 | 2,761,508 | 167,848,709 |
| Adjustments (Note 2) | - | - | - | - | 419 | 1,696 | - | - | - | 5,786 | 7,901 | - | 7,901 |
| As at 1 January 2023 (restated) | 9,075,589 | 19,200,000 | (1,202,324) | 70,482,059 | 7,791,328 | 21,026,134 | 84,554 | 42,643 | 666,033 | 37,929,086 | 165,095,102 | 2,761,508 | 167,856,610 |
| Changes in equity for 2023 | | | | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | - | - | 12,750,633 | 12,750,633 | 285,627 | 13,036,260 |
| Other comprehensive income / (expense) for the year | - | - | - | - | - | - | 56,617 | (3,571) | 220,883 | - | 273,929 | 42,070 | 315,999 |
| Total comprehensive income / (expense) for the year | - | - | - | - | - | - | 56,617 | (3,571) | 220,883 | 12,750,633 | 13,024,562 | 327,697 | 13,352,259 |
| Issue of perpetual subordinated bonds | - | 6,500,000 | - | (4,087) | - | - | - | - | - | - | 6,495,913 | - | 6,495,913 |
| Acquisition of non-controlling interests | - | - | - | 2,161 | - | - | - | - | - | - | 2,161 | (7,534) | (5,373) |
| Equity-settled share-based payments | - | - | 130,514 | 149,947 | - | - | - | - | - | - | 280,461 | 35,029 | 315,490 |
| Appropriation to surplus reserve | - | - | - | - | 1,046,672 | - | - | - | - | (1,046,672) | - | - | - |
| Appropriation to general reserve | - | - | - | - | - | 2,432,201 | - | - | - | (2,432,201) | - | - | - |
| Dividends declared to ordinary shareholders for the year | - | - | - | - | - | - | - | - | - | (4,063,223) | (4,063,223) | (51,810) | (4,115,033) |
| Dividends payable to perpetual subordinated bonds | - | - | - | - | - | - | - | - | - | (705,430) | (705,430) | - | (705,430) |
| Other comprehensive income that has been reclassified to retained profits | - | - | - | - | - | - | 1,462 | - | - | (1,462) | - | - | - |
| Others | (926) | - | 7,637 | (1,027,890) | - | - | - | - | - | - | (1,021,179) | 44,175 | (977,004) |
| As at 31 December 2023 | 9,074,663 | 25,700,000 | (1,064,173) | 69,602,190 | 8,838,000 | 23,458,335 | 142,633 | 39,072 | 886,916 | 42,430,731 | 179,108,367 | 3,109,065 | 182,217,432 |

HUATAI SECURITIES CO., LTD.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Attributable to shareholders of the Company | | | | | | | | | | | | |
|---|---|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------|---------------------------------------|----------------------------------|-------------------------------|--------------------|---------------------------|--------------------|
| | Share capital (Note 55) | Other equity instruments (Note 55) | Treasury shares (Note 55) | Reserves | | | | | | Retained profits (Note 55) | Total | Non-controlling interests | Total equity |
| | | | | Capital reserve (Note 55) | Surplus reserve (Note 55) | General reserve (Note 55) | Fair value reserve (Note 55) | Cash flow hedges reserve (Note 38) | Translation reserve (Note 55) | | | | |
| As at 1 January 2022 | 9,076,650 | 9,996,425 | (1,231,547) | 70,562,359 | 6,569,922 | 18,106,044 | 223,143 | (14,184) | (425,781) | 35,559,779 | 148,422,810 | 3,612,974 | 152,035,784 |
| Adjustments (Note 2) | - | - | - | - | 466 | 1,446 | - | - | - | 4,698 | 6,610 | - | 6,610 |
| As at 1 January 2022(restated) | 9,076,650 | 9,996,425 | (1,231,547) | 70,562,359 | 6,570,388 | 18,107,490 | 223,143 | (14,184) | (425,781) | 35,564,477 | 148,429,420 | 3,612,974 | 152,042,394 |
| Changes in equity for 2022 | | | | | | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | - | - | - | 11,053,987 | 11,053,987 | 312,634 | 11,366,621 |
| Other comprehensive income / (expense) for the year | - | - | - | - | - | - | (139,013) | 56,827 | 1,091,814 | - | 1,009,628 | 186,321 | 1,195,949 |
| Total comprehensive income / (expense) for the year | - | - | - | - | - | - | (139,013) | 56,827 | 1,091,814 | 11,053,987 | 12,063,615 | 498,955 | 12,562,570 |
| Issue of perpetual subordinated bonds | - | 9,200,000 | - | (2,627) | - | - | - | - | - | - | 9,197,373 | - | 9,197,373 |
| Acquisition of non-controlling interests | - | - | - | (182,476) | - | - | - | - | - | - | (182,476) | (1,407,524) | (1,590,000) |
| Equity-settled share-based payments | - | - | 19,992 | 208,953 | - | - | - | - | - | - | 228,945 | 37,706 | 266,651 |
| Appropriation to surplus reserve | - | - | - | - | 1,220,940 | - | - | - | - | (1,220,940) | - | - | - |
| Appropriation to general reserve | - | - | - | - | - | 2,918,644 | - | - | - | (2,918,644) | - | - | - |
| Dividends declared to ordinary shareholders for the year | - | - | - | - | - | - | - | - | - | (4,063,640) | (4,063,640) | - | (4,063,640) |
| Dividends payable to perpetual subordinated bonds | - | - | - | - | - | - | - | - | - | (485,730) | (485,730) | - | (485,730) |
| Other comprehensive income that has been reclassified to retained profits | - | - | - | - | - | - | 424 | - | - | (424) | - | - | - |
| Others | (1,061) | 3,575 | 9,231 | (104,150) | - | - | - | - | - | - | (92,405) | 19,397 | (73,008) |
| As at 31 December 2022 | 9,075,589 | 19,200,000 | (1,202,324) | 70,482,059 | 7,791,328 | 21,026,134 | 84,554 | 42,643 | 666,033 | 37,929,086 | 165,095,102 | 2,761,508 | 167,856,610 |

The notes on pages 18 to 199 form part of these consolidated financial statements.

HUATAI SECURITIES CO., LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Note | Year ended 31 December | |
|---|------|------------------------|--------------|
| | | 2023 | 2022 |
| Cash flows from operating activities: | | | |
| Profit before income tax | | 14,204,664 | 12,228,038 |
| Adjustments for: | | | |
| Interest expenses | | 13,662,909 | 11,111,339 |
| Share of profit of associates and joint ventures | | (2,584,784) | (1,219,046) |
| Depreciation and amortisation expenses | | 1,856,409 | 1,552,576 |
| Impairment losses under expected credit loss model, net of reversal | | (410,946) | (485,349) |
| Expenses recognised from equity-settled share-based payment | | 184,975 | 249,094 |
| Gains on disposal of property and equipment | | (2,019) | (2,161) |
| Foreign exchange gains | | (669,375) | (628,245) |
| Dividend income and interest income from financial assets through other comprehensive income and debt instruments at amortised cost | | (1,907,369) | (1,412,606) |
| Net losses arising from derecognition of financial assets at fair value through other comprehensive income | | 80,389 | 197,789 |
| Net gains arising from derecognition of debt instruments at amortised cost | | - | (92) |
| Net gains arising from other investments | | (10,173) | - |
| Net gains arising from acquisition of investment in an associate | | (239,728) | (151,563) |
| Net losses arising from disposal of investment in an associate | | - | 528 |
| Unrealised fair value changes in financial instruments at fair value through profit or loss | | (7,493,050) | 8,175,234 |
| Unrealised fair value changes in derivatives | | 6,788,150 | (1,820,649) |
| Operating cash flows before movements in working capital | | 23,460,052 | 27,794,887 |
| Decrease/ (increase) in refundable deposits | | 2,162,499 | (15,079,648) |
| (Increase)/ decrease in margin accounts receivable | | (11,687,710) | 16,681,508 |
| (Increase)/ decrease in accounts receivable, other receivables and prepayments | | (2,407,309) | 1,713,525 |
| Decrease/ (increase) in financial assets held under resale agreements | | 3,566,747 | (644,556) |
| (Increase)/ decrease in financial instruments at fair value through profit or loss | | (48,987,181) | 13,843,160 |
| Decrease/ (increase) in restricted bank deposits | | 771,438 | (410,003) |
| Decrease in cash held on behalf of brokerage clients | | 3,250,051 | 3,237,552 |
| (Decrease)/ increase in accounts payable to brokerage clients | | (7,850,363) | 5,049,890 |
| Increase in other payables and accruals | | 5,855,964 | 1,172,997 |

HUATAI SECURITIES CO., LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Note | Year ended 31 December | |
|---|------|------------------------|---------------------|
| | | <u>2023</u> | <u>2022</u> |
| Cash flows from operating activities: | | | |
| - continued | | | |
| Decrease in employee benefits payable | | (1,311,734) | (922,312) |
| (Decrease)/ increase in financial assets sold under repurchase agreements | | (61,849) | 13,407,997 |
| Increase in placements from other financial institutions | | 13,646,948 | 11,847,252 |
| Cash (used in) / generated from operations | | (19,592,447) | 77,692,249 |
| Income taxes paid | | (1,533,277) | (1,906,305) |
| Interest paid | | (7,349,829) | (5,495,377) |
| Net cash (used in) / generated from operating activities | | <u>(28,475,553)</u> | <u>70,290,567</u> |
| Cash flows from investing activities | | | |
| Proceeds on disposal of property and equipment | | 50,428 | 23,563 |
| Dividends received from associates | | 1,656,232 | 1,513,199 |
| Dividend income and interest income from financial assets through other comprehensive income and debt instruments at amortised cost | | 1,854,296 | 1,269,369 |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | | 8,575,782 | 7,539,834 |
| Proceeds from disposal of debt instruments at amortised cost | | 17,081,000 | 18,766,877 |
| Purchase of property and equipment, investment properties, other intangible assets and other non-current assets | | (1,676,304) | (1,431,835) |
| Payment made on acquisition of a subsidiary, net of cash acquired | | - | (288,673) |
| Acquisition of interests in associates | | (1,380,177) | (405,728) |
| Divestments of associates and joint ventures | | 347,575 | 164,431 |
| Purchase of debt instruments at amortised cost | | (18,729,293) | (34,728,283) |
| Purchase of financial assets at fair value through other comprehensive income | | (14,044,006) | (9,137,754) |
| Net cash used in from investing activities | | <u>(6,264,467)</u> | <u>(16,715,000)</u> |

HUATAI SECURITIES CO., LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

| | Note | Year ended 31 December | |
|--|-------|------------------------|---------------------|
| | | <u>2023</u> | <u>2022</u> |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of short-term debt instruments | | 43,556,056 | 50,182,816 |
| Proceeds from issuance of long-term bonds | | 48,241,623 | 40,125,807 |
| Proceeds from issuance of perpetual bonds | | 6,495,913 | 9,197,373 |
| Proceeds from bank loans | | 11,377,260 | 8,753,624 |
| Repayment of bank loans | | (8,124,312) | (9,210,440) |
| Repayment of debt securities issued | | (67,858,553) | (113,178,717) |
| Short-term bank loans interest paid | | (545,002) | (113,531) |
| Long-term bank loans interest paid | | (53,487) | (39,067) |
| Short-term debt instruments interest paid | | (5,330,291) | (914,870) |
| Long-term bonds interest paid | | (4,362,411) | (4,877,102) |
| Dividends paid | | (4,769,463) | (4,455,564) |
| Payment of lease liabilities | | (662,201) | (568,238) |
| Payment on repurchase and cancellation of shares | | (7,637) | (9,230) |
| Acquisition of partial interest of a subsidiary | | (5,373) | (1,590,000) |
| Cash received from Restricted Share Incentive Scheme | | 9,670 | - |
| Net cash generated from / (used in) financing activities | 42(b) | <u>17,961,792</u> | <u>(26,697,139)</u> |
| Net (decrease) / increase in cash and cash equivalents | | (16,778,228) | 26,878,428 |
| Cash and cash equivalents at the beginning of the year | | 75,549,060 | 45,901,362 |
| Effect of foreign exchange rate changes | | 1,059,497 | 2,769,270 |
| Total cash and cash equivalents at the end of the year | 42(a) | <u>59,830,329</u> | <u>75,549,060</u> |

The notes on pages 18 to 199 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

1. General information

Huatai Securities Co., Ltd. (the "Company"), formerly known as Jiangsu Securities Company, was approved by the People's Bank of China ("PBOC"), and registered with the Administration for Industry and Commerce of Jiangsu Province on 9 April 1991, with a registered capital of RMB10 million. The Company was renamed as Huatai Securities Limited Liability Company on 21 December 1999 and then renamed as Huatai Securities Co., Ltd. on 7 December 2007 as a result of the conversion into a joint stock limited liability company.

The Company publicly issued RMB784,561,275 ordinary shares (the "A shares") in February 2010, and was listed on the Shanghai Stock Exchange on 26 February 2010.

In June 2015, the Company issued RMB1,562,768,800 H shares, which were listed on the main board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

In August 2018, the Company completed the non-public issuance of 1,088,731,200 RMB-denominated ordinary shares (A Shares) by way of "Non-Public Issuance to Specific Investors".

In June 2019, the Company issued 82,515,000 Global Deposits Receipts (the "GDRs"), representing 825,150,000 new A shares, and was listed on the London Stock Exchange plc (the "London Stock Exchange").

In September 2022, the Company completed the repurchase and cancellation of 1,060,973 restricted A Shares.

In September 2023, the Company completed the repurchase and cancellation of 925,692 restricted A Shares.

As at 31 December 2023, the Company's registered capital was RMB9,074,663,335 and the Company has a total of 9,074,663,335 issued shares of RMB1 each.

As at 31 December 2023, the Company has 28 branches and 242 securities business offices. Please refer to Note 24 for details of subsidiaries of the Company.

The Company and its subsidiaries (the "Group") are principally engaged in securities business, securities underwriting and sponsorship, securities investment advisory, asset management, agency sale of financial products, intermediary introduction business for the futures companies, agency sale and custody of securities investment fund, mutual fund management, direct investment business, alternative investment business, futures brokerage business and other business activities as approved by the China Securities Regulatory Commission (the "CSRC").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance. A summary of the material accounting policy information adopted by the Group are set out below.

(2) Application of new and amendments to IFRSs

New and amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to IFRSs issued by IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

| | |
|---|--|
| IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17) | Insurance Contracts |
| Amendments to IAS 8 | Definition of Accounting Estimates |
| Amendments to IAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to IAS 12 | International Tax Reform-Pillar Two model Rules |
| Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies |

Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 *Income Taxes* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. **Material accounting policy information** - continued

(2) *Application of new and amendments to IFRSs* - continued

Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction - continued

In accordance with the transition provision:

- the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;
- the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The effects of the changes in accounting policy as a result of application of amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* on the consolidated statement of profit or loss are as follows, the application of the amendment has had no impact on the Group's other comprehensive income and cash flow statement, and earnings per share was unchanged.

| | Year ended 31 December | |
|---|------------------------|--------------|
| | <u>2023</u> | <u>2022</u> |
| <i>Impact on profit for the period</i> | | |
| Net increase / (decrease) in income tax expense | 1,763 | (1,291) |
| Net (decrease) / increase in profit for the period | <u>(1,763)</u> | <u>1,291</u> |
| (Decrease) / increase in profit for the period attributable to: | | |
| Shareholders of the Company | (1,763) | 1,291 |
| Non-controlling interests | - | - |
| | <u>(1,763)</u> | <u>1,291</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(2) Application of new and amendments to IFRSs - continued

Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction - continued

The effects of the changes in accounting policy as a result of application of amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* on the consolidated statement of financial position at the end of the immediately preceding financial year, i.e. 31 December 2022, and the beginning of the comparative period, i.e. 1 January 2022, are as follows:

| | As at 31 <u>December 2022</u> (Originally stated) | <u>Adjustments</u> | As at 31 <u>December 2022</u> (Restated) |
|-----------------------------|---|--------------------|--|
| Deferred tax assets | 596,499 | 3,974 | 600,473 |
| Deferred tax liabilities | 2,203,855 | (3,927) | 2,199,928 |
| Total effects on net assets | <u>(1,607,356)</u> | <u>7,901</u> | <u>(1,599,455)</u> |
| Reserves | 100,090,636 | 2,115 | 100,092,751 |
| Retained profits | 37,923,300 | 5,786 | 37,929,086 |
| Total effects on equity | <u>138,013,936</u> | <u>7,901</u> | <u>138,021,837</u> |
| | As at 1 <u>January 2022</u> (Originally stated) | <u>Adjustments</u> | As at 1 <u>January 2022</u> (Restated) |
| Deferred tax assets | 654,651 | 6,689 | 661,340 |
| Deferred tax liabilities | 2,619,161 | 79 | 2,619,240 |
| Total effects on net assets | <u>(1,964,510)</u> | <u>6,610</u> | <u>(1,957,900)</u> |
| Reserves | 95,021,503 | 1,912 | 95,023,415 |
| Retained profits | 35,559,779 | 4,698 | 35,564,477 |
| Total effects on equity | <u>130,581,282</u> | <u>6,610</u> | <u>130,587,892</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(2) *Application of new and amendments to IFRSs* - continued

Impacts on application of Amendments to IAS 12 Income Taxes International Tax Reform-Pillar Two model Rules

The Group has applied the amendments for the first time in the current year. IAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the "Pillar Two legislation"). The amendments require that entities apply the amendments immediately upon issuance and retrospectively. The amendments also require that entities to disclose separately its current tax expense/income related to Pillar Two income taxes in periods which the Pillar Two legislation is in effect, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group has applied the temporary exception immediately upon issue of these amendments and retrospectively, i.e. applying the exception from the date Pillar Two legislation is enacted or substantially enacted. The qualitative and quantitative information about the Group's exposure to Pillar Two income taxes is set out in Note 15.

Except as described above, the application of other new IFRSs and amendments to IFRSs in the current year has had no material impact on the Group's consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to IFRSs in issue but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

| | |
|----------------------------------|--|
| Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹ |
| Amendments to IFRS 16 | Lease Liability in a Sale and Leaseback ² |
| Amendments to IAS 1 | Classification of Liabilities as Current or Non-current ² |
| Amendments to IAS 1 | Non-current Liabilities with Covenants ² |
| Amendments to IAS 7 and IFRS 7 | Supplier Finance Arrangements ² |
| Amendments to IAS 21 | Lack of Exchangeability ³ |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(2) Application of new and amendments to IFRSs - continued

Amendments to IFRSs in issue but not yet effective - continued

- ¹ Effective for annual periods beginning on or after a date to be determined.
- ² Effective for annual periods beginning on or after 1 January 2024.
- ³ Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all the above amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

(3) Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except that the following assets and liabilities are measured at their fair value: financial derivatives, non-derivative financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income. The methods used to measure fair value are discussed further in Note 2(8).

The consolidated financial statements are presented in Renminbi ("RMB"), which is the functional currency of the Company. All financial information presented in RMB has been rounded to the nearest thousand, except when otherwise indicated. The Group translates the consolidated financial statements of subsidiaries from their respective functional currencies into the Group's functional currency if the subsidiaries' functional currencies are not the same as that of the Group.

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgments made by management in the application of IFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in Note 2(29).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(4) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 2(4)(ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

(ii) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised gains arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meet the definition of a financial liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(4) Basis of consolidation - continued

(ii) Subsidiaries and non-controlling interests - continued

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the reporting period between non-controlling interests and the shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(8)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see Note 2(4)(iii)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(15)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(4) *Basis of consolidation* - continued

(iii) Associates and joint ventures - continued

Investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) or applied the exemption from the requirement to apply equity accounting method and measured the investment at fair value through profit or loss. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair value of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see Note 2(15)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

When an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund and similar entities, such investment is measured at fair value through profit or loss in the Group's consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(4) *Basis of consolidation* - continued

(iii) Associates and joint ventures - continued

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(8)).

In the Company's statement of financial position, investments in associates and joint venture of the Company are accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) or applied the exemption from the requirement to apply equity accounting method and measured the investment at fair value through profit or loss.

(5) *Goodwill*

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see Note 2(15)).

On disposal of a CGU during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(6) Foreign currency

When the Group receives capital in foreign currencies from investors, the capital is translated to RMB at the spot exchange rate on the date of receipt. Other foreign currency transactions are, on initial recognition, translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates on the dates of the transactions.

A spot exchange rate is an exchange rate quoted by the PBOC, the State Administrative of Foreign Exchange or a cross rate determined based on quoted exchange rates. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, normally the average exchange rate of the current period.

Monetary items denominated in foreign currencies are translated to RMB at the spot exchange rate at the end of the reporting period. The resulting exchange differences are recognised in profit or loss, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in associates/joint ventures.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to RMB using the foreign exchange rate at the transaction date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the resulting exchange differences are recognised in profit or loss, except for the differences arising from the translation of equity securities investment designated as at fair value through other comprehensive income (FVOCI) (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss), which are recognised as OCI in reserve.

The assets and liabilities of foreign operation are translated to RMB at the spot exchange rate at the end of reporting period. The equity items, excluding "retained profits", are translated to RMB at the spot exchange rates at the transaction dates. The income and expenses of foreign operation are translated to RMB at the spot exchange rates or the rates that approximate the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. Upon disposal of a foreign operation, the cumulative amount of the translation differences recognised in shareholders' equity which relates to that foreign operation is transferred to profit or loss in the period in which the disposal occurs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, short term deposits, and short-term, highly liquid investments, which are readily convertible into known amounts of cash and are subject to insignificant risk of change in value.

(8) Financial instruments

(i) Recognition and initial measurement

Financial instruments are recognised/derecognised on the date the Group commits to purchase/sell the investment. Financial instruments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVTPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 2(8)(iv). Financial instruments are subsequently accounted for as follows, depending on their classification.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(ii) Classification and subsequent measurement - continued

A debt instruments is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(ii) Classification and subsequent measurement - continued

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(ii) Classification and subsequent measurement - continued

Financial assets - Subsequent measurement and gains and losses

| | |
|------------------------------------|--|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |
| Debt instruments at FVOCI | These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. |

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. The fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's credit risk is to be recognised in OCI (without reclassification to profit or loss). Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(iii) Impairment

The Group recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;
- debt instruments measured at FVOCI;
- financial guarantee contracts;
- contract assets; and
- lease receivables.

Debt instruments at fair value, FVTPL and equity securities designated at FVOCI (non-recycling), are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

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2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(iii) Impairment - continued

Measurement of ECLs - continued

Loss allowances for accounts receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Significant increases in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(iii) Impairment - continued

Significant increases in credit risk - continued

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

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(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(iii) Impairment - continued

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisations;
- or
- the disappearance of an active market for a security because of financial difficulties.
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written-off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

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2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(iii) Impairment - continued

Write-off - continued

Subsequent recoveries of an asset that was previously written-off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(iv) Fair value measurement

If there is an active market for a financial asset or financial liability, the quoted market price without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability. Quoted prices from an active market are prices that are readily and regularly available from an exchange, dealer, broker, industry group or pricing service agency, and represent actual and regularly occurring market transactions on an arm's length basis.

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of the reporting period. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

In estimating the fair value of a financial asset and financial liability, the Group considers all factors including, but not limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset and financial liability.

The Group obtains market data from the same market where the financial instrument was originated or purchased.

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2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(v) Derecognition of financial assets and financial liabilities

Financial assets (or a part of a financial asset or group of financial assets) are derecognised when the financial assets meet one of the following conditions:

- the contractual rights to the cash flows from the financial asset expire; or
- the Group transfers substantially all the risks and rewards of ownership of the financial assets or where substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the control over that asset is relinquished.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but retains control, the Group continues to recognise the financial asset and relevant liability to the extent of its continuing involvement in the financial asset.

The financial liability (or part of it) is derecognised only when the underlying present obligation (or part of it) specified in the contracts is discharged, cancelled or expired. An agreement between the Group and an existing lender to replace the original financial liability with a new financial liability with substantially different terms, or a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. The difference between the carrying amount of the derecognised financial liability and the consideration paid is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis, or by realising the asset and settling the liability simultaneously.

(vii) Equity instruments

An equity instrument is a contract that proves the ownership interest of the residual assets after deducting all liabilities of the Group. Considerations received from issuance of equity instruments net of transaction costs are recognised in equity. Considerations and transaction costs paid by the Group for repurchasing its own equity instruments are deducted from equity.

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(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(viii) Perpetual bonds

At initial recognition, the Group classifies the perpetual bonds issued as financial liabilities or equity instruments based on their contractual terms and their economic substance after considering the definition of financial liabilities and equity instruments.

Perpetual bonds issued that should be classified as equity instruments are recognised in equity based on the actual amount received. Any distribution of dividends or interests during the instruments' duration is treated as profit appropriation. When the perpetual bonds are redeemed according to the contractual terms, the redemption price is charged to equity.

(ix) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(x) Hedge accounting

At the inception of a hedging relationship, the Group formally designates the hedge instruments and the hedged items, and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to meet the hedge effectiveness in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to analyse the sources of hedge ineffectiveness which are expected to affect the hedging relationship in remaining hedging period. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group would rebalance the hedging relationship.

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2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(x) Hedge accounting - continued

The Group designates such hedged items as debt securities issued with floating interest that expose the Group to the risk of variability of its cash flows.

Certain derivative transactions, while providing effective economic hedges under the Group's risk management positions, do not qualify for hedge accounting and are therefore treated as derivatives held for trading with fair value gains or losses recognised in profit or loss. Hedges which meet the strict criteria for hedge accounting are accounted for in accordance with the Group's accounting policy as set out below.

Fair value hedges

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or unrecognised firm commitment, that is attributable to a particular risk and could affect the profit or loss or other comprehensive income. Among them, the circumstances affecting other comprehensive income are limited to the hedging for the risk exposure from fair value change of non-trading equity investment designated as at FVOCI. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and the gains and losses from both are taken to profit or loss or other comprehensive income.

For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item and the face value is amortised over the remaining term of the original hedge using the effective interest rate method.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting when the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised. If the hedged items are derecognised, the unamortised fair value is recorded in profit or loss.

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(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(8) *Financial instruments* - continued

(x) Hedge accounting - continued

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, a highly probable forecast transaction or a component of any such item, and could affect profit or loss. For designated and qualifying cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognised directly in other comprehensive income. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in profit or loss.

When the hedged cash flow affects profit or loss, the gain or loss on the hedging instrument recognised directly in other comprehensive income is recycled in the corresponding income or expense line of the statement of profit or loss. When the hedging relationship ceases to meet the qualifying criteria after taking into account any rebalancing of the hedging relationship, including the hedging instrument has expired or has been sold, terminated or exercised, any cumulative gain or loss existing in other comprehensive income at that time remains in other comprehensive income until the hedged forecast transaction ultimately occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to profit or loss.

Net investment hedges

Net investment hedge is a hedge of the currency risk of a net investment in a foreign institution operation.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in other comprehensive income; the gain or loss relating to the ineffective portion is recognised in profit or loss immediately. Gains and losses accumulated in other comprehensive income are included in profit or loss when the foreign operation is disposed of as part of the gain or loss on the disposal.

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(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(9) *Margin financing and securities lending*

Margin financing and securities lending refer to the lending of funds by the Group to customers for purchase of securities, or lending of securities by the Group to customers for securities selling, for which the customers provide the Group with collateral.

The classification, subsequent measurement and impairment of margin financing receivables is based on policies in Note 2(8). Securities lent are not derecognised when the risk and rewards are not transferred, and interest income from margin financing receivables and securities lent is recognised accordingly.

The collateral is not recognised on the statement of financial position, the transfer of the collateral from counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred.

Securities trading on behalf of margin financing or securities lending customers are accounted for as securities brokerage business.

(10) *Financial assets held under resale and sold under repurchase agreements*

Financial assets held under resale agreements are transactions where the Group acquires financial assets which will be resold at a predetermined price at a future date under resale agreements. Financial assets sold under repurchase agreements are transactions where the Group sells financial assets which will be repurchased at a predetermined price at a future date under repurchase agreements.

The cash advanced or received is recognised as amounts held under resale or sold under repurchase agreements in the consolidated statement of financial position. Assets held under resale agreements are recorded in memorandum accounts as off-balance sheet items. Assets sold under repurchase agreements continue to be recognised in the consolidated statement of financial position.

The difference between the purchase and resale consideration, and that between the sale and repurchase consideration, is amortised over the period of the respective transaction using the effective interest method and is included in interest income and interest expenses, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Material accounting policy information - continued

(11) Investments in subsidiaries

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the principles described in Note 2(4).

In the Company's statement of financial position, investments in subsidiaries are accounted for using the cost method. The investment is stated at cost less impairment loss (Note 2(15)) in the statements of financial position. Except for declared but not yet distributed cash dividends or profits distribution that have been included in the price or consideration paid in obtaining the investments, the Group recognises its share of the cash dividends or profit distribution declared by the investees as investment income.

(12) Property and equipment and construction in progress

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(15)). Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

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2. Material accounting policy information - continued

(12) Property and equipment and construction in progress - continued

(i) Recognition and measurement - continued

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Costs of construction in progress are determined based on the actual expenditures incurred which include all necessary expenditures incurred during the construction period, borrowing costs eligible for capitalisation and other costs incurred to bring the asset to its intended use.

Items classified as construction in progress are transferred to property and equipment when such assets are ready for their intended use.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write-off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated useful lives.

Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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2. Material accounting policy information - continued

(12) Property and equipment and construction in progress - continued

(iii) Depreciation - continued

The estimated useful lives for the current and comparative years of significant items of property and equipment are as follows:

| <u>Types of assets</u> | <u>Estimated useful lives</u> | <u>Estimated residual values</u> | <u>Depreciation rates</u> |
|------------------------|-------------------------------|----------------------------------|---------------------------|
| Buildings | 30 - 35 years | 3% | 2.77% - 3.23% |
| Motor vehicles | 5 - 8 years | 3% | 12.13% - 19.40% |
| Electronic equipment | 5 years | 3% | 19.40% |
| Furniture and fixtures | 5 years | 3% | 19.40% |

No depreciation is provided in respect of construction in progress. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is accounted for using the cost model and stated in the financial statements at cost less accumulated depreciation, and impairment losses (see Note 2(15)). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale.

| | <u>Estimated useful lives</u> | <u>Estimated residual values</u> | <u>Depreciation rates</u> |
|---------------------|-------------------------------|----------------------------------|---------------------------|
| Investment property | 30 - 35 years | 3% | 2.77% - 3.23% |

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

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2. Material accounting policy information - continued

(14) Land-use rights and other intangible assets

Intangible assets are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment loss (see Note 2(15)). For an intangible asset with finite useful life, its cost less impairment loss is amortised on the straight-line method over its estimated useful life.

The respective amortisation periods for intangible assets are as follows:

| <u>Types of assets</u> | <u>Estimated useful lives</u> |
|--|-------------------------------|
| Existing relationships with broker-dealers | Indefinite |
| Enterprise distribution channel customer relationships | Indefinite |
| Trading seat fee | Indefinite |
| Land-use rights | 40 - 50 years |
| Trade names | 11 - 20 years |
| Software and others | 2 - 14 years |

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

(15) Impairment of non-financial assets

The carrying amounts of the following assets are reviewed at each reporting date to determine whether there is any indication of impairment:

- property and equipment
- construction in progress
- investment property
- land-use rights and other intangible assets
- equity investment in subsidiaries, associates and joint ventures
- goodwill
- leasehold improvements and long-term deferred expenses

If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

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2. Material accounting policy information - continued

(15) Impairment of non-financial assets - continued

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(16) Contract assets and contract liabilities

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. Contract assets are assessed for ECL in accordance with the policy set out in Note 2(8)(iii) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

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2. Material accounting policy information - continued

(17) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds, which have a credit rating of at least AA from rating agency, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

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2. Material accounting policy information - continued

(18) Share-based payments

(i) Accounting treatment of cash-settled share-based payments

Where the Group receives services from employees by incurring a liability to deliver cash or other assets for amounts that are determined based on the price of shares or other equity instruments, the service received from employees is measured at the fair value of the liability incurred. If a cash-settled share-based payment do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises costs or expenses as services are received, with a corresponding increase in liability, at an amount equal to the fair value of the liability based on the best estimate of the outcome of vesting. Until the liability is settled, the Group will remeasure the fair value of the liability at each balance sheet date and at the date of settlement, with changes recognised in profit or loss for the current period.

When the Group receives services and has the obligation to settle the transaction, but the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group classifies the transaction as cash-settled.

(ii) Accounting treatment of equity-settled share-based payments

Where the Group uses shares or other equity instruments as consideration for services received from the employees, the payment is measured at the fair value of the equity instruments granted to the employees at the grant date. If the equity instruments granted do not vest until the completion of services for a period, or until the achievement of a specified performance condition, the Group recognises an amount at each balance sheet date during the vesting period based on the best estimate of the number of equity instruments expected to vest according to the newly obtained subsequent information of the changes of the number of the employees expected to vest the equity instruments. The Group measures the services received at the grant-date fair value of the equity instruments and recognises the costs or expenses as the services are received, with a corresponding increase in capital reserve.

When the Group receives services, but the Group has no obligation to settle the transaction because the relevant equity instruments are issued by the Company's ultimate parent or its subsidiaries outside the Group, the Group also classifies the transaction as equity-settled.

(19) Income tax

Income tax expense comprises current and deferred income tax expense. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Material accounting policy information - continued

(19) Income tax - continued

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(19) Income tax - continued

(ii) Deferred tax - continued

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

(iii) Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(20) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(20) Leases - continued

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(20) Leases - continued

(i) As a lessee - continued

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'other payables and accruals' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(20) Leases - continued

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see Note 2(8)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income and gains'.

(21) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(21) Provisions and contingent liabilities - continued

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(22) Fiduciary activities

The Group acts in a fiduciary activity as a manager, a custodian, or an agent for customers. Assets held by the Group and the related undertakings to return such assets to customers are recorded as off-balance sheet items as the risks and rewards of the assets reside with customers.

(23) Revenue recognition

Revenue is recognised when control over a service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a variable consideration, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised services to a customer and includes in the transaction price some or all of the variable consideration estimated, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(23) Revenue recognition - continued

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Commission income from brokerage business

Brokerage commission income is recognised on a trade date basis when the relevant transactions are executed. Handling and settlement fee income arising from brokerage business is recognised when the related services are rendered.

(ii) Underwriting and sponsor fees

Underwriting fee is recognised when the Group has fulfilled its obligations under the underwriting contract.

Depending on contract terms, sponsor fees are recognised progressively over time using a method that depicts the Group's performance, or at a point in time when the service is completed.

(iii) Advisory fees

Depending on the nature of the advisory services and the contract terms, advisory fees are recognised progressively over time using a method that depicts the Group's performance, or at a point in time when the advisory service is completed.

(iv) Asset management fees

Asset management fees include periodic management fees calculated based on assets under management and performance-based fees. The fees are recognised progressively over time using a method that depicts the Group's performance, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

(v) Other income

Other income is recognised on an accrual basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(24) Expenses recognition

(i) Commission expenses

Commission expenses relate mainly to transactions, which are recognised as expenses when the services are received.

(ii) Interest expenses

Interest expenses are recognised based on the principal outstanding and at the effective interest rate applicable.

(iii) Other expenses

Other expenses are recognised on an accrual basis.

(25) Dividend distribution

Dividends or profit distributions proposed in the profit appropriation plan, which will be authorised and declared after the end of the reporting period, are not recognised as a liability at the end of the reporting period but disclosed in the notes to the financial statements separately.

(26) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income and gains".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(27) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
- (1) has control or joint control over the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (3) Both entities are joint ventures of the same third party.
 - (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (6) The entity is controlled or jointly controlled by a person identified in (i).
 - (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(28) Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose financial performance are regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance, and for which financial information regarding financial position, financial performance and cash flows is available.

Two or more operating segments may be aggregated into a single operating segment if the segments have same or similar economic characteristics and are similar in respect of the nature of each products and service, the nature of production processes, the type or class of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting, and segment accounting policies are consistent with those for the consolidated financial statements.

(29) Significant accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(i) Fair value of financial instruments

If the market for a financial instrument is not active, the Group determines the fair value by using valuation technique. Valuation technique makes maximum use of observable market input. However, where observable market inputs are not available, management makes estimates on such unobservable market inputs.

(ii) Measurement of ECL

The following significant judgements are required in applying the accounting requirements for measuring the ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(29) Significant accounting estimates and judgements - continued

(ii) Measurement of ECL - continued

Significant increase of credit risk

As explained in Note 2(8)(iii), ECL are measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL assets for Stage 2 or Stage 3 assets. An asset moves to Stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.

Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Assets move from 12-month to lifetime ECLs when there is a significant increase in credit risk, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used

The Group uses various models and assumptions in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Forward-looking information

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movements of different economic drivers and how these drivers will affect each other.

Probability of default (PD)

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(29) Significant accounting estimates and judgements - continued

(ii) Measurement of ECL - continued

Loss given default (LGD)

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Loss rate (LR)

LR represents the Group's expectation of the likelihood and extent of loss on exposure based on the relevant loan to collateral ratio. The Group uses historical loss rates based on publicly available information and assesses their appropriateness.

(iii) Impairment of non-financial assets

At the end of the reporting period, the carrying amount of non-financial assets are reviewed to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, an impairment loss is provided. Goodwill and indefinite-lived intangible assets are tested annually for impairment.

Since the market price of an asset (the asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably. In assessing the present value of future cash flows, significant judgements are exercised over the future cash flows and discounting rates, based on all relevant materials which can be obtained together with reasonable and supportable assumptions.

(iv) Income taxes

Determining income tax provisions requires the Group to estimate the future tax treatment of certain transactions. The Group evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly. In addition, deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also significant assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

2. Material accounting policy information - continued

(29) Significant accounting estimates and judgements - continued

(v) Determination scope of consolidation

All facts and circumstances must be taken into consideration in the assessment of whether the Group, controls the investee. The principle of control includes three elements: (i) power over the investee; (ii) exposure, or rights, to variable returns from involvement with the investee; and (iii) the ability to use power over the investee to affect the amount of investors' returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The Group held interests as investor and/or acted as investment manager in various structured entities including asset management schemes, investment funds and partnerships. The Group considered its power, arising from the rights entitled directly or indirectly, over the structured entities, and assessed whether the combination of investments it held together with its remuneration created exposure to variability of returns from the structured entities that are of such significance that it indicated the Group controlled the structured entities and should consolidated these structured entities.

3. Taxation

The Group's main applicable taxes and tax rates are as follows:

| <u>Tax type</u> | <u>Tax basis</u> | <u>Tax rate</u> |
|---------------------------------------|--|--------------------|
| Value-added tax (VAT) | Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period. | 3% - 13% |
| City maintenance and construction tax | Based on VAT payable | 1% - 7% |
| Education surcharge | Based on VAT payable | 2% - 3% |
| Local Education surcharge | Based on VAT payable | 1% - 2% |
| Income tax | Based on taxable profits | 25% ⁽ⁱ⁾ |

- (i) The income tax rate applicable to the Company and its subsidiaries in the Mainland China is 25% (2022: 25%). The income tax rate applicable to subsidiaries in Hong Kong is 16.5% (2022: 16.5%). The federal income tax of subsidiaries in the United States were provided at the rate of 21% (2022: 21%). Taxes of other overseas subsidiaries are charged at the relevant local rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

4. Fee and commission income

| | Year ended 31 December | |
|--|------------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Income from securities brokerage and advisory business | 7,870,599 | 9,295,319 |
| Income from asset management business | 6,422,832 | 5,816,638 |
| Income from underwriting and sponsorship business | 2,980,061 | 3,712,850 |
| Income from futures brokerage business | 1,188,621 | 1,471,261 |
| Income from financial advisory business | 238,015 | 446,249 |
| Other commission income | 240,854 | 239,108 |
| Total | <u>18,940,982</u> | <u>20,981,425</u> |

5. Interest income

| | Year ended 31 December | |
|--|------------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Interest income from margin financing and securities lending | 7,839,468 | 7,829,590 |
| Interest income from financial institutions | 4,325,319 | 3,954,182 |
| Interest income from debt instruments at amortised cost | 1,445,973 | 1,144,983 |
| Interest income from securities-backed lendings | 273,945 | 279,512 |
| Interest income from debt instruments at fair value through other comprehensive income | 461,396 | 267,623 |
| Interest income from other financial assets held under resale agreements | 247,544 | 239,943 |
| Others | 21,587 | 28,284 |
| Total | <u>14,615,232</u> | <u>13,744,117</u> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Expressed in thousands of Renminbi, unless otherwise stated)

6. Net investment gains

| | <u>Year ended 31 December</u> | |
|---|-------------------------------|-------------------------|
| | <u>2023</u> | <u>2022</u> |
| Dividend income and interest income from financial instruments at fair value through profit or loss | 8,068,148 | 8,586,040 |
| Net realised losses from disposal of an associate | - | (528) |
| Net realised (losses)/gains from disposal of derivative financial instruments | (8,941,901) | 14,012,826 |
| Net realised gains/(losses) from disposal of financial instruments at fair value through profit or loss | 11,639,856 | (13,160,288) |
| Net realised losses from disposal of debt instruments at fair value through other comprehensive income | (80,389) | (197,789) |
| Net gains arising from derecognition of debt instruments at amortised cost | - | 92 |
| Unrealised fair value changes of derivative financial instruments | (6,518,537) | 4,961,468 |
| Unrealised fair value changes of financial instruments at fair value through profit or loss | 7,493,050 | (8,175,234) |
| Other investment gains | 10,173 | - |
| Total | <u>11,670,400</u> | <u>6,026,587</u> |

7. Other income and gains

| | <u>Year ended 31 December</u> | |
|--|-------------------------------|-------------------------|
| | <u>2023</u> | <u>2022</u> |
| Income from commodity sales | 4,890,072 | 3,236,896 |
| Government grants ⁽ⁱ⁾ | 306,922 | 287,518 |
| Rental income | 30,709 | 47,964 |
| Gains on disposal of property and equipment | 1,525 | 1,109 |
| Gain on acquiring interest in an associate ⁽ⁱⁱ⁾ | 239,728 | 151,563 |
| Foreign exchange gain | 1,322,894 | 2,199,198 |
| Others | 241,957 | 147,995 |
| Total | <u>7,033,807</u> | <u>6,072,243</u> |

- (i) The government grants were received unconditionally by the Company and its subsidiaries from the local government where they reside.
- (ii) During the year ended 31 December 2023, the Company purchased additional 55,456,398 A shares of Bank of Jiangsu Co., Ltd. ("Bank of Jiangsu") through the stock market and recognized an income amounting to RMB239.73 million.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Expressed in thousands of Renminbi, unless otherwise stated)

8. Fee and commission expenses

| | Year ended 31 December | |
|---|------------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Expenses for securities brokerage and advisory business | 2,366,556 | 2,669,423 |
| Expenses for futures brokerage business | 619,462 | 845,194 |
| Expenses for asset management business | 1,158,376 | 1,093,726 |
| Expenses for underwriting and sponsorship business | 180,253 | 132,448 |
| Expenses for financial advisory business | 943 | 2,321 |
| Other commission expenses | 2,700 | 2,727 |
| Total | <u>4,328,290</u> | <u>4,745,839</u> |

9. Interest expenses

| | Year ended 31 December | |
|---|------------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Interest expenses on long-term bonds | 4,876,439 | 4,454,208 |
| Interest expenses on financial assets sold under repurchase agreements | 3,954,529 | 2,608,777 |
| Interest expenses on placements from banks and other financial institutions | 1,935,432 | 1,904,572 |
| Interest expenses on short-term debt instruments issued | 704,782 | 899,652 |
| Interest expenses of accounts payable to brokerage clients | 1,187,166 | 792,845 |
| Interest expenses on short-term bank loans | 597,601 | 157,578 |
| Interest expenses on lease liabilities | 63,271 | 53,716 |
| Interest expenses on long-term bank loans | 59,122 | 39,067 |
| Others | 284,567 | 200,924 |
| Total | <u>13,662,909</u> | <u>11,111,339</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

10. Staff costs

| | Note | Year ended 31 December | |
|----------------------------------|------|------------------------|-------------------|
| | | 2023 | 2022 |
| Salaries, bonuses and allowances | | 7,245,418 | 7,640,457 |
| Contribution to pension schemes | | 942,195 | 1,217,392 |
| Share-based payment expense | 63 | 187,494 | 249,094 |
| Other social welfare | | 996,735 | 944,955 |
| Total | | <u>9,371,842</u> | <u>10,051,898</u> |

The domestic employees of the Group in the PRC participate in social welfare plans, including pension, medical, housing, and other welfare benefits, organised and administered by the governmental authorities. According to the relevant regulations, the premiums and welfare benefits contributions that should be borne by the Group are calculated on a regular basis and paid to the labour and social welfare authorities. The contributions to the social security plans are expensed as incurred.

The Group provides its full-time employees in Mainland China and certain countries or jurisdictions outside Mainland China with relevant pension plans as required by the governments or by local labour laws, including the basic pension plan in Mainland China, the Mandatory Provident Funds in Hong Kong and other statutory plans in certain countries outside Mainland China. The Group did not have any forfeited contributions under these pension plans.

The Group also provides an enterprise annuity plan to employees in Mainland China. According to the plan, when an employee resigns, part of the contributed amount may be returned to the Company's enterprise annuity account based on his/her actual working time. Such returned contributions had no impact on the level of annuity contributions for existing employees. The Group did not utilise any of such forfeited contributions to reduce the existing level of contributions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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11. Depreciation and amortisation expenses

| | <u>Year ended 31 December</u> | |
|--|-------------------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Amortisation of land-use rights and other intangible assets | 571,151 | 430,469 |
| Depreciation of property and equipment | 1,123,754 | 982,420 |
| - Right-of-use assets | 590,215 | 525,031 |
| - Other property and equipment | 533,539 | 457,389 |
| Amortisation of leasehold improvements and long-term deferred expenses | 151,130 | 127,043 |
| Depreciation of investment properties | 10,374 | 12,644 |
| Total | <u>1,856,409</u> | <u>1,552,576</u> |

12. Tax and surcharges

| | <u>Year ended 31 December</u> | |
|---------------------------------------|-------------------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| City maintenance and construction tax | 71,367 | 81,378 |
| Education surcharges | 52,929 | 58,348 |
| Others | 63,368 | 50,245 |
| Total | <u>187,664</u> | <u>189,971</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

13. Other operating expenses

| | Year ended 31 December | |
|---|------------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Cost of commodity sales | 4,935,251 | 3,259,403 |
| IT expenses | 2,283,005 | 1,955,741 |
| Litigation and regulatory matters (Note58) | 700,119 | 292 |
| Marketing, advertising and promotion expenses | 482,319 | 600,943 |
| Stock exchange fees | 476,254 | 418,653 |
| Travel expenses | 377,100 | 226,542 |
| Consulting fees | 352,224 | 526,316 |
| Postal and communication expenses | 322,632 | 277,532 |
| Securities investor protection funds | 110,900 | 111,428 |
| Utilities | 68,409 | 52,747 |
| Products distribution expenses | 55,377 | 38,397 |
| Rental expenses | 39,142 | 41,566 |
| Auditors' remuneration | 12,022 | 12,520 |
| Others | 1,429,619 | 1,127,026 |
| Total | <u>11,644,373</u> | <u>8,649,106</u> |

14. Impairment losses under expected credit loss model, net of reversal

| | Year ended 31 December | |
|---|------------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Reversal of impairment losses against cash and bank balances | (290) | (351) |
| Reversal of impairment losses against margin accounts receivable | (6,325) | (387,636) |
| Provision for / (reversal of) impairment losses against other receivables and interest receivable | 23,917 | (720) |
| Provision for / (reversal of) impairment losses against debt instruments at amortised cost | 367 | (9,969) |
| Provision for / (reversal of) impairment losses against financial assets at fair value through other comprehensive income | 11,753 | (69,406) |
| (Reversal of) / provision for impairment losses against financial assets held under resale agreements | (485,801) | 15,392 |
| Provision for / (reversal of) impairment losses against accounts receivable | 45,433 | (32,659) |
| Total | <u>(410,946)</u> | <u>(485,349)</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

15. Income tax expense

(a) Taxation in the consolidated income statements represents:

| | Year ended 31 December | |
|--------------------------------------|------------------------|---------------------------|
| | <u>2023</u> | <u>2022</u> (Restated) |
| Current income tax | | |
| - Mainland China | 1,080,281 | 1,038,734 |
| - Hong Kong | 128,348 | 4,852 |
| - Overseas | 321,369 | 178,024 |
| | <u>1,529,998</u> | <u>1,221,610</u> |
| Adjustment in respect of prior years | | |
| - Mainland China | (28,198) | 27,018 |
| - Hong Kong | - | (62,700) |
| | <u>(28,198)</u> | <u>(35,682)</u> |
| Deferred tax | <u>(333,396)</u> | <u>(324,511)</u> |
| Total | <u>1,168,404</u> | <u>861,417</u> |

- (1) According to the PRC Corporate Income Tax ("CIT") Law that took effect on 1 January 2008, the Company and the Group's subsidiaries in the Mainland China are subject to CIT at the statutory tax rate of 25%.
- (2) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits. The federal income tax of subsidiaries in the United States were provided at the rate of 21%, whereas the states' income tax are charged at the applicable local tax rates.
- (3) The Group has applied the temporary exception from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The government of United Kingdom where the group entity is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislations, the entity in United Kingdom will be required to pay top-up tax on profits that are taxed at an effective tax rate of less than 15 per cent. As at 31 December 2023, the annual profits from jurisdiction where the Pillar Two legislation is enacted or substantially enacted but not yet in effect is less than 0.1 per cent of the Group's total annual profits. The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

15. Income tax expense - continued

(b) Reconciliation between income tax expense and accounting profit at applicable tax rate:

| | Year ended 31 December | |
|---|------------------------|---------------------------|
| | <u>2023</u> | <u>2022</u> (Restated) |
| Profit before income tax | 14,204,664 | 12,228,038 |
| Notional tax calculated using the PRC statutory tax rate | 3,551,166 | 3,057,009 |
| Tax effect of non-deductible expenses | 274,688 | 336,175 |
| Tax effect of non-taxable income | (2,302,220) | (2,239,673) |
| Tax effect of deductible temporary differences or unused tax losses not recognised | 544 | 16,064 |
| Effect of using the deductible tax losses for which no deferred tax asset was recognised in previous period | (10,033) | (5,193) |
| Effect of different tax rates of the subsidiaries | (141,529) | (169,573) |
| Adjustment in respect of prior years | (28,198) | (35,682) |
| Others (Note) | (176,014) | (97,710) |
| Income tax expense for the year | <u>1,168,404</u> | <u>861,417</u> |

Note: The balance of others mainly represents tax impact of dividends to perpetual subordinated bonds.

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(Expressed in thousands of Renminbi, unless otherwise stated)

16. Directors' and supervisors' remuneration

The remuneration of directors and supervisors for current year who held office is as follows:

| Name | Year ended 31 December 2023 | | | | | Total |
|--|-----------------------------|---|---------------------------------|-----------------------|--------------|---------------|
| | Directors' fees | Salaries, allowances and benefits in kind | Contribution to pension schemes | Discretionary bonuses | Annuity plan | |
| Executive directors | | | | | | |
| Zhang Wei | - | 458 | 46 | 665 | 167 | 1,336 |
| Zhou Yi | - | 1,440 | 46 | 2,127 | 147 | 3,760 |
| Yin lihong ⁽²⁾ | - | 413 | 46 | 599 | 148 | 1,206 |
| Non-executive directors | | | | | | |
| Ding Feng ⁽¹⁾ | - | - | - | - | - | - |
| Chen Zhongyang ⁽¹⁾⁽²⁾ | - | - | - | - | - | - |
| Ke Xiang ⁽¹⁾ | - | - | - | - | - | - |
| Liu Changchun ⁽¹⁾⁽⁸⁾ | - | - | - | - | - | - |
| Zhang Jin Xin ⁽¹⁾⁽⁴⁾ | - | - | - | - | - | - |
| Hu Xiao ⁽¹⁾⁽⁷⁾ | - | - | - | - | - | - |
| Independent non-executive directors | | | | | | |
| Wang Jianwen | 240 | - | - | - | - | 240 |
| Wang Quansheng ⁽²⁾ | 240 | - | - | - | - | 240 |
| Peng Bing ⁽⁴⁾ | 240 | - | - | - | - | 240 |
| Wang Bing ⁽⁴⁾ | 240 | - | - | - | - | 240 |
| Tse Yung Hoi ⁽⁴⁾ | 240 | - | - | - | - | 240 |
| Supervisors | | | | | | |
| Gu Chengzhong | - | 1,079 | 46 | 1,730 | 155 | 3,010 |
| Li Chongqi ⁽¹⁾⁽⁴⁾ | - | - | - | - | - | - |
| Yu Lanying ⁽¹⁾ | - | - | - | - | - | - |
| Zhang Xiaohong ⁽¹⁾ | - | - | - | - | - | - |
| Zhou Hongrong ⁽¹⁾⁽⁴⁾ | - | - | - | - | - | - |
| Wang Ying | - | 996 | 46 | 1,090 | 80 | 2,212 |
| Wang Juan | - | 621 | 46 | 1,340 | 71 | 2,078 |
| Total | 1,200 | 5,007 | 276 | 7,551 | 768 | 14,802 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

16. Directors' and supervisors' remuneration - continued

| Name | Year ended 31 December 2022 | | | | | Total |
|--|-----------------------------|---|---------------------------------|-----------------------|--------------|---------------|
| | Directors' fees | Salaries, allowances and benefits in kind | Contribution to pension schemes | Discretionary bonuses | Annuity plan | |
| Executive directors | | | | | | |
| Zhang Wei | - | 449 | 43 | 1,010 | 208 | 1,710 |
| Zhou Yi | - | 1,396 | 43 | 2,280 | 186 | 3,905 |
| Yin lihong ⁽²⁾ | - | 235 | 26 | 193 | 184 | 638 |
| Zhu Xuebo ⁽³⁾⁽⁹⁾ | - | - | - | - | - | - |
| Non-executive directors | | | | | | |
| Ding Feng ⁽¹⁾ | - | - | - | - | - | - |
| Chen Zhongyang ⁽¹⁾⁽²⁾ | - | - | - | - | - | - |
| Ke Xiang ⁽¹⁾ | - | - | - | - | - | - |
| Zhang Jin Xin ⁽¹⁾⁽⁴⁾ | - | - | - | - | - | - |
| Chen Yongbing ⁽¹⁾⁽³⁾ | - | - | - | - | - | - |
| Hu Xiao ⁽¹⁾⁽⁷⁾ | - | - | - | - | - | - |
| Wang Tao ⁽¹⁾⁽⁵⁾ | - | - | - | - | - | - |
| Independent non-executive directors | | | | | | |
| Wang Jianwen | 240 | - | - | - | - | 240 |
| Wang Quansheng ⁽²⁾ | 140 | - | - | - | - | 140 |
| Peng Bing ⁽⁴⁾ | 20 | - | - | - | - | 20 |
| Wang Bing ⁽⁴⁾ | 20 | - | - | - | - | 20 |
| Tse Yung Hoi ⁽⁴⁾ | 20 | - | - | - | - | 20 |
| Chen Chuanming ⁽³⁾ | 120 | - | - | - | - | 120 |
| Liu Yan ⁽⁶⁾ | 240 | - | - | - | - | 240 |
| Chen Zhibin ⁽⁶⁾ | 240 | - | - | - | - | 240 |
| Au King Chi ⁽⁶⁾ | 240 | - | - | - | - | 240 |
| Supervisors | | | | | | |
| Gu Chengzhong | - | 912 | 43 | 2,650 | 128 | 3,733 |
| Li Chongqi ⁽¹⁾⁽⁴⁾ | - | - | - | - | - | - |
| Yu Lanying ⁽¹⁾ | - | - | - | - | - | - |
| Zhang Xiaohong ⁽¹⁾ | - | - | - | - | - | - |
| Zhou Hongrong ⁽¹⁾⁽⁴⁾ | - | - | - | - | - | - |
| Wang Ying | - | 912 | 43 | 1,560 | 100 | 2,615 |
| Wang Juan | - | 564 | 43 | 1,400 | 88 | 2,095 |
| Fan Chunyan ⁽¹⁾⁽⁶⁾ | - | - | - | - | - | - |
| Zhang Ming ⁽¹⁾⁽⁶⁾ | - | - | - | - | - | - |
| Total | 1,280 | 4,468 | 241 | 9,093 | 894 | 15,976 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

16. Directors' and supervisors' remuneration - continued

- (1) The remunerations of these non-executive directors and supervisors of the Company were borne by its shareholders and other related parties including Jiangsu Guoxin Investment Group Limited, Jiangsu Communications Holdings Co., Ltd., Jiangsu SOHO Holdings Group Co., Ltd. and Jiangsu Govtor Capital Group Co., Ltd., etc. No allocation of the remunerations between these shareholders and the Group has been made during the reporting period.
- (2) Appointed as executive director, non-executive director or independent non-executive director on 22 June 2022.
- (3) Resigned as executive director, non-executive director or independent non-executive director on 22 June 2022.
- (4) Appointed as non-executive director, independent non-executive director or supervisor on 30 December 2022.
- (5) Resigned as non-executive director on 14 April 2022.
- (6) Resigned as independent non-executive director or supervisor on 30 December 2022.
- (7) Resigned as non-executive director on 19 September 2023.
- (8) Appointed as non-executive director on 24 November 2023.
- (9) Mr. Zhu Xuebo, a former executive director of the Company, received remuneration from China Southern Asset Management.
- (10) For the year ended 31 December 2023, in addition to remuneration of directors and supervisors as disclosed above, the Company recognized share-based payment expense amounted to RMB1,389 thousand, for the restricted shares granted to Zhou Yi under Restricted Share Incentive Scheme of A Shares (For the year ended 31 December 2022: RMB2,094 thousand).

There were no amounts paid during the year ended 31 December 2023 to the directors and supervisors in connection with their retirement from employment or compensation for loss of office with the Company, or inducement to join. During the year, there was no arrangement under which a director or a supervisor who had resigned waived or agreed to waive any remuneration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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17. Individuals with highest emoluments

Of the five individuals with the highest emoluments, none are directors or supervisors whose emoluments are disclosed in Note 16. The aggregate of the emoluments are as follows:

| | Year ended 31 December | |
|--|------------------------|---------------|
| | <u>2023</u> | <u>2022</u> |
| Salaries and allowances | 11,272 | 16,484 |
| Discretionary bonuses | 70,652 | 23,332 |
| Employer's contribution to pension schemes | 82 | 637 |
| Share-based payments | 868 | 52,871 |
| Total | <u>82,874</u> | <u>93,324</u> |

The emoluments with the highest emoluments are within the following bands:

| | Year ended 31 December | |
|--------------------------------|--------------------------|--------------------------|
| | <u>2023</u> | <u>2022</u> |
| | Number of individuals | Number of individuals |
| RMB10,000,001 to RMB11,000,000 | 1 | - |
| RMB11,000,001 to RMB12,000,000 | - | - |
| RMB12,000,001 to RMB13,000,000 | 1 | - |
| RMB13,000,001 to RMB14,000,000 | 2 | - |
| RMB14,000,001 to RMB15,000,000 | - | - |
| Over RMB15,000,000 | 1 | 5 |
| Total | <u>5</u> | <u>5</u> |

No emoluments are paid or payable to these individuals as retirement from employment or as an inducement to join or upon joining the Company or as compensation for loss of office during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

18. Other comprehensive income

| | Year ended 31 December 2023 | | |
|---|-----------------------------|--------------------|-------------------|
| | <u>Before tax</u> | <u>Tax expense</u> | <u>Net of tax</u> |
| Net gain from debt instruments at FVOCI | 106,977 | (22,779) | 84,198 |
| Equity instruments at FVOCI: | | | |
| - Net movements in fair value reserve (non-recycling) | 17,759 | (4,760) | 12,999 |
| Reserve from cash flow hedging instruments | (3,571) | - | (3,571) |
| Share of other comprehensive income of associates and joint ventures | (40,580) | - | (40,580) |
| Exchange differences on translation of financial statements in foreign currencies | 262,953 | - | 262,953 |
| Total | <u>343,538</u> | <u>(27,539)</u> | <u>315,999</u> |
| | | | |
| | Year ended 31 December 2022 | | |
| | <u>Before tax</u> | <u>Tax expense</u> | <u>Net of tax</u> |
| Net gain from debt instruments at FVOCI | (122,522) | 14,624 | (107,898) |
| Equity instruments at FVOCI: | | | |
| - Net movements in fair value reserve (non-recycling) | (59,673) | 9,838 | (49,835) |
| Reserve from cash flow hedging instruments | 56,827 | - | 56,827 |
| Share of other comprehensive income of associates and joint ventures | 18,719 | - | 18,719 |
| Exchange differences on translation of financial statements in foreign currencies | 1,278,136 | - | 1,278,136 |
| Total | <u>1,171,487</u> | <u>24,462</u> | <u>1,195,949</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. Basic and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

| | Note | Year ended 31 December | |
|---|----------|------------------------|---------------------------|
| | | <u>2023</u> | <u>2022</u> (Restated) |
| Consolidated net profit attributable to ordinary shareholders of the Company (in RMB thousands) | 19(1)(a) | <u>12,167,133</u> | <u>10,620,106</u> |
| Weighted average number of ordinary shares (in thousands) | 19(1)(b) | <u>8,996,366</u> | <u>8,985,546</u> |
| Basic earnings per share attributable to ordinary shareholders (in RMB per share) | | <u>1.35</u> | <u>1.18</u> |

(a) Consolidated net profit attributable to ordinary shareholders of the Company (in RMB thousands)

| | Year ended 31 December | |
|---|------------------------|---------------------------|
| | <u>2023</u> | <u>2022</u> (Restated) |
| Consolidated net profit attributable to equity shareholders of the Company | 12,750,633 | 11,053,987 |
| Dividends declared under Restricted Share Incentive Scheme of A Shares | (12,507) | (19,992) |
| Profit attributable to perpetual subordinated bonds holders of the Company ⁽ⁱ⁾ | <u>(570,993)</u> | <u>(413,889)</u> |
| Consolidated net profit attributable to ordinary shareholders of the Company (Adjusted) | <u>12,167,133</u> | <u>10,620,106</u> |

- (i) For the purpose of calculating basic earnings per ordinary share in respect of the year ended 31 December 2023, RMB571million (2022: RMB414 million) attributable to perpetual subordinated bonds were deducted from profits attributable to shareholders of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

19. Basic and diluted earnings per share - continued

(1) *Basic earnings per share* - continued

(b) *Weighted average number of ordinary shares (in thousands)*

| | Year ended 31 December | |
|--|------------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Number of ordinary shares as at 1 January | 9,075,589 | 9,076,650 |
| Decrease in weighted average number of ordinary shares | (79,223) | (91,104) |
| Weighted average number of ordinary shares | <u>8,996,366</u> | <u>8,985,546</u> |

(2) *Diluted earnings per share*

Diluted earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company (diluted) by the weighted average number of ordinary shares outstanding:

| | <u>Note</u> | Year ended 31 December | |
|--|-------------|------------------------|---------------------------|
| | | <u>2023</u> | <u>2022</u> (Restated) |
| Consolidated net profit attributable to ordinary shareholders of the Company (diluted) | 19(2)(a) | <u>11,984,829</u> | <u>10,393,415</u> |
| Weighted average number of ordinary shares outstanding (in thousands) | 19(2)(b) | <u>9,006,563</u> | <u>8,985,546</u> |
| Diluted earnings per share attributable to ordinary shareholders (in Renminbi per share) | | <u>1.33</u> | <u>1.16</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. Basic and diluted earnings per share - continued

(2) *Diluted earnings per share* - continued

(a) *Consolidated net profit attributable to ordinary shareholders of the Company (diluted) is calculated as follows:*

| | Year ended 31 December | |
|---|------------------------|---------------------------|
| | <u>2023</u> | <u>2022</u> (Restated) |
| Consolidated net profit attributable to ordinary shareholders of the Company (Adjusted) | 12,167,133 | 10,620,106 |
| Diluted adjustments: | | |
| Effect of dividends declared under Restricted Stock Incentive Scheme of A Shares(i) | 12,507 | - |
| Effect of conversion of convertible bonds from the associate of the Company ⁽ⁱⁱ⁾ | (192,227) | (225,720) |
| Assumed vesting of shares granted to employees of a subsidiary ⁽ⁱⁱⁱ⁾ | (2,584) | (971) |
| Consolidated net profit attributable to ordinary shareholders of the Company (diluted) | <u>11,984,829</u> | <u>10,393,415</u> |

(i) The Group granted Restricted Stock Incentive Scheme of A shares to certain employees in 2021. Diluted earnings per share should take into account both the impact of the cash dividend of the current period distributed to the holders of restricted shares who are expected to reach the unlocking conditions and estimate number of restricted shares which will be unlocked. After considering the abovementioned impact, the Restricted Stock Incentive Scheme has a dilutive effect for the year ended 31 December 2023 (2022: anti-dilutive).

(ii) Bank of Jiangsu Co., Ltd. ("Bank of Jiangsu"), the associate of the Company issued convertible bonds in 2019. Diluted earnings per share takes into account the potential dilutive impact on the Group's share of profits of this associate due to the potential full conversion of bonds to shares.

(iii) The dilutive effect is due to the share-based payment schemes of AssetMark Financial Holdings, Inc. ("AssetMark").

(b) *Weighted average number of ordinary shares outstanding (diluted) is calculated as follows:*

| | Year ended 31 December | |
|---|------------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Weighted average number of ordinary shares at 31 December | 8,996,366 | 8,985,546 |
| Diluted adjustments: | | |
| Effect of Restricted Stock Incentive Scheme of A shares | 10,197 | - |
| Weighted average number of ordinary shares(diluted) | <u>9,006,563</u> | <u>8,985,546</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20. Property and equipment

| | <u>Buildings</u> | <u>Motor vehicles</u> | <u>Electronic equipment</u> | <u>Furniture and fixtures</u> | <u>Construction in progress</u> | <u>Right-of-use assets</u> | <u>Total</u> |
|--|--------------------|-----------------------|-----------------------------|-------------------------------|---------------------------------|----------------------------|--------------------|
| Cost | | | | | | | |
| As at 1 January 2023 | 4,689,613 | 161,582 | 1,917,816 | 424,009 | 195,750 | 2,515,403 | 9,904,173 |
| Additions | 33,595 | 8,154 | 274,094 | 90,614 | 471,520 | 612,601 | 1,490,578 |
| Transfer during the year | - | - | 650 | 5,811 | (101,480) | - | (95,019) |
| Transfer in from investment properties (Note 21) | 125,660 | - | - | - | - | - | 125,660 |
| Disposals | (298) | (12,940) | (73,588) | (32,591) | - | (509,270) | (628,687) |
| As at 31 December 2023 | <u>4,848,570</u> | <u>156,796</u> | <u>2,118,972</u> | <u>487,843</u> | <u>565,790</u> | <u>2,618,734</u> | <u>10,796,705</u> |
| Accumulated depreciation | | | | | | | |
| As at 1 January 2023 | (1,202,470) | (92,247) | (945,500) | (271,132) | - | (1,105,441) | (3,616,790) |
| Charge for the year | (135,906) | (17,200) | (326,871) | (53,562) | - | (590,215) | (1,123,754) |
| Transfer in from investment properties (Note 21) | (54,732) | - | - | - | - | - | (54,732) |
| Disposals | 128 | 7,385 | 52,493 | 13,101 | - | 445,174 | 518,281 |
| As at 31 December 2023 | <u>(1,392,980)</u> | <u>(102,062)</u> | <u>(1,219,878)</u> | <u>(311,593)</u> | <u>-</u> | <u>(1,250,482)</u> | <u>(4,276,995)</u> |
| Carrying amount | | | | | | | |
| As at 31 December 2023 | <u>3,455,590</u> | <u>54,734</u> | <u>899,094</u> | <u>176,250</u> | <u>565,790</u> | <u>1,368,252</u> | <u>6,519,710</u> |
| As at 31 December 2022 | | | | | | | |
| | <u>Buildings</u> | <u>Motor vehicles</u> | <u>Electronic equipment</u> | <u>Furniture and fixtures</u> | <u>Construction in progress</u> | <u>Right-of-use assets</u> | <u>Total</u> |
| Cost | | | | | | | |
| As at 1 January 2022 | 3,910,449 | 151,202 | 1,711,037 | 348,516 | 96,059 | 2,054,590 | 8,271,853 |
| Additions | - | 43,818 | 366,134 | 76,964 | 212,731 | 816,869 | 1,516,516 |
| Transfer during the year | 798 | - | 22 | 2,156 | (113,040) | - | (110,064) |
| Transfer in from investment properties (Note 21) | 122,515 | - | - | - | - | - | 122,515 |
| Acquisition of subsidiaries | 656,612 | - | 251 | 208 | - | - | 657,071 |
| Disposals | (196) | (33,438) | (159,628) | (3,835) | - | (356,056) | (553,153) |
| Transfer to investment properties (Note 21) | (565) | - | - | - | - | - | (565) |
| As at 31 December 2022 | <u>4,689,613</u> | <u>161,582</u> | <u>1,917,816</u> | <u>424,009</u> | <u>195,750</u> | <u>2,515,403</u> | <u>9,904,173</u> |
| Accumulated depreciation | | | | | | | |
| As at 1 January 2022 | (1,014,410) | (110,198) | (803,768) | (243,106) | - | (922,149) | (3,093,631) |
| Charge for the year | (128,479) | (12,393) | (285,399) | (31,118) | - | (525,031) | (982,420) |
| Transfer in from investment properties (Note 21) | (59,961) | - | - | - | - | - | (59,961) |
| Disposals | 11 | 30,344 | 143,667 | 3,092 | - | 341,739 | 518,853 |
| Transfer to investment properties (Note 21) | 369 | - | - | - | - | - | 369 |
| As at 31 December 2022 | <u>(1,202,470)</u> | <u>(92,247)</u> | <u>(945,500)</u> | <u>(271,132)</u> | <u>-</u> | <u>(1,105,441)</u> | <u>(3,616,790)</u> |
| Carrying amount | | | | | | | |
| As at 31 December 2022 | <u>3,487,143</u> | <u>69,335</u> | <u>972,316</u> | <u>152,877</u> | <u>195,750</u> | <u>1,409,962</u> | <u>6,287,383</u> |

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20. Property and equipment - continued

As at 31 December 2023 and 31 December 2022, included in buildings, there is a carrying amount of RMB37.57 million and RMB40.57 million, respectively, for which the Group has yet to obtain the relevant land or building certificates.

21. Investment properties

| | As at 31 December | |
|---|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Cost | | |
| As at 1 January | 388,132 | 512,654 |
| Transfer to property and equipment (Note 20) | (125,660) | (122,515) |
| Transfer in from property and equipment (Note 20) | - | 565 |
| Disposals | - | (2,572) |
| As at 31 December | <u>262,472</u> | <u>388,132</u> |
| Accumulated depreciation | | |
| As at 1 January | (165,999) | (214,099) |
| Charge for the year | (10,374) | (12,644) |
| Transfer in from property and equipment (Note 20) | - | (369) |
| Transfer to property and equipment (Note 20) | 54,732 | 59,961 |
| Disposals | - | 1,152 |
| As at 31 December | <u>(121,641)</u> | <u>(165,999)</u> |
| Impairment | | |
| As at 1 January | (4,547) | (4,547) |
| Impairment losses for the year | - | - |
| As at 31 December | <u>(4,547)</u> | <u>(4,547)</u> |
| Carrying amount | <u>136,284</u> | <u>217,586</u> |

As at 31 December 2023 and 31 December 2022, included in investment properties, there is a carrying amount of RMB4.37 million and RMB4.74 million, respectively, for which the Group has yet to obtain the relevant land or building certificates.

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22. Goodwill

Cost

| | |
|--|------------------|
| As at 1 January 2023 | 3,352,219 |
| Adjustment of acquisition through business combination | 14,631 |
| Effect of movements in exchange rates | 52,482 |
| As at 31 December 2023 | <u>3,419,332</u> |

Impairment losses

| | |
|------------------------|----------|
| As at 1 January 2023 | - |
| Impairment losses | - |
| As at 31 December 2023 | <u>-</u> |

Carrying amounts

| | |
|------------------------|------------------|
| As at 1 January 2023 | <u>3,352,219</u> |
| As at 31 December 2023 | <u>3,419,332</u> |

Cost

| | |
|--|------------------|
| As at 1 January 2022 | 2,836,429 |
| Acquisition through business combination | 271,374 |
| Effect of movements in exchange rates | 244,416 |
| As at 31 December 2022 | <u>3,352,219</u> |

Impairment losses

| | |
|------------------------|----------|
| As at 1 January 2022 | - |
| Impairment losses | - |
| As at 31 December 2022 | <u>-</u> |

Carrying amounts

| | |
|------------------------|------------------|
| As at 1 January 2022 | <u>2,836,429</u> |
| As at 31 December 2022 | <u>3,352,219</u> |

The Group acquired the investment banking business together with the relevant assets and liabilities, and the interest in Huatai United Securities Co., Ltd. in 2006. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill.

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22. Goodwill - continued

The Group acquired the futures brokerage business together with the relevant assets and liabilities, and the interest in Huatai Futures Co., Ltd. (previously known as Great Wall Futures Co., Ltd.) in 2006. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill.

The Group acquired the overseas asset management business together with the relevant assets and liabilities, and the interest in AssetMark Financial Holdings, Inc. in 2016. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill.

AssetMark Financial Holdings, Inc. acquired 100% of the equity of Global Financial Private Capital, Inc. in April 2019. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill of Global Financial Private Capital, Inc..

AssetMark Financial Holdings, Inc. acquired 100% of the equity of WBI OBS Financial, Inc. in February 2020. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill of WBI OBS Financial, Inc.. In 2021, the Group adjusts its organizational structure. AssetMark Financial Holdings, Inc.'s subsidiary, AssetMark, Inc., merged WBI OBS Financial, LLC. Considering this is a combination under the same control, the goodwill remains unchanged.

AssetMark Financial Holdings, Inc. acquired 100% of the equity of Voyant, Inc. in July 2021. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill of Voyant, Inc..

AssetMark Financial Holdings, Inc. acquired 100% of the equity of Adhesion Wealth Advisor Solutions, Inc. in December 2022. The Group recognised the excess of fair value of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill of Adhesion Wealth Advisor Solutions, Inc.. During the year of 31 December 2023, the AssetMark Financial Holdings, Inc. finalized the valuation of identifiable assets and liabilities and goodwill and completed the acquisition accounting.

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(Expressed in thousands of Renminbi, unless otherwise stated)

22. Goodwill - continued

Impairment testing on goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to operating segment as follows:

| | As at 31 December | |
|---------------------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Investment banking | 51,090 | 51,090 |
| Futures brokerage | 252 | 252 |
| Overseas asset management | 3,367,990 | 3,300,877 |
| Total | <u>3,419,332</u> | <u>3,352,219</u> |

For the investment banking and futures brokerage CGU, the cash flows generated from each subsidiary acquired are independent. Therefore, each of these acquired subsidiaries is a separate CGU. For the overseas asset management CGU, the Group considered that the primary business of Global Financial Private Capital, Inc. acquired in 2019, WBI OBS Financial, Inc. acquired in 2020, Voyant, Inc. acquired in 2021 and Adhesion Wealth Advisor Solutions, Inc. acquired in 2022 are the same as AssetMark Financial Holdings, Inc., and they can bring synergies to overseas asset management business. The Group assessed that there was only one CGU within AssetMark Financial Holdings, Inc.. The Group performed the impairment test for the goodwill generated from each CGU.

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22. Goodwill - continued

(1) *Investment banking and futures brokerage CGU*

The recoverable amounts of each CGU are determined based on value-in-use calculations, respectively. These calculations use cash flow projections with reference to financial budgets approved by management covering certain period. Cash-flows beyond the certain period are extrapolated using an estimated weighted average growth rate, which does not exceed the long-term average growth rate. As at 31 December 2023, the discount rate used by the investment banking and futures brokerage CGUs were 16.00% and 16.39%, respectively (20.00% and 18.00%, respectively, as at 31 December 2022), and the weighted average growth rate were 5.00% and 6.60%, respectively (4.50% and 6.60%, respectively, as at 31 December 2022). The discount rate and weighted average growth rate reflected the risks and growth expectations of the relevant CGUs.

Other major assumptions for the recoverable amount estimation relate to the estimation of cash inflows / outflows which include budgeted income and profit margins. Such estimation is based on the CGU's past performance and management's expectations for the market development.

(2) *Overseas asset management CGU*

The recoverable amount of the CGU has been determined based on fair value less costs of disposal based on the stock price of AssetMark Financial Holdings, Inc. in New York Stock Exchange. As at 31 December 2023, the stock price of AssetMark Financial Holdings, Inc. was USD29.95 per share and the issued common stock was 74,372,889 shares and the recoverable amount of overseas asset management CGU was RMB15,776 million, which was higher than the carrying amount .

As at 31 December 2023, the Group performed its annual goodwill impairment test. No impairments were recognised for the goodwill related to investment banking CGU, futures brokerage CGU and overseas asset management CGU. The Group believes that appropriate assumptions have been made based on available information. The key assumptions based on the cash flow projections of the asset groups may change, which may cause the recoverable amounts to be over or below its book value.

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23. Land-use rights and other intangible assets

| | <u>Land- use rights</u> | <u>Existing relationships with broker- dealers</u> | <u>Enterprise distribution channel customer relationships</u> | <u>Trade names</u> | <u>Software and others</u> | <u>Total</u> |
|--|-----------------------------|--|---|--------------------|--------------------------------|--------------------|
| Cost | | | | | | |
| As at 1 January 2023 | 1,768,330 | 3,931,667 | 242,226 | 348,720 | 4,087,137 | 10,378,080 |
| Adjustment of acquisition through business combination | - | - | (50,287) | - | - | (50,287) |
| Additions | - | - | - | - | 603,829 | 603,829 |
| Disposals | - | - | - | - | (44,197) | (44,197) |
| Exchange differences | - | 79,738 | 3,920 | 7,072 | 49,419 | 140,149 |
| As at 31 December 2023 | <u>1,768,330</u> | <u>4,011,405</u> | <u>195,859</u> | <u>355,792</u> | <u>4,696,188</u> | <u>11,027,574</u> |
| Accumulated amortisation | | | | | | |
| As at 1 January 2023 | (158,886) | - | - | (178,508) | (2,600,870) | (2,938,264) |
| Charge for the year | (41,203) | - | - | (21,035) | (524,401) | (586,639) |
| Disposals | - | - | - | - | 42,097 | 42,097 |
| Exchange differences | - | - | - | (4,047) | (25,461) | (29,508) |
| As at 31 December 2023 | <u>(200,089)</u> | <u>-</u> | <u>-</u> | <u>(203,590)</u> | <u>(3,108,635)</u> | <u>(3,512,314)</u> |
| Carrying amount | | | | | | |
| As at 31 December 2023 | <u>1,568,241</u> | <u>4,011,405</u> | <u>195,859</u> | <u>152,202</u> | <u>1,587,553</u> | <u>7,515,260</u> |
| | <u>Land- use rights</u> | <u>Existing relationships with broker- dealers</u> | <u>Enterprise distribution channel customer relationships</u> | <u>Trade names</u> | <u>Software and others</u> | <u>Total</u> |
| Cost | | | | | | |
| As at 1 January 2022 | 1,768,330 | 3,636,197 | 202,009 | 312,824 | 3,298,487 | 9,217,847 |
| Acquisition of subsidiaries | - | - | 23,427 | 10,981 | 26,355 | 60,763 |
| Additions | - | - | - | - | 565,955 | 565,955 |
| Disposals | - | - | - | - | (86) | (86) |
| Exchange differences | - | 295,470 | 16,790 | 24,915 | 196,426 | 533,601 |
| As at 31 December 2022 | <u>1,768,330</u> | <u>3,931,667</u> | <u>242,226</u> | <u>348,720</u> | <u>4,087,137</u> | <u>10,378,080</u> |
| Accumulated amortisation | | | | | | |
| As at 1 January 2022 | (117,114) | - | - | (131,462) | (2,178,598) | (2,427,174) |
| Charge for the year | (41,772) | - | - | (37,409) | (351,288) | (430,469) |
| Disposals | - | - | - | - | 86 | 86 |
| Exchange differences | - | - | - | (9,637) | (71,070) | (80,707) |
| As at 31 December 2022 | <u>(158,886)</u> | <u>-</u> | <u>-</u> | <u>(178,508)</u> | <u>(2,600,870)</u> | <u>(2,938,264)</u> |
| Carrying amount | | | | | | |
| As at 31 December 2022 | <u>1,609,444</u> | <u>3,931,667</u> | <u>242,226</u> | <u>170,212</u> | <u>1,486,267</u> | <u>7,439,816</u> |

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23. Land-use rights and other intangible assets - continued

Existing relationships with brokers-dealers and enterprise distribution channel customer relationships are not amortised while their useful lives are assessed to be indefinite because there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

As at 31 December 2023, the Group performed its impairment test on the relationships with brokers-dealers based on the judgment of whether the recoverable amounts of the above individual intangible assets can be reliably estimated. The recoverable amounts are determined based on value-in-use calculation. The Group uses cash flow projections with reference to Assetmark Financial Holdings, Inc.'s financial budget approved by management covering a 8-year period and the discount rate of 16.38%. The current rate has reflected the specific risks of the underlying assets. The cash flows for the years beyond the financial budget are estimated at the long-term average growth rate of 3.5%.

As at 31 December 2023 the Group performed its impairment test on the enterprise distribution channel customer relationships based on the judgment of whether the recoverable amounts of the above individual intangible assets can be reliably estimated. The recoverable amounts are determined based on value-in-use calculation. The Group uses cash flow projections with reference to Voyant, Inc.'s financial budget approved by management covering a 10-year period and the discount rate of 18.78%. The current rate has reflected the specific risks of the underlying assets. The cash flows for the years beyond the financial budget are estimated at the long-term average growth rate of 2.5%.

Based on management's impairment assessment of the Group, no impairment loss was recognised for the year ended 31 December 2023 (31 December 2022: Nil).

HUATAI SECURITIES CO., LTD.

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24. Investments in subsidiaries

(a) Details of principal subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. Unless otherwise stated, the class of shares hold is ordinary, and the issued and fully paid-up capital is expressed in Renminbi Yuan:

| Name of company | Place and date of Incorporation / establishment and business | Issued and fully paid-up capital | Equity interest held by the Company as at 31 December | | Principal activity | Auditor ⁽¹⁾ GAAP | |
|---|--|-------------------------------------|--|---------|---|--------------------------------|--------------------------|
| | | | 2023 | 2022 | | 2023 | 2022 |
| Huatai United Securities Co., Ltd. ⁽⁴⁾⁽⁶⁾ | PRC 5 September 1997 | RMB 997,480,000 | 100.00% | 99.92% | Investment banking | Deloitte PRC PRC GAAP | Deloitte PRC PRC GAAP |
| Huatai Futures Co., Ltd. ⁽⁴⁾ | PRC 10 July 1995 | RMB 3,939,000,000 | 100.00% | 100.00% | Futures brokerage | Deloitte PRC PRC GAAP | Deloitte PRC PRC GAAP |
| Huatai Purple Gold Investment Co., Ltd. ⁽⁴⁾ | PRC 12 August 2008 | RMB 5,200,000,000 | 100.00% | 100.00% | Equity investment | Deloitte PRC PRC GAAP | Deloitte PRC PRC GAAP |
| Huatai Financial Holdings (Hong Kong) Limited ⁽²⁾ | Hong Kong 23 November 2006 | HKD 8,800,000,000 | 100.00% | 100.00% | Securities and futures brokerage | Deloitte HKFRSs | Deloitte HKFRSs |
| Huatai International Financial Holdings Co., Ltd. | Hong Kong 5 April 2017 | HKD 10,200,000,002 | 100.00% | 100.00% | Holding company | Deloitte HKFRSs | Deloitte HKFRSs |
| Huatai Innovative Investment Co., Ltd. ⁽⁴⁾ | PRC 21 November 2013 | RMB 2,600,000,000 | 100.00% | 100.00% | Alternative investment | Deloitte PRC PRC GAAP | Deloitte PRC PRC GAAP |
| Huatai Securities (Shanghai) Assets Management Co., Ltd. ⁽⁴⁾ | PRC 16 October 2014 | RMB 2,600,000,000 | 100.00% | 100.00% | Asset management | Deloitte PRC PRC GAAP | Deloitte PRC PRC GAAP |
| Beijing Huatai Ruihe Medical Industry Investment (Limited Partnership) ⁽²⁾⁽³⁾⁽⁵⁾ | PRC 1 June 2015 | RMB - | 45.00% | 45.00% | Equity investment | Deloitte PRC PRC GAAP | Deloitte PRC PRC GAAP |
| Yili Suxin Investment Fund (Limited Partnership) ⁽²⁾⁽³⁾⁽⁵⁾ | PRC 19 February 2016 | RMB 1,348,088,000 | 24.73% | 24.73% | Equity investment | Deloitte PRC PRC GAAP | Deloitte PRC PRC GAAP |
| AssetMark Financial Holdings, Inc. ⁽²⁾ | US 1 January 1996 | USD 73,563 | 68.40% | 68.89% | Asset management | KPMG LLP US GAAP | KPMG LLP US GAAP |
| Huatai Great Wall Capital Management Co., Ltd. ⁽²⁾⁽⁴⁾ | PRC 6 December 2013 | RMB 650,000,000 | 100.00% | 100.00% | Spread trading and commodity warrant trading | Deloitte PRC PRC GAAP | Deloitte PRC PRC GAAP |
| Huatai Great Wall Investment Management Co., Ltd. ⁽²⁾⁽⁴⁾ | PRC 3 August 2017 | RMB 550,000,000 | 100.00% | 100.00% | Investment management | Deloitte PRC PRC GAAP | Deloitte PRC PRC GAAP |

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24. Investments in subsidiaries - continued

(a) Details of principal subsidiaries - continued

(1) Auditors of the respective subsidiaries of the Group are as follows:

- Deloitte PRC represents Deloitte Touche Tohmatsu Certified Public Accountants LLP, a firm of certified public accountants registered in PRC;
- Deloitte represents Deloitte Touche Tohmatsu in Hong Kong, a firm of certified public accountants registered in Hong Kong;
- KPMG LLP represents KPMG in the United States, a firm of certified public accountants registered in the United States.

(2) These subsidiaries are indirectly controlled by the Company.

(3) As at 31 December 2023, the Company indirectly held less than 50% of the equity of Beijing Huatai Ruihe Medical Industry Investment (Limited Partnership) and Yili Suxin Investment Fund (Limited Partnership). According to the articles of partnership agreement, the Company has the power to control these funds and has the ability to use the power to affect the Company's variable return amount. Therefore, they are included in the scope of the consolidated financial statements.

(4) Company with limited liability in Mainland China.

(5) Limited partnership in Mainland China.

(6) During the year, the Company purchased 0.0812% of its interest in Huatai United Securities Co., Ltd. ("Huatai United"), increasing its continuing interest to 100%. The Company paid a final purchase price of RMB5,373 thousand. The registration procedures for industrial and commercial changes in equity changes have been completed. The equity interest held by the Company is 100% after the purchase. For the year ended 31 December 2023, the profit of Huatai United allocated to non-controlling interests was RMB85 thousand.

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24. Investments in subsidiaries - continued

(b) *Partially-owned subsidiaries with material non-controlling interests*

The following tables list out the information relating to AssetMark Financial Holdings, Inc., the subsidiary of the Group which have material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination:

| | AssetMark Financial Holdings, Inc. | |
|--------------------------------------|---------------------------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| NCI percentage | 31.60% | 31.11% |
| Assets | 11,495,473 | 10,528,077 |
| Liabilities | (2,545,688) | (2,699,030) |
| Net assets | 8,949,785 | 7,829,047 |
| Carrying amount of NCI | 2,828,132 | 2,435,946 |
| Revenue | 3,790,829 | 3,067,256 |
| Profit for the year | 862,889 | 678,071 |
| Other comprehensive income | 1,008 | (1,056) |
| Total comprehensive income | 863,897 | 677,015 |
| Profit allocated to NCI | 270,973 | 228,739 |
| Dividend paid to NCI | - | - |
| Cash flows from operating activities | 1,230,868 | 943,679 |
| Cash flows from investing activities | (384,982) | (638,926) |
| Cash flows from financing activities | (166,542) | 8,461 |

25. Interests in associates

| | As at 31 December | |
|---------------------|-------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Share of net assets | <u>19,496,027</u> | <u>18,276,443</u> |

As at 31 December 2023 and 31 December 2022, the Group has pledged the shares of interest in associates with a total book value of RMB4,696 million and RMB4,649 million to China Securities Finance Corporation Limited ("CSF") for refinancing and supporting the Group's securities lending business, respectively.

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25. Interests in associates - continued

The following list contains only the particulars of material associates, all of which (except that Bank of Jiangsu has been listed on the Shanghai Stock Exchange) are unlisted corporate entities whose quoted market price is not available:

| Name of associate | Registered place | Registered capital | | Proportion of ownership interest | | | | | | Principal activity |
|---|------------------|--------------------|------------|----------------------------------|------------|---------------------|------------|----------------------|------------|--------------------|
| | | 31/12/2023 | 31/12/2022 | Group's effective interest | | Held by the Company | | Held by a subsidiary | | |
| | | | | 2023/12/31 | 2022/12/31 | 2023/12/31 | 2022/12/31 | 2023/12/31 | 2022/12/31 | |
| Bank of Jiangsu ⁽ⁱ⁾ | Nanjing | 18,351,324 | 14,769,657 | 5.03% | 5.88% | 5.03% | 5.88% | - | - | Commercial banking |
| China Southern Asset Management Co., Ltd. | Shenzhen | 361,720 | 361,720 | 41.16% | 41.16% | 41.16% | 41.16% | - | - | Fund management |
| Nanjing Huatai Ruilian NO.1 Funds Mergers (Limited Partnership) ⁽ⁱⁱ⁾ | Nanjing | 5,442,000 | 5,442,000 | 48.27% | 48.27% | - | - | 48.27% | 48.27% | Equity investment |

All the above associates are accounted for using the equity method in the consolidated financial statements.

- (i) The Company has appointed one director in the board of directors of Bank of Jiangsu. The Company formulated certain specific implementation measures on the finance and operation policy-making of Bank of Jiangsu that had a significant influence over it. As at 31 December 2023, convertible bonds issued by Bank of Jiangsu have been converted to 3,581,790,791 shares. In addition, the Company purchased 55,456,398 A-shares of Bank of Jiangsu through the secondary market in 2023. As at 31 December 2023, the equity ratio of Bank of Jiangsu held by the Company was changed from 5.88% to 5.03%, and the impact was recognised in capital reserve amounted to RMB986,645 thousand.
- (ii) As at 31 December 2023, the Group holds 48.27% equity interest of Nanjing Huatai Ruilian No.1 Funds Mergers (Limited Partnership) ("No.1 Funds Mergers"). Pursuant to the limited partnership agreement, the Group is the co-manager of the fund, which has a significant influence over the fund. Therefore, it is accounted as an associate of the Group.

Summarised financial information of Bank of Jiangsu, China Southern Asset Management Co., Ltd. and NO. 1 Funds Mergers which are individually significant associates to the Group are disclosed below:

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25. Interests in associates - continued

Bank of Jiangsu

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|------------------|
| Gross amounts of the associate | | |
| Assets | 3,336,345,824 | 2,980,403,000 |
| Liabilities | (3,083,078,522) | (2,764,867,949) |
| Net assets | 253,267,302 | 215,535,051 |
| Revenue | 58,677,847 | 70,570,000 |
| Profit for the year | 26,574,024 | 26,459,381 |
| Other comprehensive income | 836,703 | 279,239 |
| Total comprehensive income | 27,410,727 | 26,738,620 |
| Dividend received from the associate | 426,010 | 332,800 |
| Carrying amount in the consolidated financial statements | <u>10,577,267</u> | <u>9,841,473</u> |

Note: Bank of Jiangsu is a joint-stock bank listed on the Shanghai Stock Exchange. The annual financial information of Bank of Jiangsu is usually announced after the announcement of the Group's financial results. The financial information presented above is extracted from the Third Quarterly Report of Bank of Jiangsu Co., Ltd. 2023. The Group measured the carrying amount of its investment in Bank of Jiangsu based on the financial information of the first three quarters of 2023 and took into account the impact of adjustments in the fourth quarter of 2023.

China Southern Asset Management Co., Ltd.

| | <u>2023</u> | <u>2022</u> |
|--|------------------|------------------|
| Gross amounts of the associate | | |
| Assets | 13,926,073 | 14,133,326 |
| Liabilities | (4,303,783) | (5,247,733) |
| Net assets | 9,622,290 | 8,885,593 |
| Revenue | 6,741,416 | 6,469,487 |
| Profit for the year | 2,011,255 | 1,770,586 |
| Other comprehensive income | (1,412) | 33,909 |
| Total comprehensive income | 2,009,843 | 1,804,495 |
| Dividend received from the associate | 492,991 | 614,702 |
| Reconciled to the Group's interest in the associate: | | |
| Net assets of the associate attributable to the parent company | 9,324,416 | 8,632,609 |
| The Group's effective interest | 41.16% | 41.16% |
| The Group's share of net assets of the associate | <u>3,837,930</u> | <u>3,553,182</u> |
| Carrying amount in the consolidated financial statements | <u>3,837,930</u> | <u>3,553,182</u> |

HUATAI SECURITIES CO., LTD.

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25. Interests in associates - continued

NO.1 Funds Mergers

| | <u>2023</u> | <u>2022</u> |
|--|------------------|------------------|
| Gross amounts of the associate | | |
| Assets | 2,602,955 | 3,517,571 |
| Liabilities | (39,055) | (10,413) |
| Net assets | 2,563,900 | 3,507,158 |
| Revenue | 51,243 | (1,613,876) |
| Profit for the year | 50,867 | (1,647,565) |
| Other comprehensive income | - | - |
| Total comprehensive income | 50,867 | (1,647,565) |
| Dividend received from the associate | 460,428 | 212,584 |
| Reconciled to the Group's interest in the associate: | | |
| Net assets of the associate attributable to the parent company | 2,563,900 | 3,507,158 |
| The Group's effective interest | 48.27% | 48.27% |
| The Group's share of net assets of the associate | 1,237,595 | 1,692,905 |
| Other adjustment | (31,756) | (50,563) |
| Carrying amount in the consolidated financial statements | <u>1,205,839</u> | <u>1,642,342</u> |

Aggregate information of associates that are not individually material:

| | <u>2023</u> | <u>2022</u> |
|--|------------------|------------------|
| Aggregate carrying amount of individually immaterial associates in the consolidated financial statements | <u>3,874,991</u> | <u>3,239,446</u> |
| Aggregate amounts of the Group's share of those associates' gains | 265,093 | (194,194) |
| Other comprehensive income | - | - |
| Total comprehensive income | <u>265,093</u> | <u>(194,194)</u> |

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26. Interests in joint ventures

| | As at 31 December | |
|--|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Unlisted investment in a joint venture at fair value through profit or loss ⁽ⁱ⁾ | 380,612 | 741,464 |
| Unlisted investment in a joint venture | 918,793 | 964,720 |
| Total | <u>1,299,405</u> | <u>1,706,184</u> |

- (i) The Group elected to measure its investment in Huatai International Greater Bay Area Investment Fund, L.P. of RMB380.61 million held through Huatai Financial Holdings (Hong Kong) Limited, a wholly-owned subsidiary, at fair value through profit or loss as management measured the performance of this joint venture on a fair value basis.

The following list contains only the particulars of unlisted joint venture, which is accounted for using the equity method in the consolidated financial statements, and details of the joint venture as at 31 December 2023 and 31 December 2022 are as follows:

| <u>Name of joint venture</u> | <u>Registered place</u> | <u>Registered capital</u> | <u>Proportion of ownership interest</u> | | | <u>Principal activity</u> |
|--|-------------------------|---------------------------|---|----------------------------|-----------------------------|---------------------------|
| | | | <u>Group's effective interest</u> | <u>Held by the Company</u> | <u>Held by a subsidiary</u> | |
| Huatai Merchants (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership) ⁽ⁱ⁾ | Nanjing | 10,001,000 | 10.00% | - | 10.00% | Equity investment |

- (i) As at 31 December 2023, the Group held 10.00% equity interest of Huatai Merchant (Jiangsu) Capital Market Investment Fund of Funds (Limited Partnership). Pursuant to the limited partnership agreement, the Group and a third party contractually agree to share control of the fund, and have rights to the net assets of the fund. The directors of the Group consider the fund is jointly controlled by the Group and the third party, and it is therefore accounted for as a joint venture of the Group.

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27. Debt instruments at amortised cost

(a) *Analysed by nature:*

Non-current

| | As at 31 December | |
|--------------------------|-------------------|-------------------|
| | 2023 | 2022 |
| Debt securities | 45,409,678 | 36,590,612 |
| Less: impairment losses | (5,096) | (3,905) |
| Total | <u>45,404,582</u> | <u>36,586,707</u> |
| Analysed as: | | |
| Listed outside Hong Kong | 19,508,797 | 15,935,425 |
| Listed inside Hong Kong | 120,049 | 134,246 |
| Unlisted | 25,775,736 | 20,517,036 |
| Total | <u>45,404,582</u> | <u>36,586,707</u> |

Current

| | As at 31 December | |
|--------------------------|-------------------|-------------------|
| | 2023 | 2022 |
| Debt securities | 4,712,633 | 11,967,090 |
| Less: impairment losses | (403) | (1,227) |
| Total | <u>4,712,230</u> | <u>11,965,863</u> |
| Analysed as: | | |
| Listed outside Hong Kong | 2,291,361 | 8,840,419 |
| Listed inside Hong Kong | 14,921 | - |
| Unlisted | 2,405,948 | 3,125,444 |
| Total | <u>4,712,230</u> | <u>11,965,863</u> |

As at 31 December 2023, the Group has pledged debt instruments at amortised cost with a total fair value of RMB35,024 million and carrying amount of RMB34,265 million for the purpose of repurchase agreement business and derivative business (as at 31 December 2022: a total fair value of RMB48,206 million and carrying amount of RMB47,753 million).

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27. Debt instruments at amortised cost - continued

(b) Analysis of the movements of provision for impairment losses:

| | As at 31 December | |
|-------------------------------------|-------------------|--------------|
| | <u>2023</u> | <u>2022</u> |
| At the beginning of the year | 5,132 | 15,115 |
| Charge/(reversal) for the year, net | 367 | (9,969) |
| Written-off | - | (14) |
| At the end of the year | <u>5,499</u> | <u>5,132</u> |

28. Debt instruments at fair value through other comprehensive income

(a) Analysed by nature:

Non-current

| | As at 31 December | |
|--------------------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Debt securities | 15,027,489 | 7,695,974 |
| Other debt instruments | 180,463 | 204,621 |
| Total | <u>15,207,952</u> | <u>7,900,595</u> |
| Analysed as: | | |
| Listed outside Hong Kong | 2,466,091 | 1,629,903 |
| Listed inside Hong Kong | 1,078,108 | 972,819 |
| Unlisted | 11,663,753 | 5,297,873 |
| Total | <u>15,207,952</u> | <u>7,900,595</u> |

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28. Debt instruments at fair value through other comprehensive income - continued

(a) Analysed by nature: - continued

Current

| | As at 31 December | |
|--------------------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Debt securities | 1,054,048 | 2,202,643 |
| Other debt instruments | - | 401,141 |
| Total | <u>1,054,048</u> | <u>2,603,784</u> |
| Analysed as: | | |
| Listed outside Hong Kong | 271,786 | 1,506,397 |
| Listed inside Hong Kong | 782,262 | 696,246 |
| Unlisted | - | 401,141 |
| Total | <u>1,054,048</u> | <u>2,603,784</u> |

As at 31 December 2023, the Group has pledged financial assets at fair value through other comprehensive income with a total fair value of RMB3,654 million for the purpose of repurchase agreement business (as at 31 December 2022: RMB3,466 million).

29. Equity instruments at fair value through other comprehensive income

(a) Analysed by nature:

Non-current

| | As at 31 December | |
|---|-------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| Equity securities designated at financial assets at fair value through other comprehensive income | | |
| - Unlisted equity securities | 124,506 | 241,587 |
| Total | <u>124,506</u> | <u>241,587</u> |
| Analysed as: | | |
| Unlisted | <u>124,506</u> | <u>241,587</u> |

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29. Equity instruments at fair value through other comprehensive income - continued

(a) Analysed by nature: - continued

Equity instruments at FVOCI include non-traded equity instruments held by the Group. As the equity instruments are not held for trading purpose, the Group has designated these investments as equity instruments at FVOCI.

During the year ended 31 December 2023, the gains from the equity instruments at FVOCI recognised in other comprehensive income amounted to RMB17,759 thousand (During the year ended 31 December 2022: the losses amounted to RMB59,673 thousand). As a result of the change of investment strategies, the Group disposed certain equity instrument at FVOCI and the corresponding losses of RMB1,462 thousand was reclassified from other comprehensive income to retained earnings (During the year ended 31 December 2022: the losses amounted to RMB424 thousand).

30. Financial assets held under resale agreements

(a) Analysed by collateral type:

Current

| | As at 31 December | |
|-------------------------|-------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Debt securities | 7,617,629 | 28,257,793 |
| Equity securities | 5,495,729 | 7,704,841 |
| Less: impairment losses | (653,126) | (1,138,413) |
| Total | <u>12,460,232</u> | <u>34,824,221</u> |

(b) Analysed by market:

Current

| | As at 31 December | |
|-------------------------|-------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Inter-bank market | 5,238,381 | 13,366,714 |
| Shenzhen stock exchange | 3,674,765 | 11,631,529 |
| Shanghai stock exchange | 2,398,939 | 8,912,172 |
| Others | 1,801,273 | 2,052,219 |
| Less: impairment losses | (653,126) | (1,138,413) |
| Total | <u>12,460,232</u> | <u>34,824,221</u> |

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30. Financial assets held under resale agreements - continued

(c) Analysis of the movements of provision for impairment losses:

| | As at 31 December | |
|--------------------------------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| At the beginning of the year | 1,138,413 | 1,118,777 |
| (Reversal) /charge for the year, net | (485,801) | 15,392 |
| Other | 514 | 4,244 |
| Total | <u>653,126</u> | <u>1,138,413</u> |

(d) Analysed by remaining contractual maturities of securities-backed lendings:

| | As at 31 December | |
|-------------------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Within 1 month | 870,766 | 1,632,472 |
| 1 to 3 months | 887,085 | 528,129 |
| 3 months to 1 year | 3,737,878 | 5,544,240 |
| Less: impairment losses | (524,112) | (1,014,020) |
| Total | <u>4,971,617</u> | <u>6,690,821</u> |

(e) Analysed by the stage of ECL of securities-backed lendings:

| | As at 31 December 2023 | | | <u>Total</u> |
|-------------------|------------------------|---|--|-------------------|
| | <u>12-month ECL</u> | <u>Lifetime ECL-not credit impaired</u> | <u>Lifetime ECL- credit impaired</u> | |
| Amortised cost | 4,987,546 | - | 508,183 | 5,495,729 |
| Impairment losses | (17,279) | - | (506,833) | (524,112) |
| Carrying amount | <u>4,970,267</u> | <u>-</u> | <u>1,350</u> | <u>4,971,617</u> |
| Collateral | <u>13,797,117</u> | <u>-</u> | <u>296,916</u> | <u>14,094,033</u> |

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30. Financial assets held under resale agreements - continued

(e) Analysed by the stage of ECL of securities-backed lendings: - continued

| | As at 31 December 2022 | | | Total |
|-------------------|------------------------|-------------------------------------|----------------------------------|-------------|
| | 12-month ECL | Lifetime ECL-not credit impaired | Lifetime ECL- credit impaired | |
| Amortised cost | 6,696,552 | - | 1,008,289 | 7,704,841 |
| Impairment losses | (28,128) | - | (985,892) | (1,014,020) |
| Carrying amount | 6,668,424 | - | 22,397 | 6,690,821 |
| Collateral | 18,262,203 | - | 972,957 | 19,235,160 |

As at 31 December 2023, the fair value of the collateral of the Group's financial assets held under resale agreements was RMB22,211,468 thousand (31 December 2022: RMB36,336,682 thousand).

31. Financial assets at fair value through profit or loss

Non-current

(a) Analysed by type:

| | As at 31 December | |
|------------------------|-------------------|------------|
| | 2023 | 2022 |
| Equity securities | 6,190,549 | 6,525,458 |
| Mutual funds | 727,238 | 761,065 |
| Other debt instruments | 1,034,234 | 2,856,060 |
| Total | 7,952,021 | 10,142,583 |

(b) Analysed as:

| | As at 31 December | |
|--------------------------|-------------------|------------|
| | 2023 | 2022 |
| Listed outside Hong Kong | 372,821 | 524,533 |
| Unlisted | 7,579,200 | 9,618,050 |
| Total | 7,952,021 | 10,142,583 |

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31. Financial assets at fair value through profit or loss - continued

Current

(a) Analysed by type:

| | As at 31 December | |
|----------------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| Equity securities | 123,416,836 | 100,851,313 |
| Debt securities | 195,764,277 | 174,205,450 |
| Mutual funds | 61,040,090 | 44,782,298 |
| Private funds | 22,344,489 | 17,423,948 |
| Wealth management products | 1,418,630 | 3,151,457 |
| Other debt instruments | 1,143,041 | 247,496 |
| Total | <u>405,127,363</u> | <u>340,661,962</u> |

(b) Analysed as:

| | As at 31 December | |
|--------------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| Listed outside Hong Kong | 184,553,142 | 155,242,430 |
| Listed inside Hong Kong | 30,595,909 | 43,464,008 |
| Unlisted | 189,978,312 | 141,955,524 |
| Total | <u>405,127,363</u> | <u>340,661,962</u> |

As at 31 December 2023 and 31 December 2022, the fund investments with lock-up periods in its investment portfolio held by the Group are RMB772 million and RMB735 million, respectively.

As at 31 December 2023 and 31 December 2022, the listed equity securities held by the Group included approximately RMB8,801 million and RMB10,529 million of restricted shares, respectively. The restricted shares are listed in the PRC with a legally enforceable restriction on these securities that prevents the Group to dispose of within the specified period.

The equity interest in unlisted securities held by the Group are issued by private companies. The value of the securities is measured by comparing with comparable companies that are listed and in the same sector or measured by using other valuation techniques.

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31. Financial assets at fair value through profit or loss - continued

Non-current financial assets at fair value through profit or loss investments are expected to be realised or restricted for sale beyond one year from the end of the respective reporting periods. The fair value of the Group's investments in unlisted funds, which mainly invest in publicly traded equities listed in the PRC, are valued based on the net asset values of the funds calculated by the respective fund managers by reference to their underlying assets and liabilities' fair values.

The fair value of the Group's investments in equity securities without restriction, exchange-listed funds and debt securities are determined with reference to their quoted prices as at reporting date.

As at 31 December 2023 and 31 December 2022, the Group has entered into securities lending arrangement with clients that resulted in the transfer of financial assets at fair value through profit or loss investments with total fair value of RMB1,791 million and RMB2,902 million to external clients, respectively, which did not result in derecognition of the financial assets. The fair value of collateral for the securities lending business is analysed in Note 37(c) together with the fair value of collateral of margin financing business.

As at 31 December 2023 and 31 December 2022, the Group has pledged financial assets at fair value through profit or loss investments with a total fair value of RMB15,990 million and RMB16,119 million to CSF for the purpose of replacement, respectively.

As at 31 December 2023 and 31 December 2022, the Group has pledged financial assets at fair value through profit or loss investments with a total fair value of RMB142,687 million and RMB109,936 million for the purpose of repurchase agreement business, bond lending business and derivative business, respectively.

As at 31 December 2023 and 31 December 2022, the wealth management products held by the Group included approximately RMB49 million and RMB140 million of restricted products, respectively. The restricted products are subscribed by the Group as the fund manager with a legally enforceable restriction on these products that prevents the Group to dispose of within the specified period.

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32. Refundable deposits

| | As at 31 December | |
|--|--------------------------|--------------------------|
| | <u>2023</u> | <u>2022</u> |
| Deposits with stock exchanges | | |
| - Hong Kong Securities Clearing Company Limited | 46,104 | 56,716 |
| - China Securities Depository and Clearing Corporation Limited | 1,636,953 | 1,665,965 |
| - Hong Kong Stock Exchange | 25,666 | 65,987 |
| - Hong Kong Exchanges and Clearing Limited | 81,106 | 94,329 |
| | <u>1,789,829</u> | <u>1,882,997</u> |
| Deposits with futures and commodity exchanges | | |
| - China Financial Futures Exchange | 15,040,738 | 14,761,044 |
| - Shanghai Futures Exchange | 4,988,570 | 5,954,846 |
| - Dalian Commodity Exchange | 3,837,356 | 4,402,818 |
| - Zhengzhou Commodity Exchange | 3,054,381 | 2,932,216 |
| - Shanghai International Energy Exchange | 1,109,516 | 1,039,029 |
| - Overseas commodity exchange | 53,553 | 3,689 |
| | <u>28,084,114</u> | <u>29,093,642</u> |
| Deposits with other institutions | | |
| - China Securities Finance Corporation Limited | 319,011 | 1,768,557 |
| - Shanghai Clearing House | 1,230,694 | 881,981 |
| - Shanghai Gold Exchange | 400 | 400 |
| - Others financial institutions | 9,120,230 | 9,079,200 |
| | <u>10,670,335</u> | <u>11,730,138</u> |
| Total | <u><u>40,544,278</u></u> | <u><u>42,706,777</u></u> |

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33. Deferred taxation

(a) *The components of deferred tax assets / (liabilities) recognised in the consolidated statements of financial position and the movements during the year are as follows:*

| <u>Deferred tax arising from:</u> | <u>Provision for impairment losses</u> | <u>Employee benefits payable</u> | <u>Changes in fair value of financial instruments measured at FVTPL</u> | <u>Changes in fair value of derivative financial instruments</u> | <u>Changes in fair value of financial instruments measured at FVOCI</u> | <u>Intangible assets recognised in the acquisition</u> | <u>Others</u> | <u>Total</u> |
|-----------------------------------|--|--|---|--|---|--|--------------------|--------------------|
| As at 1 January 2023(Restated) | 840,595 | 1,737,046 | (31,402) | (562,460) | (4,853) | (1,267,508) | (2,310,873) | (1,599,455) |
| Recognised in profit or loss | (126,226) | (143,668) | (703,640) | 355,615 | - | 38,555 | 912,760 | 333,396 |
| Acquisition of subsidiaries | - | - | - | - | - | 35,657 | - | 35,657 |
| Recognised in reserves | (1,423) | - | - | - | (26,116) | - | - | (27,539) |
| As at 31 December 2023 | <u>712,946</u> | <u>1,593,378</u> | <u>(735,042)</u> | <u>(206,845)</u> | <u>(30,969)</u> | <u>(1,193,296)</u> | <u>(1,398,113)</u> | <u>(1,257,941)</u> |
| As at 1 January 2022(Restated) | 981,491 | 1,811,033 | (1,181,623) | 240,379 | (34,248) | (1,181,118) | (2,593,814) | (1,957,900) |
| Recognised in profit or loss | (136,261) | (73,987) | 1,150,221 | (802,839) | - | (97,092) | 284,469 | 324,511 |
| Acquisition of subsidiaries | 298 | - | - | - | - | 10,702 | - | 11,000 |
| Recognised in reserves | (4,933) | - | - | - | 29,395 | - | (1,528) | 22,934 |
| As at 31 December 2022 | <u>840,595</u> | <u>1,737,046</u> | <u>(31,402)</u> | <u>(562,460)</u> | <u>(4,853)</u> | <u>(1,267,508)</u> | <u>(2,310,873)</u> | <u>(1,599,455)</u> |

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33. Deferred taxation - continued

(b) Reconciliation to the consolidated statements of financial position

| | As at 31 December | |
|---|--------------------|---------------------------|
| | <u>2023</u> | <u>2022</u> (Restated) |
| Net deferred tax assets recognised in the consolidated statement of financial position | 702,722 | 600,473 |
| Net deferred tax liabilities recognised in the consolidated statement of financial position | (1,960,663) | (2,199,928) |
| Total | <u>(1,257,941)</u> | <u>(1,599,455)</u> |

(c) Deferred tax assets not recognised

As at 31 December 2023 and 31 December 2022, in accordance with the accounting policy set out in Note 2(19)(ii), the Group has not recognised unused tax losses of RMB940 million and RMB877 million, respectively, as deferred tax assets, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Most of the tax losses will not expire under current tax legislation.

34. Other non-current assets

(a) Analysed by nature:

| | As at 31 December | |
|--|-------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| Leasehold improvements and long-term deferred expenses | <u>311,789</u> | <u>300,664</u> |

(b) The movements of leasehold improvements and long-term deferred expenses are as below:

| | As at 31 December | |
|---|-------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| At the beginning of the year | 300,664 | 282,227 |
| Additions | 68,385 | 35,416 |
| Transfer in from property and equipment | 93,870 | 110,064 |
| Amortisation | (151,130) | (127,043) |
| At the end of the year | <u>311,789</u> | <u>300,664</u> |

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35. Accounts receivable

(a) Analysed by nature:

| | As at 31 December | |
|---------------------------------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Accounts receivable of: | | |
| - Brokers, dealers and clearing house | 3,172,930 | 2,085,396 |
| - Fee and commission | 1,469,110 | 2,023,176 |
| - Return swap and OTC options | 2,894,747 | 1,813,190 |
| - Settlement | 1,494,496 | 1,072,692 |
| - Redemption of open-ended fund | 750,412 | 821,210 |
| - Subscription receivable | 571 | 246 |
| - Others | 76,953 | 56,962 |
| Less: impairment losses | (115,458) | (68,531) |
| Total | <u>9,743,761</u> | <u>7,804,341</u> |

(b) Analysed by ageing:

As at the end of the reporting period, the ageing analysis of accounts receivable, based on the trade date, is as follows:

| | As at 31 December | |
|----------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Within 1 month | 6,666,521 | 5,374,289 |
| 1 to 3 months | 663,523 | 607,064 |
| Over 3 months | 2,413,717 | 1,822,988 |
| Total | <u>9,743,761</u> | <u>7,804,341</u> |

(c) Analysis of the movements of provision for impairment losses:

| | As at 31 December | |
|-------------------------------------|-------------------|---------------|
| | <u>2023</u> | <u>2022</u> |
| At the beginning of the year | 68,531 | 97,739 |
| Charge/(reversal) for the year, net | 45,433 | (32,659) |
| Other | 1,494 | 3,451 |
| At the end of the year | <u>115,458</u> | <u>68,531</u> |

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35. Accounts receivable - continued

(d) Accounts receivable that is not impaired

Receivables that were neither past due nor impaired were relate to a wide range of customers for whom there was no recent history of default.

The receivables from securities-backed lendings business are not included in accounts receivable.

36. Other receivables, prepayments and other current assets

(a) Analysed by nature:

| | <u>As at 31 December</u> | |
|-------------------------|--------------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Prepayments | 698,314 | 640,205 |
| Other receivables (1) | 338,953 | 549,635 |
| Interest receivable (2) | 64,446 | 82,063 |
| Deductable VAT | 82,049 | 57,657 |
| Dividends receivable | 1,190 | 11,326 |
| Others | 1,355,033 | 816,643 |
| Total | <u>2,539,985</u> | <u>2,157,529</u> |

The balance of others mainly represents prepaid tax and commodity arising from normal course of business.

(1) Other receivables:

| | <u>As at 31 December</u> | |
|-------------------------|--------------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| Other receivables | 1,057,147 | 1,313,373 |
| Less: impairment losses | (718,194) | (763,738) |
| Total | <u>338,953</u> | <u>549,635</u> |

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36. Other receivables and prepayments and other current assets - continued

(a) *Analysed by nature:* - continued

(1) *Other receivables:* - continued

Analysis of the movements of provision for other receivables impairment losses:

| | As at 31 December | |
|-------------------------------------|-------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| At the beginning of the year | 763,738 | 765,109 |
| Charge/(reversal) for the year, net | 16,821 | (2,296) |
| Written-off | (62,365) | (105) |
| Other | - | 1,030 |
| Total | <u>718,194</u> | <u>763,738</u> |

(2) *Interest receivable:*

| | As at 31 December | |
|-------------------------|-------------------|---------------|
| | <u>2023</u> | <u>2022</u> |
| Interest receivable | 109,717 | 120,238 |
| Less: impairment losses | (45,271) | (38,175) |
| Total | <u>64,446</u> | <u>82,063</u> |

Analysis of the movements of provision for impairment losses of interest receivable:

| | As at 31 December | |
|------------------------------|-------------------|---------------|
| | <u>2023</u> | <u>2022</u> |
| At the beginning of the year | 38,175 | 36,946 |
| Charge for the year, net | 7,096 | 1,576 |
| Other | - | (347) |
| At the end of the year | <u>45,271</u> | <u>38,175</u> |

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37. Margin accounts receivable

(a) Analysed by nature:

| | As at 31 December | |
|-------------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| Individuals | 98,472,604 | 89,173,576 |
| Institutions | 15,389,837 | 13,001,155 |
| Less: impairment losses | <u>(1,521,347)</u> | <u>(1,526,356)</u> |
| Total | <u>112,341,094</u> | <u>100,648,375</u> |

(b) Analysis of the movements of provision for impairment losses:

| | As at 31 December | |
|------------------------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| At the beginning of the year | 1,526,356 | 1,914,311 |
| Reversal for the year, net | (6,325) | (387,636) |
| Other | 1,316 | (319) |
| At the end of the year | <u>1,521,347</u> | <u>1,526,356</u> |

(c) The fair value of collateral for margin financing and securities lending business is analysed as follows:

| | As at 31 December | |
|---------------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| Fair value of collateral: | | |
| Equity securities | 290,376,975 | 283,187,260 |
| Funds | 36,266,977 | 28,829,001 |
| Cash | 8,535,007 | 11,097,378 |
| Debt securities | <u>1,354,000</u> | <u>942,066</u> |
| Total | <u>336,532,959</u> | <u>324,055,705</u> |

The Group evaluates the collectability of receivable from margin clients based on management's assessment on the credit rating, collateral value and the past collection history of each margin client.

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37. Margin accounts receivable - continued

(d) Analysed by the stage of ECL of margin accounts receivable:

| | As at 31 December 2023 | | | Total |
|-------------------|------------------------|---|--|--------------------|
| | <u>12-month ECL</u> | <u>Lifetime ECL-not credit impaired</u> | <u>Lifetime ECL- credit impaired</u> | |
| Amortised cost | 102,465,790 | 11,194,173 | 202,478 | 113,862,441 |
| Impairment losses | (560,203) | (843,096) | (118,048) | (1,521,347) |
| Carrying amount | <u>101,905,587</u> | <u>10,351,077</u> | <u>84,430</u> | <u>112,341,094</u> |
| Collateral | <u>301,195,391</u> | <u>35,051,742</u> | <u>285,826</u> | <u>336,532,959</u> |

| | As at 31 December 2022 | | | Total |
|-------------------|------------------------|---|--|--------------------|
| | <u>12-month ECL</u> | <u>Lifetime ECL-not credit impaired</u> | <u>Lifetime ECL- credit impaired</u> | |
| Amortised cost | 92,641,549 | 9,406,445 | 126,737 | 102,174,731 |
| Impairment losses | (653,660) | (745,959) | (126,737) | (1,526,356) |
| Carrying amount | <u>91,987,889</u> | <u>8,660,486</u> | <u>-</u> | <u>100,648,375</u> |
| Collateral | <u>305,714,498</u> | <u>18,336,643</u> | <u>4,564</u> | <u>324,055,705</u> |

38. Derivative financial instruments

| | As at 31 December 2023 | | |
|----------------------------------|------------------------|-------------------|---------------------|
| | <u>Notional amount</u> | Fair value | |
| | | <u>Assets</u> | <u>Liabilities</u> |
| Interest rate derivatives | 1,644,689,668 | 945,881 | (405,920) |
| Currency derivatives | 186,761,759 | 295,866 | (1,474,728) |
| Equity derivatives | 474,762,005 | 12,465,246 | (11,396,087) |
| Credit derivatives | 10,873,787 | 30,174 | (5,684) |
| Commodity derivatives and others | 417,780,134 | 3,319,877 | (3,915,670) |
| Total | <u>2,734,867,353</u> | <u>17,057,044</u> | <u>(17,198,089)</u> |
| Less: settlement | | (797,163) | 316,448 |
| Net position | | <u>16,259,881</u> | <u>(16,881,641)</u> |

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38. Derivative financial instruments - continued

| | As at 31 December 2022 | | |
|----------------------------------|------------------------|-------------------|--------------------|
| | Notional amount | Fair value | |
| | | Assets | Liabilities |
| Interest rate derivatives | 2,049,415,232 | 1,210,893 | (1,014,318) |
| Currency derivatives | 130,689,441 | 368,568 | (1,298,573) |
| Equity derivatives | 573,466,284 | 14,176,581 | (6,478,834) |
| Credit derivatives | 3,485,135 | 20,452 | (3,023) |
| Commodity derivatives and others | 549,318,616 | 1,350,559 | (1,971,027) |
| Total | <u>3,306,374,708</u> | 17,127,053 | (10,765,775) |
| Less: settlement | | (1,338,752) | 1,127,650 |
| Net position | | <u>15,788,301</u> | <u>(9,638,125)</u> |

Under the daily mark-to-market and settlement arrangement, any gains or losses of the Group's position in interest rate swap contracts settled in Shanghai Clearing House, stock index futures and treasury futures settled in China Financial Futures Exchange and certain commodity futures traded through futures companies, were settled daily and the corresponding receipts and payments were included in "clearing settlement funds". Accordingly, the net position of the above contracts was nil as at 31 December 2023 and 31 December 2022.

Cash flow hedges

The Group's cash flow hedges consist of interest swap and cross currency swap contracts that are used to protect against exposures to variability of future cash flows.

Among the above derivative financial instruments, those designated hedging instruments in cash flow hedges are set out below:

| | As at 31 December 2023 | | | | | Fair value | |
|----------------------|------------------------|---------------------------------|--------------------------------|--------------|-----------|------------|-------------|
| | Notional amount | | | | | Assets | Liabilities |
| | Within 3 months | Over 3 months but within 1 year | Over 1 year but within 5 years | Over 5 years | Total | | |
| Currency derivatives | - | - | 3,025,000 | - | 3,025,000 | - | (32,763) |

| | As at 31 December 2022 | | | | | Fair value | |
|---------------------------|------------------------|---------------------------------|--------------------------------|--------------|------------------|---------------|-------------|
| | Notional amount | | | | | Assets | Liabilities |
| | Within 3 months | Over 3 months but within 1 year | Over 1 year but within 5 years | Over 5 years | Total | | |
| Interest rate derivatives | 1,392,920 | - | - | - | 1,392,920 | 11,522 | - |
| Currency derivatives | - | - | 3,025,000 | - | 3,025,000 | 31,121 | - |
| Total | <u>1,392,920</u> | <u>-</u> | <u>3,025,000</u> | <u>-</u> | <u>4,417,920</u> | <u>42,643</u> | <u>-</u> |

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38. Derivative financial instruments - continued

Cash flow hedges - continued

Details of the Group's hedged risk exposures in cash flow hedges and the corresponding effect on equities are as follows:

| | As at 31 December 2023 | | | | |
|-------|---------------------------------|-------------|---|---|---|
| | Carrying amount of hedged items | | Effect of hedging instruments on other comprehensive income during the year | Accumulated effect of hedging instruments on other comprehensive income | Line items in the statement of financial position |
| | Assets | Liabilities | | | |
| Bonds | - | (3,044,890) | (3,571) | 39,072 | Long-term bonds |

| | As at 31 December 2022 | | | | |
|-------|---------------------------------|-------------|---|---|---|
| | Carrying amount of hedged items | | Effect of hedging instruments on other comprehensive income during the year | Accumulated effect of hedging instruments on other comprehensive income | Line items in the statement of financial position |
| | Assets | Liabilities | | | |
| Bonds | - | (5,844,230) | 56,827 | 42,643 | Long-term bonds |

During the year ended 31 December 2023, the net losses from the hedging instruments recognised in other comprehensive income amounted to RMB3,571 thousand (During the year ended 31 December 2022: the net gains amounted to RMB56,827 thousand). There was no hedge ineffectiveness for the year ended 31 December 2023 and 2022.

39. Clearing settlement funds

| | As at 31 December | |
|--|-------------------|-----------|
| | 2023 | 2022 |
| Deposits with stock exchanges | | |
| - China Securities Depository and Clearing Corporation Limited | 5,746,776 | 5,168,695 |
| - Hong Kong Securities Clearing Company Limited | 32,488 | 55,527 |
| Deposits with other institutions | 3,350,002 | 3,492,284 |
| Total | 9,129,266 | 8,716,506 |

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40. Cash held on behalf of brokerage clients

The Group maintains segregated deposit accounts with banks and authorised institutions to hold clients' monies arising from its normal course of business. The Group has classified the brokerage clients' monies as cash held on behalf of brokerage clients under the current assets section of the consolidated statement of financial position, and recognised the corresponding accounts payable to the respective brokerage clients on the grounds that they are liable for any loss or misappropriation of their brokerage clients' monies. In the Mainland China, the use of cash held on behalf of brokerage clients for their transaction and settlement funds is restricted and governed by the relevant third-party deposit regulations issued by the CSRC. In Hong Kong, the use of cash held on behalf of brokerage clients is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

41. Cash and Bank balances

(a) Analysed by nature:

| | As at 31 December | |
|-------------------------|-------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Cash on hand | 189 | 203 |
| Bank balances | 46,296,689 | 45,181,375 |
| Less: impairment losses | (512) | (833) |
| Total | <u>46,296,366</u> | <u>45,180,745</u> |

Bank balances mainly comprise time and demand deposits which bear interest at the prevailing market rates.

(b) Analysis of the movements of provision for impairment losses:

| | As at 31 December | |
|-------------------------------------|-------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| At the beginning of the year | 833 | 1,157 |
| Reversal of impairment for the year | (290) | (351) |
| Other Changes | (31) | 27 |
| At the end of the year | <u>512</u> | <u>833</u> |

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42. Cash and cash equivalents

(a) Cash and cash equivalents comprise:

| | As at 31 December | |
|---|-------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Cash on hand | 189 | 203 |
| Bank balances | 46,203,098 | 45,102,385 |
| Clearing settlement funds | 9,129,266 | 8,716,492 |
| Financial assets held under resale agreements within 3 months original maturity | 7,352,535 | 26,635,065 |
| Bond investment within 3 months original maturity | 1,436,707 | 79,878 |
| Less: restricted bank deposits and bank deposits with original maturity of more than three months | (4,291,466) | (4,984,963) |
| Total | <u>59,830,329</u> | <u>75,549,060</u> |

The restricted bank deposits mainly include deposits reserved for VAT payable of asset management plans, minimum liquid capital restriction deposits and risk reserve deposits.

(b) Reconciliation of liabilities arising from financing activities:

The following table details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

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42. Cash and cash equivalents - continued

(b) Reconciliation of liabilities arising from financing activities: - continued

| | Short-term debt instruments | Long-term bonds | Short-term bank loans | Long-term bank loans | Lease liabilities | Dividends payable to ordinary shareholders and perpetual subordinated bonds | Total |
|--|--------------------------------|-----------------|--------------------------|----------------------|-------------------|---|--------------|
| At 31 December 2022 | 25,772,604 | 139,419,338 | 7,997,434 | 804,903 | 1,518,585 | 94,230 | 175,607,094 |
| Adjustments | - | - | - | - | - | - | - |
| At 1 January 2023 | 25,772,604 | 139,419,338 | 7,997,434 | 804,903 | 1,518,585 | 94,230 | 175,607,094 |
| Changes from financing cash flows | | | | | | | |
| Proceeds from issuance | 43,556,056 | 48,241,623 | 11,377,260 | - | - | - | 103,174,939 |
| Repayment of borrowings | (39,227,936) | (28,630,617) | (7,948,720) | (175,592) | - | - | (75,982,865) |
| Interest paid | (5,330,291) | (4,362,411) | (545,002) | (53,487) | - | - | (10,291,191) |
| Payment of lease liabilities | - | - | - | - | (662,201) | - | (662,201) |
| Dividend paid | - | - | - | - | - | (4,769,463) | (4,769,463) |
| Total changes from financing cash flows | (1,002,171) | 15,248,595 | 2,883,538 | (229,079) | (662,201) | (4,769,463) | 11,469,219 |
| Other changes | | | | | | | |
| Interest expenses | 704,782 | 4,876,439 | 597,601 | 59,122 | 63,271 | - | 6,301,215 |
| New leases | - | - | - | - | 548,506 | - | 548,506 |
| Dividends declared | - | - | - | - | - | 4,820,463 | 4,820,463 |
| Exchange differences | 292 | 271,629 | - | 12,106 | - | - | 284,027 |
| Total other changes | 705,074 | 5,148,068 | 597,601 | 71,228 | 611,777 | 4,820,463 | 11,954,211 |
| At 31 December 2023 | 25,475,507 | 159,816,001 | 11,478,573 | 647,052 | 1,468,161 | 145,230 | 199,030,524 |

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42. Cash and cash equivalents - continued

(b) Reconciliation of liabilities arising from financing activities: - continued

| | Short-term debt instruments | Long-term bonds | Short-term bank loans | Long-term bank loans | Lease liabilities | Dividends payable to ordinary shareholders and perpetual subordinated bonds | Total |
|--|--------------------------------|-----------------|--------------------------|----------------------|-------------------|--|---------------|
| At 31 December 2021 | 53,598,658 | 133,338,427 | 8,492,290 | 722,816 | 1,230,555 | 424 | 197,383,170 |
| Adjustments | - | - | - | - | - | - | - |
| At 1 January 2022 | 53,598,658 | 133,338,427 | 8,492,290 | 722,816 | 1,230,555 | 424 | 197,383,170 |
| Changes from financing cash flows | | | | | | | |
| Proceeds from issuance | 50,182,816 | 40,125,807 | 7,948,721 | 804,903 | - | - | 99,062,247 |
| Repayment of borrowings | (78,041,627) | (35,137,090) | (8,487,624) | (722,816) | - | - | (122,389,157) |
| Interest paid | (914,870) | (4,877,102) | (113,531) | (39,067) | - | - | (5,944,570) |
| Payment of lease liabilities | - | - | - | - | (568,238) | - | (568,238) |
| Dividend paid | - | - | - | - | - | (4,455,564) | (4,455,564) |
| Total changes from financing cash flows | (28,773,681) | 111,615 | (652,434) | 43,020 | (568,238) | (4,455,564) | (34,295,282) |
| Other changes | | | | | | | |
| Interest expenses | 899,652 | 4,454,208 | 157,578 | 39,067 | 53,716 | - | 5,604,221 |
| New leases | - | - | - | - | 802,552 | - | 802,552 |
| Dividends declared | - | - | - | - | - | 4,549,370 | 4,549,370 |
| Exchange differences | 47,975 | 1,515,088 | - | - | - | - | 1,563,063 |
| Total other changes | 947,627 | 5,969,296 | 157,578 | 39,067 | 856,268 | 4,549,370 | 12,519,206 |
| At 31 December 2022 | 25,772,604 | 139,419,338 | 7,997,434 | 804,903 | 1,518,585 | 94,230 | 175,607,094 |

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43. Short-term bank loans

| | As at 31 December | |
|---------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Credit loans | 10,549,181 | 7,711,588 |
| Pledged loans | 929,392 | 285,846 |
| Total | <u>11,478,573</u> | <u>7,997,434</u> |

As of 31 December 2023, the interest rates for short-term loans were in the range of 3.90% - 6.84% per annum (as of 31 December 2022: 4.60% - 5.83% per annum).

44. Short-term debt instruments issued

As at 31 December 2023

| <u>Name</u> | <u>Par value</u> Original currency | <u>Issuance date</u> | <u>Due date</u> | <u>Issue amount</u> Original currency | <u>Nominal</u> <u>interest rate</u> |
|---------------|---------------------------------------|----------------------|-----------------|--|--|
| 22 HUATAI F1 | RMB4,000,000 | 17/1/2022 | 17/1/2024 | RMB4,000,000 | 2.75% |
| 22 HUATAI S2 | RMB5,000,000 | 19/8/2022 | 17/2/2023 | RMB5,000,000 | 1.78% |
| 23 HUATAI S1 | RMB5,000,000 | 17/3/2023 | 15/9/2023 | RMB5,000,000 | 2.65% |
| 23 HUATAI S2 | RMB5,000,000 | 23/3/2023 | 25/10/2023 | RMB5,000,000 | 2.65% |
| 23 HUATAI S3 | RMB3,000,000 | 13/11/2023 | 13/9/2024 | RMB3,000,000 | 2.67% |
| 23 HUATAI S4 | RMB4,000,000 | 20/11/2023 | 20/9/2024 | RMB4,000,000 | 2.65% |
| 23 HUATAI S5 | RMB2,000,000 | 8/12/2023 | 8/7/2024 | RMB2,000,000 | 2.81% |
| 23 HUATAI S6 | RMB5,000,000 | 19/12/2023 | 19/3/2024 | RMB5,000,000 | 2.75% |
| HUATAI B2304a | USD100,000 | 7/4/2022 | 6/4/2023 | USD100,000 | 1.50% |
| HUATAI B2304b | USD100,000 | 7/4/2022 | 6/4/2023 | USD100,000 | 1.50% |
| HUATAI B2304c | USD100,000 | 7/4/2022 | 6/4/2023 | USD100,000 | 1.50% |
| HUATAI B2302a | USD50,000 | 27/5/2022 | 28/2/2023 | USD50,000 | 2.81% |
| HUATAI B2302b | HKD300,000 | 13/5/2022 | 13/2/2023 | HKD300,000 | 2.15% |
| HUATAI B2305a | USD50,000 | 27/5/2022 | 25/5/2023 | USD50,000 | 2.85% |
| HUATAI B2306 | USD100,000 | 10/6/2022 | 8/6/2023 | USD100,000 | 2.86% |
| HUATAI B2308 | USD15,000 | 10/8/2022 | 9/8/2023 | USD15,000 | 3.00% |
| HUATAI B2302d | USD18,000 | 14/11/2022 | 14/2/2023 | USD18,000 | 5.75% |
| HUATAI B2302e | HKD300,000 | 14/11/2022 | 14/2/2023 | HKD300,000 | 5.75% |
| HUATAI B2302f | USD10,700 | 16/11/2022 | 16/2/2023 | USD10,700 | 0.00% |
| HUATAI B2302g | HKD496,000 | 16/11/2022 | 16/2/2023 | HKD496,000 | 5.50% |
| HUATAI B2302h | USD5,499 | 18/11/2022 | 17/2/2023 | USD5,499 | 0.00% |
| HUATAI B2302i | HKD23,390 | 18/11/2022 | 17/2/2023 | HKD23,390 | 0.00% |
| HUATAI B2302j | HKD150,000 | 22/11/2022 | 22/2/2023 | HKD150,000 | 0.00% |
| HUATAI B2311 | USD40,000 | 23/11/2022 | 22/11/2023 | USD40,000 | 6.05% |
| HUATAI B2302k | USD8,580 | 25/11/2022 | 24/2/2023 | USD8,580 | 0.00% |
| HUATAI B2302l | USD100,000 | 29/11/2022 | 27/2/2023 | USD100,000 | 0.00% |
| HUATAI B2302m | USD50,000 | 29/11/2022 | 27/2/2023 | USD50,000 | 0.00% |
| HUATAI B2303a | USD4,839 | 1/12/2022 | 1/3/2023 | USD4,839 | 0.00% |
| HUATAI B2303b | HKD14,000 | 1/12/2022 | 1/3/2023 | HKD14,000 | 0.00% |
| HUATAI B2303c | USD10,000 | 6/12/2022 | 3/3/2023 | USD10,000 | 5.70% |
| HUATAI B2312 | RMB440,000 | 13/12/2022 | 12/12/2023 | RMB440,000 | 3.49% |
| HUATAI B2306b | USD62,000 | 15/12/2022 | 15/6/2023 | USD62,000 | 0.00% |
| HUATAI B2306c | USD32,300 | 29/12/2022 | 29/6/2023 | USD32,300 | 5.60% |
| HUATAI B2304d | USD30,000 | 13/1/2023 | 13/4/2023 | USD30,000 | 5.00% |

HUATAI SECURITIES CO., LTD.

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44. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

| <u>Name</u> | <u>Par value</u> Original currency | <u>Issuance date</u> | <u>Due date</u> | <u>Issue amount</u> Original currency | <u>Nominal</u> <u>interest rate</u> |
|---------------|---------------------------------------|----------------------|-----------------|--|--|
| HUATAI B2401a | USD25,800 | 13/1/2023 | 12/1/2024 | USD25,800 | 5.00% |
| HUATAI B2304e | HKD62,000 | 13/1/2023 | 13/4/2023 | HKD62,000 | 5.34% |
| HUATAI B2304f | USD20,000 | 17/1/2023 | 17/4/2023 | USD20,000 | 0.00% |
| HUATAI B2304g | USD20,000 | 17/1/2023 | 18/4/2023 | USD20,000 | 5.25% |
| HUATAI B2307d | USD20,000 | 17/1/2023 | 18/7/2023 | USD20,000 | 5.00% |
| HUATAI B2312a | USD60,000 | 17/1/2023 | 22/12/2023 | USD60,000 | 5.00% |
| HUATAI B2307e | HKD200,000 | 17/1/2023 | 18/7/2023 | HKD200,000 | 5.14% |
| HUATAI B2401b | USD20,000 | 19/1/2023 | 19/1/2024 | USD20,000 | 5.75% |
| HUATAI B2310 | USD50,000 | 19/1/2023 | 19/10/2023 | USD50,000 | 0.00% |
| HUATAI B2402a | USD15,000 | 3/2/2023 | 2/2/2024 | USD15,000 | 0.00% |
| HUATAI B2308a | USD10,000 | 6/2/2023 | 4/8/2023 | USD10,000 | 5.50% |
| HUATAI B2308b | USD47,000 | 6/2/2023 | 7/8/2023 | USD47,000 | 0.00% |
| HUATAI B2402b | USD20,600 | 6/2/2023 | 5/2/2024 | USD20,600 | 0.00% |
| HUATAI B2308c | USD20,000 | 8/2/2023 | 8/8/2023 | USD20,000 | 5.55% |
| HUATAI B2308d | USD100,000 | 9/2/2023 | 9/8/2023 | USD100,000 | 0.00% |
| HUATAI B2305b | USD6,600 | 10/2/2023 | 10/5/2023 | USD6,600 | 0.00% |
| HUATAI B2308e | USD15,000 | 10/2/2023 | 10/8/2023 | USD15,000 | 0.00% |
| HUATAI B2305c | USD13,350 | 17/2/2023 | 17/5/2023 | USD13,350 | 0.00% |
| HUATAI B2308h | USD30,000 | 17/2/2023 | 17/8/2023 | USD30,000 | 5.46% |
| HUATAI B2305d | USD15,000 | 21/2/2023 | 23/5/2023 | USD15,000 | 5.28% |
| HUATAI B2308i | USD100,000 | 21/2/2023 | 18/8/2023 | USD100,000 | 0.00% |
| HUATAI B2305e | HKD200,000 | 21/2/2023 | 23/5/2023 | HKD200,000 | 3.82% |
| HUATAI B2308f | USD50,000 | 22/2/2023 | 15/8/2023 | USD50,000 | 5.00% |
| HUATAI B2306a | USD11,820 | 8/3/2023 | 8/6/2023 | USD11,820 | 0.00% |
| HUATAI B2306d | USD20,000 | 10/3/2023 | 9/6/2023 | USD20,000 | 0.00% |
| HUATAI B2309b | USD100,000 | 10/3/2023 | 12/9/2023 | USD100,000 | 0.00% |
| HUATAI B2403a | USD30,000 | 27/3/2023 | 27/3/2024 | USD30,000 | 5.60% |
| HUATAI B2307f | USD17,000 | 19/4/2023 | 19/7/2023 | USD17,000 | 0.00% |
| HUATAI B2307g | USD6,300 | 20/4/2023 | 20/7/2023 | USD6,300 | 0.00% |
| HUATAI B2307h | USD18,000 | 20/4/2023 | 20/7/2023 | USD18,000 | 0.00% |
| HUATAI B2307i | USD20,000 | 24/4/2023 | 21/7/2023 | USD20,000 | 5.55% |
| HUATAI B2311a | HKD51,000 | 2/5/2023 | 2/11/2023 | HKD51,000 | 0.00% |
| HUATAI B2405b | HKD475,000 | 5/5/2023 | 3/5/2024 | HKD475,000 | 4.60% |
| HUATAI B2307a | USD10,000 | 8/5/2023 | 7/7/2023 | USD10,000 | 5.55% |
| HUATAI B2311b | USD20,000 | 9/5/2023 | 9/11/2023 | USD20,000 | 5.55% |
| HUATAI B2307b | USD40,000 | 10/5/2023 | 11/7/2023 | USD40,000 | 5.55% |
| HUATAI B2307c | USD12,500 | 16/5/2023 | 14/7/2023 | USD12,500 | 5.55% |
| HUATAI B2311c | USD10,000 | 16/5/2023 | 16/11/2023 | USD10,000 | 5.66% |
| HUATAI B2311d | USD5,150 | 19/5/2023 | 17/11/2023 | USD5,150 | 0.00% |
| HUATAI B2307j | USD25,427 | 19/5/2023 | 21/7/2023 | USD25,427 | 5.00% |
| HUATAI B2311g | HKD200,000 | 23/5/2023 | 24/11/2023 | HKD200,000 | 4.70% |
| HUATAI B2307k | HKD100,000 | 29/5/2023 | 28/7/2023 | HKD100,000 | 4.85% |
| HUATAI B2307l | USD15,000 | 29/5/2023 | 28/7/2023 | USD15,000 | 5.73% |
| HUATAI B2309a | USD15,000 | 6/6/2023 | 6/9/2023 | USD15,000 | 5.88% |
| HUATAI B2406c | USD50,000 | 13/6/2023 | 13/6/2024 | USD50,000 | 5.95% |
| HUATAI B2308g | HKD250,000 | 14/6/2023 | 15/8/2023 | HKD250,000 | 4.65% |
| HUATAI B2309c | USD26,300 | 15/6/2023 | 15/9/2023 | USD26,300 | 0.00% |
| HUATAI B2311f | USD39,000 | 23/6/2023 | 22/11/2023 | USD39,000 | 0.00% |
| HUATAI B2311h | USD10,500 | 26/6/2023 | 27/11/2023 | USD10,500 | 0.00% |
| HUATAI B2309d | USD10,000 | 27/6/2023 | 27/9/2023 | USD10,000 | 5.50% |
| HUATAI B2311i | USD25,500 | 30/6/2023 | 30/11/2023 | USD25,500 | 5.50% |
| HUATAI B2310a | USD46,600 | 7/7/2023 | 11/10/2023 | USD46,600 | 5.50% |

HUATAI SECURITIES CO., LTD.

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44. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

| <u>Name</u> | <u>Par value</u> Original currency | <u>Issuance date</u> | <u>Due date</u> | <u>Issue amount</u> Original currency | <u>Nominal</u> <u>interest rate</u> |
|----------------------|---------------------------------------|----------------------|-----------------|--|--|
| HUATAI B2401c | USD27,500 | 18/7/2023 | 18/1/2024 | USD27,500 | 6.17% |
| HUATAI B2310b | USD10,000 | 19/7/2023 | 19/10/2023 | USD10,000 | 5.80% |
| HUATAI B2407a | USD11,000 | 19/7/2023 | 19/7/2024 | USD11,000 | 6.17% |
| HUATAI B2401d | HKD100,000 | 19/7/2023 | 19/1/2024 | HKD100,000 | 5.36% |
| HUATAI B2401e | USD20,000 | 24/7/2023 | 24/1/2024 | USD20,000 | 6.07% |
| HUATAI B2310c | HKD200,000 | 26/7/2023 | 26/10/2023 | HKD200,000 | 5.36% |
| HUATAI B2407b | USD19,000 | 27/7/2023 | 26/7/2024 | USD19,000 | 0.00% |
| HUATAI B2401h | USD15,000 | 31/7/2023 | 31/1/2024 | USD15,000 | 6.15% |
| HUATAI B2401i | HKD100,000 | 31/7/2023 | 31/1/2024 | HKD100,000 | 5.55% |
| HUATAI B2311j | USD30,000 | 1/8/2023 | 1/11/2023 | USD30,000 | 6.03% |
| HUATAI B2407c | USD10,000 | 2/8/2023 | 31/7/2024 | USD10,000 | SOFR+0.95% |
| HUATAI B2408a | USD15,000 | 3/8/2023 | 1/8/2024 | USD15,000 | SOFR+0.95% |
| HUATAI B2401k | USD12,477 | 3/8/2023 | 3/11/2023 | USD12,477 | 0.00% |
| HUATAI B2408b | USD15,000 | 4/8/2023 | 2/8/2024 | USD15,000 | SOFR+0.95% |
| HUATAI B2408c | USD10,000 | 4/8/2023 | 2/8/2024 | USD10,000 | SOFR+0.95% |
| HUATAI B2312b | USD40,000 | 4/8/2023 | 1/12/2023 | USD40,000 | 6.02% |
| HUATAI B2408d | USD15,000 | 10/8/2023 | 9/8/2024 | USD15,000 | 6.05% |
| HUATAI B2402j | USD30,000 | 18/8/2023 | 21/2/2024 | USD30,000 | 6.14% |
| HUATAI B2311l | USD10,000 | 21/8/2023 | 21/11/2023 | USD10,000 | 6.00% |
| HUATAI B2311m | USD45,000 | 22/8/2023 | 22/11/2023 | USD45,000 | 6.05% |
| HUATAI B2402k | HKD29,000 | 22/8/2023 | 22/2/2024 | HKD29,000 | 5.50% |
| HUATAI B2402l | USD5,800 | 22/8/2023 | 22/2/2024 | USD5,800 | 6.10% |
| HUATAI B2409a | USD65,000 | 12/9/2023 | 11/9/2024 | USD65,000 | 6.00% |
| HUATAI B2312c | USD30,000 | 18/9/2023 | 18/12/2023 | USD30,000 | 6.06% |
| HUATAI B2403b | USD18,050 | 22/9/2023 | 22/3/2024 | USD18,050 | 0.00% |
| HUATAI B2409b | USD13,150 | 22/9/2023 | 20/9/2024 | USD13,150 | 0.00% |
| HUATAI B2403c | USD60,000 | 27/9/2023 | 26/3/2024 | USD60,000 | 6.00% |
| HUATAI B2409c | CNY400,000 | 28/9/2023 | 24/9/2024 | CNY400,000 | 3.78% |
| HUATAI B2312d | USD10,340 | 29/9/2023 | 29/12/2023 | USD10,340 | 0.00% |
| HUATAI B2404 | USD10,000 | 17/10/2023 | 17/4/2024 | USD10,000 | 6.31% |
| HUATAI B2410 | CNY650,000 | 20/10/2023 | 16/10/2024 | CNY650,000 | 3.80% |
| HUATAI B2401f | USD16,750 | 25/10/2023 | 25/1/2024 | USD16,750 | 0.00% |
| HUATAI B2405c | USD14,500 | 25/10/2023 | 2/5/2024 | USD14,500 | 0.00% |
| HUATAI B2407d | USD15,000 | 27/10/2023 | 27/7/2024 | USD15,000 | 6.36% |
| HUATAI B2401g | USD10,000 | 27/10/2023 | 27/1/2024 | USD10,000 | 6.27% |
| HUATAI B2407e | USD10,000 | 27/10/2023 | 27/7/2024 | USD10,000 | 6.36% |
| HUATAI B2411a | USD30,000 | 6/11/2023 | 4/11/2024 | USD30,000 | 0.00% |
| HUATAI B2402c | USD18,000 | 7/11/2023 | 7/2/2024 | USD18,000 | 6.30% |
| HUATAI B2402g | USD17,000 | 9/11/2023 | 15/2/2024 | USD17,000 | 6.30% |
| HUATAI B2402h | USD15,000 | 10/11/2023 | 15/2/2024 | USD15,000 | 6.30% |
| HUATAI B2402e | USD10,000 | 10/11/2023 | 9/2/2024 | USD10,000 | 5.87% |
| HUATAI B2411b | USD35,000 | 13/11/2023 | 8/11/2024 | USD35,000 | 0.00% |
| HUATAI B2402d | USD18,200 | 13/11/2023 | 8/2/2024 | USD18,200 | 0.00% |
| HUATAI B2402f | USD20,000 | 14/11/2023 | 14/2/2024 | USD20,000 | 0.00% |
| HUATAI B2402i | USD15,460 | 15/11/2023 | 15/2/2024 | USD15,460 | 0.00% |
| HUATAI B2405d | USD10,000 | 21/11/2023 | 21/5/2024 | USD10,000 | 6.46% |
| HUATAI B2405e | HKD200,000 | 28/11/2023 | 28/5/2024 | HKD200,000 | 6.04% |
| HUATAI B2409d | USD95,000 | 6/12/2023 | 6/9/2024 | USD95,000 | 6.00% |
| HUATAI B2406d | USD25,000 | 7/12/2023 | 7/6/2024 | USD25,000 | 6.40% |
| HUATAI B2406e | USD10,000 | 7/12/2023 | 7/6/2024 | USD10,000 | 6.36% |
| HUATAI B2403d | USD40,000 | 8/12/2023 | 8/3/2024 | USD40,000 | 0.00% |
| HUATAI B2406f | USD20,000 | 8/12/2023 | 7/6/2024 | USD20,000 | 0.00% |
| Structured notes (1) | RMB2,786,805 | Note (1) | Note (1) | RMB2,786,805 | Note (1) |

HUATAI SECURITIES CO., LTD.

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44. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

| <u>Name</u> | Book value as at | | | Book value as at |
|---------------|--|-----------------------------------|-----------------------------------|--|
| | 1 January <u>2023</u> RMB equivalent | <u>Increase</u> RMB equivalent | <u>Decrease</u> RMB equivalent | 31 December <u>2023</u> RMB equivalent |
| 22 HUATAI F1 | 4,105,269 | 4,731 | (4,110,000) | - |
| 22 HUATAI S2 | 5,032,777 | 7,417 | (5,040,194) | - |
| 23 HUATAI S1 | - | 5,060,551 | (5,060,551) | - |
| 23 HUATAI S2 | - | 5,069,456 | (5,069,456) | - |
| 23 HUATAI S3 | - | 3,010,680 | - | 3,010,680 |
| 23 HUATAI S4 | - | 4,012,072 | - | 4,012,072 |
| 23 HUATAI S5 | - | 2,003,626 | - | 2,003,626 |
| 23 HUATAI S6 | - | 5,004,805 | - | 5,004,805 |
| HUATAI B2304a | 697,585 | 21,280 | (718,865) | - |
| HUATAI B2304b | 697,585 | 21,280 | (718,865) | - |
| HUATAI B2304c | 697,585 | 21,280 | (718,865) | - |
| HUATAI B2302a | 354,203 | 7,484 | (361,687) | - |
| HUATAI B2302b | 271,621 | 4,659 | (276,280) | - |
| HUATAI B2305a | 354,025 | 10,148 | (364,173) | - |
| HUATAI B2306 | 707,321 | 21,095 | (728,416) | - |
| HUATAI B2308 | 105,092 | 4,327 | (109,419) | - |
| HUATAI B2302d | 126,321 | 3,015 | (129,336) | - |
| HUATAI B2302e | 269,950 | 5,850 | (275,800) | - |
| HUATAI B2302f | 74,030 | 1,755 | (75,785) | - |
| HUATAI B2302g | 445,902 | 9,804 | (455,706) | - |
| HUATAI B2302h | 38,132 | 816 | (38,948) | - |
| HUATAI B2302i | 20,749 | 447 | (21,196) | - |
| HUATAI B2302j | 132,878 | 3,052 | (135,930) | - |
| HUATAI B2311 | 279,817 | 20,584 | (300,401) | - |
| HUATAI B2302k | 59,279 | 1,490 | (60,769) | - |
| HUATAI B2302l | 690,163 | 18,107 | (708,270) | - |
| HUATAI B2302m | 345,082 | 9,053 | (354,135) | - |
| HUATAI B2303a | 33,398 | 875 | (34,273) | - |
| HUATAI B2303b | 12,390 | 297 | (12,687) | - |
| HUATAI B2303c | 69,931 | 1,858 | (71,789) | - |
| HUATAI B2312 | 440,604 | 14,710 | (455,314) | - |
| HUATAI B2306b | 420,182 | 18,945 | (439,127) | - |
| HUATAI B2306c | 225,057 | 10,102 | (235,159) | - |
| HUATAI B2304d | - | 215,101 | (215,101) | - |
| HUATAI B2401a | - | 191,563 | - | 191,563 |
| HUATAI B2304e | - | 56,924 | (56,924) | - |
| HUATAI B2304f | - | 141,654 | (141,654) | - |
| HUATAI B2304g | - | 143,508 | (143,508) | - |
| HUATAI B2307d | - | 145,186 | (145,186) | - |
| HUATAI B2312a | - | 444,697 | (444,697) | - |
| HUATAI B2307e | - | 185,885 | (185,885) | - |
| HUATAI B2401b | - | 149,401 | - | 149,401 |
| HUATAI B2310 | - | 354,135 | (354,135) | - |
| HUATAI B2402a | - | 105,865 | - | 105,865 |
| HUATAI B2308a | - | 72,737 | (72,737) | - |

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(Expressed in thousands of Renminbi, unless otherwise stated)

44. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

| Name | Book value as at | Increase | Decrease | Book value as at |
|---------------|------------------|----------------|----------------|------------------|
| | 1 January | | | 31 December |
| | <u>2023</u> | RMB equivalent | RMB equivalent | <u>2023</u> |
| | RMB equivalent | | | RMB equivalent |
| HUATAI B2308b | - | 332,887 | (332,887) | - |
| HUATAI B2402b | - | 145,320 | - | 145,320 |
| HUATAI B2308c | - | 145,553 | (145,553) | - |
| HUATAI B2308d | - | 708,270 | (708,270) | - |
| HUATAI B2305b | - | 46,746 | (46,746) | - |
| HUATAI B2308e | - | 106,241 | (106,241) | - |
| HUATAI B2305c | - | 94,554 | (94,554) | - |
| HUATAI B2308h | - | 218,234 | (218,234) | - |
| HUATAI B2305d | - | 107,639 | (107,639) | - |
| HUATAI B2308i | - | 708,270 | (708,270) | - |
| HUATAI B2305e | - | 182,966 | (182,966) | - |
| HUATAI B2308f | - | 362,576 | (362,576) | - |
| HUATAI B2306a | - | 83,718 | (83,718) | - |
| HUATAI B2306d | - | 141,654 | (141,654) | - |
| HUATAI B2309b | - | 708,270 | (708,270) | - |
| HUATAI B2403a | - | 215,457 | - | 215,457 |
| HUATAI B2307f | - | 120,406 | (120,406) | - |
| HUATAI B2307g | - | 44,621 | (44,621) | - |
| HUATAI B2307h | - | 127,489 | (127,489) | - |
| HUATAI B2307i | - | 143,549 | (143,549) | - |
| HUATAI B2311a | - | 46,216 | (46,216) | - |
| HUATAI B2405b | - | 442,864 | - | 442,864 |
| HUATAI B2307a | - | 71,473 | (71,473) | - |
| HUATAI B2311b | - | 145,617 | (145,617) | - |
| HUATAI B2307b | - | 285,979 | (285,979) | - |
| HUATAI B2307c | - | 89,328 | (89,328) | - |
| HUATAI B2311c | - | 72,848 | (72,848) | - |
| HUATAI B2311d | - | 36,476 | (36,476) | - |
| HUATAI B2307j | - | 181,646 | (181,646) | - |
| HUATAI B2311g | - | 185,557 | (185,557) | - |
| HUATAI B2307k | - | 91,342 | (91,342) | - |
| HUATAI B2307l | - | 107,241 | (107,241) | - |
| HUATAI B2309a | - | 107,815 | (107,815) | - |
| HUATAI B2406c | - | 365,627 | - | 365,627 |
| HUATAI B2308g | - | 228,339 | (228,339) | - |
| HUATAI B2309c | - | 186,275 | (186,275) | - |
| HUATAI B2311f | - | 276,225 | (276,225) | - |
| HUATAI B2311h | - | 74,368 | (74,368) | - |
| HUATAI B2309d | - | 71,809 | (71,809) | - |
| HUATAI B2311i | - | 184,773 | (184,773) | - |
| HUATAI B2310a | - | 334,828 | (334,828) | - |
| HUATAI B2401c | - | 200,207 | - | 200,207 |
| HUATAI B2310b | - | 71,862 | (71,862) | - |
| HUATAI B2407a | - | 80,069 | - | 80,069 |
| HUATAI B2401d | - | 92,848 | - | 92,848 |
| HUATAI B2401e | - | 143,770 | - | 143,770 |
| HUATAI B2310c | - | 183,689 | (183,689) | - |
| HUATAI B2407b | - | 130,051 | - | 130,051 |
| HUATAI B2401h | - | 108,958 | - | 108,958 |

HUATAI SECURITIES CO., LTD.

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FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

44. Short-term debt instruments issued - continued

As at 31 December 2023 - continued

| Name | Book value as at | Increase | Decrease | Book value as at |
|---------------------------------|-------------------|-------------------|---------------------|-------------------|
| | 1 January | | | 31 December |
| | <u>2023</u> | RMB equivalent | RMB equivalent | <u>2023</u> |
| | RMB equivalent | | | RMB equivalent |
| HUATAI B2401i | - | 92,760 | - | 92,760 |
| HUATAI B2311j | - | 215,710 | (215,710) | - |
| HUATAI B2407c | - | 71,515 | - | 71,515 |
| HUATAI B2408a | - | 107,254 | - | 107,254 |
| HUATAI B2311k | - | 88,371 | (88,371) | - |
| HUATAI B2408b | - | 107,235 | - | 107,235 |
| HUATAI B2408c | - | 71,490 | - | 71,490 |
| HUATAI B2312b | - | 288,868 | (288,868) | - |
| HUATAI B2408d | - | 108,645 | - | 108,645 |
| HUATAI B2402j | - | 217,250 | - | 217,250 |
| HUATAI B2311l | - | 71,898 | (71,898) | - |
| HUATAI B2311m | - | 323,582 | (323,582) | - |
| HUATAI B2402k | - | 491 | - | 491 |
| HUATAI B2402l | - | 851 | - | 851 |
| HUATAI B2409a | - | 467,832 | - | 467,832 |
| HUATAI B2312c | - | 215,691 | (215,691) | - |
| HUATAI B2403b | - | 126,129 | - | 126,129 |
| HUATAI B2409b | - | 89,161 | - | 89,161 |
| HUATAI B2403c | - | 431,221 | - | 431,221 |
| HUATAI B2409c | - | 403,780 | - | 403,780 |
| HUATAI B2312d | - | 73,235 | (73,235) | - |
| HUATAI B2404 | - | 71,719 | - | 71,719 |
| HUATAI B2410 | - | 654,445 | - | 654,445 |
| HUATAI B2401f | - | 118,128 | - | 118,128 |
| HUATAI B2405c | - | 100,618 | - | 100,618 |
| HUATAI B2407d | - | 107,402 | - | 107,402 |
| HUATAI B2401g | - | 71,590 | - | 71,590 |
| HUATAI B2407e | - | 71,601 | - | 71,601 |
| HUATAI B2411a | - | 201,570 | - | 201,570 |
| HUATAI B2402c | - | 128,623 | - | 128,623 |
| HUATAI B2402g | - | 121,435 | - | 121,435 |
| HUATAI B2402h | - | 107,130 | - | 107,130 |
| HUATAI B2402e | - | 71,365 | - | 71,365 |
| HUATAI B2411b | - | 235,040 | - | 235,040 |
| HUATAI B2402d | - | 128,016 | - | 128,016 |
| HUATAI B2402f | - | 140,531 | - | 140,531 |
| HUATAI B2402i | - | 108,628 | - | 108,628 |
| HUATAI B2405d | - | 71,297 | - | 71,297 |
| HUATAI B2405e | - | 182,247 | - | 182,247 |
| HUATAI B2409d | - | 673,468 | - | 673,468 |
| HUATAI B2406d | - | 177,726 | - | 177,726 |
| HUATAI B2406e | - | 71,086 | - | 71,086 |
| HUATAI B2403d | - | 279,875 | - | 279,875 |
| HUATAI B2406f | - | 137,712 | - | 137,712 |
| Structured notes ⁽¹⁾ | 9,065,676 | 702,082 | (7,022,300) | 2,745,458 |
| Total | <u>25,772,604</u> | <u>44,261,130</u> | <u>(44,558,227)</u> | <u>25,475,507</u> |

HUATAI SECURITIES CO., LTD.

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44. Short-term debt instruments issued - continued

As at 31 December 2022

| <u>Name</u> | <u>Par value</u> Original currency | <u>Issuance date</u> | <u>Due date</u> | <u>Issue amount</u> Original currency | <u>Nominal interest rate</u> |
|---------------|---------------------------------------|----------------------|-----------------|--|------------------------------|
| 21 HUATAI S2 | RMB4,000,000 | 28/6/2021 | 28/6/2022 | RMB4,000,000 | 2.95% |
| 21 HUATAI S3 | RMB2,000,000 | 9/7/2021 | 22/2/2022 | RMB2,000,000 | 2.75% |
| 21 HUATAI S4 | RMB4,000,000 | 9/7/2021 | 9/7/2022 | RMB4,000,000 | 2.87% |
| 21 HUATAI S5 | RMB3,000,000 | 19/7/2021 | 19/7/2022 | RMB3,000,000 | 2.75% |
| 21 HUATAI S6 | RMB4,000,000 | 9/8/2021 | 11/2/2022 | RMB4,000,000 | 2.55% |
| 21 HUATAI S7 | RMB4,000,000 | 16/8/2021 | 20/1/2022 | RMB4,000,000 | 2.51% |
| 21 HUATAI S9 | RMB2,300,000 | 6/12/2021 | 8/6/2022 | RMB2,300,000 | 2.64% |
| 21 HUA S10 | RMB2,700,000 | 6/12/2021 | 25/11/2022 | RMB2,700,000 | 2.70% |
| 21 HUA S11 | RMB2,000,000 | 13/12/2021 | 13/5/2022 | RMB2,000,000 | 2.62% |
| 21 HUA S12 | RMB1,000,000 | 21/12/2021 | 21/9/2022 | RMB1,000,000 | 2.70% |
| 21 HUA S13 | RMB4,000,000 | 21/12/2021 | 21/12/2022 | RMB4,000,000 | 2.75% |
| 21 HUA S14 | RMB4,000,000 | 29/12/2021 | 29/11/2022 | RMB4,000,000 | 2.75% |
| 22 HUATAI F1 | RMB4,000,000 | 17/1/2022 | 17/1/2024 | RMB4,000,000 | 2.75% |
| 22 HUATAI S1 | RMB5,000,000 | 9/8/2022 | 9/11/2022 | RMB5,000,000 | 1.65% |
| 22 HUATAI S2 | RMB5,000,000 | 19/8/2022 | 17/2/2023 | RMB5,000,000 | 1.78% |
| HUATAI B2203a | USD100,000 | 23/3/2021 | 21/3/2022 | USD100,000 | 0.35% |
| HUATAI B2206 | USD100,000 | 11/6/2021 | 9/6/2022 | USD100,000 | 0.70% |
| HUATAI B2203b | HKD300,000 | 7/12/2021 | 10/3/2022 | HKD300,000 | 0.55% |
| HUATAI B2203c | USD30,000 | 29/12/2021 | 29/3/2022 | USD30,000 | 0.65% |
| HUATAI B2204a | USD100,000 | 18/1/2022 | 18/4/2022 | USD100,000 | 0.65% |
| HUATAI B2204b | USD60,000 | 24/1/2022 | 25/4/2022 | USD60,000 | 0.65% |
| HUATAI B2207 | USD100,000 | 28/1/2022 | 28/7/2022 | USD100,000 | 0.80% |
| HUATAI B2205a | USD20,000 | 10/2/2022 | 10/5/2022 | USD20,000 | 1.05% |
| HUATAI B2204c | USD50,000 | 25/2/2022 | 25/4/2022 | USD50,000 | 0.70% |
| HUATAI B2212a | USD100,000 | 24/3/2022 | 23/12/2022 | USD100,000 | 1.00% |
| HUATAI B2212b | USD100,000 | 24/3/2022 | 23/12/2022 | USD100,000 | 1.00% |
| HUATAI B2212c | USD50,000 | 24/3/2022 | 23/12/2022 | USD50,000 | 1.00% |
| HUATAI B2209a | USD50,000 | 24/3/2022 | 23/9/2022 | USD50,000 | 1.65% |
| HUATAI B2209b | USD50,000 | 25/3/2022 | 26/9/2022 | USD50,000 | 0.95% |
| HUATAI B2304a | USD100,000 | 7/4/2022 | 6/4/2023 | USD100,000 | 1.50% |
| HUATAI B2304b | USD100,000 | 7/4/2022 | 6/4/2023 | USD100,000 | 1.50% |
| HUATAI B2304c | USD100,000 | 7/4/2022 | 6/4/2023 | USD100,000 | 1.50% |
| HUATAI B2209c | USD30,000 | 6/4/2022 | 30/9/2022 | USD30,000 | 1.75% |
| HUATAI B2211a | USD50,000 | 5/5/2022 | 4/11/2022 | USD50,000 | 2.04% |
| HUATAI B2211b | USD18,000 | 10/5/2022 | 10/11/2022 | USD18,000 | 2.15% |
| HUATAI B2211c | USD50,000 | 5/5/2022 | 4/11/2022 | USD50,000 | 1.75% |

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44. Short-term debt instruments issued - continued

As at 31 December 2022 - continued

| <u>Name</u> | <u>Par value</u> Original currency | <u>Issuance date</u> | <u>Due date</u> | <u>Issue amount</u> Original currency | <u>Nominal interest rate</u> |
|----------------------|---------------------------------------|----------------------|-----------------|--|------------------------------|
| HUATAI B2208a | USD60,000 | 4/5/2022 | 4/8/2022 | USD60,000 | 1.25% |
| HUATAI B2305a | USD50,000 | 27/5/2022 | 25/5/2023 | USD50,000 | 2.85% |
| HUATAI B2302a | USD50,000 | 27/5/2022 | 28/2/2023 | USD50,000 | 2.81% |
| HUATAI B2208b | USD30,000 | 2/6/2022 | 31/8/2022 | USD30,000 | 2.00% |
| HUATAI B2208c | USD20,000 | 2/6/2022 | 12/8/2022 | USD20,000 | 1.90% |
| HUATAI B2306 | USD100,000 | 10/6/2022 | 8/6/2023 | USD100,000 | 2.86% |
| HUATAI B2205b | HKD280,000 | 10/2/2022 | 10/5/2022 | HKD280,000 | 1.00% |
| HUATAI B2209d | HKD800,000 | 1/4/2022 | 30/9/2022 | HKD800,000 | 0.65% |
| HUATAI B2211d | HKD300,000 | 10/5/2022 | 10/11/2022 | HKD300,000 | 1.50% |
| HUATAI B2211e | HKD490,000 | 13/5/2022 | 14/11/2022 | HKD490,000 | 1.73% |
| HUATAI B2302b | HKD300,000 | 13/5/2022 | 13/2/2023 | HKD300,000 | 2.15% |
| HUATAI B2212d | USD75,000 | 10/8/2022 | 23/12/2022 | USD75,000 | 3.00% |
| HUATAI B2308 | USD15,000 | 10/8/2022 | 9/8/2023 | USD15,000 | 3.00% |
| HUATAI B2211f | HKD300,000 | 10/8/2022 | 10/11/2022 | HKD300,000 | 2.00% |
| HUATAI B2212e | USD50,800 | 20/9/2022 | 20/12/2022 | USD50,800 | 3.83% |
| HUATAI B2302d | USD18,000 | 14/11/2022 | 14/2/2023 | USD18,000 | 5.75% |
| HUATAI B2302e | HKD300,000 | 14/11/2022 | 14/2/2023 | HKD300,000 | 5.75% |
| HUATAI B2302f | USD10,700 | 16/11/2022 | 16/2/2023 | USD10,700 | 0.00% |
| HUATAI B2302g | HKD496,000 | 16/11/2022 | 16/2/2023 | HKD496,000 | 5.50% |
| HUATAI B2302h | USD5,499 | 18/11/2022 | 17/2/2023 | USD5,499 | 0.00% |
| HUATAI B 2311 | USD40,000 | 23/11/2022 | 22/11/2023 | USD40,000 | 6.05% |
| HUATAI B2302i | HKD23,390 | 18/11/2022 | 17/2/2023 | HKD23,390 | 0.00% |
| HUATAI B2302j | HKD150,000 | 22/11/2022 | 22/2/2023 | HKD150,000 | 0.00% |
| HUATAI B2302k | USD8,580 | 25/11/2022 | 24/2/2023 | USD8,580 | 0.00% |
| HUATAI B2302l | USD100,000 | 29/11/2022 | 27/2/2023 | USD100,000 | 0.00% |
| HUATAI B2302m | USD50,000 | 29/11/2022 | 27/2/2023 | USD50,000 | 0.00% |
| HUATAI B2303a | USD4,839 | 1/12/2022 | 1/3/2023 | USD4,839 | 0.00% |
| HUATAI B2303b | HKD14,000 | 1/12/2022 | 1/3/2023 | HKD14,000 | 0.00% |
| HUATAI B2303c | USD10,000 | 6/12/2022 | 3/3/2023 | USD10,000 | 5.70% |
| HUATAI B2306b | USD62,000 | 15/12/2022 | 15/6/2023 | USD62,000 | 0.00% |
| HUATAI B2306c | USD32,300 | 29/12/2022 | 29/6/2023 | USD32,300 | 5.60% |
| HUATAI B2211g | USD150,000 | 30/8/2022 | 28/11/2022 | USD150,000 | 0.00% |
| HUATAI B2312 | RMB440,000 | 13/12/2022 | 12/12/2023 | RMB440,000 | 3.49% |
| Structured notes (1) | RMB9,062,109 | Note (1) | Note (1) | RMB9,062,109 | Note (1) |

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44. Short-term debt instruments issued - continued

As at 31 December 2022 - continued

| Name | Book value as at | Increase | Decrease | Book value as at |
|---------------|------------------|----------------|----------------|------------------|
| | 1 January | | | 31 December |
| | <u>2022</u> | RMB equivalent | RMB equivalent | <u>2022</u> |
| | RMB equivalent | | | RMB equivalent |
| 21 HUATAI S2 | 4,059,983 | 58,017 | (4,118,000) | - |
| 21 HUATAI S3 | 2,026,317 | 8,039 | (2,034,356) | - |
| 21 HUATAI S4 | 4,054,931 | 59,869 | (4,114,800) | - |
| 21 HUATAI S5 | 3,037,258 | 45,242 | (3,082,500) | - |
| 21 HUATAI S6 | 4,040,306 | 11,672 | (4,051,978) | - |
| 21 HUATAI S7 | 4,037,785 | 5,401 | (4,043,186) | - |
| 21 HUATAI S9 | 2,304,244 | 26,366 | (2,330,610) | - |
| 21 HUA S10 | 2,705,095 | 65,608 | (2,770,703) | - |
| 21 HUA S11 | 2,002,676 | 19,002 | (2,021,678) | - |
| 21 HUA S12 | 1,000,798 | 19,470 | (1,020,268) | - |
| 21 HUA S13 | 4,003,253 | 106,747 | (4,110,000) | - |
| 21 HUA S14 | 4,000,887 | 100,072 | (4,100,959) | - |
| 22 HUATAI F1 | - | 4,105,269 | - | 4,105,269 |
| 22 HUATAI S1 | - | 5,020,795 | (5,020,795) | - |
| 22 HUATAI S2 | - | 5,032,777 | - | 5,032,777 |
| HUATAI B2203a | 636,859 | 62,025 | (698,884) | - |
| HUATAI B2206 | 639,724 | 61,585 | (701,309) | - |
| HUATAI B2203b | 245,294 | 23,072 | (268,366) | - |
| HUATAI B2203c | 191,212 | 18,061 | (209,273) | - |
| HUATAI B2204a | - | 697,576 | (697,576) | - |
| HUATAI B2204b | - | 418,553 | (418,553) | - |
| HUATAI B2207 | - | 699,223 | (699,223) | - |
| HUATAI B2205a | - | 139,649 | (139,649) | - |
| HUATAI B2204c | - | 348,624 | (348,624) | - |
| HUATAI B2212a | - | 701,688 | (701,688) | - |
| HUATAI B2212b | - | 701,688 | (701,688) | - |
| HUATAI B2212c | - | 350,844 | (350,844) | - |
| HUATAI B2209a | - | 351,111 | (351,111) | - |
| HUATAI B2209b | - | 349,907 | (349,907) | - |
| HUATAI B2304a | - | 697,585 | - | 697,585 |
| HUATAI B2304b | - | 697,585 | - | 697,585 |
| HUATAI B2304c | - | 697,585 | - | 697,585 |
| HUATAI B2209c | - | 210,711 | (210,711) | - |
| HUATAI B2211a | - | 351,792 | (351,792) | - |
| HUATAI B2211b | - | 126,722 | (126,722) | - |
| HUATAI B2211c | - | 351,285 | (351,285) | - |
| HUATAI B2208a | - | 419,193 | (419,193) | - |
| HUATAI B2305a | - | 354,025 | - | 354,025 |
| HUATAI B2302a | - | 354,203 | - | 354,203 |
| HUATAI B2208b | - | 209,968 | (209,968) | - |
| HUATAI B2208c | - | 139,807 | (139,807) | - |
| HUATAI B2306 | - | 707,321 | - | 707,321 |
| HUATAI B2205b | - | 250,734 | (250,734) | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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44. Short-term debt instruments issued - continued

As at 31 December 2022 - continued

| Name | Book value as at | Increase | Decrease | Book value as at |
|---------------------------------|------------------|----------------|----------------|------------------|
| | 1 January | | | 31 December |
| | 2022 | RMB equivalent | RMB equivalent | 2022 |
| | RMB equivalent | | | RMB equivalent |
| HUATAI B2209d | - | 716,956 | (716,956) | - |
| HUATAI B2211d | - | 270,016 | (270,016) | - |
| HUATAI B2211e | - | 441,555 | (441,555) | - |
| HUATAI B2302b | - | 271,621 | - | 271,621 |
| HUATAI B2212d | - | 528,141 | (528,141) | - |
| HUATAI B2308 | - | 105,092 | - | 105,092 |
| HUATAI B2211f | - | 269,341 | (269,341) | - |
| HUATAI B2212e | - | 357,180 | (357,180) | - |
| HUATAI B2302d | - | 126,321 | - | 126,321 |
| HUATAI B2302e | - | 269,950 | - | 269,950 |
| HUATAI B2302f | - | 74,030 | - | 74,030 |
| HUATAI B2302g | - | 445,902 | - | 445,902 |
| HUATAI B2302h | - | 38,132 | - | 38,132 |
| HUATAI B 2311 | - | 279,817 | - | 279,817 |
| HUATAI B2302i | - | 20,749 | - | 20,749 |
| HUATAI B2302j | - | 132,878 | - | 132,878 |
| HUATAI B2302k | - | 59,279 | - | 59,279 |
| HUATAI B2302l | - | 690,163 | - | 690,163 |
| HUATAI B2302m | - | 345,082 | - | 345,082 |
| HUATAI B2303a | - | 33,398 | - | 33,398 |
| HUATAI B2303b | - | 12,390 | - | 12,390 |
| HUATAI B2303c | - | 69,931 | - | 69,931 |
| HUATAI B2306b | - | 420,182 | - | 420,182 |
| HUATAI B2306c | - | 225,057 | - | 225,057 |
| HUATAI B2211g | - | 1,044,690 | (1,044,690) | - |
| HUATAI B2312 | - | 440,604 | - | 440,604 |
| Structured notes ⁽¹⁾ | 14,612,036 | 18,265,519 | (23,811,879) | 9,065,676 |
| Total | 53,598,658 | 51,130,444 | (78,956,498) | 25,772,604 |

- (1) During the year ended 31 December 2023, the Company has issued 182 tranches of structured notes, bearing interest ranging from 2.20% to 6.58% per annum, repayable within 1 year. Structured notes repayable more than 1 year are classified as "Long-term bonds" (Note 53). (During the year ended 31 December 2022, the Company has issued 1,705 tranches of structured notes, bearing interest ranging from 1.80% to 6.58% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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45. Placements from other financial institutions

Current

| | As at 31 December | |
|--------------------------------------|-------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Placements from banks | 39,244,418 | 25,877,713 |
| Placements from refinancing business | 292,109 | - |
| Total | <u>39,536,527</u> | <u>25,877,713</u> |

As at 31 December 2023, the placements from banks are unsecured, bearing interest of 1.00% - 6.15% per annum, with maturities within 361 days (as at 31 December 2022, the placements from banks are unsecured, bearing interest of 1.96% - 5.51% per annum, with maturities within 66 days), and the placements from CSF are secured by the securities and refundable deposits held by the Group, bearing interest of 2.15%- 2.90% per annum, with maturities within 170 days (as at 31 December 2023: nil).

46. Accounts payable to brokerage clients

Current

| | As at 31 December | |
|---|--------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| Clients' deposits for brokerage trading | 129,645,383 | 133,173,079 |
| Clients' deposits for margin financing and securities lending | 15,055,977 | 19,378,644 |
| Total | <u>144,701,360</u> | <u>152,551,723</u> |

Accounts payable to brokerage clients represent the monies received from and repayable to brokerage clients, which are mainly held at banks and at clearing houses by the Group. Accounts payable to brokerage clients are interest-bearing at the prevailing interest rate.

The majority of the accounts payable balances are repayable on demand except where certain accounts payable to brokerage clients represent monies received from clients for their margin financing activities under normal course of business, such as margin financing and securities lending. Only the excess amounts over the required margin deposits and cash collateral stipulated are repayable on demand.

No aging analysis is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of these businesses.

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47. Employee benefits payable

Non-current

| | As at 31 December | |
|---------------------------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Salaries, bonuses and allowance | <u>6,431,780</u> | <u>6,588,448</u> |

Current

| | As at 31 December | |
|---------------------------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Salaries, bonuses and allowance | 3,744,726 | 4,755,421 |
| Contribution to pension scheme | 4,284 | 4,251 |
| Other social welfare | <u>402,429</u> | <u>544,505</u> |
| Total | <u>4,151,439</u> | <u>5,304,177</u> |

During the year ended 31 December 2023, the Company paid tenure incentives for 2022 and previous years to directors and senior management personnel amounted to RMB15.93 million.

48. Other payables and accruals

Non-current

| | As at 31 December | |
|--------------------------|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Lease liabilities | | |
| 1 to 2 years (inclusive) | 572,755 | 537,830 |
| 2 to 5 years (inclusive) | 282,494 | 417,309 |
| After 5 years | <u>72,031</u> | <u>70,779</u> |
| Total | <u>927,280</u> | <u>1,025,918</u> |

The Group's leases are mainly land and buildings for operations. Most lease contracts are entered into terms from 1 year to 5 years.

- (1) During year of 2023, the expenses related to short-term leases and low-value leases of RMB39 million (2022: RMB42 million) were recognised in profit or loss.
- (2) As at 31 December 2023, the cash flows of lease contracts signed by the Group but lease not yet commenced are insignificant.

HUATAI SECURITIES CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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48. Other payables and accruals - continued

Current

| | As at 31 December | |
|--|--------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| Trade payable | 98,159,066 | 92,616,101 |
| Payable to brokers, dealers and clearing house | 3,841,663 | 6,765,938 |
| Payable to open-ended funds | 7,825,379 | 5,359,599 |
| Other tax payable | 168,412 | 474,463 |
| Restrictive repurchase obligation | 228,371 | 366,523 |
| Lease liabilities | 540,881 | 492,667 |
| Fee and commission payable | 110,456 | 120,537 |
| Futures risk reserve | 238,043 | 209,833 |
| Payable to outsourcing service | 161,898 | 187,423 |
| Payable to the securities investor protection fund | 48,563 | 63,090 |
| Funds payable to securities issuers | 228,431 | 150,460 |
| Payable for office building construction | 24,314 | 27,794 |
| Dividend payable | 64,097 | 107,327 |
| Accrued liabilities ⁽¹⁾ | 570,142 | 101 |
| Others ⁽²⁾ | 1,675,083 | 1,154,716 |
| Total | <u>113,884,799</u> | <u>108,096,572</u> |

(1) The balance of accrued liabilities mainly represents the provisions accrued for the outstanding litigation amounting to RMB570 million (Note 58).

(2) The balance of others mainly represents payable to brokerage agents and sundry payables arising from normal course of business.

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49. Contract liabilities

| | As at 31 December | |
|--|-------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| Advance fee and commission | 158,581 | 210,394 |
| Advance consideration from commodity trading | 18,919 | 8,549 |
| Total | <u>177,500</u> | <u>218,943</u> |

50. Financial assets sold under repurchase agreements

(a) Analysed by collateral type:

| | As at 31 December | |
|-------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| Debt securities | 130,284,994 | 128,090,388 |
| Equity securities | 13,771,155 | 11,960,616 |
| Precious metal | - | 4,066,994 |
| Total | <u>144,056,149</u> | <u>144,117,998</u> |

As at 31 December 2023, the Group's pledged collateral in connection with financial assets sold under repurchase agreements amounted to RMB177,096 million (as at 31 December 2022: RMB164,709 million).

(b) Analysed by market:

| | As at 31 December | |
|-------------------------|--------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| Inter-bank market | 91,007,974 | 68,008,692 |
| Shanghai stock exchange | 39,159,490 | 39,055,352 |
| Shenzhen stock exchange | 13,888,685 | 10,751,999 |
| Over-the-counter | - | 26,301,955 |
| Total | <u>144,056,149</u> | <u>144,117,998</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

51. Financial liabilities at fair value through profit or loss

Non-current

| | As at 31 December | |
|---|-------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Financial liabilities designated at fair value through profit or loss | <u>8,961,031</u> | <u>5,569,938</u> |

Current

| | As at 31 December | |
|---|--------------------------|--------------------------|
| | <u>2023</u> | <u>2022</u> |
| Financial liabilities held for trading | 35,932,137 | 36,507,296 |
| Financial liabilities designated at fair value through profit or loss | <u>7,777,998</u> | <u>6,498,325</u> |
| Total | <u><u>43,710,135</u></u> | <u><u>43,005,621</u></u> |

In the consolidated financial statements, the financial liabilities arising from consolidation of structured entities and private funds with the underlying investments related to listed equity investments in active markets and unlisted equity investments are designated at fair value through profit or loss by the Group, as the Group has the obligation to pay other investors or limited partners upon maturity dates of the structured entities based on net book value and related terms of those consolidated asset management schemes or private equity funds.

In the consolidated financial statements, certain structured notes are designated at fair value through profit or loss by the Group, as the host contracts of structured notes contains embedded derivatives.

In the consolidated financial statements, certain bonds are designated at fair value through profit or loss by the Group, as the designation can significantly reduce the accounting mismatch.

As at 31 December 2023 and 31 December 2022, there were no significant fair value changes related to the changes in the credit risk of the Group, respectively.

HUATAI SECURITIES CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

52. Long-term bonds due within one year

As at 31 December 2023

| <u>Name</u> | <u>Par value</u> Original currency | <u>Issuance date</u> | <u>Due date</u> | <u>Issue amount</u> Original currency | <u>Nominal interest rate</u> |
|---------------------------------|---------------------------------------|----------------------|-----------------|--|------------------------------|
| 13 HUATAI 02 | RMB6,000,000 | 5/6/2013 | 5/6/2023 | RMB6,000,000 | 5.10% |
| 18 HUATAI G2 | RMB1,000,000 | 26/11/2018 | 26/11/2023 | RMB1,000,000 | 4.17% |
| 20 HUATAI G1 | RMB8,000,000 | 26/3/2020 | 26/3/2023 | RMB8,000,000 | 2.99% |
| 20 HUATAI G6 | RMB3,200,000 | 18/6/2020 | 18/6/2023 | RMB3,200,000 | 3.10% |
| 20 HUATAI G7 | RMB3,500,000 | 24/11/2020 | 24/11/2023 | RMB3,500,000 | 3.90% |
| 20 HUATAI G9 | RMB4,000,000 | 9/12/2020 | 9/12/2023 | RMB4,000,000 | 3.79% |
| 21 HUATAI G1 | RMB4,000,000 | 20/1/2021 | 20/1/2024 | RMB4,000,000 | 3.58% |
| 21 HUATAI G3 | RMB5,000,000 | 26/4/2021 | 26/4/2024 | RMB5,000,000 | 3.42% |
| 21 HUATAI G5 | RMB4,000,000 | 24/5/2021 | 24/5/2024 | RMB4,000,000 | 3.28% |
| 21 HUATAI G7 | RMB2,000,000 | 15/6/2021 | 15/6/2024 | RMB2,000,000 | 3.40% |
| 21 HUATAI 09 | RMB2,500,000 | 21/6/2021 | 21/6/2024 | RMB2,500,000 | 3.45% |
| 21 HUATAI 11 | RMB1,500,000 | 7/9/2021 | 7/9/2024 | RMB1,500,000 | 3.03% |
| 21 HUATAI 13 | RMB2,100,000 | 18/10/2021 | 18/10/2024 | RMB2,100,000 | 3.25% |
| 21 HUATAI 15 | RMB2,200,000 | 25/10/2021 | 25/10/2024 | RMB2,200,000 | 3.22% |
| 22 HUATAI G2 | RMB2,000,000 | 15/8/2022 | 15/8/2024 | RMB2,000,000 | 2.43% |
| 22 HUATAI G3 | RMB3,000,000 | 26/8/2022 | 26/8/2024 | RMB3,000,000 | 2.33% |
| 22 HUATAI G6 | RMB3,600,000 | 21/11/2022 | 21/11/2024 | RMB3,600,000 | 2.87% |
| 22 HUATAI G8 | RMB1,500,000 | 5/12/2022 | 5/12/2024 | RMB1,500,000 | 2.87% |
| 22 HUATAI 12 | RMB4,000,000 | 22/12/2022 | 22/12/2024 | RMB4,000,000 | 3.24% |
| HUATAI B2302c | USD400,000 | 12/2/2020 | 12/2/2023 | USD400,000 | LIBOR+0.95% |
| HUATAI B2404 | USD900,000 | 9/4/2021 | 9/4/2024 | USD900,000 | 1.30% |
| Structured notes ⁽¹⁾ | RMB500,843 | Note (1) | Note (1) | RMB500,843 | Note (1) |

| <u>Name</u> | <u>Book value as at</u> <u>1 January 2023</u> RMB equivalent | <u>Increase</u> RMB equivalent | <u>Decrease</u> RMB equivalent | <u>Book value as at</u> <u>31 December 2023</u> RMB equivalent |
|---------------------------------|--|-----------------------------------|-----------------------------------|--|
| 13 HUATAI 02 | 6,177,782 | 128,218 | (6,306,000) | - |
| 18 HUATAI G2 | 1,003,869 | 37,831 | (1,041,700) | - |
| 20 HUATAI G1 | 8,182,656 | 56,544 | (8,239,200) | - |
| 20 HUATAI G6 | 3,251,653 | 47,547 | (3,299,200) | - |
| 20 HUATAI G7 | 3,513,690 | 122,810 | (3,636,500) | - |
| 20 HUATAI G9 | 4,009,121 | 142,479 | (4,151,600) | - |
| 21 HUATAI G1 | - | 4,279,016 | (143,200) | 4,135,816 |
| 21 HUATAI G3 | - | 5,286,842 | (171,000) | 5,115,842 |
| 21 HUATAI G5 | - | 4,210,028 | (131,200) | 4,078,828 |
| 21 HUATAI G7 | - | 2,104,717 | (68,000) | 2,036,717 |
| 21 HUATAI 09 | - | 2,631,376 | (86,250) | 2,545,126 |
| 21 HUATAI 11 | - | 1,559,601 | (45,450) | 1,514,151 |
| 21 HUATAI 13 | - | 2,182,074 | (68,250) | 2,113,824 |
| 21 HUATAI 15 | - | 2,283,852 | (70,840) | 2,213,012 |
| 22 HUATAI G2 | - | 2,066,498 | (48,600) | 2,017,898 |
| 22 HUATAI G3 | - | 3,093,408 | (69,900) | 3,023,508 |
| 22 HUATAI G6 | - | 3,714,463 | (103,320) | 3,611,143 |
| 22 HUATAI G8 | - | 1,545,630 | (43,050) | 1,502,580 |
| 22 HUATAI 12 | - | 4,131,236 | (129,600) | 4,001,636 |
| HUATAI B2302c | 2,802,824 | 11,082 | (2,813,906) | - |
| HUATAI B2404 | - | 6,471,560 | (82,868) | 6,388,692 |
| Structured notes ⁽¹⁾ | 121,154 | 504,716 | (121,154) | 504,716 |
| Total | 29,062,749 | 46,611,528 | (30,870,788) | 44,803,489 |

HUATAI SECURITIES CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

52. Long-term bonds due within one year - continued

As at 31 December 2022

| <u>Name</u> | <u>Par value</u> Original currency | <u>Issuance date</u> | <u>Due date</u> | <u>Issue amount</u> Original currency | <u>Nominal interest rate</u> |
|---------------------------------|---------------------------------------|----------------------|-----------------|--|------------------------------|
| 13 HUATAI 02 | RMB6,000,000 | 5/6/2013 | 5/6/2023 | RMB6,000,000 | 5.10% |
| 18 HUATAI G2 | RMB1,000,000 | 26/11/2018 | 26/11/2023 | RMB1,000,000 | 4.17% |
| 19 HUATAI G1 | RMB7,000,000 | 19/3/2019 | 19/3/2022 | RMB7,000,000 | 3.68% |
| 19 HUATAI G3 | RMB5,000,000 | 22/4/2019 | 22/4/2022 | RMB5,000,000 | 3.80% |
| 19 HUATAI 02 | RMB5,000,000 | 27/5/2019 | 27/5/2022 | RMB5,000,000 | 3.94% |
| 19 HUATAI 03 | RMB4,000,000 | 24/10/2019 | 24/10/2022 | RMB4,000,000 | 3.68% |
| 20 HUATAI G1 | RMB8,000,000 | 26/3/2020 | 26/3/2023 | RMB8,000,000 | 2.99% |
| 20 HUATAI G6 | RMB3,200,000 | 18/6/2020 | 18/6/2023 | RMB3,200,000 | 3.10% |
| 20 HUATAI G7 | RMB3,500,000 | 24/11/2020 | 24/11/2023 | RMB3,500,000 | 3.90% |
| 20 HUATAI G8 | RMB4,000,000 | 9/12/2020 | 9/12/2022 | RMB4,000,000 | 3.67% |
| 20 HUATAI G9 | RMB4,000,000 | 9/12/2020 | 9/12/2023 | RMB4,000,000 | 3.79% |
| 19 Finance 01 | RMB6,000,000 | 21/8/2019 | 21/8/2022 | RMB6,000,000 | 3.40% |
| HUATAI B2205c | USD500,000 | 23/5/2019 | 23/5/2022 | USD500,000 | 3.38% |
| HUATAI B2302c | USD400,000 | 12/2/2020 | 12/2/2023 | USD400,000 | LIBOR + 0.95% |
| Structured notes ⁽¹⁾ | RMB121,154 | Note (1) | Note (1) | RMB121,154 | Note (1) |

| <u>Name</u> | Book value as at 1 January | | | Book value as at 31 December |
|---------------------------------|-------------------------------|-----------------------------------|-----------------------------------|---------------------------------|
| | <u>2022</u> RMB equivalent | <u>Increase</u> RMB equivalent | <u>Decrease</u> RMB equivalent | <u>2022</u> RMB equivalent |
| 13 HUATAI 02 | - | 6,483,782 | (306,000) | 6,177,782 |
| 18 HUATAI G2 | - | 1,045,569 | (41,700) | 1,003,869 |
| 19 HUATAI G1 | 7,201,826 | 55,774 | (7,257,600) | - |
| 19 HUATAI G3 | 5,130,878 | 59,122 | (5,190,000) | - |
| 19 HUATAI 02 | 5,116,891 | 80,109 | (5,197,000) | - |
| 19 HUATAI 03 | 4,026,648 | 120,552 | (4,147,200) | - |
| 20 HUATAI G1 | - | 8,421,856 | (239,200) | 8,182,656 |
| 20 HUATAI G6 | - | 3,350,853 | (99,200) | 3,251,653 |
| 20 HUATAI G7 | - | 3,650,190 | (136,500) | 3,513,690 |
| 20 HUATAI G8 | 4,008,705 | 138,095 | (4,146,800) | - |
| 20 HUATAI G9 | - | 4,160,721 | (151,600) | 4,009,121 |
| 19 Finance 01 | 6,073,407 | 130,593 | (6,204,000) | - |
| HUATAI B2205c | 3,198,594 | 401,234 | (3,599,828) | - |
| HUATAI B2302c | - | 2,962,099 | (159,275) | 2,802,824 |
| Structured notes ⁽¹⁾ | 615,359 | 168,102 | (662,307) | 121,154 |
| Total | <u>35,372,308</u> | <u>31,228,651</u> | <u>(37,538,210)</u> | <u>29,062,749</u> |

(1) As at 31 December 2023, RMB504.72 million of structured notes would mature within one year (as at 31 December 2022: RMB121.15 million).

HUATAI SECURITIES CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

53. Long-term bonds

As at 31 December 2023

| <u>Name</u> | <u>Par value</u> Original currency | <u>Issuance date</u> | <u>Due date</u> | <u>Issue amount</u> Original currency | <u>Nominal interest rate</u> |
|---------------------------------|---------------------------------------|----------------------|-----------------|--|------------------------------|
| 20 HUATAI G3 | RMB3,500,000 | 29/4/2020 | 29/4/2025 | RMB3,500,000 | 2.90% |
| 20 HUATAI G4 | RMB3,000,000 | 21/5/2020 | 21/5/2025 | RMB3,000,000 | 3.20% |
| 21 HUATAI G1 | RMB4,000,000 | 20/1/2021 | 20/1/2024 | RMB4,000,000 | 3.58% |
| 21 HUATAI G3 | RMB5,000,000 | 26/4/2021 | 26/4/2024 | RMB5,000,000 | 3.42% |
| 21 HUATAI G4 | RMB6,000,000 | 17/5/2021 | 17/5/2026 | RMB6,000,000 | 3.71% |
| 21 HUATAI G5 | RMB4,000,000 | 24/5/2021 | 24/5/2024 | RMB4,000,000 | 3.28% |
| 21 HUATAI G6 | RMB2,000,000 | 24/5/2021 | 24/5/2026 | RMB2,000,000 | 3.63% |
| 21 HUATAI G7 | RMB2,000,000 | 15/6/2021 | 15/6/2024 | RMB2,000,000 | 3.40% |
| 21 HUATAI 09 | RMB2,500,000 | 21/6/2021 | 21/6/2024 | RMB2,500,000 | 3.45% |
| 21 HUATAI 11 | RMB1,500,000 | 7/9/2021 | 7/9/2024 | RMB1,500,000 | 3.03% |
| 21 HUATAI 12 | RMB2,700,000 | 7/9/2021 | 7/9/2031 | RMB2,700,000 | 3.78% |
| 21 HUATAI 13 | RMB2,100,000 | 18/10/2021 | 18/10/2024 | RMB2,100,000 | 3.25% |
| 21 HUATAI 14 | RMB3,400,000 | 18/10/2021 | 18/10/2031 | RMB3,400,000 | 3.99% |
| 21 HUATAI 15 | RMB2,200,000 | 25/10/2021 | 25/10/2024 | RMB2,200,000 | 3.22% |
| 21 HUATAI 16 | RMB1,100,000 | 25/10/2021 | 25/10/2031 | RMB1,100,000 | 3.94% |
| 22 HUATAI G1 | RMB5,000,000 | 14/2/2022 | 14/2/2025 | RMB5,000,000 | 2.79% |
| 22 HUATAI G2 | RMB2,000,000 | 15/8/2022 | 15/8/2024 | RMB2,000,000 | 2.43% |
| 22 HUATAI G3 | RMB3,000,000 | 26/8/2022 | 26/8/2024 | RMB3,000,000 | 2.33% |
| 22 HUATAI G4 | RMB2,000,000 | 5/9/2022 | 5/9/2025 | RMB2,000,000 | 2.52% |
| 22 HUATAI G5 | RMB3,000,000 | 13/9/2022 | 13/9/2025 | RMB3,000,000 | 2.50% |
| 22 HUATAI G6 | RMB3,600,000 | 21/11/2022 | 21/11/2024 | RMB3,600,000 | 2.87% |
| 22 HUATAI G7 | RMB1,400,000 | 21/11/2022 | 21/11/2027 | RMB1,400,000 | 3.18% |
| 22 HUATAI G8 | RMB1,500,000 | 5/12/2022 | 5/12/2024 | RMB1,500,000 | 2.87% |
| 22 HUATAI 10 | RMB2,000,000 | 12/12/2022 | 12/12/2025 | RMB2,000,000 | 3.35% |
| 22 HUATAI 11 | RMB500,000 | 12/12/2022 | 12/12/2027 | RMB500,000 | 3.49% |
| 22 HUATAI 12 | RMB4,000,000 | 22/12/2022 | 22/12/2024 | RMB4,000,000 | 3.24% |
| 23 HUATAI G1 | RMB4,000,000 | 10/1/2023 | 10/1/2025 | RMB4,000,000 | 2.92% |
| 23 HUATAI G2 | RMB800,000 | 16/1/2023 | 16/1/2025 | RMB800,000 | 3.00% |
| 23 HUATAI G3 | RMB2,000,000 | 16/1/2023 | 16/1/2028 | RMB2,000,000 | 3.48% |
| 23 HUATAI G4 | RMB4,500,000 | 6/2/2023 | 6/2/2026 | RMB4,500,000 | 3.23% |
| 23 HUATAI G5 | RMB4,000,000 | 13/2/2023 | 13/2/2028 | RMB4,000,000 | 3.39% |
| 23 HUATAI G6 | RMB1,500,000 | 27/2/2023 | 27/2/2026 | RMB1,500,000 | 3.14% |
| 23 HUATAI G7 | RMB2,200,000 | 27/2/2023 | 27/2/2028 | RMB2,200,000 | 3.36% |
| 23 HUATAI G8 | RMB1,700,000 | 10/5/2023 | 10/7/2025 | RMB1,700,000 | 2.82% |
| 23 HUATAI G9 | RMB700,000 | 10/5/2023 | 10/5/2028 | RMB700,000 | 3.07% |
| 23 HUATAI 10 | RMB2,000,000 | 24/8/2023 | 24/8/2026 | RMB2,000,000 | 2.64% |
| 23 HUATAI 11 | RMB2,500,000 | 21/9/2023 | 21/9/2026 | RMB2,500,000 | 2.89% |
| 23 HUATAI 13 | RMB1,000,000 | 16/10/2023 | 16/10/2025 | RMB1,000,000 | 2.80% |
| 23 HUATAI 14 | RMB1,600,000 | 16/10/2023 | 16/10/2033 | RMB1,600,000 | 3.35% |
| 23 HUATAI 15 | RMB1,000,000 | 6/11/2023 | 6/8/2026 | RMB1,000,000 | 2.83% |
| 23 HUATAI 16 | RMB2,500,000 | 6/11/2023 | 6/11/2033 | RMB2,500,000 | 3.30% |
| 23 HUATAI F2 | RMB2,800,000 | 27/11/2023 | 27/11/2026 | RMB2,800,000 | 3.07% |
| 23 HUATAI F4 | RMB3,600,000 | 15/12/2023 | 15/12/2026 | RMB3,600,000 | 3.08% |
| 20 HUATAI C1 | RMB5,000,000 | 13/11/2020 | 13/11/2025 | RMB5,000,000 | 4.48% |
| 21 HUATAI C1 | RMB9,000,000 | 29/1/2021 | 29/1/2026 | RMB9,000,000 | 4.50% |
| HUATAI B2404 | USD900,000 | 9/4/2021 | 9/4/2024 | USD900,000 | 1.30% |
| HUATAI B2604 | USD500,000 | 9/4/2021 | 9/4/2026 | USD500,000 | 2.00% |
| HUATAI B2503 | USD1,000,000 | 3/3/2022 | 3/3/2025 | USD1,000,000 | 2.38% |
| HUATAI B2509 | CNH3,025,000 | 14/9/2022 | 14/9/2025 | CNH3,025,000 | 2.85% |
| HUATAI B2608 | USD400,000 | 9/8/2023 | 9/8/2026 | USD400,000 | 5.25% |
| HUATAI B2611 | USD800,000 | 29/11/2023 | 29/11/2026 | USD800,000 | SOFR + 0.90% |
| Structured notes ⁽¹⁾ | RMB3,030,000 | Note (1) | Note (1) | RMB3,030,000 | Note (1) |

HUATAI SECURITIES CO., LTD.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Expressed in thousands of Renminbi, unless otherwise stated)

53. Long-term bonds - continued

As at 31 December 2023 - continued

| <u>Name</u> | <u>Book value as at 1 January 2023</u> RMB equivalent | <u>Increase</u> RMB equivalent | <u>Decrease</u> RMB equivalent | <u>Book value as at 31 December 2023</u> RMB equivalent |
|---------------------------------|--|-----------------------------------|-----------------------------------|--|
| 20 HUATAI G3 | 3,566,652 | 102,166 | (101,500) | 3,567,318 |
| 20 HUATAI G4 | 3,057,447 | 96,570 | (96,000) | 3,058,017 |
| 21 HUATAI G1 | 4,134,487 | - | (4,134,487) | - |
| 21 HUATAI G3 | 5,114,197 | - | (5,114,197) | - |
| 21 HUATAI G4 | 6,134,805 | 223,739 | (222,600) | 6,135,944 |
| 21 HUATAI G5 | 4,077,517 | - | (4,077,517) | - |
| 21 HUATAI G6 | 2,042,565 | 72,980 | (72,600) | 2,042,945 |
| 21 HUATAI G7 | 2,036,063 | - | (2,036,063) | - |
| 21 HUATAI 09 | 2,544,308 | - | (2,544,308) | - |
| 21 HUATAI 11 | 1,513,806 | - | (1,513,806) | - |
| 21 HUATAI 12 | 2,730,676 | 102,224 | (102,060) | 2,730,840 |
| 21 HUATAI 13 | 2,113,678 | - | (2,113,678) | - |
| 21 HUATAI 14 | 3,427,081 | 135,722 | (135,660) | 3,427,143 |
| 21 HUATAI 15 | 2,212,859 | - | (2,212,859) | - |
| 21 HUATAI 16 | 1,107,833 | 43,360 | (43,340) | 1,107,853 |
| 22 HUATAI G1 | 5,118,848 | 141,180 | (139,500) | 5,120,528 |
| 22 HUATAI G2 | 2,017,070 | - | (2,017,070) | - |
| 22 HUATAI G3 | 3,022,110 | - | (3,022,110) | - |
| 22 HUATAI G4 | 2,014,753 | 50,944 | (50,400) | 2,015,297 |
| 22 HUATAI G5 | 3,019,971 | 75,918 | (75,000) | 3,020,889 |
| 22 HUATAI G6 | 3,610,774 | - | (3,610,774) | - |
| 22 HUATAI G7 | 1,404,662 | 44,575 | (44,520) | 1,404,717 |
| 22 HUATAI G8 | 1,502,007 | - | (1,502,007) | - |
| 22 HUATAI 10 | 2,002,083 | 67,498 | (67,000) | 2,002,581 |
| 22 HUATAI 11 | 500,556 | 17,522 | (17,450) | 500,628 |
| 22 HUATAI 12 | 3,999,798 | - | (3,999,798) | - |
| 23 HUATAI G1 | - | 4,113,345 | - | 4,113,345 |
| 23 HUATAI G2 | - | 822,900 | - | 822,900 |
| 23 HUATAI G3 | - | 2,065,894 | - | 2,065,894 |
| 23 HUATAI G4 | - | 4,629,523 | - | 4,629,523 |
| 23 HUATAI G5 | - | 4,117,997 | - | 4,117,997 |
| 23 HUATAI G6 | - | 1,539,132 | - | 1,539,132 |
| 23 HUATAI G7 | - | 2,261,221 | - | 2,261,221 |
| 23 HUATAI G8 | - | 1,730,405 | - | 1,730,405 |
| 23 HUATAI G9 | - | 713,520 | - | 713,520 |
| 23 HUATAI 10 | - | 2,017,583 | - | 2,017,583 |
| 23 HUATAI 11 | - | 2,518,935 | - | 2,518,935 |
| 23 HUATAI 13 | - | 1,005,417 | - | 1,005,417 |
| 23 HUATAI 14 | - | 1,610,427 | - | 1,610,427 |
| 23 HUATAI 15 | - | 1,003,315 | - | 1,003,315 |
| 23 HUATAI 16 | - | 2,510,029 | - | 2,510,029 |
| 23 HUATAI F2 | - | 2,808,118 | - | 2,808,118 |
| 23 HUATAI F4 | - | 3,601,796 | - | 3,601,796 |
| 20 HUATAIC1 | 5,027,690 | 224,730 | (224,000) | 5,028,420 |
| 21 HUATAI C1 | 9,368,951 | 406,728 | (405,000) | 9,370,679 |
| HUATAI B2404 | 6,280,411 | - | (6,280,411) | - |
| HUATAI B2604 | 3,491,943 | 129,778 | (70,827) | 3,550,894 |
| HUATAI B2503 | 7,000,146 | 291,941 | (168,568) | 7,123,519 |
| HUATAI B2509 | 3,041,406 | 89,697 | (86,213) | 3,044,890 |
| HUATAI B2608 | - | 2,876,402 | - | 2,876,402 |
| HUATAI B2611 | - | 5,685,678 | - | 5,685,678 |
| Structured notes ⁽¹⁾ | 2,119,436 | 1,359,181 | (350,844) | 3,127,773 |
| Total | 110,356,589 | 51,308,090 | (46,652,167) | 115,012,512 |

HUATAI SECURITIES CO., LTD.

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(Expressed in thousands of Renminbi, unless otherwise stated)

53. Long-term bonds - continued

As at 31 December 2022

| <u>Name</u> | <u>Par value</u> Original currency | <u>Issuance date</u> | <u>Due date</u> | <u>Issue amount</u> Original currency | <u>Nominal interest rate</u> |
|---------------------------------|---------------------------------------|----------------------|-----------------|--|------------------------------|
| 13 HUATAI 02 | RMB6,000,000 | 5/6/2013 | 5/6/2023 | RMB6,000,000 | 5.10% |
| 18 HUATAI G2 | RMB1,000,000 | 26/11/2018 | 26/11/2023 | RMB1,000,000 | 4.17% |
| 20 HUATAI G1 | RMB8,000,000 | 26/3/2020 | 26/3/2023 | RMB8,000,000 | 2.99% |
| 20 HUATAI G3 | RMB3,500,000 | 29/4/2020 | 29/4/2025 | RMB3,500,000 | 2.90% |
| 20 HUATAI G4 | RMB3,000,000 | 21/5/2020 | 21/5/2025 | RMB3,000,000 | 3.20% |
| 20 HUATAI G6 | RMB3,200,000 | 18/6/2020 | 18/6/2023 | RMB3,200,000 | 3.10% |
| 20 HUATAI G7 | RMB3,500,000 | 24/11/2020 | 24/11/2023 | RMB3,500,000 | 3.90% |
| 20 HUATAI G9 | RMB4,000,000 | 9/12/2020 | 9/12/2023 | RMB4,000,000 | 3.79% |
| 21 HUATAI G1 | RMB4,000,000 | 20/1/2021 | 20/1/2024 | RMB4,000,000 | 3.58% |
| 21 HUATAI G3 | RMB5,000,000 | 26/4/2021 | 26/4/2024 | RMB5,000,000 | 3.42% |
| 21 HUATAI G4 | RMB6,000,000 | 17/5/2021 | 17/5/2026 | RMB6,000,000 | 3.71% |
| 21 HUATAI G5 | RMB4,000,000 | 24/5/2021 | 24/5/2024 | RMB4,000,000 | 3.28% |
| 21 HUATAI G6 | RMB2,000,000 | 24/5/2021 | 24/5/2026 | RMB2,000,000 | 3.63% |
| 21 HUATAI G7 | RMB2,000,000 | 15/6/2021 | 15/6/2024 | RMB2,000,000 | 3.40% |
| 21 HUATAI 09 | RMB2,500,000 | 21/6/2021 | 21/6/2024 | RMB2,500,000 | 3.45% |
| 21 HUATAI 11 | RMB1,500,000 | 7/9/2021 | 7/9/2024 | RMB1,500,000 | 3.03% |
| 21 HUATAI 12 | RMB2,700,000 | 7/9/2021 | 7/9/2031 | RMB2,700,000 | 3.78% |
| 21 HUATAI 13 | RMB2,100,000 | 18/10/2021 | 18/10/2024 | RMB2,100,000 | 3.25% |
| 21 HUATAI 14 | RMB3,400,000 | 18/10/2021 | 18/10/2031 | RMB3,400,000 | 3.99% |
| 21 HUATAI 15 | RMB2,200,000 | 25/10/2021 | 25/10/2024 | RMB2,200,000 | 3.22% |
| 21 HUATAI 16 | RMB1,100,000 | 25/10/2021 | 25/10/2031 | RMB1,100,000 | 3.94% |
| 20 HUATAI C1 | RMB5,000,000 | 13/11/2020 | 13/11/2025 | RMB5,000,000 | 4.48% |
| 21 HUATAI C1 | RMB9,000,000 | 29/1/2021 | 29/1/2026 | RMB9,000,000 | 4.50% |
| 22 HUATAI G1 | RMB5,000,000 | 14/2/2022 | 14/2/2025 | RMB5,000,000 | 2.79% |
| 22 HUATAI G2 | RMB2,000,000 | 15/8/2022 | 15/8/2024 | RMB2,000,000 | 2.43% |
| 22 HUATAI G3 | RMB3,000,000 | 26/8/2022 | 26/8/2024 | RMB3,000,000 | 2.33% |
| 22 HUATAI G4 | RMB2,000,000 | 5/9/2022 | 5/9/2025 | RMB2,000,000 | 2.52% |
| 22 HUATAI G5 | RMB3,000,000 | 13/9/2022 | 13/9/2025 | RMB3,000,000 | 2.50% |
| 22 HUATAI G6 | RMB3,600,000 | 21/11/2022 | 21/11/2024 | RMB3,600,000 | 2.87% |
| 22 HUATAI G7 | RMB1,400,000 | 21/11/2022 | 21/11/2027 | RMB1,400,000 | 3.18% |
| 22 HUATAI G8 | RMB1,500,000 | 5/12/2022 | 5/12/2024 | RMB1,500,000 | 2.87% |
| 22 HUATAI 10 | RMB2,000,000 | 12/12/2022 | 12/12/2025 | RMB2,000,000 | 3.35% |
| 22 HUATAI 11 | RMB500,000 | 12/12/2022 | 12/12/2027 | RMB500,000 | 3.49% |
| 22 HUATAI 12 | RMB4,000,000 | 22/12/2022 | 22/12/2024 | RMB4,000,000 | 3.24% |
| HUATAI B2302c | USD400,000 | 12/2/2020 | 12/2/2023 | USD400,000 | LIBOR + 0.95% |
| HUATAI B2404 | USD900,000 | 9/4/2021 | 9/4/2024 | USD900,000 | 1.30% |
| HUATAI B2604 | USD500,000 | 9/4/2021 | 9/4/2026 | USD500,000 | 2.00% |
| HUATAI B2503 | USD1,000,000 | 3/3/2022 | 3/3/2025 | USD1,000,000 | 2.38% |
| HUATAI B2509 | CNH3,025,000 | 14/9/2022 | 14/9/2025 | CNH3,025,000 | 2.85% |
| Structured notes ⁽¹⁾ | RMB2,117,600 | Note (1) | Note (1) | RMB2,117,600 | Note (1) |

HUATAI SECURITIES CO., LTD.

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FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

53. Long-term bonds - continued

As at 31 December 2022 - continued

| Name | Book value as at | Increase | Decrease | Book value as at |
|---------------------------------|-------------------|-------------------|---------------------|--------------------|
| | 1 January | | | 31 December |
| | <u>2022</u> | | | <u>2022</u> |
| | RMB equivalent | RMB equivalent | RMB equivalent | RMB equivalent |
| 13 HUATAI 02 | 6,176,275 | - | (6,176,275) | - |
| 18 HUATAI G2 | 1,003,674 | - | (1,003,674) | - |
| 20 HUATAI G1 | 8,180,110 | - | (8,180,110) | - |
| 20 HUATAI G3 | 3,566,005 | 102,147 | (101,500) | 3,566,652 |
| 20 HUATAI G4 | 3,056,894 | 96,553 | (96,000) | 3,057,447 |
| 20 HUATAI G6 | 3,251,065 | - | (3,251,065) | - |
| 20 HUATAI G7 | 3,513,326 | - | (3,513,326) | - |
| 20 HUATAI G9 | 4,008,862 | - | (4,008,862) | - |
| 21 HUATAI G1 | 4,133,205 | 144,482 | (143,200) | 4,134,487 |
| 21 HUATAI G3 | 5,112,607 | 172,590 | (171,000) | 5,114,197 |
| 21 HUATAI G4 | 6,133,706 | 223,699 | (222,600) | 6,134,805 |
| 21 HUATAI G5 | 4,076,248 | 132,469 | (131,200) | 4,077,517 |
| 21 HUATAI G6 | 2,042,198 | 72,967 | (72,600) | 2,042,565 |
| 21 HUATAI G7 | 2,035,430 | 68,633 | (68,000) | 2,036,063 |
| 21 HUATAI 09 | 2,543,518 | 87,040 | (86,250) | 2,544,308 |
| 21 HUATAI 11 | 1,513,470 | 45,786 | (45,450) | 1,513,806 |
| 21 HUATAI 12 | 2,730,519 | 102,217 | (102,060) | 2,730,676 |
| 21 HUATAI 13 | 2,113,536 | 68,392 | (68,250) | 2,113,678 |
| 21 HUATAI 14 | 3,427,022 | 135,719 | (135,660) | 3,427,081 |
| 21 HUATAI 15 | 2,212,710 | 70,989 | (70,840) | 2,212,859 |
| 21 HUATAI 16 | 1,107,814 | 43,359 | (43,340) | 1,107,833 |
| 20 HUATAI C1 | 5,026,991 | 224,699 | (224,000) | 5,027,690 |
| 21 HUATAI C1 | 9,367,298 | 406,653 | (405,000) | 9,368,951 |
| 22 HUATAI G1 | - | 5,118,848 | - | 5,118,848 |
| 22 HUATAI G2 | - | 2,017,070 | - | 2,017,070 |
| 22 HUATAI G3 | - | 3,022,110 | - | 3,022,110 |
| 22 HUATAI G4 | - | 2,014,753 | - | 2,014,753 |
| 22 HUATAI G5 | - | 3,019,971 | - | 3,019,971 |
| 22 HUATAI G6 | - | 3,610,774 | - | 3,610,774 |
| 22 HUATAI G7 | - | 1,404,662 | - | 1,404,662 |
| 22 HUATAI G8 | - | 1,502,007 | - | 1,502,007 |
| 22 HUATAI 10 | - | 2,002,083 | - | 2,002,083 |
| 22 HUATAI 11 | - | 500,556 | - | 500,556 |
| 22 HUATAI 12 | - | 3,999,798 | - | 3,999,798 |
| HUATAI B2302c | 2,552,586 | - | (2,552,586) | - |
| HUATAI B2404 | 5,743,247 | 618,650 | (81,486) | 6,280,411 |
| HUATAI B2604 | 3,194,403 | 367,186 | (69,646) | 3,491,943 |
| HUATAI B2503 | - | 7,000,146 | - | 7,000,146 |
| HUATAI B2509 | - | 3,041,406 | - | 3,041,406 |
| Structured notes ⁽¹⁾ | 143,400 | 2,138,043 | (162,007) | 2,119,436 |
| Total | <u>97,966,119</u> | <u>43,576,457</u> | <u>(31,185,987)</u> | <u>110,356,589</u> |

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FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

53. Long-term bonds - continued

As at 31 December 2022 - continued

- (1) The Company has issued 2 tranches of long-term structured notes for the year ended 31 December 2023 (as at 31 December 2022: 6 tranches). As at 31 December 2023, 2 tranches of long-term structured notes due within one year are classified as "Long-term bonds due within one year" (as at 31 December 2022: 3 tranches) (Note 52).

54. Long-term bank loans

(a) Analysed by nature:

| | As at 31 December | |
|---|-------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| Unsecured bank loans | 647,052 | 804,903 |
| Less: credit bank loans due within one year | - | - |
| Total | <u>647,052</u> | <u>804,903</u> |

(b) Analysed by maturity:

| | As at 31 December | |
|----------------------------|-------------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| Maturity within five years | <u>647,052</u> | <u>804,903</u> |

HUATAI SECURITIES CO., LTD.

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(Expressed in thousands of Renminbi, unless otherwise stated)

55. Share capital, reserves and retained profits

(a) *Movements in components of equity*

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

| | Note | Share capital | Other equity instruments | Treasury shares | Reserves | | | | | Retained profits | Total |
|--|------|------------------|--------------------------|--------------------|-------------------|------------------|-------------------|--------------------|---------------------|-------------------|--------------------|
| | | | | | Capital reserve | Surplus reserve | General reserve | Fair value reserve | Translation reserve | | |
| As at 1 January 2023 | | 9,075,589 | 19,200,000 | (1,202,324) | 68,927,383 | 7,790,909 | 15,795,052 | 28,164 | 18,981 | 24,000,453 | 143,634,207 |
| Adjustments | | - | - | - | - | 419 | 839 | - | - | 2,937 | 4,195 |
| As at 1 January 2023(restated) | | 9,075,589 | 19,200,000 | (1,202,324) | 68,927,383 | 7,791,328 | 15,795,891 | 28,164 | 18,981 | 24,003,390 | 143,638,402 |
| Changes in equity for 2023 | | | | | | | | | | | |
| Profit for the year | | - | - | - | - | - | - | - | - | 10,466,721 | 10,466,721 |
| Other comprehensive income | | - | - | - | - | - | - | 7,441 | - | - | 7,441 |
| Total comprehensive income | | - | - | - | - | - | - | 7,441 | - | 10,466,721 | 10,474,162 |
| Issue of perpetual subordinated bonds | | - | 6,500,000 | - | (7,148) | - | - | - | - | - | 6,492,852 |
| Equity-settled share-based payments | | - | - | 130,514 | 72,582 | - | - | - | - | - | 203,096 |
| Appropriation to surplus reserve | | - | - | - | - | 1,046,672 | - | - | - | (1,046,672) | - |
| Appropriation to general reserve | | - | - | - | - | - | 2,094,017 | - | - | (2,094,017) | - |
| Dividends declared to ordinary shareholders for the year | | - | - | - | - | - | - | - | - | (4,063,223) | (4,063,223) |
| Dividends payable to perpetual subordinated bonds | | - | - | - | - | - | - | - | - | (705,430) | (705,430) |
| Others | | (926) | - | 7,637 | (993,357) | - | - | - | - | - | (986,646) |
| As at 31 December 2023 | 64 | <u>9,074,663</u> | <u>25,700,000</u> | <u>(1,064,173)</u> | <u>67,999,460</u> | <u>8,838,000</u> | <u>17,889,908</u> | <u>35,605</u> | <u>18,981</u> | <u>26,560,769</u> | <u>155,053,213</u> |

HUATAI SECURITIES CO., LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

55. Share capital, reserves and retained profits - continued

(a) *Movements in components of equity* - continued

| | Note | Reserves | | | | | | | | Retained profits | Total |
|--|------|------------------|--------------------------|--------------------|-------------------|------------------|-------------------|--------------------|---------------------|-------------------|--------------------|
| | | Share capital | Other equity instruments | Treasury shares | Capital reserve | Surplus reserve | General reserve | Fair value reserve | Translation reserve | | |
| As at 1 January 2022 | | 9,076,650 | 9,989,057 | (1,231,547) | 68,902,890 | 6,569,922 | 13,352,459 | 20,138 | 18,981 | 20,003,532 | 126,702,082 |
| Adjustments | | - | - | - | - | 466 | 931 | - | - | 3,261 | 4,658 |
| As at 1 January 2022(restated) | | 9,076,650 | 9,989,057 | (1,231,547) | 68,902,890 | 6,570,388 | 13,353,390 | 20,138 | 18,981 | 20,006,793 | 126,706,740 |
| Changes in equity for 2022 | | | | | | | | | | | |
| Profit for the year | | - | - | - | - | - | - | - | - | 12,209,408 | 12,209,408 |
| Other comprehensive income | | - | - | - | - | - | - | 8,026 | - | - | 8,026 |
| Total comprehensive income | | - | - | - | - | - | - | 8,026 | - | 12,209,408 | 12,217,434 |
| Issue of perpetual subordinated bonds | | - | 9,200,000 | - | (10,098) | - | - | - | - | - | 9,189,902 |
| Equity-settled share-based payments | | - | - | 19,992 | 124,674 | - | - | - | - | - | 144,666 |
| Acquisition of treasury shares | | - | - | - | - | - | - | - | - | - | - |
| Appropriation to surplus reserve | | - | - | - | - | 1,220,940 | - | - | - | (1,220,940) | - |
| Appropriation to general reserve | | - | - | - | - | - | 2,442,501 | - | - | (2,442,501) | - |
| Dividends declared to ordinary shareholders for the year | | - | - | - | - | - | - | - | - | (4,063,640) | (4,063,640) |
| Dividends payable to perpetual subordinated bonds | | - | - | - | - | - | - | - | - | (485,730) | (485,730) |
| Others | | (1,061) | 10,943 | 9,231 | (90,083) | - | - | - | - | - | (70,970) |
| As at 31 December 2022 | 64 | <u>9,075,589</u> | <u>19,200,000</u> | <u>(1,202,324)</u> | <u>68,927,383</u> | <u>7,791,328</u> | <u>15,795,891</u> | <u>28,164</u> | <u>18,981</u> | <u>24,003,390</u> | <u>143,638,402</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

55. Share capital, reserves and retained profits - continued

(b) Share capital

All shares issued by the Company are fully paid common shares. The par value per share is RMB1. The Company's number of shares issued and their nominal value are as follows:

| | As at 31 December 2023 | | As at 31 December 2022 | |
|------------------------------------|-----------------------------------|------------------|-----------------------------------|------------------|
| | Number of shares (Thousand) | Nominal value | Number of shares (Thousand) | Nominal value |
| Registered, issued and fully paid: | | | | |
| A shares of RMB1 each | 7,355,617 | 7,355,617 | 7,356,543 | 7,356,543 |
| H shares of RMB1 each | 1,719,046 | 1,719,046 | 1,719,046 | 1,719,046 |
| Total | <u>9,074,663</u> | <u>9,074,663</u> | <u>9,075,589</u> | <u>9,075,589</u> |

On 1 June 2015, the Company completed its initial public offering of 1,400,000,000 H shares on the Main Board of the Hong Kong Stock Exchange. On 19 June 2015, the Company partially exercised the over-allotment option and issued 162,768,800 H shares.

According to the relevant requirements of PRC regulators, existing shareholders of the state-owned shares of the Company have transferred an aggregate number of 156,276,880 state-owned shares of the Company to the National Social Security Fund of the PRC, and such shares were then converted into H shares on a one-for-one basis.

In July 2018, the Company completed private placement of issuance of 1,088,731,200 new A shares.

On 20 June 2019, the Company completed its issuance of 75,013,636 GDRs, representing 750,136,360 underlying A shares, and listed on the London Stock Exchange. On 27 June 2019, the Company exercised the over-allotment option and issued additional 7,501,364 GDRs, representing 75,013,640 underlying A shares. In total, the Company has issued 82,515,000 GDRs, representing 825,150,000 new A shares with nominal value of RMB1.00 each. The total paid-up share capital of the Company after the change was RMB9,076,650,000.

In 2022, the Company completed the repurchase and cancellation of 1,060,973 restricted A Shares, after which the Company's registered capital was RMB9,075,589,027 and the total share capital of the Company was 9,075,589,027 shares of RMB1 each.

In 2023, the Company completed the repurchase and cancellation of 925,692 restricted A Share, after which the Company's registered capital was RMB9,074,663,335 and the total share capital of the Company was 9,074,663,335 shares of RMB1 each.

The H shares and GDRs representing A shares rank pari passu in all respects with the existing A shares including the right to receive all dividends and distributions declared or made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

55. Share capital, reserves and retained profits - continued

(c) *Other equity instruments*

| | As at 31 December | |
|------------------------------|-------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Perpetual subordinated bonds | <u>25,700,000</u> | <u>19,200,000</u> |

As approved by the CSRC, the Company issued eight batches of perpetual subordinated bonds ("21 Huatai Y1", "21 Huatai Y2", "21 Huatai Y3", "22 Huatai Y1", "22 Huatai Y2", "22 Huatai Y3", "23 Huatai Y1" and "23 Huatai Y2") with an initial interest rate of 3.85%, 4.00%, 3.80%, 3.49%, 3.59%, 3.20%, 3.46% and 3.58% on 15 September 2021, 26 October 2021, 16 November 2021, 26 January 2022, 11 July 2022, 21 October 2022, 8 September 2023 and 20 October 2023, respectively. The perpetual subordinated bonds have no fixed maturity dates and the Company has an option to redeem the bonds at principal amounts plus any accrued interest on the fifth interest payment date or any interest payment date afterwards.

The interest rate for perpetual subordinated bonds is fixed in the first 5 years and will be repriced every 5 years. The repriced interest rate is determined as the sum of the current base rate and the initial spread plus 300bp. The current base rate is defined as the average yield of 5 years treasury from the interbank fixed rate bond yield curve published on China Bond webpage 5 working days before the adjustment.

The issuer has the option to defer interest payment, except in the event of mandatory interest payments, so that at each interest payment date, the issuer may choose to defer the interest payment to the next payment date for the current period as well as all interest and accreted interest already deferred, without being subject to any limitation with respect to the number of deferrals. Mandatory interest payment events are limited to dividend distributions to ordinary equity holders and reductions of registered capital.

As the Company declared dividend distribution to ordinary equity holders during the 2022 annual general meeting held on 30 June 2023, the Company has recognised interest payable to the perpetual subordinated bonds amounted to RMB 705,430 thousand.

The perpetual subordinated bonds issued by the Company are classified as equity instruments and presented under equity in the Group's statement of financial position.

(d) *Treasury shares*

| | As at 1 January <u>2023</u> | Increase for <u>the year</u> | Decrease for <u>the year</u> | As at 31 December <u>2023</u> |
|--|-----------------------------------|---------------------------------|---------------------------------|-------------------------------------|
| Share repurchase | 835,802 | - | - | 835,802 |
| Restricted Share Incentive Scheme of A Shares | <u>366,522</u> | - | (138,151) | <u>228,371</u> |
| Total | <u>1,202,324</u> | - | (138,151) | <u>1,064,173</u> |

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(Expressed in thousands of Renminbi, unless otherwise stated)

55. Share capital, reserves and retained profits - continued

(d) Treasury shares - continued

On 30 March 2023, the Board and the Supervisory Committee of the Company respectively considered and approved the proposal on the achievement of the conditions of unlocking first lock-up period of Restricted Share Incentive Scheme of A Shares. According to the achievement of performance conditions at the company level and the achievement of individual performance conditions of incentive recipients, the total number of restricted shares that could be released this time was 14,222,943 shares, and the restricted shares that were unlocked for sale would be listed and circulated on 24 April 2023, remaining 30,204,084 shares of the Company's Restricted A shares. According to the Restricted Share Incentive Scheme of A Shares Plan, the share repurchase's obligation was reduced accordingly by RMB117.34 million.

On 30 June 2023, pursuant to the resolution of the 2022 Annual General Meeting of Shareholders, cash dividend of RMB4.50 (tax inclusive) per 10 shares was distributed based on 9,029,384,840 shares excluding the A shares deposited in the special repurchase accounts of the Company and the A shares to be repurchased and cancelled. According to the Restricted Share Incentive Scheme of A Shares Plan, the share repurchase's obligation was reduced accordingly by RMB13.17 million.

On 30 March 2023, the Company convened the second meeting of the sixth session of the Board and the second meeting of the sixth session of the Supervisory Committee, at which the proposal on the Company's repurchase and cancellation of part of the restricted A Shares were considered and approved. On 30 June 2023, the Company held the 2022 Annual General Meeting of Shareholders, the 2023 Second A Share Class Meeting of Shareholders and the 2023 Second H Share Class Meeting of Shareholders, at which the proposal on the Company's repurchase and cancellation of part of the restricted A Shares were considered and approved. There are 137 Incentive Participants who do not fully satisfy individual performance conditions and dismiss or terminate their employment relationships with the Company. According to the relevant provisions of the incentive plan, the Company repurchased and cancelled a total of 925,692 the restricted A Shares that have been granted to above 137 incentive participants but not yet unlocked in. The repurchase price was RMB8.25 per share, and the Company's registered capital was reduced by RMB925,692, after which the total share capital of the Company was 9,074,663,335 shares of RMB1 each. As of 22 September 2023, the Company has paid the above-mentioned share repurchase reduction amount of RMB7.6 million to the 137 incentive participants who no longer have the qualification of incentive participants, and completed the repurchase and cancellation of 925,692 shares. The treasury shares was reduced accordingly by RMB7.6 million.

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FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

55. Share capital, reserves and retained profits - continued

(e) *Capital reserve*

Capital reserve mainly includes share premium arising from the issuance of new shares at prices in excess of face value and the difference between the considerations of acquisition of equity interests from non-controlling shareholders and the carrying amount of the proportionate net assets.

(f) *Surplus reserve*

Pursuant to the Company Law of the PRC, the Company is required to appropriate 10% of its net profit to the statutory surplus reserve until the balance reaches 50% of its registered capital.

Subject to the approval of the shareholders, the statutory reserve may be used to offset accumulated losses, or converted into capital of provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital immediately before the capitalisation.

(g) *General reserve*

General reserve includes general risk reserve and transaction risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007, the Company appropriates 10% of its annual net profit to the general risk reserve.

In accordance with the requirements of the CSRC Circular regarding the Annual Reporting of Securities Companies in 2007 (Zhengjian Jigou Zi [2007] No. 320) issued on 18 December 2007 and in compliance with the Securities Law, for the purpose of covering securities trading losses, the Company appropriates 10% from its annual net profit to the transaction risk reserve.

In accordance with the requirements of the CSRC No. 94 Provisional Measures on Supervision and Administration of Risk Provision of Public Offering of Securities Investment Funds, the Company appropriates 2.5% from its fund custody fee income to the general risk reserve.

The Company's subsidiaries appropriate their profits to the general reserve according to the applicable local regulations.

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(Expressed in thousands of Renminbi, unless otherwise stated)

55. Share capital, reserves and retained profits - continued

(h) Fair value reserve

The fair value reserve comprises:

- The cumulative net changes in the fair value of equity securities designated at FVOCI; and
- The cumulative net changes in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

(i) Cash flow hedge reserve

The cash flow hedge reserve comprises the effective portion of the gain or loss on the hedging instrument.

(j) Translation reserve

The translation reserve mainly comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

(k) Dividends

Pursuant to the resolution of the general meeting of the shareholders dated 30 June 2023, the Company was approved to distribute cash dividends of RMB4.50 (tax inclusive) per 10 shares to the shareholders based on 9,075,589,027 shares deducting the actual number of shares entitled to the dividend distribution (excluding 45,278,495 shares deposited in the special repurchase accounts of the Company and 925,692 A Shares to be repurchased and cancelled), i.e. 9,029,384,840 shares, with total cash dividends amounting to RMB4,063 million. The cash dividends of the Company was paid on 11 August 2023.

56. Commitments

(a) Capital commitments

Capital commitments outstanding at 31 December 2023 and 31 December 2022 not provided for in the consolidated financial statements were as follows:

| | <u>As at 31 December</u> | |
|----------------------------------|--------------------------|------------------|
| | <u>2023</u> | <u>2022</u> |
| Contracted, but not provided for | <u>7,156,300</u> | <u>3,130,051</u> |

The aforementioned capital commitments mainly represent the securities underwriting commitments of the Group and long-term asset purchase and construction commitments.

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57. Interests in structured entities

(a) *Interests in structured entities consolidated by the Group*

Structured entities consolidated by the Group mainly stand for the asset management schemes where the Group involves as manager and / or as investor. The Group assesses whether the combination of investments it holds together with its remuneration creates exposure to variability of returns from the activities of the asset management schemes to a level of such significance that it indicates that the Group is a principal.

As at 31 December 2023 and 31 December 2022, the Group consolidates 59 and 61 structured entities respectively, which are mainly asset management schemes. As at 31 December 2023 and 31 December 2022, the total assets of the consolidated structured entities are RMB94,908 million and RMB71,870 million, respectively, and the carrying amount of interests held by the Group in the consolidated structured entities are RMB86,408 million and RMB69,505 million, respectively. For the year ended 31 December 2023 and 31 December 2022, the Group did not provide financial support to these structured entities.

(b) *Interests in structured entities sponsored by the Group but not consolidated*

Structured entities for which the Group served as general partner or manager, therefore has power over them during the reporting periods are asset management schemes. Except for the structured entities that the Group has consolidated as set out in Note 57(a), the Group's exposure to the variable returns in the remaining structured entities in which the Group has interests is not significant. Besides, the Group did not provide financial support to these structured entities. The Group therefore did not consolidate these structured entities.

As at 31 December 2023 and 31 December 2022, the total assets of these unconsolidated structured entities managed by the Group amounted to RMB530,502 million and RMB528,130 million, respectively. As at 31 December 2023 and 31 December 2022, the carrying amount of interests held by the Group in these unconsolidated structured entities are RMB7,101 million and RMB9,032 million, respectively.

During the year ended 31 December 2023 and 31 December 2022, income derived from these unconsolidated structured entities held by the Group amounted to RMB1,576 million and RMB587 million, respectively.

(c) *Interests in structured entities sponsored by third party institutions*

The types of structured entities sponsored by third party institutions that the Group does not consolidate but in which it holds interests include funds, asset management schemes, trust schemes, and wealth management products issued by banks or other financial institutions. The nature and purpose of these structured entities are to generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of units to investors.

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57. Interests in structured entities - continued

(c) *Interests in structured entities sponsored by third party institutions* - continued

The carrying amount of the related accounts in the consolidated statements of financial position is equal to the maximum exposure to loss of interests held by the Group in the unconsolidated structured entities sponsored by third party institutions as at 31 December 2023 and 31 December 2022, which are listed as below:

| | As at 31 December 2023 | |
|----------------------------|------------------------------|-------------------|
| | Financial assets at FVTPL | Total |
| Funds | 60,597,720 | 60,597,720 |
| Wealth management products | 22,714,060 | 22,714,060 |
| Debt securities | 460,035 | 460,035 |
| Total | <u>83,771,815</u> | <u>83,771,815</u> |
| | As at 31 December 2022 | |
| | Financial assets at FVTPL | Total |
| Funds | 43,326,657 | 43,326,657 |
| Wealth management products | 19,633,246 | 19,633,246 |
| Total | <u>62,959,903</u> | <u>62,959,903</u> |

58. Outstanding litigations

From time to time in the ordinary course of business, the Group is subject to claims and are parties to legal and regulatory proceedings. As at 31 December 2023 and 31 December 2022, based on the court rulings and advices from legal representatives and management judgement, no provision had been made to the claim amounts except for the major legal action as listed below. The Group is of the opinion the final court judgement will not have a significant impact on the Group's financial position or operations.

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58. Outstanding litigations - continued

As at 31 December 2023, the major legal action of the Group as the defendant is listed below:

During the year of 2020, the Group's subsidiary Huatai United Securities received the Notice of Legal Action and relevant litigation materials sent by Shanghai Financial Court. The plaintiff, Postal Savings Bank of China Co., Ltd., failed to fully cash its investment in "Huatai Magnate Light Asset-backed Securities", sued to the Court to require the manager (the first defendant), the legal adviser (the second defendant), the rating agency (the third defendant), the issuer (the fourth defendant) and Huatai United Securities, the financial adviser (the fifth defendant), to bear joint and several liability for the compensation for the plaintiff's investment loss of RMB527 million and relevant interest.

The Shanghai Financial Court made the judgment of the first instance on 14 April 2023 that Huatai United Securities Company Limited shall bear joint and several liability, and on 26 April 2023 Huatai United Securities Company Limited submitted an application for appeal, and the first instance judgment has not yet taken effect. As of 31 December 2023, the second instance judgement has been formally filed and has not yet commenced. According to the opinion of the legal representative and the judgment of the management, the Group has accrued provision amounted to RMB570 million for the claim amount.

59. Related party relationships and transactions

(a) Relationship of related parties

(i) Major shareholders

| <u>Name of the shareholders</u> | <u>Place of registration</u> | <u>Registered share capital</u> | <u>Percentage of equity interest (%)</u> | <u>Voting rights (%)</u> |
|---|------------------------------|---------------------------------|--|--------------------------|
| Jiangsu Guoxin Investment Group Limited | Nanjing | RMB30 billion | 15.14 | 15.14 |
| Jiangsu Communications Holdings Co., Ltd. | Nanjing | RMB16.8 billion | 5.39 | 5.39 |

The detailed information of the transactions and balances with Group's major shareholders and their subsidiaries is set out in Note 59(b)(i).

(ii) Subsidiaries of the Group

The detailed information of the Group's subsidiaries is set out in Note 24.

(iii) Associates of the Group

The detailed information of the Group's associates is set out in Note 25.

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(Expressed in thousands of Renminbi, unless otherwise stated)

59. Related party relationships and transactions - continued

(a) *Relationship of related parties* - continued

(iv) Joint ventures of the Group

The detailed information of the Group's joint ventures is set out in Note 26.

(v) Other related parties

Other related parties are individuals which include: members of the Board of Directors, the Board of Supervisors and senior management, and close family members of such individuals.

(b) *Related parties transactions and balances*

Other than as disclosed elsewhere in these consolidated financial statements, the Group had the following related party transactions and balances:

(i) Transactions and balances between the Group and major shareholders and their subsidiaries:

| | <u>As at 31 December</u> | |
|---------------------------------------|-------------------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| Balances at the end of the year: | | |
| Right-of-use assets | - | 482 |
| Other receivables and prepayments | 43 | 41 |
| Financial assets at FVTPL | 138,331 | 53,275 |
| Accounts payable to brokerage clients | 14,389 | 52,450 |
| Other payables and accruals | 3,211 | 3,211 |
| Short-term debt instruments issued | - | 50,000 |
| Lease liabilities | - | 348 |
| | | |
| | <u>Year ended 31 December</u> | |
| | <u>2023</u> | <u>2022</u> |
| Transactions during the year: | | |
| Fee and commission income | 20,769 | 15,598 |
| Net investment gains | 2,162 | 2,373 |
| Operating expense | (199) | - |

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59. Related party relationships and transactions - continued

(b) Related parties transactions and balances - continued

**(i) Transactions and balances between the Group and major shareholders and their subsidiaries:
- continued**

During the year of 2023 and 2022, the Group has subscribed the bonds issued by major shareholders amounting to RMB138 million and RMB53 million, respectively.

During the year of 2023 and 2022, the Group has redeemed the bonds issued by major shareholders amounting to RMB53 million and RMB117 million, respectively.

During the year of 2023 and 2022, major shareholders and their subsidiaries have subscribed the short-term debt instruments issued by the Group for nil and RMB50 million, respectively.

During the year of 2023 and 2022, the Group has paid rental fee to major shareholders and their subsidiaries for the total amounts of nil and RMB0.18 million, respectively.

(ii) Transactions and balances between the Group and associates:

| | <u>As at 31 December</u> | |
|--|--------------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| Balances at the end of the year: | | |
| Cash and bank balances | 1,244,329 | 1,855,132 |
| Right-of-use assets | 17,489 | 54,416 |
| Accounts receivable | 111,881 | 220,638 |
| Other receivables and prepayments | 2,828 | 2,966 |
| Financial assets at FVTPL | 50,510 | 9,875 |
| Accounts payable to brokerage clients | 96,223 | 27,882 |
| Other payables and accruals | 1,893 | 4,056 |
| Placements from other financial institutions | 1,000,383 | 500,143 |
| Lease liabilities | 19,078 | 64,136 |

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59. Related party relationships and transactions - continued

(b) Related parties transactions and balances - continued

(ii) Transactions and balances between the Group and associates: - continued

| | Year ended 31 December | |
|-------------------------------|------------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| Transactions during the year: | | |
| Fee and commission income | 311,402 | 357,350 |
| Fee and commission expense | (682) | (444) |
| Other income and gains | 2,600 | 3,328 |
| Operating expense | (2,302) | (2,308) |
| Interest income | 23,979 | 10,605 |
| Interest expenses | (17,544) | (19,683) |
| Net investment losses | 7,710 | (8,910) |

During the year of 2023 and 2022 the Group has subscribed the corporate bond issued by associates for the total amounts of RMB51 million and nil, respectively.

During the year of 2023 and 2022, the associates have subscribed the non-public corporate bonds issued by the Group for nil and RMB393 million, respectively.

During the year of 2023 and 2022, the associates have redeemed the structured notes issued by the Group for nil and RMB103 million, respectively.

During the year of 2023 and 2022, the capital injection made by the Group into the associates are RMB1,438 million and RMB557 million, respectively. During the year of 2023 and 2022, the divestment made by the Group from the associates are RMB177 million and RMB155 million, respectively.

During the year of 2023 and 2022, the Group has made repurchase agreements with associates for the total amount of RMB89,406 million and RMB124,080 million, respectively.

During the year of 2023 and 2022, the Group has taken placements from other financial institutions with associates for the total amount of RMB89,320 million and RMB118,050 million, respectively.

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59. Related party relationships and transactions - continued

(b) Related parties transactions and balances - continued

(ii) Transactions and balances between the Group and associates: - continued

During the year of 2023 and 2022, the Group has received dividends from associates for the total amounts of RMB1,634 million and RMB1,513 million, respectively.

During the year of 2023 and 2022, the Group has paid rental fee to associates for the total amounts of RMB40 million and RMB51 million, respectively.

(iii) Transactions and balances between the Group and joint ventures:

| | <u>As at 31 December</u> | |
|---------------------------------------|-------------------------------|-------------|
| | <u>2023</u> | <u>2022</u> |
| Balances at the end of the year: | | |
| Accounts receivable | - | 7,935 |
| Accounts payable to brokerage clients | 2,885 | 6,178 |
| | | |
| | <u>Year ended 31 December</u> | |
| | <u>2023</u> | <u>2022</u> |
| Transactions during the year: | | |
| Fee and commission income | 8,525 | 12,371 |

During the year of 2023 and 2022, the capital injection made by the Group into the joint ventures are RMB182 million and nil, respectively. During the year of 2023 and 2022, the divestment made by the Group from the joint ventures are RMB171 million and RMB10 million, respectively.

During the year of 2023 and 2022, the Group has received dividends from joint venture for the total amounts of RMB22million and nil, respectively.

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59. Related party relationships and transactions - continued

(b) Related parties transactions and balances - continued

(iv) Transactions and balances between the Group and other related parties:

| | As at 31 December | |
|---------------------------------------|------------------------|-------|
| | 2023 | 2022 |
| Balances at the end of the year: | | |
| Accounts payable to brokerage clients | 5,002 | 7,725 |
| | | |
| | Year ended 31 December | |
| | 2023 | 2022 |
| Transactions during the year: | | |
| Fee and commission income | 77 | 232 |

(c) Key management personnel remuneration

During the year ended 31 December 2023, the Company paid pre-tax remuneration of current year to key management personnel of the Company amounting to RMB40.07 million (During the year ended 31 December 2022: RMB42.44 million). This amount includes those paid to the Company's directors and supervisors as disclosed in Note 16. For the year ended 31 December 2023, the post-employment benefits of the key management personnel amounted to RMB2.61 million (For the year ended 31 December 2022, RMB2.9million).

During the year ended 31 December 2023, the Company paid accrued pre-tax remuneration which was deferred to 2023 in previous years to directors, supervisors, and senior management personnel amounted to RMB12.43 million (During the year ended 31 December 2022, RMB7.6million).

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59. Related party relationships and transactions - continued

(d) Applicability of the Listing Rules relating to connected transactions

The related party transactions set out in Note 59(b) which constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.76(1) and 14A.93.

60. Segment reporting

Management manages the business operations by the following segments in accordance with the nature of the operations and the services provided, and the performance measure of business segments utilised by the Group is profit before income tax:

- The wealth management segment engages in the trading of stocks, funds, bonds and futures on behalf of clients, to provide customers with a variety of financial products sales services and asset allocation services. Moreover, the activities of providing margin financing, securities lending, securities-backed lendings and sell financial products are included in this segment.
- The institutional services segment mainly provides investment banking business to clients, research and institutional sales, equity securities investments and transactions, fixed income investments and transactions, OTC financial products and transactions.
- The investment management segment mainly consists of asset management, private equity investment, alternative investments and commodities trading and arbitrage.
- The international business segment mainly includes the overseas business of overseas subsidiaries.
- Other segments include other operations of head office, mainly including interest income, share of profit of associates and joint ventures, interest expenses of working capitals, and costs and expenses of middle offices and back offices.

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60. Segment reporting - continued

(a) Business segments

For the year ended 31 December 2023

| | Wealth management | Institutional services | Investment management | International business | Others | Total |
|---|----------------------|---------------------------|--------------------------|---------------------------|--------------|---------------|
| Revenue | | | | | | |
| - External | 19,338,998 | 10,618,400 | 3,040,257 | 10,405,808 | 1,823,151 | 45,226,614 |
| - Inter-segment | 539 | - | - | - | 1,778,984 | 1,779,523 |
| Other income and gains | 3,985,258 | (69,048) | 318,566 | 2,535,500 | 342,500 | 7,112,776 |
| Segment revenue and other income | 23,324,795 | 10,549,352 | 3,358,823 | 12,941,308 | 3,944,635 | 54,118,913 |
| Segment expenses | (16,634,272) | (7,907,900) | (1,589,098) | (10,648,760) | (4,697,057) | (41,477,087) |
| Segment operating profit / (loss) | 6,690,523 | 2,641,452 | 1,769,725 | 2,292,548 | (752,422) | 12,641,826 |
| Share of profit of associates and joint ventures | - | (58) | 30,034 | (21,713) | 2,576,521 | 2,584,784 |
| Profit before income tax | 6,690,523 | 2,641,394 | 1,799,759 | 2,270,835 | 1,824,099 | 15,226,610 |
| Interest income | 10,574,301 | 1,265,381 | 162,001 | 1,242,067 | 1,700,094 | 14,943,844 |
| Interest expenses | (4,349,186) | (3,554,129) | (503,181) | (3,787,857) | (1,828,237) | (14,022,590) |
| Depreciation and amortisation expenses | (546,262) | (201,901) | (85,673) | (457,062) | (598,367) | (1,889,265) |
| Net reversal of / (provision for) impairment loss on financial assets | 485,571 | (9,051) | (110) | (44,423) | (21,041) | 410,946 |
| Segment assets | 285,438,957 | 351,844,346 | 28,552,772 | 185,801,651 | 185,514,044 | 1,037,151,770 |
| Additions to non-current segment assets during the year | 183,050 | 117,929 | 1,823 | 379,242 | 889,528 | 1,571,572 |
| Segment liabilities | (280,739,909) | (347,319,611) | (5,705,664) | (166,977,124) | (54,192,030) | (854,934,338) |

For the year ended 31 December 2022

| | Wealth management | Institutional services | Investment management | International business | Others | Total |
|---|----------------------|---------------------------|--------------------------|---------------------------|--------------|---------------|
| Revenue | | | | | | |
| - External | 20,515,804 | 8,049,878 | 2,007,444 | 7,619,320 | 2,559,683 | 40,752,129 |
| - Inter-segment | 54,856 | 20,399 | - | - | 4,124,449 | 4,199,704 |
| Other income and gains | 2,911,901 | 63,379 | 262,984 | 1,794,666 | 1,099,748 | 6,132,678 |
| Segment revenue and other income | 23,482,561 | 8,133,656 | 2,270,428 | 9,413,986 | 7,783,880 | 51,084,511 |
| Segment expenses | (15,063,586) | (7,434,388) | (1,210,570) | (7,521,339) | (4,932,852) | (36,162,735) |
| Segment operating profit / (loss) | 8,418,975 | 699,268 | 1,059,858 | 1,892,647 | 2,851,028 | 14,921,776 |
| Share of profit of associates and joint ventures | - | (1,898) | (1,107,804) | - | 2,328,748 | 1,219,046 |
| Profit before income tax | 8,418,975 | 697,370 | (47,946) | 1,892,647 | 5,179,776 | 16,140,822 |
| Interest income | 10,632,438 | 1,321,495 | 174,479 | 573,067 | 1,245,913 | 13,947,392 |
| Interest expenses | (4,344,410) | (3,115,872) | (320,625) | (1,666,057) | (1,894,184) | (11,341,148) |
| Depreciation and amortisation expenses | (509,600) | (184,334) | (74,461) | (368,311) | (445,422) | (1,582,128) |
| Net (provision for) / reversal of impairment loss on financial assets | 487,614 | 5,734 | 1,008 | (42,571) | 33,564 | 485,349 |
| Segment assets (Restated) | 282,826,740 | 338,717,046 | 39,880,993 | 160,618,094 | 189,193,383 | 1,011,236,256 |
| Additions to non-current segment assets during the year | 96,156 | 59,622 | 14,381 | 289,896 | 833,314 | 1,293,369 |
| Segment liabilities (Restated) | (278,153,206) | (333,267,313) | (18,205,051) | (144,243,708) | (69,510,368) | (843,379,646) |

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60. Segment reporting - continued

(a) Business segments - continued

Reconciliations of segment revenues, profit or loss, assets and liabilities:

| | Year ended 31 December | |
|--|-----------------------------|-----------------------------|
| | <u>2023</u> | <u>2022</u> |
| Revenue | | |
| Total revenue, gains and other income for segments | 54,118,913 | 51,084,511 |
| Elimination of inter-segment revenue | <u>(1,858,492)</u> | <u>(4,260,139)</u> |
| Consolidated revenue, gains and other income | <u><u>52,260,421</u></u> | <u><u>46,824,372</u></u> |
| Profit | | |
| Total profit before income tax for segments | 15,226,610 | 16,140,822 |
| Elimination of inter-segment profit | <u>(1,021,946)</u> | <u>(3,912,784)</u> |
| Consolidated profit before income tax | <u><u>14,204,664</u></u> | <u><u>12,228,038</u></u> |
| | As at 31 December | |
| | <u>2023</u> | <u>2022</u> |
| | | (Restated) |
| Assets | | |
| Total assets for segments | 1,037,151,770 | 1,011,236,256 |
| Elimination of inter-segment assets | <u>(131,643,381)</u> | <u>(164,665,266)</u> |
| Consolidated total assets | <u><u>905,508,389</u></u> | <u><u>846,570,990</u></u> |
| Liabilities | | |
| Total liabilities for segments | (854,934,338) | (843,379,646) |
| Elimination of inter-segment liabilities | <u>131,643,381</u> | <u>164,665,266</u> |
| Consolidated total liabilities | <u><u>(723,290,957)</u></u> | <u><u>(678,714,380)</u></u> |

For the year ended 31 December 2023 and 31 December 2022, the Group's customer base is diversified and no customer had transactions which exceeded 10% of the Group's revenue.

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(Expressed in thousands of Renminbi, unless otherwise stated)

60. Segment reporting - continued

(b) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property and equipment, investment properties, goodwill, land-use rights and other intangible assets, interest in associates, interest in joint ventures and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property and equipment and other non-current assets, the location of the operation to which they are allocated, in the case of goodwill, land-use rights and other intangible assets, and the location of operations, in the case of interest in associates and interest in joint ventures.

| | Year ended 31 December 2023 | | | Year ended 31 December 2022 | | |
|---------------------------------|-----------------------------|-------------------|-------------------|-----------------------------|-------------------|-------------------|
| | Mainland | | Total | Mainland | | Total |
| | China | Overseas | | China | Overseas | |
| Revenue from external customers | 34,820,806 | 10,405,808 | 45,226,614 | 33,132,809 | 7,619,320 | 40,752,129 |
| Other income and gains | 4,498,307 | 2,535,500 | 7,033,807 | 4,277,577 | 1,794,666 | 6,072,243 |
| Total | <u>39,319,113</u> | <u>12,941,308</u> | <u>52,260,421</u> | <u>37,410,386</u> | <u>9,413,986</u> | <u>46,824,372</u> |
| | Year ended 31 December 2023 | | | Year ended 31 December 2022 | | |
| | Mainland | | Total | Mainland | | Total |
| | China | Overseas | | China | Overseas | |
| Specified non-current assets | <u>28,603,135</u> | <u>10,054,267</u> | <u>38,657,402</u> | <u>27,561,899</u> | <u>10,139,539</u> | <u>37,701,438</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management

(a) Risk management policies and structure

(i) Risk management policies

In order to enhance the Group's scientific, standardised and effective management and operation, strengthen the capability of defending against risks and ensure the continuous, stable and rapid development of the Group's businesses, the Group had formulated the Basic System for Risk Management which had been deliberated and approved by the Board of Directors in accordance with the Securities Law of the People's Republic of China, the Rules on Supervision over Securities Companies, the Guidelines on the Internal Control of Securities Companies, the Regulation on Comprehensive Risk Management of Securities Companies and other relevant regulations in combination with the business operation and business management. This has clarified the risk management objectives and principles, the risk appetite and risk tolerance level of the Group as a whole and for different risk types, the risk management procedures, and the relevant resource assurance and appraisal mechanisms. In terms of operation management, the Group had formulated and issued various professional risk management guidelines to clearly establish the management processes and measures, risk indicators and limits for various types of risks; in addition, the Group had also formulated policies such as the Administration Measures for Risk Control Indicators, the Rules on the Risk Management of Subsidiaries, the Implementation Plan for Stress Test and the Detailed Implementation Rules for Stress Test at the operation level. In the specific business level, the Group had established business risk management system or risk management manual based on the risk points of different business areas and business management lines.

The principal types of risk faced by the Group in daily operation mainly include market risk, credit risk, liquidity risk, operational risk, information technology risk, reputational risk, model risk and compliance risk, legal risk, money laundering risk, integrity risk, etc. The Group had formulated corresponding policies and procedures to identify and analyse these risks, and set up risk indicators, risk limits and internal risk control processes in combination with the actual circumstances with a view to continuously manage the above risks through the support of information systems and effective mechanisms.

Risk management is a shared responsibility of all the Group's employees. The Group continuously enhances the risk management awareness and risk sensitivity of all its employees through training and assessment to cultivate the risk management culture.

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management - continued

(a) Risk management policies and structure - continued

(ii) Risk governance structure

The risk management structure of the Company covers five major parts: The Board and its Compliance and Risk Management Committee, Board of Supervisors, Business Operation Management and Risk Control Committee, Risk Management Department and various professional risk management departments as well as other departments, branches and subsidiaries.

The Board of Directors takes ultimate responsibilities for the Company's comprehensive risk management. The Compliance and Risk Management Committee is set up by the Board to review and make recommendations on the overall risk management targets, fundamental policies and risk assessment reports; and evaluate and make recommendations on the risks of major decisions which require the Board's review as well as the solutions to these major risks. The Board of Supervisors is responsible for the supervision of overall risk management, supervising and examining the Board and the management on the performance of their risk management duties and urging them to make rectifications. Based on the authorisation and approval of the Board and in combination with the operational targets of the Company, the management is specifically responsible for the implementation of risk management activities, with the Risk Control Committee established under it. The Chief Risk Officer of the Company is responsible for leading the overall risk management initiatives. The Risk Management Department is charged with comprehensive risk management duties. It reports to the management and is responsible for managing the overall risks of the Company, taking the lead in managing market risk, credit risk and operational risk. Relevant functional departments of the Company are responsible for taking the lead in managing other types of risks according to their responsibilities and positioning. Other departments, branches and subsidiaries of the Company are responsible for the management of risks in respective lines, implementing policies, procedures and measures formulated by the Company and risk management departments, accepting the guidance from risk management departments and the decomposition of risk management and implementation responsibilities by the risk management departments. The Audit Department is responsible for the review and evaluation of the effectiveness and implementation of the risk management procedures of the Company and taking the lead in evaluating the overall risk management system of the Company.

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management - continued

(b) Credit risk management

Credit risk refers to the risk of loss of the Company resulting from the default of borrowers or bond issuer or counterparty (customer). The Company has established a credit risk management system covering self-owned capital and entrusted funding business. The system is applied to all subsidiaries domestic or overseas, and also to the sub-subsidiaries managed with reference to the subsidiary's management approach, thereby achieving full credit risk management coverage.

The Group mainly faced three types of credit risks, namely (i) the risks of suffering from loss in respect of the financing bills and interest lent out due to borrower's default in financing business; (ii) the risks caused by default of the issuer in bond investment business; (iii) the risks of assets suffering from loss due to the default by the counterparty in transaction business (including guarantee settlement business).

With respect to credit risk management of financing business, the Group implemented stringent control measures through continuous monitoring for risky customers and risky assets and timely risk mitigation. The Company intensified the dynamic counter-cyclical adjustment mechanism, established a market systemic risk monitoring and handling mechanism and strengthened the post-credit management of related businesses, in order to control routine business risks, prevent bottom-line risks and flexibly adjust the business structure.

With respect to credit risk management of issuers, the Company established a unified monitoring management system for issuers to realize the unified monitoring of credit bond targets for the Company's various businesses. In the meantime, the Company deepened the credit bonds' risk management and control in the whole process, established a screening and disposal mechanism of normalization for risky securities, and continuously to strengthen the monitoring and early warning mechanism of bond positions, thereby enhancing the effectiveness of the Company's prevention and control capabilities of credit risk.

With respect to credit risk management of counterparties, the Company constantly promoted the optimization construction of the unified management system for counterparties, and further strengthened counterparties' credit management in accordance with internal and external public sentiment to strictly control tail risks. For guaranteed settlement business, the Company continued to improve the front-end control of risk indicator design and promoted the establishment of systematic measures, as well as strengthened its risk event handling and risk transmission control capabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management - continued

(b) Credit risk management - continued

The Company continued to optimize and improve its unified credit risk management system, in order to enhance its ability to cope with the complex external credit environment and provide strong risk control guarantee for the development of various credit businesses. During the reporting period, the Company did not experience any major credit risk events, and its businesses operated smoothly.

The Group provided credit loss allowances for securities-backed lendings of financial assets sold under repurchase agreements. The Group assessed the continuous repayment, solvency and the collateral to loan ratios of the borrowers to analyse the degree of default risk and identified the three stages of credit loss allowances of the securities-backed lendings assets. The details are as below:

| <u>Description</u> | <u>Stage of credit loss allowances</u> | |
|--|--|---------|
| Collateral to loan ratios above the force liquidation thresholds, with no past due days | 12-month ECL | Stage 1 |
| Collateral to loan ratios above the force liquidation thresholds, with less than 90 days past due on its contractual payments | Lifetime ECL-not credit impaired | Stage 2 |
| Collateral to loan ratios below the force liquidation thresholds but above 100%, with no past due days | | |
| Collateral to loan ratios below the force liquidation thresholds but above 100%, with less than 90 days past due on its contractual payments | | |
| Collateral to loan ratios below 100% | Lifetime ECL- | Stage 3 |
| Collateral to loan ratios above 100%, with more than 90 days past due on its contractual payments | credit impaired | |
| Borrowers in default or lawsuit | | |
| Borrowers in significant financial difficulties or about to bankruptcy or undertaking a financial restructuring | | |

The Group set different force liquidation thresholds, normally no less than 130%, for different borrowers and assets.

For assets classified under Stage 1 and 2, the Group assessed credit loss allowances using the risk parameters modeling approach that incorporated key parameters inclusive of collateral to loan ratios and past due days. As at 31 December 2023, the average credit loss rate was 0.35% assets classified under Stage 1 and no asset under Stage 2 (As at 31 December 2022, the average credit loss rate was 0.42% assets classified under Stage 1 and no asset under Stage 2).

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management - continued

(b) Credit risk management - continued

For credit impaired assets classified under Stage 3, the Group assessed credit loss allowances taking into account the collateral securities under each contract and the financial situation of the borrower. The factors which the Group considered when assessing the credit loss allowances included but not limited to: the industry sector of the borrower, the stock price of the collateral securities, the average daily trading volume of the stock, the percentage of goodwill of the stock issuer, significant risk parameters of the securities, whether the borrowers are the holding shareholders, the liquidity and restriction on sales, the history of blacklist or defaults of the borrower, the total market pledged ratios of the stock, the collateral situation, and the credit enhancement measures implemented by the borrower. The Group assessed the above factors as well as collateral to loan ratios and past due days to evaluate and provide credit loss allowances, ranging from 10% to 100%.

For margin accounts receivable, the Group classified the exposures into three stages, considering the collateral coverage ratios as the main indicator, the concentration of positions as the supplementary index, and taking into account the borrowers' continuous repayment, the total balance of margin accounts, the liquidity of the collateral and other relevant information. The Group applied corresponding loss rates for assets at different stages, and calculates the expected credit loss accordingly.

As at 31 December 2023, the average credit loss rate was 0.55%, 7.53% and 58.30% for assets classified under Stage 1, 2 and 3, respectively (As at 31 December 2022, the average credit loss rate was 0.71%, 7.93% and 100% for assets classified under Stage 1, 2 and 3, respectively).

For credit business, when calculating the expected credit loss, the Group identified a number of indicators from three dimensions: macroeconomic indicators, market environment and asset quality, taking into account forward-looking information that can be obtained without unnecessary additional costs or efforts. By constructing the relationship between these specific indicators and the loss rate, forward-looking adjustments were made to the expected credit loss of credit business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management - continued

(b) Credit risk management - continued

| <u>Margin accounts receivable</u> | Stage 1 <u>12m ECL</u> | Stage 2 Lifetime ECL <u>(not credit impaired)</u> | Stage 3 Lifetime ECL <u>(credit impaired)</u> | <u>Total ECL</u> |
|--|---------------------------|---|---|------------------|
| As at 1 January, 2023 | 653,660 | 745,959 | 126,737 | 1,526,356 |
| Changes in the expected credit losses: | | | | |
| — Transfer to Stage 1 | 63,835 | (63,835) | - | - |
| — Transfer to Stage 2 | - | - | - | - |
| — Transfer to Stage 3 | (55) | - | 55 | - |
| — Charged (credit) to profit or loss | (157,293) | 160,585 | (9,617) | (6,325) |
| — Other | 56 | 387 | 873 | 1,316 |
| As at 31 December 2023 | <u>560,203</u> | <u>843,096</u> | <u>118,048</u> | <u>1,521,347</u> |
| | | | | |
| <u>Financial assets held under resale agreements</u> | Stage 1 <u>12m ECL</u> | Stage 2 Lifetime ECL <u>(not credit impaired)</u> | Stage 3 Lifetime ECL <u>(credit impaired)</u> | <u>Total ECL</u> |
| As at 1 January, 2023 | 28,128 | - | 1,110,285 | 1,138,413 |
| Changes in the expected credit losses: | | | | |
| — Transfer to Stage 1 | - | - | - | - |
| — Transfer to Stage 2 | - | - | - | - |
| — Transfer to Stage 3 | - | - | - | - |
| — Charged (credit) to profit or loss | (10,160) | - | (475,641) | (485,801) |
| — Other | 6 | - | 508 | 514 |
| As at 31 December 2023 | <u>17,974</u> | <u>-</u> | <u>635,152</u> | <u>653,126</u> |
| | | | | |
| <u>Debt instruments at fair value through other comprehensive income</u> | Stage 1 <u>12m ECL</u> | Stage 2 Lifetime ECL <u>(not credit impaired)</u> | Stage 3 Lifetime ECL <u>(credit impaired)</u> | <u>Total ECL</u> |
| As at 1 January, 2023 | 30,455 | - | - | 30,455 |
| Changes in the expected credit losses: | | | | |
| — Transfer to Stage 1 | - | - | - | - |
| — Transfer to Stage 2 | - | - | - | - |
| — Transfer to Stage 3 | - | - | - | - |
| — Charged (credit) to profit or loss | 11,753 | - | - | 11,753 |
| — Other | (3,186) | - | - | (3,186) |
| As at 31 December 2023 | <u>39,022</u> | <u>-</u> | <u>-</u> | <u>39,022</u> |

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management - continued

(b) Credit risk management - continued

(i) Maximum exposure to credit risk

Maximum exposure to credit risk of the Group without taking account of any collateral and other credit enhancements:

| | As at 31 December | |
|---|--------------------|--------------------|
| | 2023 | 2022 |
| Debt instruments at amortised cost | 50,116,812 | 48,552,570 |
| Refundable deposits | 40,544,278 | 42,706,777 |
| Accounts receivable | 9,743,761 | 7,804,341 |
| Other receivables | 403,399 | 631,698 |
| Margin accounts receivable | 112,341,094 | 100,648,375 |
| Debt instruments at fair value through other comprehensive income | 16,262,000 | 10,504,379 |
| Financial assets held under resale agreements | 12,460,232 | 34,824,221 |
| Financial assets at fair value through profit or loss | 199,732,670 | 180,211,265 |
| Derivative financial assets | 16,259,881 | 15,788,301 |
| Clearing settlement funds | 9,129,266 | 8,716,506 |
| Cash held on behalf of brokerage clients | 137,210,295 | 140,460,346 |
| Bank balances | 46,296,177 | 45,180,542 |
| Total maximum credit risk exposure | <u>650,499,865</u> | <u>636,029,321</u> |

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FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management - continued

(b) Credit risk management - continued

(i) Maximum exposure to credit risk - continued

The Group's credit risk exposure of financial instruments for which an ECL allowance is recognised as follows according to the stage of ECL:

| <u>Impairment and loss allowance</u> | As at 31 December 2023 | | | <u>Total</u> |
|---|------------------------|--|--------------------------------------|------------------|
| | <u>12-month ECL</u> | <u>Lifetime ECL- not credit impaired</u> | <u>Lifetime ECL- credit impaired</u> | |
| Bank balances | 512 | - | - | 512 |
| Margin accounts receivable | 560,203 | 843,096 | 118,048 | 1,521,347 |
| Financial assets held under resale agreements | 17,974 | - | 635,152 | 653,126 |
| Accounts receivable | - | 115,458 | - | 115,458 |
| Debt instruments at amortised cost | 5,499 | - | - | 5,499 |
| Debt instruments at fair value through other comprehensive income | 39,022 | - | - | 39,022 |
| Other receivables and interest receivable | 393 | 47,358 | 715,714 | 763,465 |
| Total | 623,603 | 1,005,912 | 1,468,914 | 3,098,429 |

| <u>Impairment and loss allowance</u> | As at 31 December 2022 | | | <u>Total</u> |
|---|------------------------|--|--------------------------------------|------------------|
| | <u>12-month ECL</u> | <u>Lifetime ECL- not credit impaired</u> | <u>Lifetime ECL- credit impaired</u> | |
| Bank balances | 833 | - | - | 833 |
| Margin accounts receivable | 653,660 | 745,959 | 126,737 | 1,526,356 |
| Financial assets held under resale agreements | 28,128 | - | 1,110,285 | 1,138,413 |
| Accounts receivable | - | 66,131 | 2,400 | 68,531 |
| Debt instruments at amortised cost | 5,132 | - | - | 5,132 |
| Debt instruments at fair value through other comprehensive income | 30,455 | - | - | 30,455 |
| Other receivables and interest receivable | 1,224 | 25,062 | 775,627 | 801,913 |
| Total | 719,432 | 837,152 | 2,015,049 | 3,571,633 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management - continued

(b) *Credit risk management* - continued

(ii) Risk concentrations

The Group's maximum credit risk exposure without taking account of any collateral and other credit enhancements, as categorised by geographical area:

| | <u>By geographical area</u> | | |
|--|-----------------------------|---------------------------------------|--------------------|
| | <u>Mainland China</u> | <u>Outside Mainland China</u> | <u>Total</u> |
| 31 December 2023 | | | |
| Debt instruments at amortised cost | 49,866,999 | 249,813 | 50,116,812 |
| Refundable deposits | 31,882,359 | 8,661,919 | 40,544,278 |
| Accounts receivable | 5,447,675 | 4,296,086 | 9,743,761 |
| Other receivables | 300,952 | 102,447 | 403,399 |
| Margin accounts receivable | 109,994,638 | 2,346,456 | 112,341,094 |
| Debt instruments at fair value through other comprehensive income | 12,414,774 | 3,847,226 | 16,262,000 |
| Financial assets held under resale agreements | 10,787,973 | 1,672,259 | 12,460,232 |
| Financial assets at fair value through profit or loss | 169,171,262 | 30,561,408 | 199,732,670 |
| Derivative financial assets | 7,966,431 | 8,293,450 | 16,259,881 |
| Clearing settlement funds | 6,611,930 | 2,517,336 | 9,129,266 |
| Cash held on behalf of brokerage clients | 134,879,413 | 2,330,882 | 137,210,295 |
| Bank balances | 29,829,183 | 16,466,994 | 46,296,177 |
| Total maximum credit risk exposure | <u>569,153,589</u> | <u>81,346,276</u> | <u>650,499,865</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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61. Financial instruments and risk management - continued

(b) Credit risk management - continued

(ii) Risk concentrations - continued

| | By geographical area | | |
|--|--------------------------|-------------------------------------|--------------------|
| | Mainland <u>China</u> | Outside Mainland <u>China</u> | <u>Total</u> |
| 31 December 2022 | | | |
| Debt instruments at amortised cost | 48,304,074 | 248,496 | 48,552,570 |
| Refundable deposits | 34,006,658 | 8,700,119 | 42,706,777 |
| Accounts receivable | 4,960,874 | 2,843,467 | 7,804,341 |
| Other receivables | 605,104 | 26,594 | 631,698 |
| Margin accounts receivable | 98,360,567 | 2,287,808 | 100,648,375 |
| Debt instruments at fair value through other comprehensive income | 7,697,220 | 2,807,159 | 10,504,379 |
| Financial assets held under resale agreements | 32,896,763 | 1,927,458 | 34,824,221 |
| Financial assets at fair value through profit or loss | 147,624,388 | 32,586,877 | 180,211,265 |
| Derivative financial assets | 11,113,139 | 4,675,162 | 15,788,301 |
| Clearing settlement funds | 8,364,161 | 352,345 | 8,716,506 |
| Cash held on behalf of brokerage clients | 137,729,943 | 2,730,403 | 140,460,346 |
| Bank balances | 30,087,099 | 15,093,443 | 45,180,542 |
| Total maximum credit risk exposure | <u>561,749,990</u> | <u>74,279,331</u> | <u>636,029,321</u> |

(c) Liquidity risk management

Liquidity risk refers to the risk of the Group not being able to obtain sufficient funds at a reasonable cost in time to meet due debts, perform payment obligations and meet the capital requirements of normal businesses. The Group established a fully functional liquidity risk management system to identify, measure, monitor, control and report on its overall liquidity risk to improve the information of liquidity risk management, enhance the capabilities in the identification, measurement and monitoring of liquidity risk, and strengthen the Group ability in addressing liquidity risk. In addition, the Group also established a right-sized liquidity assets reserves based on the risk appetite and maintained sufficient liquidity assets with high quality to ensure the satisfaction of liquidity needs under stressful scenarios in a timely manner.

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61. Financial instruments and risk management - continued

(c) *Liquidity risk management* - continued

The following tables show the details of the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities. Analysis of non-derivative financial liabilities are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

| <u>Financial Liabilities</u> | As at 31 December 2023 | | | | | | | | <u>Total</u> |
|--|------------------------|-------------------------------------|--------------------------|---|--|---|--------------------------|----------------|--------------------|
| | <u>Carrying amount</u> | <u>Overdue/ repayable on demand</u> | <u>Less than 1 month</u> | <u>More than 1 month but less than 3 months</u> | <u>More than 3 months but less than 1 year</u> | <u>More than 1 year but less than 5 years</u> | <u>More than 5 years</u> | <u>Undated</u> | |
| Short-term bank loans | 11,478,573 | - | 7,490,289 | 4,018,259 | 7,226 | - | - | - | 11,515,774 |
| Short-term debt instruments issued | 25,475,507 | - | 3,374,114 | 8,108,499 | 14,717,440 | - | - | - | 26,200,053 |
| Placements from other financial institutions | 39,536,527 | - | 34,236,630 | 2,559,335 | 2,788,710 | - | - | - | 39,584,675 |
| Accounts payable to brokerage clients | 144,701,360 | 144,701,360 | - | - | - | - | - | - | 144,701,360 |
| Other payables and accruals | 113,825,742 | 110,539,646 | 1,635,576 | 102,104 | 429,774 | 1,164,412 | 85,632 | - | 113,957,144 |
| Financial assets sold under repurchase agreements | 144,056,149 | - | 126,317,070 | 13,977,152 | 3,486,110 | 2,646,542 | - | - | 146,426,874 |
| Derivative financial liabilities | 16,881,641 | - | 9,493,502 | 5,738,758 | 1,300,092 | 335,246 | 14,043 | - | 16,881,641 |
| Financial liabilities at fair value through profit or loss | 52,671,166 | 18,167,058 | 3,274,374 | 2,928,070 | 9,537,915 | 16,652,468 | 2,495,190 | - | 53,055,075 |
| Long-term bonds | 159,816,001 | - | 4,920,750 | 1,085,281 | 43,152,379 | 105,349,249 | 11,717,160 | - | 166,224,819 |
| Long-term bank loans | 647,052 | - | - | 10,640 | 31,919 | 733,686 | - | - | 776,245 |
| Total | 709,089,718 | 273,408,064 | 190,742,305 | 38,528,098 | 75,451,565 | 126,881,603 | 14,312,025 | - | 719,323,660 |

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61. Financial instruments and risk management - continued

(c) Liquidity risk management - continued

| Financial Liabilities | As at 31 December 2022 | | | | | | | | |
|--|------------------------|---------------------------------|--------------------|--|---|--|-------------------|---------|--------------------|
| | Carrying amount | Overdue/ repayable on demand | Less than 1 month | More than 1 month but less than 3 months | More than 3 months but less than 1 year | More than 1 year but less than 5 years | More than 5 years | Undated | Total |
| Short-term bank loans | 7,997,434 | - | 4,495,571 | 2,125,582 | 1,429,795 | - | - | - | 8,050,948 |
| Short-term debt instruments issued | 25,772,604 | - | 8,024,227 | 8,236,474 | 9,803,689 | - | - | - | 26,064,390 |
| Placements from other financial institutions | 25,877,713 | - | 24,906,654 | 988,475 | - | - | - | - | 25,895,129 |
| Accounts payable to brokerage clients | 152,551,723 | 152,551,723 | - | - | - | - | - | - | 152,551,723 |
| Other payables and accruals | 108,427,946 | 105,475,895 | 1,115,945 | 94,614 | 361,324 | 1,362,011 | 71,140 | - | 108,480,929 |
| Financial assets sold under repurchase agreements | 144,117,998 | - | 118,041,048 | 13,726,885 | 10,090,026 | 2,579,582 | - | - | 144,437,541 |
| Derivative financial liabilities | 9,638,125 | - | 2,064,342 | 4,314,468 | 2,731,465 | 527,850 | - | - | 9,638,125 |
| Financial liabilities at fair value through profit or loss | 48,575,559 | 8,114,408 | 4,827,141 | 4,627,252 | 8,470,564 | 19,732,533 | 2,951,340 | - | 48,723,238 |
| Long-term bonds | 139,419,338 | - | 555,178 | 11,495,224 | 21,135,114 | 107,619,247 | 9,448,480 | - | 150,253,243 |
| Long-term bank loans | 804,903 | - | - | 6,486 | 19,457 | 857,711 | - | - | 883,654 |
| Total | <u>663,183,343</u> | <u>266,142,026</u> | <u>164,030,106</u> | <u>45,615,460</u> | <u>54,041,434</u> | <u>132,678,934</u> | <u>12,470,960</u> | - | <u>674,978,920</u> |

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61. Financial instruments and risk management - continued

(d) Market risk management

Market risk refers to the risk resulting from the movements in market prices such as exchange rates, interest rates and stock prices, which could have an impact on the income of the Group or the value of financial instruments held by the Group. The objective of market risk management is to manage and control the market risk within the acceptable range and to maximise the risk adjusted return.

(i) Interest rate risk

Interest rate risk refers to the risk that movements in market interest rate will cause fluctuation in the Group's consolidated financial position and cash flow. The Group's interest-bearing assets mainly include bank balances, clearing settlement funds, margin accounts receivable, financial assets purchased under resale agreements, refundable deposits and bond investments; interest-bearing liabilities mainly include short-term bank loans, short-term debt instruments issued, placements from other financial institutions, financial assets sold under repurchase agreements, accounts payable to brokerage clients, long-term bonds and long-term bank loans, amongst others.

For financial instruments held on the reporting date that expose the Group to fair value interest rate risk, the Group adopts sensitivity analysis as the primary instrument for monitoring interest rate risk. Sensitivity analysis measures the effect of any reasonable and potential changes to the interest rate on the net profits and shareholders' equity under the assumption that all the other variables remain constant.

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61. Financial instruments and risk management - continued

(d) Market risk management - continued

(i) Interest rate risk - continued

The following tables indicate the assets and liabilities as at the end of the reporting period by the expected next repricing dates or by maturity dates, depending on which is earlier:

| | As at 31 December 2023 | | | | | | Total |
|---|------------------------|--|---|--|----------------------|-------------------------|--------------------|
| | Less than 1 month | More than 1 month but less than 3 months | More than 3 months but less than 1 year | More than 1 year but less than 5 years | More than 5 years | Non-interest bearing | |
| <u>Financial assets</u> | | | | | | | |
| Investment in a joint venture at fair value through profit or loss | - | - | - | - | - | 380,612 | 380,612 |
| Debt instruments at amortised cost | 19,997 | 330,129 | 4,272,515 | 17,004,533 | 27,915,484 | 574,154 | 50,116,812 |
| Debt instruments at fair value through other comprehensive income | 66,381 | 276,085 | 704,011 | 12,434,424 | 2,546,873 | 234,226 | 16,262,000 |
| Equity instruments at fair value through other comprehensive income | - | - | - | - | - | 124,506 | 124,506 |
| Financial assets held under resale agreements | 7,678,941 | 914,662 | 3,716,892 | 128,762 | - | 20,975 | 12,460,232 |
| Refundable deposits | 2,726,297 | - | - | - | - | 37,817,981 | 40,544,278 |
| Accounts receivable | - | - | - | - | - | 9,743,761 | 9,743,761 |
| Other receivables | - | - | - | - | - | 403,399 | 403,399 |
| Margin accounts receivable | 34,688,633 | 19,190,616 | 53,851,817 | - | - | 4,610,028 | 112,341,094 |
| Financial assets at fair value through profit or loss | 8,006,000 | 11,967,448 | 58,371,182 | 67,122,640 | 49,493,564 | 218,118,550 | 413,079,384 |
| Derivative financial assets | 945,881 | - | - | - | - | 15,314,000 | 16,259,881 |
| Clearing settlement funds | 9,129,266 | - | - | - | - | - | 9,129,266 |
| Cash held on behalf of brokerage clients | 137,161,030 | - | - | - | - | 49,265 | 137,210,295 |
| Cash and bank balances | 41,190,662 | 1,853,683 | 3,158,240 | - | - | 93,781 | 46,296,366 |
| Total | <u>241,613,088</u> | <u>34,532,623</u> | <u>124,074,657</u> | <u>96,690,359</u> | <u>79,955,921</u> | <u>287,485,238</u> | <u>864,351,886</u> |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management - continued

(d) Market risk management - continued

(i) Interest rate risk - continued

| Financial liabilities | As at 31 December 2023 | | | | | | Total |
|--|------------------------|--|---|--|---------------------|----------------------|----------------------|
| | Less than 1 month | More than 1 month but less than 3 months | More than 3 months but less than 1 year | More than 1 year but less than 5 years | More than 5 years | Non-interest bearing | |
| Short-term bank loans | (7,406,019) | (3,964,154) | (7,087) | - | - | (101,313) | (11,478,573) |
| Short-term debt instruments issued | (3,311,150) | (7,811,521) | (14,263,031) | - | - | (89,805) | (25,475,507) |
| Placements from other financial institutions | (34,219,619) | (2,549,218) | (2,740,314) | - | - | (27,376) | (39,536,527) |
| Accounts payable to brokerage clients | (144,695,879) | - | - | - | - | (5,481) | (144,701,360) |
| Other payables and accruals | (41,872) | (96,955) | (402,053) | (855,249) | (72,031) | (112,357,582) | (113,825,742) |
| Financial assets sold under repurchase agreements | (123,923,219) | (13,897,025) | (3,373,685) | (2,441,046) | - | (421,174) | (144,056,149) |
| Derivative financial liabilities | (89,473) | - | - | - | - | (16,792,168) | (16,881,641) |
| Financial liabilities at fair value through profit or loss | (17,750,530) | (2,928,070) | (9,333,168) | (16,473,306) | - | (6,186,092) | (52,671,166) |
| Long-term bonds | (4,158,100) | (342,743) | (39,774,430) | (101,878,290) | (11,300,000) | (2,362,438) | (159,816,001) |
| Long-term bank loans | - | - | - | (647,052) | - | - | (647,052) |
| Total | <u>(335,595,861)</u> | <u>(31,589,686)</u> | <u>(69,893,768)</u> | <u>(122,294,943)</u> | <u>(11,372,031)</u> | <u>(138,343,429)</u> | <u>(709,089,718)</u> |
| Net interest rate risk exposure | (93,982,773) | 2,942,937 | 54,180,889 | (25,604,584) | 68,583,890 | 149,141,809 | 155,262,168 |

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61. Financial instruments and risk management - continued

(d) Market risk management - continued

(i) Interest rate risk - continued

| <u>Financial assets</u> | As at 31 December 2022 | | | | | | <u>Total</u> |
|---|------------------------------|---|--|---|------------------------------|---------------------------------|--------------------|
| | <u>Less than 1 month</u> | <u>More than 1 month but less than 3 months</u> | <u>More than 3 months but less than 1 year</u> | <u>More than 1 year but less than 5 years</u> | <u>More than 5 years</u> | <u>Non-interest bearing</u> | |
| Investment in a joint venture at fair value through profit or loss | - | - | - | - | - | 741,464 | 741,464 |
| Debt instruments at amortised cost | - | 2,539,755 | 9,164,018 | 15,342,932 | 20,306,747 | 1,199,118 | 48,552,570 |
| Debt instruments at fair value through other comprehensive income | 941,395 | 706,702 | 1,134,061 | 6,826,953 | 657,568 | 237,700 | 10,504,379 |
| Equity instruments at fair value through other comprehensive income | - | - | - | - | - | 241,587 | 241,587 |
| Financial assets held under resale agreements | 28,763,564 | 525,128 | 5,501,417 | - | - | 34,112 | 34,824,221 |
| Refundable deposits | 3,750,986 | - | - | - | - | 38,955,791 | 42,706,777 |
| Accounts receivable | - | - | - | - | - | 7,804,341 | 7,804,341 |
| Other receivables | - | - | - | - | - | 631,698 | 631,698 |
| Margin accounts receivable | 8,461,214 | 25,715,434 | 61,974,095 | - | - | 4,497,632 | 100,648,375 |
| Financial assets at fair value through profit or loss | 2,263,844 | 8,204,952 | 50,238,616 | 69,299,438 | 47,030,215 | 173,767,480 | 350,804,545 |
| Derivative financial assets | 1,199,078 | - | - | - | - | 14,589,223 | 15,788,301 |
| Clearing settlement funds | 8,716,492 | - | - | - | - | 14 | 8,716,506 |
| Cash held on behalf of brokerage clients | 140,221,777 | - | - | - | - | 238,569 | 140,460,346 |
| Cash and bank balances | 40,672,383 | 2,179,170 | 2,250,000 | - | - | 79,192 | 45,180,745 |
| Total | <u>234,990,733</u> | <u>39,871,141</u> | <u>130,262,207</u> | <u>91,469,323</u> | <u>67,994,530</u> | <u>243,017,921</u> | <u>807,605,855</u> |

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management - continued

(d) Market risk management - continued

(i) Interest rate risk - continued

| <u>Financial liabilities</u> | As at 31 December 2022 | | | | | | <u>Total</u> |
|--|--------------------------|---|--|---|--------------------------|-----------------------------|----------------------|
| | <u>Less than 1 month</u> | <u>More than 1 month but less than 3 months</u> | <u>More than 3 months but less than 1 year</u> | <u>More than 1 year but less than 5 years</u> | <u>More than 5 years</u> | <u>Non-interest bearing</u> | |
| Short-term bank loans | (4,465,950) | (2,089,663) | (1,393,108) | - | - | (48,713) | (7,997,434) |
| Short-term debt instruments issued | (8,023,902) | (8,125,329) | (9,467,421) | - | - | (155,952) | (25,772,604) |
| Placements from other financial institutions | (24,887,159) | (975,044) | - | - | - | (15,510) | (25,877,713) |
| Accounts payable to brokerage clients | (152,541,660) | - | - | - | - | (10,063) | (152,551,723) |
| Other payables and accruals | (47,758) | (93,231) | (351,653) | (955,201) | (70,743) | (106,909,360) | (108,427,946) |
| Financial assets sold under repurchase agreements | (117,918,819) | (13,675,780) | (9,890,890) | (2,439,210) | - | (193,299) | (144,117,998) |
| Derivative financial liabilities | (237,263) | - | - | - | - | (9,400,862) | (9,638,125) |
| Financial liabilities at fair value through profit or loss | (11,254,242) | (4,627,252) | (10,393,026) | (17,170,404) | - | (5,130,635) | (48,575,559) |
| Long-term bonds | (6,978) | (10,785,840) | (17,814,179) | (101,657,640) | (7,200,000) | (1,954,701) | (139,419,338) |
| Long-term bank loans | - | - | - | (804,903) | - | - | (804,903) |
| Total | <u>(319,383,731)</u> | <u>(40,372,139)</u> | <u>(49,310,277)</u> | <u>(123,027,358)</u> | <u>(7,270,743)</u> | <u>(123,819,095)</u> | <u>(663,183,343)</u> |
| Net interest rate risk exposure | (84,392,998) | (500,998) | 80,951,930 | (31,558,035) | 60,723,787 | 119,198,825 | 144,422,511 |

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(Expressed in thousands of Renminbi, unless otherwise stated)

61. Financial instruments and risk management - continued

(d) Market risk management - continued

(i) Interest rate risk - continued

For those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period, the Group adopts sensitivity analysis to measure the potential effect of changes in interest rates on the Group's net profit and equity. Assuming all other variables remain constant and without taking into consideration of the management's activities to reduce interest rate risk, interest rate sensitivity analysis is as follows:

| | <u>Sensitivity of net profit</u> | |
|----------------------------|----------------------------------|-------------|
| | <u>As at 31 December</u> | |
| <u>Move in yield curve</u> | <u>2023</u> | <u>2022</u> |
| Up 100 basis points | (3,983,526) | (2,606,204) |
| Down 100 basis points | 4,623,149 | 2,991,994 |
| | <u>Sensitivity of net equity</u> | |
| | <u>As at 31 December</u> | |
| <u>Move in yield curve</u> | <u>2023</u> | <u>2022</u> |
| Up 100 basis points | (4,147,742) | (2,732,825) |
| Down 100 basis points | 4,792,250 | 3,123,950 |

The sensitivity analysis above indicates the instantaneous change in the Group's net profit and equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates.

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61. Financial instruments and risk management - continued

(d) *Market risk management* - continued

(ii) Currency risk

Currency risk is the risk arising from foreign exchange business of the Group, which is attributable to the fluctuation of foreign exchange rates. Apart from the assets and liabilities held by the Group's overseas subsidiaries which use Hong Kong dollars or U.S. dollars as their functional currency, other assets and liabilities denominated in foreign currencies mainly represent foreign currency cash and bank balances held by domestic enterprises, foreign currency financial assets and liabilities arising from cross-border business, as well as foreign currency financial assets acquired by subsidiaries. In respect of assets and liabilities denominated in foreign currencies such as cash and bank balances, clearing settlement funds, refundable deposits, accounts receivable, cash held on behalf of brokerage clients, accounts payable and long-term bonds that are not accounted for with their functional currency, the Group has ensured that their net risk exposure are maintained at an acceptable level by buying or selling foreign currencies at market exchange rates where necessary to address the short-term imbalances.

Assuming all other risk variables remained constant and without consideration of risk management measures undertaken by the Group, a 10% strengthening of the RMB against USD and HKD at the reporting date would have increased / (decreased) the Group's equity and net profit by the amount shown below, whose effect is in RMB and translated using the spot rate at the reporting date:

| <u>Currency</u> | <u>Sensitivity of net profit</u> | |
|-----------------|----------------------------------|-------------|
| | <u>As at 31 December</u> | |
| | <u>2023</u> | <u>2022</u> |
| USD | (723,668) | (835,159) |
| HKD | (1,591,456) | (1,483,611) |
| | <u>Sensitivity of net equity</u> | |
| | <u>As at 31 December</u> | |
| <u>Currency</u> | <u>2023</u> | <u>2022</u> |
| USD | (723,668) | (835,159) |
| HKD | (3,276,332) | (2,964,476) |

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61. Financial instruments and risk management - continued

(d) *Market risk management* - continued

(ii) Currency risk - continued

A 10% weakening of the RMB against the USD and HKD at balance date would have had the equal but opposite effect on them to the amounts shown above, on the basis that all other variables remained constant.

Due to the above assumptions, the result of sensitivity analysis on exchange rate changes may be different, compared with the actual changes in the Group's net profit and equity of may arise with this.

(iii) Price risks

The Group is exposed to equity price changes arising from equity investments concluded in financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income. Price risk the Group facing is mainly the proportionate fluctuation in the Group's net profits due to the price fluctuation of the financial instruments at fair value through profit or loss and the proportionate fluctuation in the Group's equity due to the price fluctuation of the financial instruments measured at fair value.

Sensitivity analysis

The analysis below is performed to show the impact on Group's net profit and equity due to change in the prices of equity securities by 10% with all other variables held constant.

| | <u>Sensitivity of net profit</u> | |
|-----------------|----------------------------------|-------------|
| | <u>As at 31 December</u> | |
| | <u>2023</u> | <u>2022</u> |
| Increase by 10% | 7,169,444 | 6,004,806 |
| Decrease by 10% | (7,169,444) | (6,004,806) |
| | <u>Sensitivity of net equity</u> | |
| | <u>As at 31 December</u> | |
| | <u>2023</u> | <u>2022</u> |
| Increase by 10% | 7,178,930 | 6,024,232 |
| Decrease by 10% | (7,178,930) | (6,024,232) |

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61. Financial instruments and risk management - continued

(d) *Market risk management* - continued

(iii) Price risks - continued

The sensitivity analysis indicates the instantaneous change in the Group's net profit and equity that would arise assuming that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, and that all other variables remain constant. The analysis is performed on the same basis for 2023 and 2022.

(e) *Operational risk management*

Operational risk refers to the risk on the Company's losses caused by inadequate or problematic internal procedures, staff, system or external events, which lead to inefficient internal procedures, mistakes of staff in operation or failure to strictly enforce the established procedures. The Risk Management Department takes the lead in managing the operational risk of the Group. Each department, business department and subsidiary actively perform the operational risk management in their respective lines and are responsible for the management effect, and bear the first responsibility. The Company adopts technological measures to prevent the emergence of operational risks in different business and management procedures as well as key segments, whilst at the same time strengthens process controls, to ensure effective implementation of operational risk management policies and systems. The Group carries out self-assessment of risk and control, monitoring of key risk indicators and gathering of loss data as additional approaches to strengthen the management of operational risks.

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61. Financial instruments and risk management - continued

(e) *Operational risk management* - continued

Based on the Basic Standard for Enterprise Internal Control jointly issued by the Ministry of Finance, the CSRC, the National Audit Office and the Former China Banking and Insurance Regulatory Commission as well as its supporting guidelines and the relevant requirements of the regulatory authorities and the Company, the Group has developed the risk-based internal control standards and carried out relevant continuous improvement initiatives. It has combined the self-assessment of operational risk with the self-assessment of internal controls; comprehensively sorted out and evaluated the inherent risks and control activities in various business processes; tested the effectiveness of control design and implementation; rectified the internal control weaknesses; comprehensively sorted out and optimised various business segments, systems and processes of the Group; whilst at the same time supplemented and improved the risk control matrix and internal control manual; recorded the risk points, key control activities and major business flow charts in order to ensure that the Group internal control measures are properly in place and the effectiveness of risk management. In addition, the Group has also integrated the management of operational risk and internal controls into daily operation; participated in the design of system, procedures and plan for new business throughout the entire process; fully identified and comprehensively evaluated the operational risks; and performed various pre-, middle- and post management measures such as setting up front-end controls, standardising business processes, creating risk-discovery indicators and conducting training and inspection in order to implement internal controls at key risk points.

(f) *Capital management*

The Group's objectives of capital management are:

- (i) To safeguard the Group's ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders;
- (ii) To support the Group's stability and growth;
- (iii) To maintain a strong capital base to support the development of their business; and
- (iv) To comply with the capital requirements under the PRC, Hong Kong and the United States regulations.

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61. Financial instruments and risk management - continued

(f) Capital management - continued

On 23 January 2020 and 16 June 2020, the revised Rules on Standards for the Calculation of Risk Control Indicators of Securities Companies and the revised Administrative Measures for Risk Control Indicators of Securities Companies were issued by the CSRC ("Revised Administrative Measures"). The Company is required to meet the following standards for risk control indicators on a continual basis from 1 June 2020:

- (i) The ratio of net capital divided by the sum of its various risk capital provisions shall be no less than 100%;
- (ii) The ratio of net capital divided by net assets shall be no less than 20%;
- (iii) The ratio of net capital divided by liabilities shall be no less than 8% ;
- (iv) The ratio of net assets divided by liabilities shall be no less than 10%;
- (v) The ratio of the value of equity securities and derivatives held divided by net capital shall not exceed 100% ;
- (vi) The ratio of the value of non-equity securities and derivatives held divided by net capital shall not exceed 500%;
- (vii) The ratio of core net capital divided by on balance sheet and off balance sheet assets shall be no less than 8%;
- (viii) The ratio of high quality liquidity assets divided by net cash outflows for the next 30 days shall be no less than 100%;
- (ix) The ratio of available stable funds divided by required stable funds shall be no less than 100%; and
- (x) The ratio of margin financing (including securities lending) divided by net capital shall not exceed 400%.

Net capital refers to net assets minus risk adjustments on certain types of assets as defined in the Administrative Measures.

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61. Financial instruments and risk management - continued

(f) Capital management - continued

As at 31 December 2023 and 31 December 2022, the Company maintained net capital and the above ratios as follows:

| | Year ended 31 December | |
|--|------------------------|---------------------------|
| | <u>2023</u> | <u>2022</u> (restated) |
| Net Capital | 94,076,764 | 92,975,959 |
| The ratio of net capital divided by the sum of its various risk capital provisions | 247.80% | 240.14% |
| The ratio of net capital divided by net assets | 60.67% | 64.73% |
| The ratio of net capital divided by liabilities | 22.15% | 23.14% |
| The ratio of net assets divided by liabilities | 36.51% | 35.76% |
| The ratio of the value of equity securities and derivatives held divided by net capital | 28.58% | 45.73% |
| The ratio of the value of non-equity securities and derivatives held divided by net capital | 366.74% | 316.80% |
| The ratio of core net capital divided by on balance sheet and off balance sheet assets | 13.98% | 14.10% |
| The ratio of high quality liquidity assets divided by net cash outflows for the next 30 days | 152.51% | 166.57% |
| The ratio of available stable funds divided by required stable funds | 130.84% | 129.33% |
| The ratio of margin financing (including securities lending) divided by net capital | 139.45% | 131.02% |

Similar to the Company, certain subsidiaries of the Group are also subject to capital requirements under the Mainland China, Hong Kong and the United States regulatory requirements, respectively. These subsidiaries comply with the capital requirements during the year ended 31 December 2023 and 31 December 2022.

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61. Financial instruments and risk management - continued

(g) Transfer of financial assets

The Group transferred financial assets to certain counterparties through repurchase agreements and securities lending. These securities are not derecognised from the consolidated statement of financial position because the Group retains substantially all the risks and rewards of these securities.

The Group entered into repurchase agreements with certain counterparties to sell debt securities classified as financial assets at fair value through profit or loss and debt instruments at amortised cost. Sales and repurchase agreements are transactions in which the Group sell a security, and agree to repurchase it at the agreed date and price. The repurchase prices are fixed and the Group is still exposed to substantially all the credit risks, market risks and rewards of those securities sold. These securities are not derecognised from the consolidated statement of financial position because the Group retains substantially all the risks and rewards of these financial assets.

The Group entered into securities lending agreements with clients to lend out its equity securities and exchange-traded funds classified as financial assets at fair value through profit or loss. As stipulated in the securities lending agreements, the legal ownership of these equity securities and exchange-traded funds is transferred to the clients. Although the clients are allowed to sell these securities during the covered period, they have obligations to return these securities to the Group at specified future dates. The Group has determined that it retains substantially all the risks and interests of these securities and therefore has not derecognised these securities in the consolidated statement of financial position.

The following tables provide a summary of carrying amounts and fair values of the transferred financial assets that are not derecognised in their entirety and the associated liabilities:

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61. Financial instruments and risk management - continued

(g) Transfer of financial assets - continued

As at 31 December 2023

| | Financial assets at fair value through profit or loss | | Debt instruments at amortised cost | <u>Total</u> |
|--|--|-------------------------------|--|--------------------|
| | <u>Sales and repurchase agreements</u> | <u>Securities lending</u> | <u>Sales and repurchase agreements</u> | |
| Carrying amount of transferred assets | 1,848,651 | 1,791,118 | - | 3,639,769 |
| Carrying amount of associated liabilities | <u>(1,733,189)</u> | <u>-</u> | <u>-</u> | <u>(1,733,189)</u> |
| Net position | <u>115,462</u> | <u>1,791,118</u> | <u>-</u> | <u>1,906,580</u> |

As at 31 December 2022

| | Financial assets at fair value through profit or loss | | Debt instruments at amortised cost | <u>Total</u> |
|--|--|-------------------------------|--|--------------------|
| | <u>Sales and repurchase agreements</u> | <u>Securities lending</u> | <u>Sales and repurchase agreements</u> | |
| Carrying amount of transferred assets | 4,514,082 | 2,902,260 | 50,458 | 7,466,800 |
| Carrying amount of associated liabilities | <u>(4,125,761)</u> | <u>-</u> | <u>(48,486)</u> | <u>(4,174,247)</u> |
| Net position | <u>388,321</u> | <u>2,902,260</u> | <u>1,972</u> | <u>3,292,553</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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62. Fair value information

(a) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participations at the measurement date.

(i) Financial instruments in Level I

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price within bid-ask spread. These instruments are included in Level I.

(ii) Financial instruments in Level II

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level II.

(iii) Financial instruments in Level III

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level III.

(b) Fair value of other financial instruments (carried at other than fair value)

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis is estimated by the active market quotation or determined in accordance with discounted cash flow method.

The main parameters used in discounted cash flow method for financial instruments held by the Group that are not measured at fair value on a recurring basis include bond interest rates, foreign exchange rates and counterparty credit spreads.

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62. Fair value information - continued

(b) Fair value of other financial instruments (carried at other than fair value) - continued

The carrying amount and fair value of debt instruments at amortised cost investments, short-term debt instruments issued and long-term bonds which are not presented at fair value are listed as below:

Carrying amount

| | As at 31 December | |
|--------------------------------------|----------------------|----------------------|
| | <u>2023</u> | <u>2022</u> |
| <i>Financial assets</i> | | |
| - Debt instruments at amortised cost | 50,116,812 | 48,552,570 |
| Total | <u>50,116,812</u> | <u>48,552,570</u> |
| <i>Financial liabilities</i> | | |
| - Short-term debt instruments issued | (25,475,507) | (25,772,604) |
| - Long-term bonds | <u>(159,816,001)</u> | <u>(139,419,338)</u> |
| Total | <u>(185,291,508)</u> | <u>(165,191,942)</u> |

Fair value

| | As at 31 December 2023 | | | |
|--------------------------------------|------------------------|--------------------|-------------------|--------------------|
| | <u>Level I</u> | <u>Level II</u> | <u>Level III</u> | <u>Total</u> |
| <i>Financial assets</i> | | | | |
| - Debt instruments at amortised cost | - | 51,189,494 | - | 51,189,494 |
| Total | <u>-</u> | <u>51,189,494</u> | <u>-</u> | <u>51,189,494</u> |
| <i>Financial liabilities</i> | | | | |
| - Short-term debt instruments issued | - | 14,047,389 | 11,444,324 | 25,491,713 |
| - Long-term bonds | - | <u>129,176,100</u> | <u>32,302,564</u> | <u>161,478,664</u> |
| Total | <u>-</u> | <u>143,223,489</u> | <u>43,746,888</u> | <u>186,970,377</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

62. Fair value information - continued

(b) Fair value of other financial instruments (carried at other than fair value) - continued

Fair value - continued

| | As at 31 December 2022 | | | |
|--------------------------------------|------------------------|-----------------|------------------|--------------|
| | <u>Level I</u> | <u>Level II</u> | <u>Level III</u> | <u>Total</u> |
| <i>Financial assets</i> | | | | |
| - Debt instruments at amortised cost | - | 48,923,303 | - | 48,923,303 |
| Total | - | 48,923,303 | - | 48,923,303 |
| <i>Financial liabilities</i> | | | | |
| - Short-term debt instruments issued | - | 9,133,900 | 16,634,558 | 25,768,458 |
| - Long-term bonds | - | 115,183,301 | 24,857,323 | 140,040,624 |
| Total | - | 124,317,201 | 41,491,881 | 165,809,082 |

The fair value of the financial assets and financial liabilities included in the level II and III categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Except for the above, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the Group's consolidated statement of financial position approximate their fair value.

(c) Fair value of financial instruments carried at fair value

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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(Expressed in thousands of Renminbi, unless otherwise stated)

62. Fair value information - continued

(c) Fair value of financial instruments carried at fair value - continued

| | As at 31 December 2023 | | | Total |
|---|------------------------|---------------------|---------------------|---------------------|
| | Level I | Level II | Level III | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| - Debt securities | 1,247,948 | 193,929,712 | 586,617 | 195,764,277 |
| - Equity securities | 114,529,748 | 8,985 | 15,068,652 | 129,607,385 |
| - Mutual funds | 59,389,427 | 2,199,859 | 178,042 | 61,767,328 |
| - Private funds | - | 22,344,489 | - | 22,344,489 |
| - Wealth management products | - | 1,418,630 | - | 1,418,630 |
| - Other debt instruments | - | - | 2,177,275 | 2,177,275 |
| Debt instruments at fair value through other comprehensive income | - | 16,081,537 | 180,463 | 16,262,000 |
| Equity instruments at fair value through other comprehensive income | - | 18,849 | 105,657 | 124,506 |
| Other investment | | | | |
| - Unlisted investment in a joint venture | - | - | 380,612 | 380,612 |
| Derivative financial assets | 197,373 | 10,353,460 | 5,709,048 | 16,259,881 |
| Total | <u>175,364,496</u> | <u>246,355,521</u> | <u>24,386,366</u> | <u>446,106,383</u> |
| Liabilities | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| - Financial liabilities held for trading | (1,457,566) | (34,474,571) | - | (35,932,137) |
| - Financial liabilities designated at fair value through profit or loss | (828,545) | (5,031,459) | (10,879,025) | (16,739,029) |
| Derivative financial liabilities | (247,954) | (13,176,576) | (3,457,111) | (16,881,641) |
| Total | <u>(2,534,065)</u> | <u>(52,682,606)</u> | <u>(14,336,136)</u> | <u>(69,552,807)</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Expressed in thousands of Renminbi, unless otherwise stated)

62. Fair value information - continued

(c) Fair value of financial instruments carried at fair value - continued

| | As at 31 December 2022 | | | Total |
|---|------------------------|---------------------|---------------------|---------------------|
| | Level I | Level II | Level III | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| - Debt securities | 1,731,297 | 172,159,442 | 314,711 | 174,205,450 |
| - Equity securities | 90,450,244 | 48,204 | 16,878,323 | 107,376,771 |
| - Mutual funds | 44,567,500 | 869,420 | 106,443 | 45,543,363 |
| - Private funds | - | 17,423,948 | - | 17,423,948 |
| - Wealth management products | - | 3,151,457 | - | 3,151,457 |
| - Other debt instruments | - | - | 3,103,556 | 3,103,556 |
| Debt instruments at fair value through other comprehensive income | - | 9,826,506 | 677,873 | 10,504,379 |
| Equity instruments at fair value through other comprehensive income | - | 153,793 | 87,794 | 241,587 |
| Other investment | | | | |
| - Unlisted investment in a joint venture | - | - | 741,464 | 741,464 |
| Derivative financial assets | 109,080 | 12,443,939 | 3,235,282 | 15,788,301 |
| Total | <u>136,858,121</u> | <u>216,076,709</u> | <u>25,145,446</u> | <u>378,080,276</u> |
| Liabilities | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| - Financial liabilities held for trading | (1,275,845) | (35,231,451) | - | (36,507,296) |
| - Financial liabilities designated at fair value through profit or loss | (315,303) | (2,092,813) | (9,660,147) | (12,068,263) |
| Derivative financial liabilities | (130,351) | (8,226,125) | (1,281,649) | (9,638,125) |
| Total | <u>(1,721,499)</u> | <u>(45,550,389)</u> | <u>(10,941,796)</u> | <u>(58,213,684)</u> |

For the year ended 31 December 2023, there was no transfer from Level II to Level I (For the year ended 31 December 2022: Nil).

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(Expressed in thousands of Renminbi, unless otherwise stated)

62. Fair value information - continued

(c) *Fair value of financial instruments carried at fair value* - continued

(i) Valuation methods for financial instruments in Level II

| <u>Financial assets and liabilities</u> | <u>Fair value hierarchy</u> | <u>Valuation technique(s) and key input(s)</u> |
|---|-----------------------------|---|
| Debt securities at fair value through profit or loss | Level II | Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the bonds. |
| Equity securities at fair value through profit or loss | Level II | Recent transaction prices. |
| Funds at fair value through profit or loss | Level II | Net asset value as published by the fund managers. |
| Wealth management products at fair value through profit or loss | Level II | Net asset value as published by the managers of products. |
| Debt instruments at fair value through other comprehensive income | Level II | Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the bonds. |
| Equity instruments at fair value through other comprehensive income | Level II | Recent transaction prices. |
| Derivative financial assets/ derivative financial liabilities | Level II | Future cash flows estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties; or calculated based on the difference between the equity return of underlying equity securities and the fixed income agreed in the swap agreements. |
| Financial liabilities held for trading | Level II | Future cash flows estimated based on contractual amounts discounted at a rate that reflects the credit risk of the debt instruments. |
| Financial liabilities designated at fair value through profit or loss | Level II | Calculated based on the fair value of the underlying investments which are debt securities and publicly traded equity investments in each portfolio. |

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62. Fair value information - continued

(c) Fair value of financial instruments carried at fair value - continued

(ii) Valuation methods for Financial instruments in Level III

| <u>Financial assets and liabilities</u> | <u>Fair value hierarchy</u> | <u>Valuation technique(s)</u> | <u>Significant unobservable input(s)</u> | <u>Relationship of unobservable input(s) to fair value</u> |
|---|-----------------------------|--|---|---|
| Other debt instruments and debt securities at fair value through profit or loss | Level III | Discounted cash flow model | Risk adjusted discount rate and expected cash flow. | The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value. |
| Unlisted equity securities at fair value through profit or loss | Level III | Market approach, with an adjustment or discount for lack of marketability | Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate. | The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value. |
| Funds at fair value through profit or loss | Level III | Black-Scholes option pricing model | Indicators such as price volatility of comparable funds, and discount rate. | The higher the price volatility, the higher the discount rate; the higher the discount rate, the lower the fair value. |
| Debt instruments at fair value through other comprehensive income | Level III | Discounted cash flow model | Risk adjusted discount rate and expected cash flow. | The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value. |
| Equity instruments at fair value through other comprehensive income | Level III | Market approach, with an adjustment or discount for lack of marketability | Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate. | The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value. |
| Unlisted investment in a joint venture | Level III | Discounted cash flow model | Risk adjusted discount rate and expected cash flow. | The higher the risk adjusted discount rate, the lower the fair value; the higher the expected cash flow, the higher the fair value. |
| Derivative financial assets/ derivative financial liabilities | Level III | Black-Scholes option pricing model /Monte-Carlo option pricing model | Price volatility of underlying assets. | The higher the price volatility, the greater the impact on the fair value. |
| Financial liabilities designated at fair value through profit or loss | Level III | Market approach, with an adjustment or discount for lack of marketability of the underlying portfolios | Indicators such as P/E and P/B multiples of comparable listed companies, and liquidity discount rate. | The higher the discount, the lower the fair value; the higher the valuation multiples, the higher the fair value. |
| Financial liabilities designated at fair value through profit or loss | Level III | Black-Scholes option pricing model /Monte-Carlo option pricing model | Price volatility of underlying assets. | The higher the price volatility, the greater the impact on the fair value. |

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62. Fair value information - continued

(c) Fair value of financial instruments carried at fair value - continued

(iii) Financial instruments in Level III

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level III of the fair value hierarchy:

| | Financial assets at fair value through profit or loss | Other investment | Debt instruments at fair value through other comprehensive income | Equity instruments assets at fair value through other comprehensive income | Derivative financial assets | Total | Financial liabilities at fair value through profit or loss | Derivative financial liabilities | Total |
|--|--|---------------------|--|--|--------------------------------|-------------------|--|--|---------------------|
| As at 1 January 2023 | 20,403,033 | 741,464 | 677,873 | 87,794 | 3,235,282 | 25,145,446 | (9,660,147) | (1,281,649) | (10,941,796) |
| Transfer in | 66,381 | - | - | - | - | 66,381 | - | - | - |
| Transfer out | (9,737,580) | - | - | - | - | (9,737,580) | - | - | - |
| Gains or losses for the year | (43,469) | (360,852) | 1,819 | - | 3,167,323 | 2,764,821 | (483,933) | (1,618,490) | (2,102,423) |
| Changes in fair value recognised in other comprehensive income | - | - | (5,179) | 17,863 | (31,121) | (18,437) | - | (32,763) | (32,763) |
| Additions | 9,511,417 | - | - | - | 21,555 | 9,532,972 | (6,989,522) | 564,316 | (6,425,206) |
| Sales | (1,746,812) | - | - | - | (46,394) | (1,793,206) | - | (608,437) | (608,437) |
| Settlements | (442,384) | - | (494,050) | - | (637,597) | (1,574,031) | 6,254,577 | (480,088) | 5,774,489 |
| As at 31 December 2023 | <u>18,010,586</u> | <u>380,612</u> | <u>180,463</u> | <u>105,657</u> | <u>5,709,048</u> | <u>24,386,366</u> | <u>(10,879,025)</u> | <u>(3,457,111)</u> | <u>(14,336,136)</u> |
| Total gains or losses for the period included in profit or loss for assets/liability held at the end of the reporting period | <u>391,908</u> | <u>(360,852)</u> | <u>-</u> | <u>-</u> | <u>2,487,619</u> | <u>2,518,675</u> | <u>1,515,251</u> | <u>(2,030,084)</u> | <u>(514,833)</u> |

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62. Fair value information - continued

(c) Fair value of financial instruments carried at fair value - continued

(iii) Financial instruments in Level III - continued

| | Financial assets at fair value through profit or loss | Other investment | Debt instruments at fair value through other comprehensive income | Equity instruments assets at fair value through other comprehensive income | Derivative financial assets | Total | Financial liabilities at fair value through profit or loss | Derivative financial liabilities | Total |
|--|--|---------------------|--|--|--------------------------------|-------------------|--|--|---------------------|
| As at 1 January 2022 | 8,233,247 | 823,289 | 909,525 | 88,606 | 2,679,713 | 12,734,380 | (3,606,854) | (2,151,622) | (5,758,476) |
| Transfer in | 144,869 | - | - | - | - | 144,869 | - | - | - |
| Transfer out | - | - | - | - | - | - | - | - | - |
| Gains or losses for the year | 2,150,416 | (81,825) | 186,181 | - | 2,192,347 | 4,447,119 | 39,004 | (804,995) | (765,991) |
| Changes in fair value recognised in other comprehensive income | - | - | (18,757) | (812) | - | (19,569) | - | 56,828 | 56,828 |
| Additions | 13,297,335 | - | 367,758 | - | 1,053 | 13,666,146 | (6,208,983) | (40,364) | (6,249,347) |
| Sales | (1,048,901) | - | - | - | (12) | (1,048,913) | - | 50,200 | 50,200 |
| Settlements | (2,373,933) | - | (766,834) | - | (1,637,819) | (4,778,586) | 116,686 | 1,608,304 | 1,724,990 |
| As at 31 December 2022 | <u>20,403,033</u> | <u>741,464</u> | <u>677,873</u> | <u>87,794</u> | <u>3,235,282</u> | <u>25,145,446</u> | <u>(9,660,147)</u> | <u>(1,281,649)</u> | <u>(10,941,796)</u> |
| Total gains or losses for the period included in profit or loss for assets/liability held at the end of the reporting period | <u>(281,731)</u> | <u>(81,825)</u> | <u>-</u> | <u>-</u> | <u>1,063,425</u> | <u>699,869</u> | <u>(619,585)</u> | <u>(1,252,215)</u> | <u>(1,871,800)</u> |

For the year ended 31 December 2023, the Group's investments in financial assets at fair value through profit or loss of RMB66,381 million were transferred from Level I to Level III, as the fair values of these securities were determined with the use of valuation techniques instead of quoted prices, due to delisting (For the year ended 31 December 2022: RMB144,869 million).

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62. Fair value information - continued

(c) *Fair value of financial instruments carried at fair value* - continued

(iii) Financial instruments in Level III - continued

For the year ended 31 December 2023, the Group's investments in financial assets at fair value through profit or loss of RMB9,738 million were transferred from Level III to Level I, as the fair values of these securities were determined with the use of quoted prices instead of valuation techniques, due to expiration of lock-up period (For the year ended 31 December 2022: nil).

63. Share-based payments

| | <u>Notes</u> | As at 1 January <u>2023</u> | Accrued for the year | Decrease for the year | As at 31 December <u>2023</u> |
|--|--------------|-----------------------------------|-------------------------|--------------------------|-------------------------------------|
| Restricted Share Incentive Scheme of A Shares | (a) | 223,981 | 72,582 | (115,774) | 180,789 |
| Share-based payments of an overseas subsidiary | (b) | <u>1,273,641</u> | <u>114,912</u> | <u>-</u> | <u>1,388,553</u> |
| Total | | <u><u>1,497,622</u></u> | <u><u>187,494</u></u> | <u><u>(115,774)</u></u> | <u><u>1,569,342</u></u> |
| | <u>Notes</u> | As at 1 January <u>2022</u> | Accrued for the year | Decrease for the year | As at 31 December <u>2022</u> |
| Restricted Share Incentive Scheme of A Shares | (a) | 98,209 | 125,772 | - | 223,981 |
| Share-based payments of an overseas subsidiary | (b) | <u>1,150,320</u> | <u>123,321</u> | <u>-</u> | <u>1,273,641</u> |
| Total | | <u><u>1,248,529</u></u> | <u><u>249,093</u></u> | <u><u>-</u></u> | <u><u>1,497,622</u></u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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63. Share-based payments - continued

(a) Restricted share incentive scheme of A shares

The Company carried out a Restricted Share Incentive Scheme of A Shares whereby the Company grant restricted A shares to the Incentive Participants in return for their services. On 29 March 2021, 45,640,000 restricted A Shares were granted to 813 incentive participants at the grant price of RMB9.10 per Share. As at 30 March 2021, the Company had in aggregate received subscription proceeds of RMB413,940,800 from 810 incentive participants. On 30 March 2023, the Board and the Supervisory Committee of the Company considered and approved that the total number of restricted shares that can be lifted is 14,222,943 shares at the end of the first locking period (Note 55). The restricted shares unlocked was listed and circulated on 24 April 2023.

As at 31 December 2023, there are two remaining unlocking periods under the incentive scheme, the weighted average remaining contractual life of the incentive scheme is 0.76 years.

Details of the scheme as at 31 December 2023 and 31 December 2022 are set out below:

| <u>Number of shares</u> | <u>Year ended 31 December</u> | |
|--|-------------------------------|-------------------|
| | <u>2023</u> | <u>2022</u> |
| Outstanding at the beginning of the year | 43,788,054 | 44,463,027 |
| Granted during the year | - | - |
| Exercised during the year | - | - |
| Forfeited during the year | (1,771,910) | (674,973) |
| Unlocked during the year | (14,222,943) | - |
| Outstanding at the end of the year | <u>27,793,201</u> | <u>43,788,054</u> |
| Exercisable at the end of the year | <u>27,793,201</u> | <u>43,788,054</u> |

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63. Share-based payments - continued

(a) *Restricted share incentive scheme of A shares* - continued

As at 31 December 2023 and 31 December 2022, cumulative amount of RMB180.79 million and RMB223.98 million were recognised in the capital reserve and non-controlling interests of the Group, respectively. The total expenses recognised for the year ended 31 December 2023 and 31 December 2022 were RMB72.58 million and RMB125.77 million, respectively.

For the year ended 31 December 2023, the Company recognized share-based payment expense amounted to RMB10.22 million, for the restricted shares granted to the Company's key management personnel (For the year ended 31 December 2022: RMB16.49 million).

The fair value of services received in return for restricted share Incentive scheme is measured by reference to the fair value of shares. The estimate of the fair value of restricted shares granted is measured based on the closing price of shares at grant date, which is RMB17.24 per share.

(b) *Share-based payments of an overseas subsidiary*

On 3 July 2019, AssetMark granted the equity incentive plan ("the 2019 Equity Incentive Plan"). The 2019 Equity Incentive Plan was effective on 17 July 2019, i.e. the effective date of the S-1 registration form of the Initial Public Offering ("IPO").

(i) *Restricted Stock Awards (RSAs)*

On 17 July 2019, AssetMark granted the original holders of Restricted Stock Awards equal to 6,309,049 shares of AssetMark common stock.

(ii) *Stock Options*

In connection with the IPO, AssetMark issued options to certain officers to acquire an aggregate of 918,981 shares of the common stock, with an exercise price of USD22 per share. Each of these options is scheduled to vest and become exercisable in substantially equal installments on each of the first three anniversaries of 18 July 2019. AssetMark uses the Black-Scholes options pricing model to estimate the fair value of Stock Options.

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63. Share-based payments - continued

(b) Share-based payments of an overseas subsidiary - continued

(iii) Restricted Stock Units (RSUs)

In connection with the IPO, AssetMark issued Restricted Stock Units to certain officers covering an aggregate of 85,737 shares of the common stock. Each of these Restricted Stock Units is scheduled to vest in substantially equal installments on each of the first three anniversaries of 18 July 2019. During 2020, 2021 and 2022, AssetMark issued RSUs to all officers, certain employees and independent directors of the board, respectively. Most of these RSUs are scheduled to vest in substantially equal installments on each of the first four anniversaries of the date of grant. During 2023, AssetMark issued 635,955 RSUs in aggregate to its officers, certain employees and independent directors of the board. Most of these RSUs are scheduled to vest in substantially equal installments on each of the first four anniversaries of the date of grant.

(iv) Stock Appreciation Rights (SARs)

On 9 June 2020, AssetMark issued stock appreciation to certain officers with respect to 831,902 shares of its common stock under the 2019 Equity Incentive Plan. Each SAR has a strike price equal to the fair market value of the common stock of AssetMark on the date of grant and is scheduled to vest and become exercisable in substantially equal installments on each of the first four anniversaries of 9 June 2020. Upon exercise, each of these SARs will be settled in shares of AssetMark common stock with a value equal to the excess, if any, of the fair market value of its common stock measured on the exercise date over the strike price. In During 2021 and 2022, AssetMark issued SARs to certain officers. Each SAR has a strike price equal to the excess, if any, of the fair market value of its common stock measured on the exercise date over the strike price and is scheduled to vest and become exercisable in substantially equal installments on each of the first four anniversaries of the date of grant. During 2023, AssetMark issued 109,889 SARs to certain officers. Each SAR is scheduled to vest and become exercisable in substantially equal installments on each of the first four anniversaries of the date of grant.

During 2023, AssetMark issued 338,907 Cash-settled SARs to certain officers. Each Cash-settled SAR has a strike price equal to the fair market value of the AssetMark's common stock on the date of grant and is scheduled to vest and become exercisable in substantially equal installments on each of the first four anniversaries of their grant date, subject to the recipient's continued employment through the vesting date, and have a ten-year contractual term. Upon exercise, each of these Cash-settled SARs will be settled in cash with a value equal to the excess, if any, of the fair market value of the AssetMark's common stock measured on the exercise date over the strike price.

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(Expressed in thousands of Renminbi, unless otherwise stated)

64. Company-level statement of financial position

| | Note | As at 31 December | |
|---|------|--------------------|--------------------|
| | | 2023 | 2022 (Restated) |
| Non-current assets | | | |
| Property and equipment | | 4,187,944 | 3,964,148 |
| Investment properties | | 858,046 | 974,806 |
| Land-use rights and other intangible assets | | 833,036 | 831,803 |
| Investments in subsidiaries | | 24,611,100 | 24,746,871 |
| Interest in associates | | 15,486,356 | 14,170,428 |
| Debt instruments at amortised cost | | 4,697,309 | 36,338,211 |
| Debt instruments at fair value through other comprehensive income | | - | 6,147,490 |
| Equity instruments at fair value through other comprehensive income | | 52,694 | 52,694 |
| Financial assets at fair value through profit or loss | | 542,102 | 473,650 |
| Refundable deposits | | 13,790,464 | 14,777,245 |
| Other non-current assets | | 262,158 | 257,772 |
| Total non-current assets | | 65,321,209 | 102,735,118 |
| Current assets | | | |
| Accounts receivable | | 3,437,465 | 2,966,173 |
| Other receivables and prepayments | | 11,057,194 | 10,804,680 |
| Margin accounts receivable | | 109,994,639 | 98,360,566 |
| Debt instruments at amortised cost | | 45,169,690 | 11,965,863 |
| Financial assets held under resale agreements | | 10,262,018 | 31,917,344 |
| Debt instruments at fair value through other comprehensive income | | 11,663,753 | 1,207,228 |
| Financial assets at fair value through profit or loss | | 284,201,311 | 245,573,916 |
| Derivative financial assets | | 11,313,833 | 12,910,012 |
| Clearing settlement funds | | 13,863,172 | 17,107,842 |
| Cash held on behalf of brokerage clients | | 102,305,180 | 105,098,024 |
| Cash and bank balances | | 14,891,188 | 11,504,512 |
| Total current assets | | 618,159,443 | 549,416,160 |
| Total assets | | 683,480,652 | 652,151,278 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

64. Company-level statement of financial position - continued

| | Note | As at 31 December | |
|--|------|--------------------|--------------------|
| | | 2023 | 2022 (Restated) |
| Current liabilities | | | |
| Short-term debt instruments issued | | 16,776,642 | 18,203,723 |
| Placements from other financial institutions | | 39,536,527 | 25,877,713 |
| Accounts payable to brokerage clients | | 95,945,088 | 101,426,766 |
| Employee benefits payable | | 2,038,688 | 1,801,844 |
| Other payables and accruals | | 88,953,603 | 88,177,833 |
| Financial assets sold under repurchase agreements | | 116,230,125 | 121,317,309 |
| Financial liabilities at fair value through profit or loss | | 20,737,753 | 17,381,825 |
| Derivative financial liabilities | | 11,885,585 | 11,673,224 |
| Long-term bonds due within one year | | 38,411,570 | 26,257,807 |
| Total current liabilities | | 430,515,581 | 412,118,044 |
| Net current assets | | 187,643,862 | 137,298,116 |
| Total assets less current liabilities | | 252,965,071 | 240,033,234 |
| Non-current liabilities | | | |
| Long-term bonds | | 92,708,296 | 90,526,586 |
| Non-current employee benefits payable | | 4,495,899 | 5,023,273 |
| Financial liabilities at fair value through profit or loss | | 130,342 | 148,331 |
| Deferred tax liabilities | | 80,495 | 138,321 |
| Other payable and accruals | | 496,826 | 558,321 |
| Total non-current liabilities | | 97,911,858 | 96,394,832 |
| Net assets | | 155,053,213 | 143,638,402 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

64. Company-level statement of financial position - continued

| | <u>Note</u> | <u>As at 31 December</u> | |
|--------------------------|-------------|--------------------------|---------------------------|
| | | <u>2023</u> | <u>2022</u> (Restated) |
| Equity | | | |
| Share capital | 55(b) | 9,074,663 | 9,075,589 |
| Other equity instruments | | 25,700,000 | 19,200,000 |
| Treasury shares | | (1,064,173) | (1,202,324) |
| Reserves | | 94,781,954 | 92,561,747 |
| Retained profits | | 26,560,769 | 24,003,390 |
| Total equity | | <u>155,053,213</u> | <u>143,638,402</u> |

Approved and authorised for issue by the board of directors on 28 March 2024.

Zhang Wei
Chairman of the Board,
Director

Wang Bing
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(Expressed in thousands of Renminbi, unless otherwise stated)

65. Events after the reporting date

(a) Issuance of bonds

From 31 December 2023 to the date of the consolidated financial statements approved and authorised for issue, Huatai International Finance Limited, a subsidiary of Huatai International Financial Holdings Limited, has issued 14 medium-term notes with a cumulative amount of USD234 million, HKD181 million and RMB600 million bearing interest of 3.36% to 6.02% per annum.

(b) Profit distribution plan after accounting periods

In March 2024, based on the total ordinary shares of 9,029,384,840 of the Company, the Board proposed cash dividends of RMB4.30 (tax inclusive) per 10 ordinary shares, with total cash dividend amounting to RMB3,883 million (tax inclusive), accounting for 30.45% of the consolidated profit attributable to shareholders of the company in 2023. The total amount of the actual dividend distribution will be calculated based on the total number of A shares entitled to dividend distribution on the registration date of A share shareholders. The proposal is pending for the approval of the general meeting of the shareholders. The cash dividends are not recognised as a liability as at 31 December 2023.
