
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in 東方證券股份有限公司, you should at once hand this circular, together with the form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name “東方證券股份有限公司” and carrying on business in Hong Kong as “東方證券” (in Chinese) and “DFZQ” (in English))

(Stock Code: 03958)

- (1) 2024 REPORT OF THE BOARD**
 - (2) 2024 REPORT OF THE SUPERVISORY COMMITTEE**
 - (3) 2024 WORK REPORT OF THE INDEPENDENT DIRECTORS**
 - (4) 2024 FINAL ACCOUNTS REPORT**
 - (5) PROPRIETARY BUSINESS SCALE OF THE COMPANY IN 2025**
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 - (12) REPORT REGARDING THE APPRAISAL AND REMUNERATION OF THE DIRECTORS OF THE COMPANY FOR THE YEAR 2024**
 - (13) REPORT REGARDING THE APPRAISAL AND REMUNERATION OF THE SUPERVISORS OF THE COMPANY FOR THE YEAR 2024**
 - (14) PROPOSAL REGARDING THE ADJUSTMENT OF REMUNERATION OF THE INDEPENDENT DIRECTORS OF THE COMPANY**
 - (15) PROPOSAL REGARDING THE AMENDMENTS TO CERTAIN ARTICLES OF THE ARTICLES OF ASSOCIATION**
- AND**
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM of the Company to be held at Meeting Room, 15/F, No. 119 South Zhongshan Road, Shanghai, on Friday, May 23, 2025 at 2:00 p.m. is set out on pages 17 to 20 of this circular.

The form of proxy for the AGM has been distributed to you and has also been published on the HKEXnews website (www.hkexnews.hk) and the Company's website (www.dfzq.com.cn) on Monday, April 28, 2025. If you are not able to attend the AGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for the holding of the AGM, and deposit it together with the notarized power of attorney or other document of authorization with the H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares). Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the AGM should they so desire.

This circular is prepared in both Chinese and English. In case of any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

April 29, 2025

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the meanings set out below:

“A Share(s)”	PRC domestically listed share(s) with a par value of RMB1.00 each in the share capital of the Company, which are listed on the SSE and traded in RMB
“A Shareholder(s)”	holder(s) of the A Shares
“AGM” or “Annual General Meeting”	the 2024 annual general meeting of the Company to be held at Meeting Room, 15/F, No. 119 South Zhongshan Road, Shanghai, the PRC on Friday, May 23, 2025 at 2:00 p.m.
“Articles of Association”	the articles of association of 東方證券股份有限公司, as amended from time to time
“Board” or “Board of Directors”	the board of directors of the Company
“China Universal”	China Universal Asset Management Company Limited (匯添富基金管理股份有限公司), an investee company of the Company
“Company”	東方證券股份有限公司, a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange under the stock code of 03958 and the A Shares of which are listed on the SSE under the stock code of 600958
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“H Shareholder(s)”	holder(s) of the H Shares
“HK\$” or “Hong Kong dollars”	the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	April 25, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Orient Futures”	Orient Futures Co., Ltd., a wholly-owned subsidiary of the Company
“Orient Securities Asset Management”	Shanghai Orient Securities Asset Management Co., Ltd., a wholly-owned subsidiary of the Company
“Orient Securities Innovation”	Shanghai Orient Securities Innovation Investment Co.,Ltd., a wholly-owned subsidiary of the Company
“Orient Securities Capital Investment”	Shanghai Orient Securities Capital Investment Co., Ltd., a wholly-owned subsidiary of the Company
“Reporting Period”	January 1, 2024 to December 31, 2024
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the A Share(s) and/or the H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company, including H Shareholder(s) and A Shareholder(s)
“Shenergy Group”	Shenergy (Group) Company Limited (申能(集團)有限公司)
“SSE”	the Shanghai Stock Exchange

DEFINITIONS

“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“%”	per cent.

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

LETTER FROM THE BOARD



(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name “东方证券股份有限公司” and carrying on business in Hong Kong as “東方證券” (in Chinese) and “DFZQ” (in English))

(Stock Code: 03958)

Executive Directors:

Mr. GONG Dexiong (*Chairman*)
Mr. LU Weiming
Mr. LU Dayin

Registered office:

Orient Securities Building
No. 119 South Zhongshan Road
Shanghai
PRC

Non-executive Directors:

Mr. XIE Weiqing
Mr. YANG Bo
Mr. SHI Lei
Ms. LI Yun
Mr. XU Yongmiao
Mr. REN Zhixiang
Mr. SUN Weidong (*employee Director*)

Principal place of business in Hong Kong:

28th and 29th Floor
100 Queen's Road Central
Central
Hong Kong

Independent non-executive Directors:

Mr. WU Hong
Mr. FENG Xingdong
Mr. LUO Xinyu
Mr. CHAN Hon
Mr. ZHU Kai

To the Shareholders

Dear Sirs or Madams,

INTRODUCTION

The purpose of this circular is to provide you, as holders of H Shares, with the notice of the AGM (set out on pages 17 to 20 of this circular) and information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions or abstain from voting at the AGM.

LETTER FROM THE BOARD

At the AGM, ordinary resolutions will be proposed to approve, among others, (i) the report of the board of directors of the Company for the year 2024 (the “**2024 Report of the Board**”); (ii) the report of the supervisory committee of the Company for the year 2024 (the “**2024 Report of the Supervisory Committee**”); (iii) the work report of the independent directors of the Company for the year 2024 (the “**2024 Work Report of the Independent Directors**”); (iv) the final accounts report of the Company for the year 2024 (the “**2024 Final Accounts Report**”); (v) the proposal regarding the proprietary business scale of the Company in 2025; (vi) the profit distribution proposal of the Company for the year 2024 (the “**2024 Profit Distribution Proposal**”); (vii) the proposal regarding the 2025 interim profit distribution authorization of the Company; (viii) the annual report of the Company for the year 2024 (the “**2024 Annual Report**”); (ix) the proposal regarding the projected routine related-party transactions of the Company in 2025; (x) the proposal regarding the expected provision of guarantees by the Company in 2025; (xi) the proposal regarding the engagement of accounting firm in 2025; (xii) the report regarding the appraisal and remuneration of the Directors of the Company for the year 2024; (xiii) the report regarding the appraisal and remuneration of the Supervisors of the Company for the year 2024; and (xiv) the proposal regarding the adjustment of remuneration of the independent Directors of the Company. At the AGM, special resolution will be proposed to approve, among others, the proposal regarding the amendments to certain articles of the Articles of Association. In accordance with the relevant PRC laws and regulations, the Company will present the Report on the 2024 Performance Evaluation and Remuneration of Senior Management Personnel at the AGM, but no Shareholders’ approval is required.

ORDINARY RESOLUTIONS

1. 2024 Report of the Board

An ordinary resolution will be proposed at the AGM to consider and approve the 2024 Report of the Board. Details of the aforesaid report of the Board are set out in Annex I of this circular. In the event of any discrepancy between the English translation and the Chinese version of the document, the Chinese version shall prevail.

The 2024 Report of the Board was considered and approved by the Board on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

2. 2024 Report of the Supervisory Committee

An ordinary resolution will be proposed at the AGM to consider and approve the 2024 Report of the Supervisory Committee. Details of the aforesaid report of the Supervisory Committee are set out in Annex II of this circular. In the event of any discrepancy between the English translation and the Chinese version of the document, the Chinese version shall prevail.

The 2024 Report of the Supervisory Committee was considered and approved by the Supervisory Committee on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

LETTER FROM THE BOARD

3. 2024 Work Report of the Independent Directors

An ordinary resolution will be proposed at the AGM to consider and approve the 2024 Work Report of the Independent Directors. Details of the aforesaid work report of the independent Directors are set out in Annex III of this circular. In the event of any discrepancy between the English translation and the Chinese version of the document, the Chinese version shall prevail.

The 2024 Work Report of the Independent Directors was considered and approved by the Board on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

4. 2024 Final Accounts Report

An ordinary resolution will be proposed at the AGM to consider and approve the 2024 Final Accounts Report. Details of the aforesaid final accounts report are set out in Annex IV of this circular. In the event of any discrepancy between the English translation and the Chinese version of the document, the Chinese version shall prevail.

The 2024 Final Accounts Report was considered and approved by the Board on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

5. The Proposal Regarding the Proprietary Business Scale of the Company in 2025

An ordinary resolution will be proposed at the AGM to consider and approve the proposal regarding the proprietary business scale of the Company in 2025. Details are as follows:

The proprietary securities business is an important component of the principal business of the Company. In order to comply with the regulatory requirements on listed securities companies and further strengthen risk management, the proprietary business scale of the Company in 2025 is set out as follows, guided by Provisions on Strengthening the Supervision of Listed Securities Companies (Revised in 2024) (《關於加強上市證券公司監管的規定(2024年修訂)》) and the Administrative Measures for Risk Control Indicators of Securities Companies (Amended in 2020) (《證券公司風險控制指標管理辦法(2020年修正)》) and relevant laws and regulations and relevant rules of the Company:

In accordance with various regulatory requirements of the CSRC, the maximum amount of investment in proprietary equity securities and their derivatives shall not exceed 80% of net capital of the Company, and the maximum amount of investment in proprietary non-equity securities and securities derivatives shall not exceed 400% of net capital of the Company. The Board will be authorized to determine the specific investment scale within the aforesaid limit subject to the regulatory requirements of the CSRC in relation to proprietary business management and risk monitoring based on the market changes and business development.

The aforesaid resolution was considered and approved by the Board on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

LETTER FROM THE BOARD

6. 2024 Profit Distribution Proposal

An ordinary resolution will be proposed at the AGM to consider and approve the 2024 Profit Distribution Proposal in accordance with the Articles of Association. Details are as follows:

In accordance with the Company Law, the Securities Law and Rules on the Accounting by Financial Enterprises (《金融企業財務規則》), as well as Provisions on Strengthening the Supervision of Listed Securities Companies (Revised in 2024) (《關於加強上市證券公司監管的規定(2024年修訂)》), the Regulatory Guidelines No. 3 for Listed Companies – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》), and the Provisional Measures on the Supervision and Administration of Risk Provision of Public Offering of Securities Investment Funds (《公開募集證券投資基金風險準備金監督管理暫行辦法》) issued by the CSRC, and the Articles of Association and other relevant rules, and based on the actual needs of business development of the Company, the details of the 2024 Profit Distribution Proposal are as follows:

In 2024, the Company recorded a net profit attributable to shareholders of the parent company of RMB3.350 billion in the consolidated financial statements. As at the beginning of 2024, the undistributed profit of the parent company was RMB5.822 billion. After adding the parent company's net profit of RMB4.140 billion achieved in 2024, deducting the profit distributions of RMB1.904 billion made in 2024 for 2023 annual and interim profits, deducting the impact from internal transfers of owners' equity on undistributed profits of RMB48 million, deducting the distribution to holders of other equity instruments of RMB475 million, and deducting the impact from investment banking business absorption and mergers on undistributed profits of RMB124 million, the parent company's distributable profits as of the end of 2024 amounted to RMB7.411 billion.

In accordance with the aforementioned laws and regulations and the Articles of Association, the Company appropriated 10% of the parent company's net profit for 2024 to general risk reserve, statutory surplus reserve, and transaction risk reserve, respectively, and appropriated 2.5% of the parent company's public fund custody fee income to the risk reserve for custody business. The total amount allocated for these four items was RMB1.242 billion, of which RMB890 million had been appropriated during the interim profit distribution in 2024. After deducting the above allocations, the parent company's distributable profits as of the end of 2024 amounted to RMB6.169 billion.

LETTER FROM THE BOARD

After taking into comprehensive consideration factors such as the Company's long-term development and the interests of investors, it is recommended that the 2024 Profit Distribution Proposal be as follows:

1. The Company adopts the cash dividends for the profit distribution for the year 2024, based on the total share capital of 8,496,645,292 Shares as at the end of 2024, less 34,843,324 Shares in the designated securities account for repurchase of the Company up to date, a cash dividend of RMB1.00 (inclusive of tax) for every 10 Shares will be distributed to A Shareholders and H Shareholders whose names are registered on the record date, with a total cash dividend of RMB846,180,196.80, accounting for 25.26% of the net profit attributable to the owners of the parent company on a consolidated basis in 2024. The Company distributed an interim cash dividend of RMB634,635,147.60 in December 2024, which, together with the amount of the proposed final dividend distribution, accounts for 44.20% of the net profit attributable to the owners of the parent company on a consolidated basis in 2024.
2. Cash dividend of the Company are denominated and declared in Renminbi, and will be paid in Renminbi to A Shareholders and in Hong Kong dollars to H Shareholders. The actual amount of distribution in Hong Kong dollars will be calculated based on the average benchmark exchange rate of Renminbi and Hong Kong dollars published by the People's Bank of China five working days prior to the date of the AGM of the Company.

The 2024 Profit Distribution Proposal was considered and approved by the Board on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

Subject to consideration and approval of the aforesaid resolution at the AGM, the Company will distribute cash dividends within two months from the date of the AGM. If the total share capital of the Company changes before the record date for the implementation of dividend distribution, the Company shall maintain the distribution ratio per Share unchanged and adjust the total distribution accordingly.

7. The Proposal Regarding the 2025 Interim Profit Distribution Authorization of the Company

An ordinary resolution will be proposed at the AGM to consider and approve the 2025 interim profit distribution authorization of the Company. Details are as follows:

LETTER FROM THE BOARD

Article 7 of the Regulatory Guidelines No. 3 for Listed Companies – Cash Dividends Distribution of Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》) stipulates that, when listed companies convene annual general meetings to deliberate on annual profit distribution plans, they may consider and approve the conditions, upper limit ratios, and maximum amounts for interim cash dividends in the following year. The upper limit for interim dividends in the following year approved at annual general meetings shall not exceed the net profit attributable to shareholders of the listed company during the corresponding period. The board of directors shall formulate specific interim dividend plans in accordance with the resolutions of the general meeting and subject to meeting profit distribution conditions.

To implement the regulatory policy of “multiple dividends within a year” and enhance investors’ sense of gain, subject to the Company meeting profit distribution conditions, it is proposed at the AGM to authorize the Board to formulate specific interim profit distribution plans for 2025 based on the Company’s interim profitability, financial position, and relevant risk control indicator requirements, provided that the interim cash dividend ratio does not exceed 30% of the net profit attributable to the parent company’s shareholders in the consolidated financial statements for the current period, and to implement such plans within the prescribed timeframe.

The aforesaid resolution was approved by the Board on March 28, 2025, and is hereby proposed at the AGM for consideration and approval.

8. 2024 Annual Report

An ordinary resolution will be proposed at the AGM to consider and approve the 2024 Annual Report. The 2024 Annual Report has been published on the HKEXnews website (www.hkexnews.hk) and the website of the Company (www.dfzq.com.cn) and despatched to the Shareholders who have indicated their wish to receive a printed copy in due course.

The 2024 Annual Report was considered and approved by the Board on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

9. The Proposal Regarding the Projected Routine Related-Party Transactions of the Company in 2025

An ordinary resolution will be proposed at the AGM to consider and approve the proposal regarding the projected routine related-party transactions of the Company in 2025, details of which are set out in Annex V of this circular.

The aforesaid resolution was considered and approved by the Board on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

LETTER FROM THE BOARD

10. The Proposal Regarding the Expected Provision of Guarantees by the Company in 2025

Reference is made to the announcement of the Company dated March 28, 2025 in relation to, among other things, the projected intragroup guarantees for the year 2025. An ordinary resolution will be proposed at the AGM to consider and approve the proposal regarding the expected provision of guarantees by the Company in 2025. Details are as follows:

1. Limitation of the guarantees: the total amount of new guarantees provided by the Company and its subsidiaries for wholly-owned subsidiaries with a gearing ratio of less than 70% shall not exceed 10% of the latest audited net assets of the Company.

The total amount of new guarantees provided by the Company and its subsidiaries for wholly-owned subsidiaries with a gearing ratio of over 70% shall not exceed 10% of the latest audited net assets of the Company.

2. Types of the guarantees: including but not limited to providing guarantees for the public or non-public issuance of onshore and offshore debt financing instruments (including but not limited to ordinary bonds, subordinated bonds, ultra short-term financing bonds, short-term financing bonds, medium-term notes, etc.), loans from domestic or overseas financial institutions (including but not limited to bank credit, bank loans, syndicated loans, etc.), and providing guarantees for transactions such as International Swaps and Derivatives Association (ISDA), Master Clearing Agreement, Bond Market Association/International Securities Market Association Global Master Repurchase Agreement (TBMA/ISMA GMRA), Master Brokerage Service Agreement, physical trading of precious metals, brokerage business, and issuance of structured notes.
3. Models of the guarantees: including guarantees, mortgages, pledges, and other models as required under the provisions of the relevant laws and regulations.
4. Guaranteed parties: wholly-owned subsidiaries directly and indirectly held by the Company.
5. Validity period of authorization: the aforementioned guarantees shall be valid from the date of consideration and approval of the guarantees by the Annual General Meeting to the date of the 2025 annual general meeting.

LETTER FROM THE BOARD

6. Authorization: subject to the aforesaid quota, types, models, guaranteed parties, and validity period of guarantees, it is proposed to the AGM to authorize the Board and agree the Board in turn to further authorize the management of the Company or its subsidiaries, or the Directors so authorized, to handle all specific matters involved in the above guarantee at their sole discretion, including but not limited to the execution of documents and the performance of the approval and filing of relevant regulatory authorities, etc., and to perform the corresponding information disclosure obligations in a timely manner in accordance with relevant laws and regulations when the Company or its subsidiaries provide letters of guarantees or issuance of guarantee documents for its wholly-owned subsidiaries.

The aforesaid resolution was considered and approved by the Board on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

11. The Proposal Regarding the Engagement of Accounting Firm in 2025

An ordinary resolution will be proposed at the AGM to consider and approve the proposal regarding the engagement of accounting firm in 2025. Details are as follows:

According to the domestic and international supervisory regulations, the Company appointed accounting firms as the domestic and overseas auditors of the Company which were responsible for provision of relevant audit services in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards. Pursuant to the resolution approved at the 2023 annual general meeting of the Company, the Company engaged KPMG Huazhen LLP as the domestic auditor of the Company for the year of 2024 and KPMG as the overseas auditor of the Company for the year of 2024. During their tenure as the Company's auditors for 2024, KPMG Huazhen LLP and KPMG (collectively, "KPMG") complied with auditing standards and relevant laws and regulations, adhered to professional ethics, demonstrated professional competence and diligent performance of duties, effectively fulfilled the responsibilities of audit institutions, and completed the audit work independently, objectively, and impartially.

According to the Measures for the Engagement of Accounting Firms by State-Owned Financial Enterprises (《國有金融企業選聘會計師事務所管理辦法》) (Cai Jin [2020] No. 6) (the "Measures") issued by the Ministry of Finance, financial enterprises should not engage the same accounting firm (including its related member firms) for more than five consecutive years in principle. Under certain conditions and after completing relevant decision-making procedures, the engagement may be extended to eight years, during which no new tender is required. The Company has engaged KPMG for one year, which is within the permissible consecutive engagement period stipulated by the Measures. The Company has conducted an evaluation of KPMG's audit service quality in accordance with regulations and sought opinions from relevant units, with no objections raised.

LETTER FROM THE BOARD

Based on the above conditions, it is therefore proposed at the AGM to consider the following matters:

1. To approve the re-engagement of KPMG Huazhen LLP as the domestic auditor of the Company for 2025 and the internal control auditor of the Company for 2025, to be responsible for providing relevant audit services in accordance with the China Accounting Standards for Business Enterprises, for a term of one year. The audit fee for the 2025 financial and special regulatory reports is RMB1,200,000, and the internal control audit fee is RMB500,000.
2. To approve the re-engagement of KPMG as the overseas auditor of the Company for 2025, to be responsible for providing relevant audit and review services in accordance with the International Financial Reporting Standards, for a term of one year. The audit fee for the 2025 financial report is RMB900,000, and the semi-annual review fee is RMB700,000.
3. If the audit fees increase due to the change in the scope of the audit, the AGM shall authorise the management of the Company to determine the audit fees in accordance with market principles and enter into relevant contracts.

The aforesaid resolution was considered and approved by the Board on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

12. The Report Regarding the Appraisal and Remuneration of the Directors of the Company in 2024

An ordinary resolution will be proposed at the AGM to consider and approve the report regarding the appraisal and remuneration of the Directors of the Company in 2024, details of which are set out in Annex VI to this circular.

The aforesaid resolution was considered and approved by the Board on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

13. The Report Regarding the Appraisal and Remuneration of the Supervisors of the Company in 2024

An ordinary resolution will be proposed at the AGM to consider and approve the report regarding the appraisal and remuneration of the Supervisors of the Company in 2024, details of which are set out in Annex VII to this circular.

The aforesaid resolution was considered and approved by the Supervisory Committee on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

LETTER FROM THE BOARD

14. The Proposal Regarding the Adjustment of Remuneration of the Independent Directors of the Company

An ordinary resolution will be proposed at the AGM to consider and approve the proposal regarding the adjustment of remuneration of the independent Directors of the Company. Details are as follows:

With the continuous deepening of the reform of the independent director system for listed companies, the Opinions on the Reform of the Independent Director System for Listed Companies (《關於上市公司獨立董事制度改革的意見》) issued by the General Office of the State Council in 2023 and the Administrative Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) along with its supporting regulations issued by the China Securities Regulatory Commission have been successively promulgated. In accordance with the direction and requirements of the independent director system reform, independent directors serve the functions of participating in decision-making, exercising supervisory checks and balances, and providing professional advice on the boards of directors of listed companies. They are of great significance in safeguarding the overall interests of listed companies, protecting the legitimate rights and interests of minority shareholders, and improving the quality of listed companies. Relevant regulations have also raised higher requirements for the performance of duties by independent directors, including clarifying the scope of duties, increasing on-site working hours, strengthening performance evaluations, and enhancing training.

To further promote the diligent and responsible performance of duties by the Company's independent Directors, and in line with the principle that independent Director allowances should correspond to their labor, responsibilities, and risks, the Company proposes to adjust the pre-tax allowance for independent Directors from the current RMB160,000 per person per year to RMB200,000 per person per year, with reference to the market level of independent director allowances for domestic listed securities companies. The additional annual allowance for serving as chairperson of a Board committee shall be adjusted from RMB30,000 to RMB50,000.

The aforesaid resolution was considered and approved by the Board on March 28, 2025 and is hereby proposed at the AGM for consideration and approval.

LETTER FROM THE BOARD

SPECIAL RESOLUTION

15. Proposal regarding the Amendments to Certain Articles of the Articles of Association

Reference is made to the announcement of the Company dated March 28, 2025 in relation to, among other things, the proposed amendments to certain articles of the Articles of Association. A special resolution will be proposed at the AGM to consider and approve the proposal regarding the amendments to certain articles of the Articles of Association, details of which are as follows:

1. In accordance with the Catalog of Standardized Descriptions for Business Scope (Trial) (《經營範圍規範表述目錄(試行)》) issued by the State Administration for Market Regulation, the following items are added to the business scope terms: “licensed items: securities firms providing intermediary services for futures firms” and “general items: securities financial advisory services”;
2. In accordance with the relevant requirements of the Implementation Rules for the Integrity Practices of Securities Firms and Their Staff (《證券經營機構及其工作人員廉潔從業實施細則》), a new article is added to include the Company’s integrity management objectives and general requirements into the Articles of Association; and
3. In light of the actual conditions of the Company, the original expression “audit (稽核)” in the Articles of Association shall be revised to “audit (審計)”.

Details of which are set out in Annex VIII to this circular. If there is any inconsistency between the English translation and the Chinese version of the relevant amendments, the Chinese version shall prevail.

The aforesaid resolution was considered and approved by the Board on March 28, 2025 and is hereby proposed at the at the AGM for consideration and approval.

ANNUAL GENERAL MEETING

The AGM of the Company will be held at Meeting Room, 15/F, No. 119 South Zhongshan Road, Shanghai, the PRC on Friday, May 23, 2025 at 2:00 p.m. The notice of the AGM is set out on pages 17 to 20 of this circular.

LETTER FROM THE BOARD

The register of members of H Shares of the Company will be closed from Tuesday, May 20, 2025 to Friday, May 23, 2025 (both days inclusive), during which time no transfers of H Shares will be effected. Holders of H Shares who have submitted their transfer documents to the H Share Registrar of the Company and registered as Shareholders on the register of members of H Shares of the Company before 4:30 p.m. on Monday, May 19, 2025 are entitled to attend and vote in respect of all resolutions to be proposed at the AGM (except for Shareholders who are required to abstain from voting on relevant resolution(s) to be proposed at the AGM according to the Hong Kong Listing Rules and relevant PRC laws and regulations). In order to attend the AGM, holders of H Shares should ensure that all transfer documents, accompanied by the relevant H Share certificates, are lodged with the H Share Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, before 4:30 p.m. on Monday, May 19, 2025.

The form of proxy for the AGM has been distributed to you and has also been published on the HKEXnews website (www.hkexnews.hk) and the Company’s website (www.dfzq.com.cn) on Monday, April 28, 2025.

To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to the H Share Registrar not less than 24 hours before the time appointed for the AGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the AGM in person if they so wish.

In accordance with the provisions of the relevant PRC laws and regulations, in relation to resolution No. 9 at the AGM, the relevant related Shareholders shall abstain from voting on the related proposals, respectively.

BOOK CLOSURE PERIOD FOR PROPOSED PAYMENT OF THE 2024 FINAL DIVIDEND

If the 2024 Profit Distribution Proposal is approved, the final cash dividend for the year ended December 31, 2024 of RMB1.00 (inclusive of tax) for every 10 shares will be paid to the holders of H Shares of the Company within two months from the date of the AGM (the “**2024 Final Dividend**”). The register of members of H Shares of the Company will be closed from Thursday, May 29, 2025 to Tuesday, June 3, 2025 (both days inclusive), during which time no share transfers of H Shares will be effected. In order to qualify for receiving the 2024 Final Dividend, holders of H Shares should ensure that all transfer documents, accompanied by the relevant H Share certificates, are lodged with the Company’s H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, before 4:30 p.m. on Wednesday, May 28, 2025. Holders of H Shares whose names appear on the register of members of the H Shares on Tuesday, June 3, 2025 (the “**Record Date**”) are entitled to receive the 2024 Final Dividend.

LETTER FROM THE BOARD

HONG KONG LISTING RULES REQUIREMENT

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

According to the requirements of relevant laws and regulations in the People's Republic of China, the ordinary resolutions 9.01 and 9.02 set out in the notice of the AGM on pages 17 to 20 of this circular and proposed at the AGM shall be voted by the Shareholders who do not have substantial interest in such resolutions. Therefore, Shenergy (Group) Company Limited shall abstain from voting on the ordinary resolution 9.01. Shanghai Haiyan Investment Management Company Limited, Shanghai United Media Group, China Post Group Corporation Limited, Zheneng Capital Holdings Limited, Shanghai Jinqiao Export Processing Zone Development Co., Ltd., Shanghai Construction Group Co., Ltd., shall abstain from voting on the ordinary resolution 9.02.

Save as mentioned above, to the best knowledge of the Directors, as at the Latest Practicable Date, no Shareholder has a material interest in any of the above resolutions and therefore no Shareholder is required to abstain from voting in respect of the above resolutions at the AGM.

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

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

Yours faithfully,
By Order of the Board
GONG Dexiong
Chairman

April 29, 2025

NOTICE OF ANNUAL GENERAL MEETING



(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name “东方证券股份有限公司” and carrying on business in Hong Kong as “東方證券” (in Chinese) and “DFZQ” (in English))

(Stock Code: 03958)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2024 annual general meeting (the “**Annual General Meeting**”) of 東方證券股份有限公司 (the “**Company**”) will be held at Meeting Room, 15/F, No. 119 South Zhongshan Road, Shanghai, the People's Republic of China (the “**PRC**”) on Friday, May 23, 2025 at 2:00 p.m., for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors of the Company for the year 2024.
2. To consider and approve the report of the supervisory committee of the Company for the year 2024.
3. To consider and approve the work report of the independent directors of the Company for the year 2024.
4. To consider and approve the final accounts report of the Company for the year 2024.
5. To consider and approve the proposal regarding the proprietary business scale of the Company in 2025.
6. To consider and approve the profit distribution proposal of the Company for the year 2024.
7. To consider and approve the proposal regarding the 2025 interim profit distribution authorization of the Company.
8. To consider and approve the annual report of the Company for the year 2024.

NOTICE OF ANNUAL GENERAL MEETING

9. To consider and approve the proposal regarding the projected routine related-party transactions of the Company in 2025:
 - 9.01 Routine related-party transactions with Shenergy (Group) Company Limited and its related companies;
 - 9.02 Routine related-party transactions with other affiliated legal entities;
 - 9.03 Routine related-party transactions with natural persons.
10. To consider and approve the proposal regarding the expected provision of guarantees by the Company in 2025.
11. To consider and approve the proposal regarding the engagement of accounting firm in 2025.
12. To consider and approve the report on the appraisal and remuneration of the directors of the Company for the year 2024.
13. To consider and approve the report on the appraisal and remuneration of the supervisors of the Company for the year 2024.
14. To consider and approve the proposal regarding the adjustment of remuneration of the independent directors of the Company.

SPECIAL RESOLUTION

15. To consider and approve the proposal regarding the amendments to certain articles of the Articles of Association.

By order of the Board of Directors
GONG Dexiong
Chairman

Shanghai, the PRC
April 29, 2025

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. ELIGIBILITY FOR ATTENDING THE ANNUAL GENERAL MEETING AND DATE OF REGISTRATION FOR HOLDERS OF H SHARES

The register of members of H Shares of the Company will be closed from Tuesday, May 20, 2025 to Friday, May 23, 2025 (both days inclusive), during which time no share transfers of H Shares will be effected. Purchasers of shares who have submitted their instruments of share transfer to the H Share Registrar of the Company and registered as shareholders on the register of members of H Shares of the Company before 4:30 p.m. on Monday, May 19, 2025 are entitled to attend and vote in respect of all resolutions to be proposed at the Annual General Meeting (except for shareholders who are required to abstain from voting on relevant resolution(s) to be proposed at the Annual General Meeting according to the Hong Kong Listing Rules and relevant PRC laws and regulations).

In order to attend the Annual General Meeting, holders of H Shares should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m. on Monday, May 19, 2025.

2. PROXY

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

To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for the Annual General Meeting (i.e. before 2:00 p.m. on Thursday, May 22, 2025).

3. REGISTRATION PROCEDURES FOR ATTENDING THE ANNUAL GENERAL MEETING

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

4. VOTING BY POLL

According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a shareholders' general meeting must be taken by poll.

5. BOOK CLOSURE PERIOD FOR PROPOSED PAYMENT OF THE 2024 FINAL DIVIDEND

If the 2024 profit distribution proposal is approved, the final cash dividend for the year ended December 31, 2024 of RMB1.00 (inclusive of tax) for every 10 shares will be paid to the holders of H Shares of the Company within two months from the date of the AGM. The register of members of H Shares of the Company will be closed from Thursday, May 29, 2025 to Tuesday, June 3, 2025 (both days inclusive), during which time no share transfers of H Shares will be effected. In order to qualify for receiving the final dividend, holders of H Shares should ensure that all transfer documents, accompanied by the relevant H Share certificates, are lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, before 4:30 p.m. on Wednesday, May 28, 2025. Holders of H Shares whose names appear on the register of members of the H Shares on Tuesday, June 3, 2025 are entitled to receive the final dividend.

NOTICE OF ANNUAL GENERAL MEETING

6. MISCELLANEOUS

- (1) The Annual General Meeting is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
- (2) The address of Computershare Hong Kong Investor Services Limited is:

17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (3) The registered office of the Company:

Orient Securities Building
No. 119 South Zhongshan Road
Huangpu District, Shanghai
the People's Republic of China

Contact department: Office of the Board
Telephone No.: 86(21) 6332 6373
Facsimile No.: 86(21) 6332 6010
Contact Person: Mr. WU Yibo
- (4) Please refer to the circular of the Company in relation to the Annual General Meeting to be dispatched in due course for details of the resolutions to be proposed at the Annual General Meeting for consideration and approval.

As at the date of this notice, the Board of Directors comprises Mr. GONG Dexiong, Mr. LU Weiming and Mr. LU Dayin as executive Directors; Mr. XIE Weiqing, Mr. YANG Bo, Mr. SHI Lei, Ms. LI Yun, Mr. XU Yongmiao, Mr. REN Zhixiang and Mr. SUN Weidong as non-executive Directors; and Mr. WU Hong, Mr. FENG Xingdong, Mr. LUO Xinyu, Mr. CHAN Hon and Mr. ZHU Kai as independent non-executive Directors.

2024 REPORT OF THE BOARD OF THE COMPANY¹

Dear Shareholders,

The 2024 work report and the 2025 work plan of the Board are hereby set forth below according to relevant requirements of laws and regulations and the Articles of Association:

In 2024, amid complex domestic and international economic conditions, the Board of Directors of the Company adhered to the general principle of pursuing progress while maintaining stability. Focusing on the general keynote of high-quality development, the Board effectively fulfilled its roles in “scientific decision-making, strategic guidance, and risk prevention”, while solidly advancing business transformation and core competitiveness building. The Company achieved steady improvement in its operations and development, taking firm steps toward high-quality growth.

I. PRINCIPAL OPERATING CONDITION OF THE COMPANY IN 2024

In 2024, the Company achieved operating revenue of RMB19.19 billion and net profit attributable to the parent company of RMB3.35 billion, representing a year-on-year (YoY) increase of 12.3% and 21.7%, respectively. As of the end of 2024, the Company had total assets of RMB417.74 billion and net assets attributable to the parent company of RMB81.40 billion, representing an increase of 8.9% and 3.4%, from the end of the previous year, respectively.

The Company actively responded to the complex and volatile market environment while focusing on serving national strategies and supporting real economic development, overcoming operational challenges to achieve counter-cyclical growth. Firstly, the Company maintained steady improvement in operational performance. Through prudent and methodical operations, its proprietary investment business delivered outstanding results, further consolidating its industry position. Secondly, business transformation progressed steadily. The optimization and upgrading of its three major business systems, namely, comprehensive wealth management, comprehensive investment banking and comprehensive institutional business were implemented in an orderly manner. Thirdly, compliance and risk control capabilities were strengthened. The Group-wide compliance and risk management system was further enhanced, with the Company maintaining its “Class A AA” rating in the securities company classification evaluation for four consecutive years. An overview of the Company’s main business developments is as follows:

(1) Adhering to customer-centric approach and deepening wealth management transformation

The Wealth Management Committee strengthened investment advisory capabilities and ROE-oriented operations. As of the end of 2024, the total number of the Company’s client fund accounts reached 2.920 million, representing an 8.5% year-on-year increase; the total assets under custody amounted to RMB878.27 billion, up 17.7% YoY; holdings of non-cash products were RMB55.8

¹ Unless otherwise specified, all amounts listed in this report are in RMB.

billion, an 8.1% increase from the end of the previous year; the scale of fund advisory business reached RMB15.4 billion, a 7.1% increase from the end of the previous year; and institutional wealth management AUM surged 67.0% to RMB18.2 billion. The margin financing and securities lending business expanded to RMB27.5 billion, up 32.2% YoY, with market share rising from 1.26% to 1.47%.

Orient Securities Asset Management advanced its “second entrepreneurship” initiative, and strived to enhance management performance, strengthen investment research capabilities, and restructure its investment research system. The performance of its active equity products rebounded to between the 60th and 80th percentiles in the market. It promoted product diversification by launching 36 new products throughout the year. By year-end, its total AUM reached RMB216.57 billion, maintaining its position as the second-highest revenue generator in the industry.

China Universal adhered to a rules-based investment approach while continuously enriching its product and strategy matrix. By the end of the year, the total AUM reached RMB1.16 trillion, with public fund management exceeding RMB910 billion, representing increases of 9% and 10% respectively compared to the end of the previous year, ranking 10th in non-monetary public fund scale.

Orient Futures proactively responded to policy changes and effectively optimized its client structure, achieving a nearly 50% YoY increase in corporate client numbers. By year-end, client equity assets reached RMB82.4 billion, and the market share of its trading volume was 9.3%, both ranking third in the industry. It continued to leverage its fintech advantages by upgrading its integrated investment research platform, “FINOVIEW”, significantly enhancing the quality and efficiency of its services to the real economy.

(2) Proactively responding to environmental changes and enhancing the quality and efficiency of investment banking development

The Investment Banking Committee actively addressed the impact of tightening IPO policies by focusing on industrial investment banking, regional investment banking, and integrated services, while seizing opportunities in the bond market to achieve growth in both revenue and market share. The Company completed four equity financing transactions, including serving as the independent financial advisor for the share swap and merger of Guotai Junan with Haitong Securities, which has been approved by the regulatory authorities. The total bond underwriting volume reached RMB520.4 billion, a 35.6% year-on-year increase, ranking 6th in the market. In key areas such as technological innovation, green development, and rural revitalization, the Company’s market share in ESG-themed bond underwriting increased by 13% compared to the previous year.

Orient Securities Innovation focused on revenue generation, strengthened project exits and capital recovery, and continued to refine its mature business models. Orient Securities Capital Investment enhanced risk control, improved fundraising-investment-management-exit processes, and concentrated on sectors such as semiconductors, robotics and AI, and defense and aerospace. It also facilitated the establishment of a local state-owned energy fund.

(3) Accurately seizing market opportunities to enhance comprehensive institutional business performance

The investment business consolidated its advantages and maintained steady investment strategies. The fixed income business capitalized on bond market trends by strengthening tactical trading operations, achieving a year-on-year revenue increase of approximately 40.4%. The Company continuously improved its cross-asset institutional sales and trading platform covering both domestic and international markets, steadily advanced its FICC over-the-counter derivatives business, maintained market-leading advantages in bond market-making, and the proportion of client-driven business revenue increased to 18.2%. The Company participated in the launch of new products including standard interest rate swaps. The securities investment business expanded ETF investment and trading while continuously diversifying its strategies; the high-dividend strategy increased investment scale in a timely manner and achieved favorable returns; market-making operations for the Science and Technology Innovation Board (科創板) and Beijing Stock Exchange ran smoothly. The financial derivatives business strengthened group-wide coordination to build the “DFZQ Derivatives (東方金衍)” brand, and by optimizing the position structures of options and fund market-making businesses, it reduced capital occupancy while enhancing business profitability.

The research institute optimized its team structure and expanded both the breadth and depth of research capabilities to develop differentiated investment research services. In 2024, it generated public fund commission income (including segregated accounts, social security funds, and annuity seats) of RMB319 million, accounting for 2.3% of total public fund trading volume, while successfully acquiring 34 new institutional clients.

The custody business maintained a steady growth trajectory. As of the end of the Reporting Period, the Company provided custody and outsourcing services for over 2,400 products with total assets under custody exceeding RMB180.0 billion.

The Company further advanced its “Unified Orient (一個東方)” strategic framework by establishing an institutional client headquarters to coordinate an innovative comprehensive financial services model for institutional clients. It simultaneously progressed with preparatory work for establishing four regional branches to enhance the management of regional customer bases.

II. MAJOR WORK OF THE BOARD IN 2024

(1) Strengthening Strategic Management to Lead Corporate Development

2024 marked the concluding year of the Company’s “3+1” Strategic Plan. The Board fully exercised its strategic leadership function, guided by national strategic priorities, while maintaining steadfast commitment to building “a top-tier investment bank in the industry”, thereby maximizing the guiding role of strategic planning. Firstly, in serving national strategic priorities, the Company systematically designed and steadily implemented special action plans including initiatives to support Shanghai’s “Five Centers” construction and the “Corporate Value and Return Enhancement

Action Plan”, comprehensively improving the quality and efficiency of serving the real economy and solidly executing the “Five Major Articles” of Finance. Secondly, the Company continued implementing the 2021–2024 Strategic Plan requirements by adhering to client orientation to promote transformation and upgrading of three core business lines (wealth & asset management, investment & investment banking, institutional & sales trading) and optimize development models, maintaining development orientation to enhance three core capabilities (integrated client operations, endogenous compliance & risk control, digital technology-driven solutions) and strengthen growth momentum, and focusing on problem-solving to improve three management systems, steadily implement centralized management, and comprehensively advance cost optimization, quality improvement and efficiency enhancement, thereby supporting management in achieving annual operational targets. Thirdly, the Company initiated preparation of its 2025–2027 Strategic Plan, which will be implemented after Board’s approval, defining development objectives, pathways and key tasks for the next three years. Fourthly, the Company revised and improved the “Subsidiary Management Measures”, strengthening group-wide control and optimizing “one-company-one-policy” management of subsidiaries. Fifthly, the Company comprehensively advanced digital infrastructure capability building, intensified digital transformation efforts. Focusing on enhancing business development efficiency, the Company continuously upgraded systems and accelerated implementation of innovative projects, including AI-driven models and robo-advisory services, across practical applications.

(2) Enhancing Corporate Governance and Completing Leadership Transition

The Company strictly complied with the laws and regulations of both Shanghai and Hong Kong, as well as the requirements of the Articles of Association, to ensure the standardized and efficient operation of the Board. Firstly, the Company successfully completed the comprehensive transition of the Board of Directors, the Supervisory Committee, and the management team. The leadership structure at all levels was rationally organized, with continuous optimization of the age and professional composition of the Company’s leadership team. Secondly, the Company persistently advanced the development of the Board system. In alignment with revisions to relevant regulatory frameworks by the CSRC and the SSE, the Company systematically updated and refined key governance documents, including the Articles of Association, the Independent Director System of the Company, the Working Rules for Special Committees of the Board of Directors of the Company, the Management Measures for Raised Funds of the Company, the Management Measures for Related Party Transactions of the Company, and the Management Measures for Shareholding and Changes of Shares of the Company by Directors, Supervisors, and Senior Management. These updates ensure that the Company’s governance framework meets the latest regulatory requirements for listed companies, securities firms, and state-owned enterprises.

(3) Focusing on Scientific Decision-Making and Deepening Professional Governance

The Board of the Company demonstrated precise judgment in assessing market conditions and consistently conducted thorough deliberations on major matters, effectively implementing its “scientific decision-making” function. Firstly, the Board held 10 meetings throughout the year and reviewed or discussed 68 agenda items. Additionally, various specialized committees of the Board and special meetings of independent Director convened 20 meetings to reviewed or discussed 53 agenda items, with all major resolutions being effectively implemented. The Board diligently fulfilled its responsibilities by not only making decisions on daily operational matters such as annual business plans and asset-liability allocation, but also approving significant decisions across various domains such as approval for issuing overseas debt financing instruments, election of Directors and appointment of senior management, restructuring and establishing new frameworks for wealth management and investment banking divisions, and revision and formulation of compensation determination mechanism reform plans, covering investment and financing, personnel, organizational, and institutional aspects. Secondly, the Board conscientiously performed its duty as convener of the Shareholders’ meeting, organizing three such meetings during the year to review 23 agenda items. The Company implemented multiple dividend distributions, successfully completing both annual and interim dividend payouts totaling RMB1.9 billion, thereby safeguarding shareholder rights and enhancing long-term investor returns. Thirdly, the Company leveraged the professional expertise of its Directors to strengthen the self-improvement of the Board and enhance governance effectiveness. Continuous training for “key personnel” and rigorous implementation of responsibilities ensured independent Directors’ impartial and objective performance of duties, significantly elevating overall board governance standards. These efforts earned the Company recognition as a “Best Practice Case of the Board of Directors of Listed Companies in 2024” by the China Association for Public Companies.

(4) Strengthening Compliance and Risk Control to Enhance Risk Management Effectiveness

The Board of the Company has kept pace with the high-quality development of the industry, continuously advanced the establishment of a group-wide consolidated risk management system and implemented penetrative risk management between parent and subsidiaries, thus ensuring the “risk prevention” function delivers tangible results. Firstly, the Board regularly reviews the Company’s compliance reports, risk management reports, internal control reports, anti-money laundering reports and related proposals to consistently supervise and mitigate various risks. Secondly, the Company has fully launched the construction of the “Policy Management System” and the “Authorization Management System”, strengthened tiered and categorized decision-making management, enhanced risk identification, early warning monitoring and analytical reporting for key areas and core businesses, and solidly advanced the standardization system development. Thirdly, the Company has established and improved the “Comprehensive Supervision Mechanism” and the “Comprehensive Accountability System”, conducted special audits, strengthened rectification supervision, and focused on improving overall capabilities in risk prevention and resolution.

(5) Strict Information Disclosure and Fulfillment of Listed Company Responsibilities

The Board of Directors of the Company strictly complies with the information disclosure requirements stipulated in the special chapter of the Securities Law and the listing rules of both stock exchanges, thoroughly implemented the investor-oriented core concept and continuously improved the quality and transparency of information disclosure. Firstly, the Company consistently enhanced its information disclosure review mechanism. By strictly standardizing the drafting, review, and release processes, it ensures that disclosed information is true, accurate, complete, timely, and fair. During the year, the Company received an A grade evaluation for information disclosure from the SSE. Secondly, the Company continuously optimized the transparency and readability of information disclosure. Throughout the year, it prepared and disclosed four periodic reports and issued 105 interim announcements and online documents. Through the regular release of annual and semi-annual report design drafts, the Company significantly improved the visualization of its periodic reports, enhanced the relevance of information disclosure, and optimized the reading experience for investors.

(6) Enhancing Communication to Promote Steady Market Value Growth

The Board of Directors of the Company has proactively improved investor relations management mechanisms, continuously enriched communication channels with investors, established brand image, conveyed corporate value, and effectively managed market capitalization. Throughout the year, the Company conducted 55 roadshows and exchange activities, held four earnings briefings, and responded to 58 investor inquiries via the SSE E-Interaction platform. Both the annual and semi-annual earnings briefings adopted a “video recording + online interaction” format, providing accessible participation channels for retail investors while actively showcasing the Company’s strengths and highlights, thereby effectively enhancing market recognition. Simultaneously, the Company actively operates and develops new media platforms including its official WeChat account, creating synergistic communication effects with its corporate Weibo to further expand brand influence. As of the end of 2024, the Company’s total market capitalization reached RMB83.7 billion, representing a 23% increase from the previous year-end and ranking 12th in the industry.

(7) Implementing Talent Strategy and Fulfilling Financial Institution Responsibilities

The Board of Directors of the Company promoted the implementation of the talent-driven development strategy and strived to fulfill its responsibilities as a state-owned financial institution. Firstly, the Company strengthened the composition of its leadership team and senior management, optimized their structure and division of responsibilities, revised the “Cadre Management Measures of the Company” and the “Special Action Plan for Accelerating the Reform of the Three-Capability Mechanism”, improved incentive and constraint mechanisms, enhanced the application of performance results, initiated the “Three-Capability Mechanism” reform, and optimized human resource allocation following business organizational restructuring. Secondly, the Company deepened the integration of ESG concepts with corporate culture and development strategy, and maintained an MSCI ESG rating of AA for two consecutive years.

Overall, the Company achieved strong operational performance in 2024, with further progress in reform and development, and continued positive momentum. We take this opportunity to express our sincere gratitude to shareholders, Directors, Supervisors, and clients of the Company for their strong support of our development. We also recognize the gaps between the Company and leading securities firms, as industry competition has become more intense, structural imbalances in the Company's business remain prominent, compliance and risk control challenges have grown more severe, and talent pipeline development requires improvement. The Company needs to further deepen reforms to enhance the quality and efficiency of transformation and development, strengthen core functions and competitiveness, and further improve its ROE level to better reward investors.

III. DUTY PERFORMANCE OF DIRECTORS IN 2024

In 2024, all Directors of the Company lawfully and diligently fulfilled their statutory duties in compliance with the requirements of laws and regulations, the Listing Rules and the Articles of Association. The Directors actively attended the meetings of the Board and its special committees, made recommendations and suggestions and provided professional opinions on important aspects including improvement of corporate governance, major operational decision making, major investment and financing activities and enhancement of compliance and risk management, which ensured the scientific and standardized decision making of the Board and effectively safeguarded the rights and interests of Shareholders.

The Board of the Company held in aggregate 10 meetings during the year. The Directors attended the meetings in person or by appointing other Directors as their proxy, and the particulars of attendance of meetings are as follows:

Directors	Required attendance during the Reporting Period (times)	Attendance in person (times)	Attendance by proxy (times)	Absence (times)	Voting results
GONG Dexiong	10	10	0	0	Voting in favour of all proposals
LU Weiming	10	10	0	0	Voting in favour of all proposals
LU Dayin*	2	1	1	0	Voting in favour of all proposals
XIE Weiqing*	2	2	0	0	Voting in favour of all proposals
YANG Bo*	2	2	0	0	Voting in favour of all proposals
SHI Lei*	2	2	0	0	Voting in favour of all proposals

Directors	Required attendance during the Reporting Period (times)	Attendance in person (times)	Attendance by proxy (times)	Absence (times)	Voting results
LI Yun	10	10	0	0	Voting in favour of all proposals
XU Yongmiao*	2	2	0	0	Voting in favour of all proposals
REN Zhixiang	10	10	0	0	Voting in favour of all proposals
WU Hong	10	10	0	0	Voting in favour of all proposals
FENG Xingdong	10	10	0	0	Voting in favour of all proposals
LUO Xinyu	10	10	0	0	Voting in favour of all proposals
CHAN Hon	10	10	0	0	Voting in favour of all proposals
ZHU Kai	10	10	0	0	Voting in favour of all proposals
SUN Weidong*	2	2	0	0	Voting in favour of all proposals
JIN Wenzhong*	8	8	0	0	Voting in favour of all proposals
YU Xuechun*	8	8	0	0	Voting in favour of all proposals
ZHOu Donghui*	8	8	0	0	Voting in favour of all proposals
ZHU Jing*	8	8	0	0	Voting in favour of all proposals

Note: Directors marked with * represent those who were newly appointed or left office during the Reporting Period. For details, please refer to “Section IV Corporate Governance Directors, Supervisors and Senior Management and Performance of Duties by Directors” contained in the 2024 Annual Report of the Company.

In 2024, the Board convened a total of 20 meetings of the special committees and independent Directors’ special meetings, including two meetings for the Strategic Development Committee, four meetings for the Compliance and Risk Management Committee, eight meetings for the Audit Committee, five meetings for the Remuneration and Nomination Committee, and one special meeting for independent Directors. Each special committee, with well defined terms of reference, conducted prior consideration on the proposals respectively, and put forward professional review opinions as reference for consideration of proposals to the Board, providing strong support to improve the scientific and effective decision making

of the Board. Independent Directors diligently performed their duties, played the role of participation in decision making, supervision and checks and balances, and provision of professional consultation in the Board, protected the overall interests of the listed company, and protected the legitimate rights and interests of minority shareholders.

IV. WORK PLAN FOR THE BOARD IN 2025

The year 2025 marks the conclusion of both the “14th Five-Year Plan” and the State-Owned Enterprise Reform Deepening and Enhancement Initiative, while simultaneously serving as the inaugural year for the Company’s new strategic cycle. This year will witness the full launch of the first phase in the Company’s “three-step” medium-to-long-term strategic blueprint. The Company will closely align with national strategic priorities, accurately grasp the essential requirements of the new development stage, concepts and paradigm, and steadfastly pursue its goal of becoming a top-tier investment bank in the industry. We will continuously enhance strategic judgment capabilities, deepen distinctive development positioning, fulfill our mission responsibilities, and comprehensively upgrade our capacity to serve real economic growth and social wealth management.

As the cornerstone of corporate governance, the Board will fully exercise its leadership and decision-making functions with diligence, holistic perspective and developmental foresight, focusing on advancing six key priority areas:

Firstly, we will strengthen our strategic management leadership. In accordance with the Company’s 2025–2027 Strategic Plan approved by the annual Board meeting, we will continue to refine the decomposition and implementation of strategic objectives, enhance strategic communication and execution, and ensure effective plan implementation. We will advance the transformation and corporate value enhancement of the Company’s ‘Comprehensive Wealth’, ‘Comprehensive Investment Banking’, and ‘Comprehensive Institutional’ business segments, driving the successful execution of reform initiatives in key areas and critical processes. Through strategic analysis and thematic research, we will focus on strengthening core functions and enhancing core competitiveness, optimizing resource allocation, and continuously advancing the “Five Major Articles” of Finance. We will intensify research and evaluation of capital operations to support the Company’s excellence and strength, while empowering the management team to achieve annual operational goals and tasks.

Secondly, we will optimize our corporate governance mechanisms. We will implement the revised Company Law and relevant regulations issued by the CSRC for listed companies and securities firms, as well as state-owned asset supervision requirements, to deeply integrate Party leadership with corporate governance. In line with its operational realities, the Company will revise and improve its Articles of Association and supporting governance systems, adjust the oversight responsibilities of the Audit Committee of the Board, further optimize authorization management for the Board of Directors and Chairman, and enhance corporate decision-making mechanisms to ensure scientific and standardized governance practices.

Thirdly, we will strengthen our compliance and risk management capabilities. We will adapt to the new regulatory paradigm featuring institutional supervision, conduct regulation, functional regulation, penetrative supervision and continuous oversight. We will further enhance our compliance management system to fully support business collaboration and major decision-making. We will implement the Subsidiary Management Measures and management checklist, establish a comprehensive group-wide risk management framework, and strengthen penetrative risk management between parent and subsidiaries. We will continuously improve our capabilities in risk anticipation, early warning and response to elevate our overall risk management standards.

Fourthly, we will strengthen our leadership and talent development. We will fully implement the “Talent-Driven Development” strategy by enhancing top-level planning for talent management, revising and improving the compensation and performance management measures for leadership team, implementing the tenure-based and contractual management system for executives, optimizing workforce structure through systematic programs, and establishing comprehensive institutional safeguards, accountability mechanisms, and performance evaluation systems, so as to ensure our talent pool closely aligns with the Company’s strategic goals and business development needs.

Fifthly, we will advance our market value management system. We will formulate and implement a comprehensive market value management system, promoting market value management from three dimensions: value foundation, value creation, and value realization. We will further enhance the quality of information disclosure, strengthen the preparation and disclosure of periodic reports for new business segments, and highlight our business strategies, development progress, and key achievements. We will strengthen market value management capabilities by effectively utilizing market value management tools and maintaining relatively stable annual and interim cash dividends. We will actively conduct investor communication activities to stabilize capital market expectations and confidence in our development, solidify the foundation of market value, and effectively enhance our market value position.

Sixthly, we will enhance the role of Directors in fulfilling their duties. We will closely follow the implementation of new A+H share regulatory requirements, fully leveraging the professional decision-making role of the Board of Directors and its four specialized committees (Audit, Remuneration, Nomination, etc.), as well as the critical functions of independent Directors in decision-making, oversight checks and balances, and professional consultation. We will further optimize the Board’s self-improvement mechanisms to ensure scientific and standardized major decision-making. We will improve both regular and ad hoc training mechanisms for Directors to continuously enhance their governance capabilities, providing solid institutional safeguards for high-quality development for the Company.

In 2025, facing both opportunities and challenges, the Board will, with the strong support of shareholders and all sectors of society, remain true to its original aspirations and mission. Centered on the strategic goal of building a first-class modern investment bank, the Board will fully exercise its strategic leadership, continuously promote the improvement of corporate governance standards, drive our development to new heights, and create superior long-term value for shareholders!

The above proposal is hereby put forth for Shareholders’ consideration.

2024 REPORT OF THE SUPERVISORY COMMITTEE OF THE COMPANY¹

Dear Shareholders,

In accordance with relevant requirements under the laws, regulations and the Articles of Association, the 2024 Report of the Supervisory Committee of the Company is hereby submitted to the general meeting for consideration.

I. WORK OF THE SUPERVISORY COMMITTEE IN 2024

In 2024, following the Company Law, the Securities Law, and relevant national laws and regulations, the Supervisory Committee adopted the guiding principle of **“focusing on key oversight areas, innovating and optimizing supervision mechanisms, enhancing endogenous compliance and risk management capabilities, and supporting the Company’s pursuit of high-quality development with DFZQ characteristics”** for its annual work. The Committee diligently performed its oversight duties, intensified supervision in critical areas, continuously improved monitoring mechanisms, and strengthened its own capacity building, thereby contributing to the Company’s high-quality development with enhanced efficiency.

(I) Standardizing Efficient Performance of Duties and Promoting the Improvement of Corporate Governance**1. *Focusing on enhancing the quality and effectiveness of meeting oversight***

The Supervisory Committee convened five meetings in 2024 and considered and reviewed 34 resolutions in relation to the periodic reports, profit distribution, financial management, internal control compliance, management of related party transactions, and risk management of the Company. All Supervisors diligently performed their duties, attended the meetings of the Supervisory Committee in strict accordance with relevant requirements, expressed their supervisory opinions independently and professionally, formed five Supervision Suggestions of the Supervisory Committee and made 15 supervisory recommendations to the Board of Directors and senior management throughout the year, and continuously tracked the implementation to ensure the effective translation of oversight results, which played a positive role in promoting the compliant and stable operation of the Company.

¹ Unless otherwise specified, all amounts listed in this report are in RMB.

2. *Strictly conducting performance oversight and evaluation*

In 2024, the Supervisors of the Company attended three general meetings and were present at two on-site meetings of the Board of Directors and seven on-site meetings of the special committees of the Board of Directors to closely monitor the Company's operational decision-making and implementation progress and to supervise the legality and compliance of the Board of Directors and senior management in terms of discussion procedures, decision making process and information disclosure.

The Supervisory Committee continued to optimize the performance evaluation procedures by formulating the Plan for Improving the Performance Evaluation System for Directors, Supervisors and Senior Management. The evaluation content now incorporates the implementation of inspection rectification responsibilities, while establishing multi-channel information collection mechanisms through daily supervision and interviews. We have further refined evaluation indicators, adjusted operational procedures, and enhanced work support mechanisms. It designed a differentiated evaluation system that focuses on the execution effectiveness of decisions in senior management's respective areas of responsibility to improve evaluation accuracy. Having completed the 2023 performance evaluations for Directors, Supervisors and senior management, it provided constructive feedback on their performance to promote active engagement and diligent fulfillment of responsibilities among all governance entities.

(II) Keeping abreast with the Overall Development and Improving the Supervision Efficiency of Key Areas

1. *Continuously strengthening capital and financial oversight*

The Supervisory Committee rigorously conducted review and supervision of periodic reports, focusing on the authenticity, accuracy and completeness of financial information, with particular emphasis on financial settlements, asset impairment and bad debt write-offs, profit distribution, and cost management. The Supervisory Committee faithfully performed its financial oversight duties by regularly convening external audit meetings and conducting quarterly communications with the Company's financial department to dynamically monitor operational conditions reflected in financial indicators, while thoroughly discussing key matters. In 2024, the Supervisory Committee provided oversight recommendations including "enhancing resource planning and allocation to unlock cost-saving and efficiency potential" and "deepening whole-process liquidity risk management to optimize debt management mechanisms." Relevant departments responded with improvement measures such as "establishing a group-wide capital utilization control system" and "promoting optimization and integration of the fund management system," which are being conscientiously implemented.

2. *Continuously deepening risk, internal control and compliance oversight*

The Supervisory Committee focused on the quality and effectiveness of the Company's comprehensive risk management, identification and rectification of internal control deficiencies, and regulatory penalties, optimized modular analysis and checklist-based supervision processes of risk events, established standardized working papers and supervision ledgers, and compiled the Supervisory Committee Daily Oversight Report to incorporate trending and material issues into routine supervision. The Supervisory Committee actively fulfilled its oversight responsibilities regarding the Company's anti-money laundering risk management. Following regulatory inspection feedback, the Supervisory Committee tracked the progress and effectiveness of the Company's rectification measures, urging substantial improvements in anti-money laundering management to form a closed-loop rectification system. In 2024, the Supervisory Committee provided oversight recommendations including "improving the full-cycle compliance management system to strengthen vertical compliance mechanisms" and "enhancing risk management effectiveness and improving risk management mechanism development." Relevant departments responded with concrete measures such as "strengthening closed-loop management of compliance rectifications" and "establishing a multi-level risk control indicator early warning system," which are being diligently implemented.

3. *Making in-depth inspection and research to promote the improvement of management capability*

The Supervisory Committee closely followed the regulatory requirements and carried out supervision and inspection of key businesses and crucial aspects of concern. **Firstly**, the Supervisory Committee conducted inspection and research on the Company's financial derivatives business, including on-site reviews of operational status, risk management mechanisms, and development plans, and provided oversight recommendations regarding further clarifying business positioning, strengthening risk management, and enhancing system and team development. **Secondly**, the Supervisory Committee inspected the construction of the Company's major accountability mechanism, offering oversight suggestions such as "strengthening coordination to enhance supervisory synergy" and "implementing systematic governance for standardized and precise rectification." These recommendations aim to continuously improve the Company's internal management mechanisms and reinforce red-line awareness and bottom-line thinking across all business lines and employees.

(III) Improving Supervision Mechanism and Strengthening Self-Construction of the Supervisory Committee

1. *Effectively facilitating the implementation of supervision recommendations through closed-loop management*

The Supervisory Committee further improved the closed loop supervision management mechanism. The Supervisory Committee required the Company's frontlines such as funds, finance, compliance and risk control departments to formulate rectification plans and implementation schedules one by one based on the supervision suggestions of the Supervisory Committee. According to the year end evaluation and verification, the 39 improvement measures proposed by the above business lines in 2024 have been well implemented or have achieved phased results, thereby further achieving concrete, quality and effective results in implementing supervision efforts.

2. *Improving the coordination mechanism with all corporate governance bodies by promoting cross-functional collaboration and coordination*

The Supervisory Committee continuously promoted the establishment of the Company's comprehensive oversight framework featuring "Party internal supervision as the leading mechanism, supplemented by Party Committee inspection supervision, disciplinary inspection specialized supervision, departmental functional supervision, and grassroots democratic supervision". The Committee drafted the Guidelines for the Company's Comprehensive Oversight Work and convened three oversight meetings to share supervisory achievements, broaden oversight perspectives and enhance collaborative oversight effectiveness. In alignment with inspection requirements, the Committee collaborated with relevant functional departments to conduct supervision in key areas including expense management supervision in key areas, dynamic management of integrity risk prevention and control, and industry culture construction.

3. *Strengthening research and actively fulfilling securities firm responsibilities*

The Supervisory Committee undertook corporate governance research projects commissioned by the Shanghai State-owned Assets Supervision and Administration Commission of the State Council, leading data analysis and case studies while providing policy recommendations. It produced a specialized research report and assisted the Company in organizing key research projects for the 2024 Securities Association of China. These efforts contributed valuable insights to deepen state-owned enterprise reforms and promote high-quality development in the securities industry.

4. *Strengthening the foundation by solidly and effectively improving self-construction*

With the value goal of “high quality development driven by effective supervision”, the Supervisory Committee continuously strengthened its organizational construction and capacity building. **Firstly**, the Supervisory Committee completed the standardized and orderly election of a new Supervisory Committee in accordance with laws, regulations, and corporate governance procedures; **Secondly**, the Supervisory Committee improved the multi dimensional and three dimensional “supervision information database”, transmitted new market regulatory regulations and industry dynamics through multiple channels such as Work Bulletins, Work Newsletters and Information Disclosure Briefings to provide decision making reference for the Supervisory Committee to perform its duties; **Thirdly**, it organized Supervisors to participate in various types of training on duty performance, strengthened communication and exchange with industry associations, regulatory authorities and industry institutions, and continuously improved the level of supervision and practice.

II. MEETINGS AND PERFORMANCE OF DUTIES OF THE SUPERVISORY COMMITTEE

In 2024, all the Supervisors of the Company discharged their duties lawfully, honestly and diligently in accordance with laws and regulations and the requirements of the Articles of Association. The Supervisors actively attended the meetings and inspection and research activities of the Supervisory Committee, conducted effective supervision over the finance, compliance and risk management of the Company and raised prompt opinions and suggestions thereon, which promoted the sustainable and healthy development of the Company.

During the year, the Supervisory Committee held a total of five meetings, details of which are set out below:

No.	Meeting	Form	Date	Proposal passed
1	19th meeting of the fifth session of the Supervisory Committee	On-site meeting	March 27, 2024	The “Work Report of Supervisory Committee of the Company for the Year 2023”, the “Company’s 2023 Annual Financial Report”, the “2023 Profit Distribution Proposal of the Company”, the “Company’s 2023 Annual Compliance Report”, the “2023 Anti Money Laundering Report of the Company”, the “Company’s 2023 Annual Risk Management Work Report”, the “Company’s Comprehensive Risk Management Assessment Report in 2023”, the “Company’s 2023 Annual Internal Control Assessment Report”, the “2023 Compliance Management Effectiveness Assessment Report of the Company”, the “Proposal Regarding the Audit of the Related Transactions of the Company in 2023”, the “Proposal Regarding the Projected Routine Related Party Transactions of the Company in 2024”, the “Proposal Regarding the ‘2024–2026 Related Party Transaction Framework Agreement’ with Shenergy (Group) Company Limited”, the “Proposal Regarding the Expected Provision of External Guarantees by the Company in 2024”, the “Special Report on the Deposit and Actual Use of Proceeds of the Company for the Year 2023”, the “Proposal Regarding the Appointment of Accounting Firm for 2024”, the “Company’s 2023 Annual Sustainable Development/ESG Report”, the “2023 Annual Report of the Company”, the “Evaluation Report on Performance of Duties by Directors of the Company for the Year 2023”, the “Evaluation Report on Performance of by Supervisors of the Company for the Year 2023”, the “Evaluation Report on Performance of Duties by Senior Management of the Company for the Year 2023”, and the “Report of the Company on Assessment and Remuneration of Supervisors in 2023” were considered and approved, and the “2023 Audit Work Report of the Company” was presented.
2	20th meeting of the fifth session of the Supervisory Committee	Correspondence	April 29, 2024	The “First Quarterly Report of the Company for the Year 2024” was considered and approved.

No.	Meeting	Form	Date	Proposal passed
3	21st meeting of the fifth session of the Supervisory Committee	On-site meeting	August 29, 2024	The “Company’s 2024 Interim Financial Work Report”, the “Company’s 2024 Interim Profit Distribution Plan”, the “Company’s 2024 Interim Compliance Report”, the “Company’s 2024 Interim Risk Management Work Report”, the “Proposal on Amending the ‘Administrative Measures for Shareholding and Trading of the Company’s Directors, Supervisors, and Senior Management Personnel’”, and the “2024 Interim Report of 東方證券股份有限公司 (A Shares and H Shares)” were considered and approved and the “Company’s 2024 Interim Work Report of the Supervisory Committee” was presented.
4	22nd meeting of the fifth session of the Supervisory Committee	Correspondence	October 30, 2024	The “Proposal on the Election of Shareholder Representative Supervisors for the Company’s Sixth Session of the Supervisory Committee” and the “Third Quarterly Report of the Company for the Year 2024” were considered and approved.
5	first meeting of the sixth session of the Supervisory Committee	On-site meeting	November 22, 2024	The “Proposal on Election of the Chairperson for the Sixth Session of the Supervisory Committee” and the “Proposal on Appointment of the Secretary for the Sixth Session of the Supervisory Committee” were considered and approved.

During the Reporting Period, the attendance of the Supervisors at the meetings of the Supervisory Committee is set out below:

Name of Supervisor	Position	Required attendances (Times)	Attendance			Absence (Times)
			Attendance in person (Times)	Attendance via correspondence (Times)	Attendance by proxy (Times)	
LIU Wei	Chairman of the Supervisory Committee, shareholder representative Supervisor	1	1	0	0	0
DU Xinhong	Shareholder representative Supervisor	1	1	0	0	0
SHEN Guangjun	Shareholder representative Supervisor	5	5	2	0	0
LING Yun	Shareholder representative Supervisor	5	5	2	0	0

Name of Supervisor	Position	Required attendances (Times)	Attendance			Absence (Times)
			Attendance in person (Times)	via correspondence (Times)	Attendance by proxy (Times)	
RUAN Fei	Employee representative Supervisor	5	5	2	0	0
DING Yan	Employee representative Supervisor	5	5	2	0	0
ZHANG Yun	Employee representative Supervisor	1	1	0	0	0
DU Weihua (resigned)	Vice chairman of the Supervisory Committee, employee representative Supervisor	4	4	2	0	0
WU Junhao (resigned)	Shareholder representative Supervisor	4	4	3	0	0
XU Yongmiao (resigned)	Shareholder representative Supervisor	4	4	3	0	0
XIA Lijun (resigned)	Independent Supervisor	4	4	2	0	0
Meetings of the Supervisory Committee held during the year (times)		5				
Including: on-site meeting (times)		3				
Meetings held via correspondence (times)		2				

III. SUPERVISION OPINIONS AND SUGGESTIONS

(I) Supervision Opinions of the Supervisory Committee

1. Finance management

The Company strictly complied with the financial information disclosure requirements of A Share and H Share market with respect to its finance management, coordinated financial resources, advanced budget control, continuously optimized asset-liability allocation arrangements, focused on the ROE core indicators, refined financial performance metrics to deepen the integration between business operations and financial management, continuously improved the Group's refined financial management and proactive management and control capacity based on the Company's annual operation philosophy, and provided effective support for the stable operation of the Company. KPMG issued a "standard unqualified opinion" audit report on the Company's financial statements, and the Company maintained, in all material respects, effective internal control over financial reporting in accordance with the Basic Norms for Enterprise Internal Control and related rules.

2. *Compliance and risk management*

Pursuant to relevant laws and regulations, regulatory requirements and internal management policies of the Company, the Company has strengthened its institutional management mechanisms by improving the authorization management framework, accelerating the development of a unified risk control platform, enhancing vertical compliance oversight effectiveness, collaboratively establishing a comprehensive accountability system and continuously advancing integrity management and employee professional conduct supervision. These measures have effectively ensured the Company's stable operations. In 2024, the Company did not record any material case of non compliance throughout the year, and maintained a rating of "Grade AA, Category A" for securities firms.

3. *Duty performance of the Directors and senior management*

The Directors and senior management of the Company have sound professional ethics and professional qualities, and are able to diligently perform their duties required by the laws. In 2024, the Directors and senior management of the Company followed the annual work guidance determined by the general meeting and the Board at the beginning of the year, consistently adhered to the general keynote of seeking progress while ensuring stability, and fully implemented key annual work arrangements. This approach resulted in counter-cyclical growth of major indicators, further consolidation of the development foundation, and ultimately delivered steadily improving operational performance throughout the year. During the Reporting Period, the Supervisory Committee did not identify any violations of laws, regulations, Articles of Association or damage to the legitimate rights and interests of Shareholders by the Directors and senior management of the Company during their duty performance.

4. *Information disclosure management*

The Company disclosed information in a timely and fair manner in strict accordance with the information disclosure regulations of the A and H share market, such as the Securities Law and the requirements of the Company's Administrative Measures on Information Disclosure, and the information disclosed was true, accurate and complete, thus effectively safeguarding the legitimate rights and interests of Shareholders and investors. During the Reporting Period, the Supervisory Committee did not identify any violation of laws and regulations in the Company's information disclosure.

5. *Related-party transaction management*

The Company conducted related party transactions in strict accordance with laws, regulations, external regulatory requirements, and internal management systems such as the Company's Measures for the Administration of Related Party Transactions. The Company's decision making procedures on related party transactions were compliant, and information disclosure was standardized. During the Reporting Period, the Supervisory Committee did not identify any harm caused to the interests of the Company in related party transactions.

6. *Management of registration of insiders*

According to laws, regulations, regulatory requirements and the internal management system of the Company, the Company shall register, manage, disclose, record, keep confidential the inside information and strengthen accountability for violations, and maintain the principle of fairness of information disclosure. During the Reporting Period, the Supervisory Committee did not identify any violation of the registration management and confidentiality obligations of insiders.

(II) Supervision Suggestions of the Supervisory Committee

1. *Strengthening confidence and advancing steadily to accelerate the building of a top-tier investment bank with DFZQ characteristics*

The year 2025 marks the inaugural year of the Company's new strategic cycle. We will comprehensively implement the guiding principles from the 20th CPC National Congress and subsequent plenary sessions, deeply grasp the political and people-oriented nature of financial work, and adhere to the general principle of pursuing progress while ensuring stability. Anchoring our distinctive development positioning, we will implement more proactive reform and transformation measures to continuously enhance the core competitiveness of our main businesses. Focusing on the "Four Core Functions" of comprehensive wealth management, comprehensive investment banking, comprehensive institutional business and digital transformation, we will concentrate our efforts to innovate and optimize financial service offerings. Through comprehensive reform and continuous improvement, we will integrate Party leadership into all aspects of corporate governance, build a fully-functional, scientific, efficient, intensive and professional business and management system, steadily enhance our core competitiveness, and strive to achieve a successful start for the new strategic plan.

2. *Optimizing allocation and intensive cost reduction to accelerate comprehensive value return*

The Company will continue to implement intensive and refined operational management practices, constantly optimizing asset-liability allocation in line with our development strategy. By strengthening profitability, liquidity and volatility analysis and forecasting, the Company will maintain reasonable financial leverage while ensuring liquidity security, strive to reduce comprehensive financing costs, revitalize underperforming assets, enhance organizational resilience and management efficiency, and consistently advance cost reduction and efficiency improvement initiatives. These efforts will continuously boost the Company's overall resource utilization efficiency and comprehensive value return.

3. *Upholding bottom lines and strengthening coordination to accelerate endogenous compliance and risk control capabilities*

The Company will maintain market vigilance and sensitivity, fully recognizing the regulatory environment of “strict supervision and stringent oversight”. By combining long-term principles with professional expertise, and integrating endogenous compliance and risk control with digital transformation, the Company will accelerate the enhancement of our inherent risk management capabilities. The Company will improve the Group-level authorization management system, develop a multi-tiered risk indicator framework, and enhance risk classification and control mechanisms. The Company will strengthen vertical and penetrative parent-subsidiary control mechanisms to establish a robust risk prevention, mitigation and governance framework. Focusing on the “Four Supervisions” and implementing “Four Coordinations”, the Company will continuously refine our “comprehensive oversight” structure. Through problem-oriented approaches, the Company will address key risks with collaborative solutions, systematic remedies and accountable actions, thereby solidifying the foundation for the Company’s high-quality development.

IV. WORK PLAN FOR 2025

The year of 2025 marks the decisive year for deepening and upgrading state-owned enterprise reforms, as well as the inaugural year of the Company’s new strategic plan. Guided by Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, the Supervisory Committee of the Company will fully implement the guiding principles from the 20th CPC National Congress and subsequent plenary sessions, while complying with the new Company Law and other relevant laws, regulations and regulatory requirements. With the annual working principle of “**focusing on key oversight areas, coordinating internal supervision resources, enhancing endogenous compliance and risk control capabilities, and improving overall supervisory effectiveness**”, the Supervisory Committee of the Company will concentrate on core oversight functions, continuously refine the comprehensive supervision framework, and facilitate effective risk prevention and mitigation for the Company. These efforts will contribute significantly to accelerating the development of a top-tier investment bank with DFZQ characteristics.

(I) **Conducting Rigorous Oversight on Key Areas to Facilitate High-Quality Development through Effective Supervision**

1. **Focusing on core responsibilities to enhance supervisory quality and efficiency around the new three-year strategic plan and other key areas.** **Firstly**, centering on priority areas of the new three-year strategic plan and the Company’s key operational priorities for 2025, the Supervisory Committee will strengthen supervision over crucial areas including finance, compliance, and risk management, vigorously promoting financial risk prevention and resolution to drive greater breakthroughs in the Company’s journey to become a modern top-tier investment bank. **Secondly**, the Supervisory Committee will conduct thorough financial oversight by focusing on the advancement of major financial decisions, optimization of key financial internal

controls, and management of significant financial risks. The Supervisory Committee will conduct in-depth analysis of unstable factors affecting the Company's profitability and asset quality, examine the operation of financial cost management mechanisms and the effectiveness of financial resource allocation, and oversee the implementation of internal control recommendations from external audits, thereby continuously improving the Company's financial management standards and accounting information quality.

2. **Keeping pace with legal, regulatory and policy requirements to optimize the performance evaluation system for Directors, Supervisors and senior management through multiple measures.** Firstly, the Supervisory Committee will strengthen tracking of the performance of relevant Directors, Supervisors and senior management in the Company's classification evaluation. Through proactive information collection, interviews, investigations and research, the Supervisory Committee will urge Directors, Supervisors and senior management to fulfill their duties diligently and responsibly. Secondly, in accordance with regulatory requirements, the Supervisory Committee will further enrich and improve annual special reports such as the "Report on the Annual Performance Evaluation and Remuneration of Supervisors of the Company". The report will clearly present basic information about the Supervisors and their performance, and will be submitted as a special proposal for review and approval at the Company's annual Supervisors' meeting and shareholders' meeting.
3. **Deepening "problem-oriented" inspection and research to effectively enhance endogenous compliance and risk control capabilities.** Firstly, adhering to a problem-oriented approach, the Supervisory Committee will focus on key regulatory areas and important decisions from higher authorities. By collaborating with both internal and external oversight forces to conduct inspections and research, the Supervisory Committee will provide supervisory recommendations to strengthen endogenous compliance and risk control capabilities. Secondly, the Supervisory Committee will intensify follow-up on the rectification of issues identified during inspections. This includes continuous monitoring of the Company's financial derivatives business operations and risk management practices, ensuring effective implementation of corrective measures. The Supervisory Committee aims to establish a complete oversight loop encompassing problem identification, investigation, recommendation, and rectification supervision. Thirdly, special attention will be given to improving the Company's authorization management system, vertical management of parent-subsidiary companies, and penetrative control of key business operations. The Supervisory Committee will urge continuous enhancement of financial risk prevention mechanisms to firmly maintain robust compliance and risk control defenses.

(II) Integrating Internal Supervision Resources to Continuously Improve the Comprehensive Oversight Framework

- 1. Consolidating internal and external oversight resources for collaborative innovation in the comprehensive oversight framework.** Firstly, the Supervisory Committee will actively collaborate with internal oversight functions including compliance, risk control, and audit departments during routine supervision and inspection activities. By integrating oversight resources and sharing information, the Supervisory Committee will assist the Company in timely risk prevention, identification, and resolution. **Secondly**, aligning with the Party Committee's central tasks and practical supervision needs, the Supervisory Committee will coordinate internal oversight functions to implement 2025 supervision work through "project-based" approaches. This includes developing lists of routine oversight projects and special oversight projects, and steadily advancing their implementation. **Thirdly**, the Supervisory Committee will optimize the top-level design of comprehensive oversight by conducting field research and soliciting broad feedback. Specific measures will be refined for both the "Four Supervisions" and "Four Collaborative Integrations" to continuously enhance the comprehensive oversight framework.
- 2. Streamlining information reporting channels for the Supervisory Committee and leveraging technology to build an information sharing platform.** Firstly, the Supervisory Committee will regularly prepare reports such as the Daily Supervision Work Report of the Supervisory Committee, the Supervisory Committee Work Bulletin, and the Supervisory Committee Work Brief to track and highlight risks while providing oversight recommendations. These documents effectively communicate the Board's activities, market regulatory developments, and industry trends, thereby strengthening information exchange with the Board of Directors and senior management to continuously reinforce Supervisors' right to information. **Secondly**, guided by the principles of co-construction, co-governance and sharing, the Supervisory Committee will explore technology-enabled supervision by collaborating with internal oversight functions to establish an supervisory information sharing platform. This initiative aims to facilitate information exchange, leverage complementary advantages, prevent risks, and enhance the efficiency and timeliness of supervision.

(III) Strengthening the Self-Development of the Supervisory Committee to Continuously Enhance Professional Competence

- 1. Enhancing supervisor information disclosure management and leveraging supervisory advantages.** Firstly, in compliance with regulatory requirements, the Supervisory Committee will promptly submit Supervisors' professional qualifications, training records, and other relevant information, while strengthening the standardization of their appointment, professional conduct, and investment activities through rigorous reporting procedures. **Secondly**, the Supervisory Committee will

enable Shareholder Supervisors to fully utilize their professional expertise in corporate governance by providing oversight recommendations on the decision-making of the Board and operational executives, while identifying industrial-financial integration opportunities with Shareholder entities. Concurrently, the Supervisory Committee will empower employee supervisors to conduct role-specific supervision to safeguard staff democratic decision-making and oversight rights.

2. **Deepening research on corporate governance topics to strengthen foundations and enhance the professional capabilities of Supervisors in performing their duties.** **Firstly**, building on the key research achievements of the Securities Association of China in recent three years, the Supervisory Committee will promote the public release of research reports, actively carry out corporate governance research projects, apply for the 2025 key researches of the Securities Association of China, and provide suggestions for improving the modern enterprise system with Chinese characteristics. **Secondly**, the Supervisory Committee will strengthen the capacity building of supervisors in performing their duties by maintaining communication with regulatory agencies such as the Securities Association of China and the China Association for Public Companies, organizing corporate governance training for supervisors, enhancing learning of new policies and businesses, inviting professional institutions such as accounting firms to explain the preparation of periodic reports and audit requirements, improving supervisors' theoretical level of supervision and performance capabilities, continuously establishing and improving a corporate governance decision-making, execution and supervision mechanism with balanced rights and responsibilities, coordinated operation, proper performance of duties and effective checks and balances, and actively contributing to accelerating the construction of a first-class modern investment bank in the industry and better serving the construction of "Five Centers" in Shanghai.

The above proposal is hereby put forth for Shareholders' consideration.

2024 WORK REPORT OF THE INDEPENDENT DIRECTORS OF THE COMPANY

Dear Shareholders,

Pursuant to the Administrative Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Guidelines No. 1 for the Self regulation of Listed Companies on the Shanghai Stock Exchange – Standardized Operation, the Guidelines No. 2 for the Self regulation of Listed Companies on the Shanghai Stock Exchange – Business Handling (as amended in May 2024): No. VI – Periodic Reports and other regulations, the independent directors of the Company shall submit their annual work reports to the annual general meeting of the Company to give an explanation on their performance of duties. Accordingly, five independent Directors of the Company made written work reports on their detailed performance of duties during the Reporting Period (see attachment for details).

During the Reporting Period, all independent Directors of the Company performed their duties as independent Directors faithfully and diligently, fully leveraged on the roles of participating in decision-making, supervision and effective balances, and professional consultation in the Board, offered independent and objective recommendations on the operation and growth of the Company, and made positive contributions to safeguarding the interests of the Company as a whole and protecting legitimate rights and interests of minority Shareholders.

The above proposal is hereby put forth to Shareholders for consideration.

Attachment: 2024 Work Report of Five Independent Directors during the Reporting Period

ATTACHMENT: 2024 WORK REPORT OF FIVE INDEPENDENT DIRECTORS DURING THE REPORTING PERIOD

2024 WORK REPORT OF THE INDEPENDENT DIRECTORS OF THE COMPANY

WU Hong

As an independent Director of DFZQ, I engaged in the decision making of key matters of the Company independently and objectively, and performed my duties as an independent Director faithfully and diligently pursuant to the Administrative Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Guidelines No. 1 for the Self regulation of Listed Companies on the Shanghai Stock Exchange – Standardized Operation and the Guidelines No. 6 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange – Periodic Reports and other regulations, and hereby report my work in 2024 as follows:

I. GENERAL INFORMATION

I have served as an independent Director of the Company since December 2020, and also served as the chairman of the Remuneration and Nomination Committee and a member of the Compliance and Risk Management Committee of the sixth session of the Board of the Company. The details of my work experience, professional background and part-time jobs are available in the Company's 2024 Annual Report published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on the same date of this report.

In addition to being an independent Director of the Company, I have no direct or indirect interests in the Company and its substantial shareholders, or other relationships that may affect my independent and objective judgment, and there are no circumstances that may affect my independence.

II. DESCRIPTION OF DUTY PERFORMANCE DURING THE YEAR

(1) Number of Board meetings attended, manner and voting

A total of 10 Board meetings were held throughout the year, including three meetings held on-site and seven meetings held via correspondence. I attended all of such meetings in person and voted in favor of the resolutions submitted to the Board for consideration, and there was no objection or abstention. Details of the attendance are set out as follows:

Name of Independent Director	Required attendance during the year (times)	Attendance in person (times)	Attendance via correspondence (times)	Attendance by proxy (times)	Absence (times)
WU Hong	10	10	7	0	0

(2) Number of general meetings attended

A total of three general meetings were held throughout the year, and I attended three meetings in person.

(3) Attendance at the meetings of Board committees and special meetings of independent Directors

In 2024, the Company held five meetings of the Remuneration and Nomination Committee of the Board, and I attended all of such meetings in person; the Company held four meetings of the Compliance and Risk Management Committee of the Board, and I attended all of such meetings in person; and the Company held one special meeting of independent Directors, and I attended such meeting in person.

(4) Exercising the functions and powers of independent Directors

In addition to attending general meetings, meetings of the Board and its special committees as required and expressing clear opinions on the matters considered, I also performed my duties by regular access to operation information on the Company, listening to reports of and exchanging opinions with the management and on-site inspections.

During the Reporting Period, I participated in various meetings and activities including Board meetings, meetings of the Remuneration and Nomination Committee, meetings of the Compliance and Risk Management Committee, strategy sessions of the Board, and inspections of the Company's public welfare fund projects. Through these engagements, I conducted 8 on-site communications with the management team of the Company. I provided relevant opinions and suggestions regarding the Company's business digital transformation, prevention and resolution of various risks, implementation of compliance and risk control systems, and adjustments to internal organizational structures. Furthermore, I fulfilled my supervisory responsibilities concerning performance evaluation and compensation of the Company's leadership team members, selection and appointment of Directors and senior management and compliance and risk management matters, so as to protect the legitimate rights and interests of minority shareholders, and promote the improvement of the decision making level of the Board.

(5) Basic information regarding key matters, methods and results of communication with the internal auditor and the accounting firm engaged in the auditing business of the Company in relation to the financial and business conditions of the Company

During the Reporting Period, I proactively communicated with the Company's internal auditor and accounting firm by attending the Board meetings and the special meetings of independent Directors, and conducted completely exchange and analysis in relation to the internal control, financial and business conditions of the Company, so as to promote the Company to establish effective internal control and provide true, accurate and complete financial reports.

(6) Basic information regarding communication with minority shareholders

During the Reporting Period, I proactively listened to and understood the opinions and concerns of minority shareholders regarding strategic development, innovation and transition, compliance and risk management by attending three general meetings and other seminars of the Company, and put forward professional opinions and recommendations relating to relevant decision making and corporate governance, which effectively protected the interests of the Company and the legitimate rights and interests of minority shareholders.

(7) Time and content of on-site work in the Company

During the Reporting Period, I earnestly performed my duties by attending the meetings of the Board and its special committees and the general meetings of the Company, participating in research activities for the Company's public welfare fund projects and attending Board strategy sessions, etc., and prepared relevant work records as required, and all on-site working hours and contents were in compliance with relevant requirements.

(8) The Company's cooperation for independent Directors' work

The Company also provided proactive cooperation and support for my performance of duties, and attached great importance to the communication with me, and maintained daily contact and work implementation through email, telephone and other channels in a timely manner. The Company regularly prepared materials such as Board Bulletins, Compliance and Risk Management Comprehensive Report, Compliance Mails and Anti Money Laundering Quarterly Report, so that I can timely access to the Company's operation and management information and follow up the operation dynamics, and put forward constructive opinions and recommendations on relevant resolutions of the Board. Meanwhile, the Company also organized my participation in specialized training on "Key Revisions and Practical Application of the New Company Law", and provided me with the guidance documents such as the "Reminder on Conducting Securities Transactions in Compliance with Laws and Regulations to Prevent Short-Swing Trading Violations" and the "Cases and Regulations on Illegal Trading of Shares by Directors, Supervisors and Senior Management of Listed Securities Companies and Their Relatives", so as to enhance my ability to perform duties in all aspects.

III. KEY MATTERS OF INDEPENDENT DIRECTORS IN PERFORMING THEIR DUTIES DURING THE YEAR

(1) Discloseable related-party transactions

As an independent Director, I considered and approved the “Proposal Regarding the Audit of the Related-Party Transactions of the Company in 2023”, the “Proposal Regarding the Projected Routine Related-Party Transactions of the Company in 2024” and the “Proposal Regarding the ‘2024–2026 Related-Party Transaction Framework Agreement’ with Shenergy (Group) Company Limited” at the First 2024 Meeting of the Special Committee for Independent Directors of the fifth session of the Board of Directors and the 33rd Meeting of the fifth session Board of Directors, respectively, and agreed with the above related-party transaction matters.

(2) Plans for the listed company and related parties to modify or waive commitments

During the Reporting Period, there were no instances involving the Company or related parties modifying or waiving commitments.

(3) Decisions and measures taken by the Board of Directors of the acquired listed company in response to the acquisition

During the Reporting Period, there were no instances involving the Company being acquired.

(4) Disclosure of financial information and internal control evaluation reports in financial accounting reports and periodic reports

During the Reporting Period, the Company prepared and disclosed the 2023 Annual Report, the 2024 First Quarterly Report, the 2024 Interim Report, the 2024 Third Quarterly Report and the 2023 Internal Control Evaluation Report in accordance with the Company Law, the Securities Law, the Guidelines for the Content and Format of Information Disclosure by Companies Offering Securities to the Public No. 2 – Content and Format of Annual Reports and the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and other laws and regulations as well as the requirements of regulatory documents strictly, and disclosed the financial information and material matters for the corresponding reporting period in a timely manner, so as to fully disclose the Company’s operation to investors. The above reports were considered and approved by the meetings of the Audit Committee of the Board and the Board of the Company. The 2023 Annual Report was also considered and approved at the 2023 annual general meeting of the Company. I signed written confirmation opinions on the truthfulness, accuracy and completeness of the periodic reports of the Company, and agreed with the conclusions made in the 2023 Internal Control Evaluation Report of the Company.

(5) Appointment of accounting firm for auditing services of the Company

After the completion of the 2023 audit, Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP had served as the overseas auditor for eight consecutive years (2016 to 2023) and the domestic auditor for seven consecutive years (2017 to 2023), respectively, reaching the maximum consecutive engagement period for accounting firms as stipulated in the Measures for the Selection and Appointment of Accounting Firms by State-Owned Financial Enterprises issued by the Ministry of Finance.

As an independent Director, I considered and approved the Proposal on the Appointment of the 2024 Audit Firm at the 33rd meeting of the fifth session of the Board of the Company, and agreed to appoint KPMG Huazhen LLP as the Company's domestic auditor and internal control auditor for 2024, and KPMG as the Company's overseas auditor for 2024.

(6) Appointment or dismissal of the Company's financial officer

As the Chairman of the Remuneration and Nomination Committee and an independent Director, I considered and approved the Proposal on the Appointment of Senior Management at the First 2024 Meeting of the Remuneration and Nomination Committee of the sixth session of the Board and the Second Meeting of the sixth session of the Board, and agreed to reappoint Mr. SHU Hong to concurrently serve as the Company's CFO.

(7) Changes in accounting policies or accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards

During the Reporting Period, the Company did not involve any changes in accounting policies or accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards.

(8) Nomination or appointment/dismissal of Directors, and appointment/dismissal of senior management personnel

As the Chairman of the Remuneration and Nomination Committee and an independent Director, I considered and approved the Proposal on the Election of Directors (Non-Independent Directors) for the sixth session of the Board and the Proposal on the Election of Independent Directors for the sixth session of the Board at the Fourth 2024 Meeting of the Remuneration and Nomination Committee of the fifth session of the Board and the 39th meeting of the fifth session of the Board, and agreed to nominate Mr. GONG Dexiong, Mr. LU Weiming, and Mr. LU Dayin as executive Directors of the sixth session of the Board of the Company; to nominate Mr. XIE Weiqing, Mr. YANG Bo, Mr. SHI Lei, Ms. LI Yun, Mr. XU Yongmiao, and Mr. REN Zhixiang as non-executive Directors of the sixth session of the Board of the Company; and to nominate Mr. WU Hong, Mr. FENG Xingdong, Mr. LUO Xinyu, Mr. CHAN Hon, and Mr. ZHU Kai as independent Directors of the sixth session of the Board of the Company.

As the Chairman of the Remuneration and Nomination Committee and an independent Director, I considered and approved the Proposal on the Appointment of Senior Management Personnel at the First 2024 Meeting of the Remuneration and Nomination Committee of the sixth session of the Board of the Company and the Second Meeting of the sixth session of the Board, and agreed to appoint Mr. LU Dayin as Vice President (in charge of affairs); to appoint Mr. SHU Hong, Mr. ZHANG Jianhui, Mr. CHEN Gang, and Mr. WU Zezhi as Vice Presidents; to appoint Mr. SHU Hong to concurrently serve as CFO; to appoint Mr. JIANG Helei as CRO and CCO; and to appoint Mr. WANG Rufu as Secretary to the Board.

(9) Remuneration of Directors and senior management personnel; formulation or modification of equity incentive plans or employee stock ownership plans; fulfillment of conditions for granting or exercising incentive rights; arrangement of shareholding plans by Directors or senior management personnel in subsidiaries intended for spin-off

As the Chairman of the Remuneration and Nomination Committee and an independent Director, I considered and approved the Report on the 2023 Performance Evaluation and Remuneration of Directors, the Report on the 2023 Performance Evaluation and Remuneration of Senior Management Personnel, and the Company's 2023 Annual Report at the Second 2024 Meeting of the Remuneration and Nomination Committee of the fifth session of the Board of the Company and the 33rd Meeting of the fifth session of the Board, and agreed with the remuneration of Directors and senior management personnel disclosed in the annual report.

As the Chairman of the Remuneration and Nomination Committee and an independent Director, I considered and approved the Proposal on the 2023 Performance Bonus Allocation Plan for Members of the Company's Leadership Team and the Proposal on the 2023 Performance Evaluation and Allocation for Members of the Company's Leadership Team at the Third 2024 Meeting of the Remuneration and Nomination Committee of the fifth session of the Board and the 38th Meeting of the fifth session of the Board, and agreed with the 2023 performance bonus arrangements for members of the Company's leadership team.

In 2024, the Company did not involve the formulation or modification of equity incentive plans or employee stock ownership plans, the fulfillment of conditions for granting or exercising incentive rights, or the arrangement of shareholding plans by Directors or senior management personnel in subsidiaries intended for spin-off.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

In 2024, I faithfully performed my duties as an independent Director, actively participated in key matters and exercised my duties as a Director, through diligent and dedicated engagement, I provided professional and objective recommendations on the operation and development of the listed company, made positive contributions for improving the corporate governance structure and safeguarding the interests of the Company as a whole as well as the legitimate rights and interests of the public shareholders.

In 2025, I will continuously abide by the regulatory requirements of listed securities companies, diligently and faithfully perform my duties in strict compliance with the relevant requirements under the laws, regulations and the Articles of Association; and effectively safeguard the legitimate rights and interests of all the Shareholders and in particular of the minority Shareholders, with a view to promoting the sustainable, healthy and stable development of the Company.

Independent Director: WU Hong
March 2025

2024 WORK REPORT OF THE INDEPENDENT DIRECTORS OF THE COMPANY

FENG Xingdong

As an independent Director of DFZQ, I engaged in the decision making of key matters of the Company independently and objectively, and performed my duties as an independent director faithfully and diligently pursuant to the Administrative Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Guidelines No. 1 for the Self regulation of Listed Companies on the Shanghai Stock Exchange – Standardized Operation and the Guidelines No. 6 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange – Periodic Reports and other regulations, and hereby report my work in 2024 as follows:

I. GENERAL INFORMATION

I have served as an independent Director of the Company since December 2020, and also served as a member of the Remuneration and Nomination Committee and a member of the Audit Committee of the sixth session of the Board of the Company. The details of my work experience, professional background and part-time jobs are available in the Company's 2024 Annual Report published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on the same date of this report.

In addition to being an independent Director of the Company, I have no direct or indirect interests in the Company and its substantial shareholders, or other relationships that may affect my independent and objective judgment, and there are no circumstances that may affect my independence.

II. DESCRIPTION OF DUTY PERFORMANCE DURING THE YEAR**(1) Number of Board meetings attended, manner and voting**

A total of 10 Board meetings were held throughout the year, including three meetings held on-site and seven meetings held via correspondence. I attended all of such meetings in person and voted in favor of the resolutions submitted to the Board for consideration, and there was no objection or abstention. Details of the attendance are set out as follows:

Name of Independent Director	Required attendance during the year (times)	Attendance in person (times)	Attendance via correspondence (times)	Attendance by proxy (times)	Absence (times)
FENG Xingdong	10	10	8	0	0

(2) Number of general meetings attended

A total of three general meetings were held throughout the year, and I attended three meetings in person.

(3) Attendance at the meetings of Board committees and special meetings of independent Directors

In 2024, the Company held five meetings of the Remuneration and Nomination Committee of the Board, and I attended all of such meetings in person; the Company held eight meetings of the Audit Committee of the Board, and I attended all of such meetings in person; and the Company held one special meeting of independent Directors, and I attended such meeting in person.

(4) Exercising the functions and powers of independent Directors

In addition to attending general meetings, meetings of the Board and its special committees as required and expressing clear opinions on the matters considered, I also performed my duties by regular access to operation information on the Company, listening to reports of and exchanging opinions with the management and on-site inspections.

During the Reporting Period, I participated in various meetings and activities including Board meetings, meetings of the Audit Committee, annual general meetings, and annual and semi-annual results briefings. Through these engagements, I conducted seven on-site communications with the management team of the Company. I provided relevant opinions and suggestions regarding the Company's macroeconomic situation assessment, changes in asset structure, business layout, cost reduction and efficiency improvement, risk management and control, etc. Furthermore, I fulfilled my supervisory responsibilities concerning performance evaluation and compensation of the Company's leadership team members, selection and appointment of Directors and senior management and internal control and external audit matters, so as to protect the legitimate rights and interests of minority shareholders, and promote the improvement of the decision making level of the Board.

(5) Basic information regarding key matters, methods and results of communication with the internal auditor and the accounting firm engaged in the auditing business of the Company in relation to the financial and business conditions of the Company

During the Reporting Period, I proactively communicated with the Company's internal auditor and accounting firm by attending Board meetings, meetings of the Audit Committee and the special meetings of independent Directors, and conducted completely exchange and analysis in relation to the internal control, financial and business conditions of the Company, so as to promote the Company to establish effective internal control and provide true, accurate and complete financial reports.

(6) Basic information regarding communication with minority shareholders

During the Reporting Period, I proactively listened to and understood the opinions and concerns of minority shareholders regarding strategic development, innovation and transition, compliance and risk management by attending three general meetings, annual and semi-annual results briefings and other seminars of the Company, and put forward professional opinions and recommendations relating to relevant decision making and corporate governance, which effectively protected the interests of the Company and the legitimate rights and interests of minority shareholders.

(7) Time and content of on-site work in the Company

During the Reporting Period, I earnestly performed my duties by attending the meetings of the Board and its special committees and the general meetings of the Company, etc., and prepared relevant work records as required, and all on-site working hours and contents were in compliance with relevant requirements.

(8) The Company's cooperation for independent Directors' work

The Company also provided proactive cooperation and support for my performance of duties, and attached great importance to the communication with me, and maintained daily contact and work implementation through email, telephone and other channels in a timely manner. The Company regularly prepared materials such as Board Bulletins, Compliance and Risk Management Comprehensive Report, Compliance Mails and Anti Money Laundering Quarterly Report, so that I can timely access to the Company's operation and management information and follow up the operation dynamics, and put forward constructive opinions and recommendations on relevant resolutions of the Board. Meanwhile, the Company also organized my participation in specialized training on "Key Revisions and Practical Application of the New Company Law", and provided me with the guidance documents such as the "Reminder on Conducting Securities Transactions in Compliance with Laws and Regulations to Prevent Short-Swing Trading Violations" and the "Cases and Regulations on Illegal Trading of Shares by Directors, Supervisors and Senior Management of Listed Securities Companies and Their Relatives", so as to enhance my ability to perform duties in all aspects.

III. KEY MATTERS OF INDEPENDENT DIRECTORS IN PERFORMING THEIR DUTIES DURING THE YEAR

(1) Discloseable related-party transactions

As a member of the Audit Committee and an independent Director, I considered and approved the “Proposal Regarding the Audit of the Related-Party Transactions of the Company in 2023”, the “Proposal Regarding the Projected Routine Related Party Transactions of the Company in 2024” and the “Proposal Regarding the ‘2024–2026 Related Party Transaction Framework Agreement’ with Shenergy (Group) Company Limited” at the First 2024 Meeting of the Audit Committee of the fifth session of the Board of the Company, the First 2024 Meeting of the Special Committee for Independent Directors of the fifth session of the Board of Directors and the 33rd Meeting of the fifth session of the Board of Directors, respectively, and agreed with the above related-party transaction matters.

(2) Plans for the listed company and related parties to modify or waive commitments

During the Reporting Period, there were no instances involving the Company or related parties modifying or waiving commitments.

(3) Decisions and measures taken by the Board of Directors of the acquired listed company in response to the acquisition

During the Reporting Period, there were no instances involving the Company being acquired.

(4) Disclosure of financial information and internal control evaluation reports in financial accounting reports and periodic reports

During the Reporting Period, the Company prepared and disclosed the 2023 Annual Report, the 2024 First Quarterly Report, the 2024 Interim Report, the 2024 Third Quarterly Report and the 2023 Internal Control Evaluation Report in accordance with the Company Law, the Securities Law, the Guidelines for the Content and Format of Information Disclosure by Companies Offering Securities to the Public No. 2 – Content and Format of Annual Reports and the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and other laws and regulations as well as the requirements of regulatory documents strictly, and disclosed the financial information and material matters for the corresponding reporting period in a timely manner, so as to fully disclose the Company’s operation to investors. The above reports were considered and approved by the meetings of the Audit Committee of the Board and the Board of the Company. The 2023 Annual Report was also considered and approved at the 2023 annual general meeting of the Company. I signed written confirmation opinions on the truthfulness, accuracy and completeness of the periodic reports of the Company, agreed with the conclusions made in the 2023 Internal Control Evaluation Report of the Company, and believed that the Company has implemented the requirements of the enterprise internal control framework and other relevant regulations, and its internal controls are effective.

(5) Appointment of accounting firm for auditing services of the Company

After the completion of the 2023 audit, Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP had served as the overseas auditor for eight consecutive years (2016 to 2023) and the domestic auditor for seven consecutive years (2017 to 2023), respectively, reaching the maximum consecutive engagement period for accounting firms as stipulated in the Measures for the Selection and Appointment of Accounting Firms by State-Owned Financial Enterprises issued by the Ministry of Finance.

As a member of the Audit Committee and an independent Director, I considered and approved the Proposal on the Appointment of the 2024 Audit Firm at the first 2024 meeting of the Audit Committee of the fifth session of the Board and the 33rd meeting of the fifth session of the Board of the Company, and agreed to appoint KPMG Huazhen LLP as the Company's domestic auditor and internal control auditor for 2024, and KPMG as the Company's overseas auditor for 2024.

(6) Appointment or dismissal of the Company's financial officer

As a member of the Remuneration and Nomination Committee and an independent Director, I considered and approved the Proposal on the Appointment of Senior Management at the First 2024 Meeting of the Remuneration and Nomination Committee of the sixth session of the Board and the Second Meeting of the sixth session of the Board, and agreed to reappoint Mr. SHU Hong to concurrently serve as the Company's CFO.

(7) Changes in accounting policies or accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards

During the Reporting Period, the Company did not involve any changes in accounting policies or accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards.

(8) Nomination or appointment/dismissal of Directors, and appointment/dismissal of senior management personnel

As a member of the Remuneration and Nomination Committee and an independent Director, I considered and approved the Proposal on the Election of Directors (Non-Independent Directors) for the Sixth Session of the Board and the Proposal on the Election of Independent Directors for the Sixth Session of the Board at the Fourth 2024 Meeting of the Remuneration and Nomination Committee of the fifth session of the Board and the 39th meeting of the fifth session of the Board, and agreed to nominate Mr. GONG Dexiong, Mr. LU Weiming, and Mr. LU Dayin as executive Directors of the sixth session of the Board of the Company; to nominate Mr. XIE Weiqing, Mr. YANG Bo, Mr. SHI Lei, Ms. LI Yun, Mr. XU Yongmiao, and Mr. REN Zhixiang as non-executive Directors of the sixth session of the Board of the Company; and to nominate Mr. WU Hong, Mr. FENG Xingdong, Mr. LUO Xinyu, Mr. CHAN Hon, and Mr. ZHU Kai as independent Directors of the sixth session of the Board of the Company.

As a member of the Remuneration and Nomination Committee and an independent Director, I considered and approved the Proposal on the Appointment of Senior Management Personnel at the First 2024 Meeting of the Remuneration and Nomination Committee of the sixth session of the Board of the Company and the Second Meeting of the sixth session of the Board, and agreed to appoint Mr. LU Dayin as Vice President (in charge of affairs); to appoint Mr. SHU Hong, Mr. ZHANG Jianhui, Mr. CHEN Gang, and Mr. WU Zezhi as Vice Presidents; to appoint Mr. SHU Hong to concurrently serve as CFO; to appoint Mr. JIANG Helei as CRO and CCO; and to appoint Mr. WANG Rufu as Secretary to the Board.

(9) Remuneration of Directors and senior management personnel; formulation or modification of equity incentive plans or employee stock ownership plans; fulfillment of conditions for granting or exercising incentive rights; arrangement of shareholding plans by Directors or senior management personnel in subsidiaries intended for spin-off

As a member of the Remuneration and Nomination Committee and an independent Director, I considered and approved the Report on the 2023 Performance Evaluation and Remuneration of Directors, the Report on the 2023 Performance Evaluation and Remuneration of Senior Management Personnel, and the Company's 2023 Annual Report at the Second 2024 Meeting of the Remuneration and Nomination Committee of the fifth session of the Board of the Company and the 33rd Meeting of the fifth session of the Board, and agreed with the remuneration of Directors and senior management personnel disclosed in the annual report.

As a member of the Remuneration and Nomination Committee and an independent Director, I considered and approved the Proposal on the 2023 Performance Bonus Allocation Plan for Members of the Company's Leadership Team and the Proposal on the 2023 Performance Evaluation and Allocation for Members of the Company's Leadership Team at the Third 2024 Meeting of the Remuneration and Nomination Committee of the fifth session of the Board and the 38th Meeting of the fifth session of the Board, and agreed with the 2023 performance bonus arrangements for members of the Company's leadership team.

In 2024, the Company did not involve the formulation or modification of equity incentive plans or employee stock ownership plans, the fulfillment of conditions for granting or exercising incentive rights, or the arrangement of shareholding plans by Directors or senior management personnel in subsidiaries intended for spin-off.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

In 2024, I faithfully performed my duties as an independent Director, actively participated in key matters and exercised my duties as a Director, through diligent and dedicated engagement, I provided professional and objective recommendations on the operation and development of the listed company, made positive contributions for improving the corporate governance structure and safeguarding the interests of the Company as a whole as well as the legitimate rights and interests of the public shareholders.

In 2025, I will continuously abide by the regulatory requirements of listed securities companies, diligently and faithfully perform my duties in strict compliance with the relevant requirements under the laws, regulations and the Articles of Association; and effectively safeguard the legitimate rights and interests of all the Shareholders and in particular of the minority Shareholders, with a view to promoting the sustainable, healthy and stable development of the Company.

Independent Director: FENG Xingdong

March 2025

2024 WORK REPORT OF THE INDEPENDENT DIRECTORS OF THE COMPANY

LUO Xinyu

As an independent Director of DFZQ, I engaged in the decision making of key matters of the Company independently and objectively, and performed my duties as an independent director faithfully and diligently pursuant to the Administrative Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Guidelines No. 1 for the Self regulation of Listed Companies on the Shanghai Stock Exchange – Standardized Operation and the Guidelines No. 6 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange – Periodic Reports and other regulations, and hereby report my work in 2024 as follows:

I. GENERAL INFORMATION

I have served as an independent Director of the Company since May 2021, and also served as a member of the Remuneration and Nomination Committee and a member of the Compliance and Risk Management Committee of the sixth session of the Board of the Company. From January to November 2024, I concurrently served as a member of the Audit Committee of the fifth session of the Board. The details of my work experience, professional background and part-time jobs are available in the Company's 2024 Annual Report published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on the same date of this report.

In addition to being an independent Director of the Company, I have no direct or indirect interests in the Company and its substantial shareholders, or other relationships that may affect my independent and objective judgment, and there are no circumstances that may affect my independence.

II. DESCRIPTION OF DUTY PERFORMANCE DURING THE YEAR**(1) Number of Board meetings attended, manner and voting**

A total of 10 Board meetings were held throughout the year, including three meetings held on-site and seven meetings held via correspondence. I attended all of such meetings in person and voted in favor of the resolutions submitted to the Board for consideration, and there was no objection or abstention. Details of the attendance are set out as follows:

Name of Independent Director	Required attendance during the year (times)	Attendance in person (times)	Attendance via correspondence (times)	Attendance by proxy (times)	Absence (times)
LUO Xinyu	10	10	7	0	0

(2) Number of general meetings attended

A total of three general meetings were held throughout the year, and I attended three meetings in person.

(3) Attendance at the meetings of Board committees and special meetings of independent Directors

In 2024, the Company held one meeting of the Remuneration and Nomination Committee of the sixth session of the Board, and I attended such meeting in person; the Company held one meeting of the Compliance and Risk Management Committee of the sixth session of the Board, and I attended such meeting in person; the Company held six meetings of the Audit Committee of the fifth session of the Board, and I attended all of such meetings in person; and the Company held one special meeting of independent Directors, and I attended such meeting in person.

(4) Exercising the functions and powers of independent Directors

In addition to attending general meetings, meetings of the Board and its special committees as required and expressing clear opinions on the matters considered, I also performed my duties by regular access to operation information on the Company, listening to reports of and exchanging opinions with the management and on-site inspections.

During the Reporting Period, I participated in various meetings and activities including Board meetings, meetings of the Audit Committee, strategy sessions of the Board, and inspections of the Company's public welfare fund projects. Through these engagements, I conducted six on-site communications with the management team of the Company. I provided relevant opinions and suggestions regarding the development direction of the Company's investment banking business, compliance risk management, and allocation of business resources. Furthermore, I fulfilled my supervisory responsibilities concerning appointment of senior management and internal control and external audit matters, so as to protect the legitimate rights and interests of minority shareholders, and promote the improvement of the decision making level of the Board.

(5) Basic information regarding key matters, methods and results of communication with the internal auditor and the accounting firm engaged in the auditing business of the Company in relation to the financial and business conditions of the Company

During the Reporting Period, I proactively communicated with the Company's internal auditor and accounting firm by attending Board meetings, meetings of the Audit Committee and the special meetings of independent Directors, and conducted completely exchange and analysis in relation to the internal control, financial and business conditions of the Company, so as to promote the Company to establish effective internal control and provide true, accurate and complete financial reports.

(6) Basic information regarding communication with minority shareholders

During the Reporting Period, I proactively listened to and understood the opinions and concerns of minority shareholders regarding strategic development, innovation and transition, compliance and risk management by attending three general meetings and other seminars of the Company, and put forward professional opinions and recommendations relating to relevant decision making and corporate governance, which effectively protected the interests of the Company and the legitimate rights and interests of minority shareholders.

(7) Time and content of on-site work in the Company

During the Reporting Period, I earnestly performed my duties by attending the meetings of the Board and its special committees and the general meetings of the Company, participating in research activities for the Company's public welfare fund projects and attending Board strategy sessions, etc., and prepared relevant work records as required, and all on-site working hours and contents were in compliance with relevant requirements.

(8) The Company's cooperation for independent Directors' work

The Company also provided proactive cooperation and support for my performance of duties, and attached great importance to the communication with me, and maintained daily contact and work implementation through email, telephone and other channels in a timely manner. The Company regularly prepared materials such as Board Bulletins, Compliance and Risk Management Comprehensive Report, Compliance Mails and Anti Money Laundering Quarterly Report, so that I can timely access to the Company's operation and management information and follow up the operation dynamics, and put forward constructive opinions and recommendations on relevant resolutions of the Board. Meanwhile, the Company also organized my participation in specialized training on "Key Revisions and Practical Application of the New Company Law", assisted me in participating in the "2024 Second Session of Training Program for Directors, Supervisors, and Senior Management of Listed Companies in Shanghai", and provided me with the guidance documents such as the "Reminder on Conducting Securities Transactions in Compliance with Laws and Regulations to Prevent Short-Swing Trading Violations" and the "Cases and Regulations on Illegal Trading of Shares by Directors, Supervisors and Senior Management of Listed Securities Companies and Their Relatives", so as to enhance my ability to perform duties in all aspects.

III. KEY MATTERS OF INDEPENDENT DIRECTORS IN PERFORMING THEIR DUTIES DURING THE YEAR

(1) Discloseable related-party transactions

As a member of the Audit Committee of the fifth session of the Board and an independent Director, I considered and approved the “Proposal Regarding the Audit of the Related-Party Transactions of the Company in 2023”, the “Proposal Regarding the Projected Routine Related-Party Transactions of the Company in 2024” and the “Proposal Regarding the ‘2024–2026 Related-Party Transaction Framework Agreement’ with Shenergy (Group) Company Limited” at the First 2024 Meeting of the Audit Committee of the fifth session of the Board of the Company, the First 2024 Meeting of the Special Committee for Independent Directors of the fifth session of the Board of Directors and the 33rd Meeting of the fifth session of the Board of Directors, respectively, and agreed with the above related-party transaction matters.

(2) Plans for the listed company and related parties to modify or waive commitments

During the Reporting Period, there were no instances involving the Company or related parties modifying or waiving commitments.

(3) Decisions and measures taken by the Board of Directors of the acquired listed company in response to the acquisition

During the Reporting Period, there were no instances involving the Company being acquired.

(4) Disclosure of financial information and internal control evaluation reports in financial accounting reports and periodic reports

During the Reporting Period, the Company prepared and disclosed the 2023 Annual Report, the 2024 First Quarterly Report, the 2024 Interim Report, the 2024 Third Quarterly Report and the 2023 Internal Control Evaluation Report in accordance with the Company Law, the Securities Law, the Guidelines for the Content and Format of Information Disclosure by Companies Offering Securities to the Public No. 2 – Content and Format of Annual Report and the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and other laws and regulations as well as the requirements of regulatory documents strictly, and disclosed the financial information and material matters for the corresponding reporting period in a timely manner, so as to fully disclose the Company’s operation to investors. The above reports were considered and approved by the meetings of the Audit Committee of the Board and the Board of the Company. The 2023 Annual Report was also considered and approved at the 2023 annual general meeting of the Company. I signed written confirmation opinions on the truthfulness, accuracy and completeness of the periodic reports of the Company, agreed with the conclusions made in the 2023 Internal Control Evaluation Report of the Company, and believed that the Company has implemented the requirements of the enterprise internal control framework and other relevant regulations, and its internal controls are effective.

(5) Appointment of accounting firm for auditing services of the Company

After the completion of the 2023 audit, Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP had served as the overseas auditor for eight consecutive years (2016 to 2023) and the domestic auditor for seven consecutive years (2017 to 2023), respectively, reaching the maximum consecutive engagement period for accounting firms as stipulated in the Measures for the Selection and Appointment of Accounting Firms by State-Owned Financial Enterprises issued by the Ministry of Finance.

As a member of the Audit Committee of the fifth session of the Board and an independent Director, I considered and approved the Proposal on the Appointment of the 2024 Audit Firm at the first 2024 meeting of the Audit Committee of the fifth session of the Board and the 33rd meeting of the fifth session of the Board of the Company, and agreed to appoint KPMG Huazhen LLP as the Company's domestic auditor and internal control auditor for 2024, and KPMG as the Company's overseas auditor for 2024.

(6) Appointment or dismissal of the Company's financial officer

As a member of the Remuneration and Nomination Committee of the sixth session of the Board and an independent Director, I considered and approved the Proposal on the Appointment of Senior Management at the First 2024 Meeting of the Remuneration and Nomination Committee of the sixth session of the Board and the Second Meeting of the sixth session of the Board, and agreed to reappoint Mr. SHU Hong to concurrently serve as the Company's CFO.

(7) Changes in accounting policies or accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards

During the Reporting Period, the Company did not involve any changes in accounting policies or accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards.

(8) Nomination or appointment/dismissal of Directors, and appointment/dismissal of senior management personnel

As an independent Director, I considered and approved the Proposal on the Election of Directors (Non-Independent Directors) for the Sixth Session of the Board and the Proposal on the Election of Independent Directors for the Sixth Session of the Board at the 39th meeting of the fifth session of the Board, and agreed to nominate Mr. GONG Dexiong, Mr. LU Weiming, and Mr. LU Dayin as executive Directors of the sixth session of the Board of the Company; to nominate Mr. XIE Weiqing, Mr. YANG Bo, Mr. SHI Lei, Ms. LI Yun, Mr. XU Yongmiao, and Mr. REN Zhixiang as non-executive Directors of the sixth session of the Board of the Company; and to nominate Mr. WU Hong, Mr. FENG Xingdong, Mr. LUO Xinyu, Mr. CHAN Hon, and Mr. ZHU Kai as independent Directors of the sixth session of the Board of the Company.

As a member of the Remuneration and Nomination Committee of the sixth session of the Board and an independent Director, I considered and approved the Proposal on the Appointment of Senior Management Personnel at the First 2024 Meeting of the Remuneration and Nomination Committee of the sixth session of the Board of the Company and the Second Meeting of the sixth session of the Board, and agreed to appoint Mr. LU Dayin as Vice President (in charge of affairs); to appoint Mr. SHU Hong, Mr. ZHANG Jianhui, Mr. CHEN Gang, and Mr. WU Zezhi as Vice Presidents; to appoint Mr. SHU Hong to concurrently serve as CFO; to appoint Mr. JIANG Helei as CRO and CCO; and to appoint Mr. WANG Rufu as Secretary to the Board.

(9) Remuneration of Directors and senior management personnel; formulation or modification of equity incentive plans or employee stock ownership plans; fulfillment of conditions for granting or exercising incentive rights; arrangement of shareholding plans by Directors or senior management personnel in subsidiaries intended for spin-off

As an independent Director, I considered and approved the Report on the 2023 Performance Evaluation and Remuneration of Directors, the Report on the 2023 Performance Evaluation and Remuneration of Senior Management Personnel, and the Company's 2023 Annual Report at the 33rd Meeting of the fifth session of the Board, and agreed with the remuneration of Directors and senior management personnel disclosed in the annual report.

As an independent Director, I considered and approved the Proposal on the 2023 Performance Evaluation and Allocation for Members of the Company's Leadership Team at the 38th Meeting of the fifth session of the Board, and agreed with the 2023 performance bonus arrangements for members of the Company's leadership team.

In 2024, the Company did not involve the formulation or modification of equity incentive plans or employee stock ownership plans, the fulfillment of conditions for granting or exercising incentive rights, or the arrangement of shareholding plans by Directors or senior management personnel in subsidiaries intended for spin-off.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

In 2024, I faithfully performed my duties as an independent Director, actively participated in key matters and exercised my duties as a Director, through diligent and dedicated engagement, I provided professional and objective recommendations on the operation and development of the listed company, made positive contributions for improving the corporate governance structure and safeguarding the interests of the Company as a whole as well as the legitimate rights and interests of the public shareholders.

In 2025, I will continuously abide by the regulatory requirements of listed securities companies, diligently and faithfully perform my duties in strict compliance with the relevant requirements under the laws, regulations and the Articles of Association; and effectively safeguard the legitimate rights and interests of all the Shareholders and in particular of the minority Shareholders, with a view to promoting the sustainable, healthy and stable development of the Company.

Independent Director: LUO Xinyu
March 2025

2024 WORK REPORT OF THE INDEPENDENT DIRECTORS OF THE COMPANY

CHAN Hon

As an independent Director of DFZQ, I engaged in the decision making of key matters of the Company independently and objectively, and performed my duties as an independent director faithfully and diligently pursuant to the Administrative Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Guidelines No. 1 for the Self Regulation of Listed Companies on the Shanghai Stock Exchange – Standardized Operation and the Guidelines No. 6 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange – Periodic Reports and other regulations, and hereby report my work in 2024 as follows:

I. GENERAL INFORMATION

I have served as an independent Director of the Company since November 2022, and also served as a member of the Audit Committee and a member of the Compliance and Risk Management Committee of the sixth session of the Board of the Company. From January to November 2024, I concurrently served as a member of the Strategic Development Committee of the fifth session of the Board. The details of my work experience, professional background and part-time jobs are available in the Company's 2024 Annual Report published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on the same date of this report.

In addition to being an independent Director of the Company, I have no direct or indirect interests in the Company and its substantial shareholders, or other relationships that may affect my independent and objective judgment, and there are no circumstances that may affect my independence.

II. DESCRIPTION OF DUTY PERFORMANCE DURING THE YEAR**(1) Number of Board meetings attended, manner and voting**

A total of 10 Board meetings were held throughout the year, including three meetings held on-site and seven meetings held via correspondence. I attended all of such meetings in person and voted in favor of the resolutions submitted to the Board for consideration, and there was no objection or abstention. Details of the attendance are set out as follows:

Name of Independent Director	Required attendance during the year (times)	Attendance			Absence (times)
		Attendance in person (times)	Attendance via correspondence (times)	Attendance by proxy (times)	
CHAN Hon	10	10	7	0	0

(2) Number of general meetings attended

A total of three general meetings were held throughout the year, and I attended three meetings in person.

(3) Attendance at the meetings of Board committees and special meetings of independent Directors

In 2024, the Company held two meetings of the Audit Committee of the sixth session of the Board, and I attended all of such meetings in person; the Company held one meeting of the Compliance and Risk Management Committee of the sixth session of the Board, and I attended such meeting in person; the Company held two meetings of the Strategic Development Committee of the fifth session of the Board, and I attended all of such meetings in person; and the Company held one special meeting of independent Directors, and I attended such meeting in person.

(4) Exercising the functions and powers of independent Directors

In addition to attending general meetings, meetings of the Board and its special committees as required and expressing clear opinions on the matters considered, I also performed my duties by regular access to operation information on the Company, listening to reports of and exchanging opinions with the management and on-site inspections.

During the Reporting Period, I participated in various meetings and activities including Board meetings, meetings of the Strategic Development Committee, meetings of the Audit Committee, strategy sessions of the Board, and inspections of the Company's public welfare fund projects. Through these engagements, I conducted nine on-site communications with the management team of the Company. I provided relevant opinions and suggestions regarding the Company's external risk assessment, customer structure optimization, and fintech development. Furthermore, I fulfilled my supervisory responsibilities concerning the Company's strategic development, internal control and external audit, compliance and risk management, and other matters, so as to protect the legitimate rights and interests of minority shareholders, and promote the improvement of the decision making level of the Board.

(5) Basic information regarding key matters, methods and results of communication with the internal auditor and the accounting firm engaged in the auditing business of the Company in relation to the financial and business conditions of the Company

During the Reporting Period, I proactively communicated with the Company's internal auditor and accounting firm by attending Board meetings, meetings of the Audit Committee and the special meetings of independent Directors, and conducted completely exchange and analysis in relation to the internal control, financial and business conditions of the Company, so as to promote the Company to establish effective internal control and provide true, accurate and complete financial reports.

(6) Basic information regarding communication with minority shareholders

During the Reporting Period, I proactively listened to and understood the opinions and concerns of minority shareholders regarding strategic development, innovation and transition, compliance and risk management by attending three general meetings and other seminars of the Company, and put forward professional opinions and recommendations relating to relevant decision making and corporate governance, which effectively protected the interests of the Company and the legitimate rights and interests of minority shareholders.

(7) Time and content of on-site work in the Company

During the Reporting Period, I earnestly performed my duties by attending the meetings of the Board and its special committees and the general meetings of the Company, participating in research activities for the Company's public welfare fund projects and attending Board strategy sessions, etc., and prepared relevant work records as required, and all on-site working hours and contents were in compliance with relevant requirements.

(8) The Company's cooperation for independent Directors' work

The Company also provided proactive cooperation and support for my performance of duties, and attached great importance to the communication with me, and maintained daily contact and work implementation through email, telephone and other channels in a timely manner. The Company regularly prepared materials such as Board Bulletins, Compliance and Risk Management Comprehensive Report, Compliance Mails and Anti Money Laundering Quarterly Report, so that I can timely access to the Company's operation and management information and follow up the operation dynamics, and put forward constructive opinions and recommendations on relevant resolutions of the Board. Meanwhile, the Company also organized my participation in specialized training on "Key Revisions and Practical Application of the New Company Law", assisted me in participating in the "2024 Second Session of Training Program for Directors, Supervisors, and Senior Management of Listed Companies in Shanghai", and provided me with the guidance documents such as the "Reminder on Conducting Securities Transactions in Compliance with Laws and Regulations to Prevent Short-Swing Trading Violations" and the "Cases and Regulations on Illegal Trading of Shares by Directors, Supervisors and Senior Management of Listed Securities Companies and Their Relatives", so as to enhance my ability to perform duties in all aspects.

III. KEY MATTERS OF INDEPENDENT DIRECTORS IN PERFORMING THEIR DUTIES DURING THE YEAR

(1) Discloseable related-party transactions

As an independent Director, I considered and approved the “Proposal Regarding the Audit of the Related-Party Transactions of the Company in 2023”, the “Proposal Regarding the Projected Routine Related-Party Transactions of the Company in 2024” and the “Proposal Regarding the ‘2024–2026 Related-Party Transaction Framework Agreement’ with Shenergy (Group) Company Limited” at the First 2024 Meeting of the Special Committee for Independent Directors of the fifth session of the Board of Directors and the 33rd Meeting of the fifth session of the Board of Directors, respectively, and agreed with the above related-party transaction matters.

(2) Plans for the listed company and related parties to modify or waive commitments

During the Reporting Period, there were no instances involving the Company or related parties modifying or waiving commitments.

(3) Decisions and measures taken by the Board of Directors of the acquired listed company in response to the acquisition

During the Reporting Period, there were no instances involving the Company being acquired.

(4) Disclosure of financial information and internal control evaluation reports in financial accounting reports and periodic reports

During the Reporting Period, the Company prepared and disclosed the 2023 Annual Report, the 2024 First Quarterly Report, the 2024 Interim Report, the 2024 Third Quarterly Report and the 2023 Internal Control Evaluation Report in accordance with the Company Law, the Securities Law, the Guidelines for the Content and Format of Information Disclosure by Companies Offering Securities to the Public No. 2 – Content and Format of Annual Report and the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and other laws and regulations as well as the requirements of regulatory documents strictly, and disclosed the financial information and material matters for the corresponding reporting period in a timely manner, so as to fully disclose the Company’s operation to investors. The above reports were considered and approved by the meetings of the Audit Committee of the Board and the Board of the Company. The 2023 Annual Report was also considered and approved at the 2023 annual general meeting of the Company. I signed written confirmation opinions on the truthfulness, accuracy and completeness of the periodic reports of the Company, agreed with the conclusions made in the 2023 Internal Control Evaluation Report of the Company.

(5) Appointment of accounting firm for auditing services of the Company

After the completion of the 2023 audit, Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP had served as the overseas auditor for eight consecutive years (2016 to 2023) and the domestic auditor for seven consecutive years (2017 to 2023), respectively, reaching the maximum consecutive engagement period for accounting firms as stipulated in the Measures for the Selection and Appointment of Accounting Firms by State-Owned Financial Enterprises issued by the Ministry of Finance.

As an independent Director, I considered and approved the Proposal on the Appointment of the 2024 Audit Firm at the 33rd meeting of the fifth session of the Board of the Company, and agreed to reappoint KPMG Huazhen LLP as the Company's domestic auditor and internal control auditor for 2024, and KPMG as the Company's overseas auditor for 2024.

(6) Appointment or dismissal of the Company's financial officer

As an independent Director, I considered and approved the Proposal on the Appointment of Senior Management at the second meeting of the sixth session of the Board, and agreed to reappoint Mr. SHU Hong to concurrently serve as the Company's CFO.

(7) Changes in accounting policies or accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards

During the Reporting Period, the Company did not involve any changes in accounting policies or accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards.

(8) Nomination or appointment/dismissal of Directors, and appointment/dismissal of senior management personnel

As an independent Director, I considered and approved the Proposal on the Election of Directors (Non-Independent Directors) for the Sixth Session of the Board and the Proposal on the Election of Independent Directors for the Sixth Session of the Board at the 39th meeting of the fifth session of the Board, and agreed to nominate Mr. GONG Dexiong, Mr. LU Weiming, and Mr. LU Dayin as executive Directors of the sixth session of the Board of the Company; to nominate Mr. XIE Weiqing, Mr. YANG Bo, Mr. SHI Lei, Ms. LI Yun, Mr. XU Yongmiao, and Mr. REN Zhixiang as non-executive Directors of the sixth session of the Board of the Company; and to nominate Mr. WU Hong, Mr. FENG Xingdong, Mr. LUO Xinyu, Mr. CHAN Hon, and Mr. ZHU Kai as independent Directors of the sixth session of the Board of the Company.

As an independent Director, I considered and approved the Proposal on the Appointment of Senior Management Personnel at the Second Meeting of the sixth session of the Board, and agreed to appoint Mr. LU Dayin as Vice President (in charge of affairs); to appoint Mr. SHU Hong, Mr. ZHANG Jianhui, Mr. CHEN Gang, and Mr. WU Zezhi as Vice Presidents; to appoint Mr. SHU Hong to concurrently serve as CFO; to appoint Mr. JIANG Helei as CRO and CCO; and to appoint Mr. WANG Rufu as Secretary to the Board.

(9) Remuneration of Directors and senior management personnel; formulation or modification of equity incentive plans or employee stock ownership plans; fulfillment of conditions for granting or exercising incentive rights; arrangement of shareholding plans by Directors or senior management personnel in subsidiaries intended for spin-off

As an independent Director, I considered and approved the Report on the 2023 Performance Evaluation and Remuneration of Directors, the Report on the 2023 Performance Evaluation and Remuneration of Senior Management Personnel, and the Company's 2023 Annual Report at the 33th Meeting of the fifth session of the Board, and agreed with the remuneration of Directors and senior management personnel disclosed in the annual report.

As an independent Director, I considered and approved the Proposal on the 2023 Performance Evaluation and Allocation for Members of the Company's Leadership Team at the 38th Meeting of the fifth session of the Board, and agreed with the 2023 performance bonus arrangements for members of the Company's leadership team.

In 2024, the Company did not involve the formulation or modification of equity incentive plans or employee stock ownership plans, the fulfillment of conditions for granting or exercising incentive rights, or the arrangement of shareholding plans by Directors or senior management personnel in subsidiaries intended for spin-off.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

In 2024, I faithfully performed my duties as an independent Director, actively participated in key matters and exercised my duties as a Director, through diligent and dedicated engagement, I provided professional and objective recommendations on the operation and development of the listed company, made positive contributions for improving the corporate governance structure and safeguarding the interests of the Company as a whole as well as the legitimate rights and interests of the public shareholders.

In 2025, I will continuously abide by the regulatory requirements of listed securities companies, diligently and faithfully perform my duties in strict compliance with the relevant requirements under the laws, regulations and the Articles of Association; and effectively safeguard the legitimate rights and interests of all the Shareholders and in particular of the minority Shareholders, with a view to promoting the sustainable, healthy and stable development of the Company.

Independent Director: CHAN Hon
March 2025

2024 WORK REPORT OF THE INDEPENDENT DIRECTORS OF THE COMPANY

ZHU Kai

As an independent Director of DFZQ, I engaged in the decision making of key matters of the Company independently and objectively, and performed my duties as an independent director faithfully and diligently pursuant to the Administrative Measures for Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》) issued by the CSRC, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Guidelines No. 1 for the Self regulation of Listed Companies on the Shanghai Stock Exchange – Standardized Operation and the Guidelines No. 6 for the Self-regulation of Listed Companies on the Shanghai Stock Exchange – Periodic Reports and other regulations, and hereby report my work in 2024 as follows:

I. GENERAL INFORMATION

I have served as an independent Director of the Company since October 2023, and also served as the Chairman of the Audit Committee of the Company. From January to November 2024, I concurrently served as a member of the Remuneration and Nomination Committee of the fifth session of the Board. The details of my work experience, professional background and part-time jobs are available in the Company's 2024 Annual Report published on the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) on the same date of this report.

In addition to being an independent Director of the Company, I have no direct or indirect interests in the Company and its substantial shareholders, or other relationships that may affect my independent and objective judgment, and there are no circumstances that may affect my independence.

II. DESCRIPTION OF DUTY PERFORMANCE DURING THE YEAR**(1) Number of Board meetings attended, manner and voting**

A total of 10 Board meetings were held throughout the year, including three meetings held on-site and seven meetings held via correspondence. I attended all of such meetings in person and voted in favor of the resolutions submitted to the Board for consideration, and there was no objection or abstention. Details of the attendance are set out as follows:

Name of Independent Director	Required attendance during the year (times)	Attendance		Attendance by proxy (times)	Absence (times)
		Attendance in person (times)	via correspondence (times)		
ZHU Kai	10	10	8	0	0

(2) Number of general meetings attended

A total of three general meetings were held throughout the year, and I attended three meetings in person.

(3) Attendance at the meetings of Board committees and special meetings of independent Directors

In 2024, the Company held four meetings of the Remuneration and Nomination Committee of the fifth session of the Board, and I attended all of such meetings in person; the Company held eight meetings of the Audit Committee of the Board, and I attended all of such meetings in person; and the Company held one special meeting of independent Directors, and I attended such meeting in person.

(4) Exercising the functions and powers of independent Directors

In addition to attending general meetings, meetings of the Board and its special committees as required and expressing clear opinions on the matters considered, I also performed my duties by regular access to operation information on the Company, listening to reports of and exchanging opinions with the management and on-site inspections.

During the Reporting Period, I participated in various meetings and activities including Board meetings, meetings of the Audit Committee, strategy sessions of the Board, and inspections of the Company's public welfare fund projects. Through these engagements, I conducted nine on-site communications with the management team of the Company. I provided relevant opinions and suggestions regarding the Company serving the development of the real economy, risk management, and digital transformation. Furthermore, I fulfilled my supervisory responsibilities concerning internal control and external audit matters, so as to protect the legitimate rights and interests of minority shareholders, and promote the improvement of the decision making level of the Board.

(5) Basic information regarding key matters, methods and results of communication with the internal auditor and the accounting firm engaged in the auditing business of the Company in relation to the financial and business conditions of the Company

During the Reporting Period, I proactively communicated with the Company's internal auditor and accounting firm by attending Board meetings, meetings of the Audit Committee and the special meetings of independent Directors, and conducted completely exchange and analysis in relation to the internal control, financial and business conditions of the Company, so as to promote the Company to establish effective internal control and provide true, accurate and complete financial reports.

(6) Basic information regarding communication with minority shareholders

During the Reporting Period, I proactively listened to and understood the opinions and concerns of minority shareholders regarding strategic development, innovation and transition, compliance and risk management by attending three general meetings and other seminars of the Company, and put forward professional opinions and recommendations relating to relevant decision making and corporate governance, which effectively protected the interests of the Company and the legitimate rights and interests of minority shareholders.

(7) Time and content of on-site work in the Company

During the Reporting Period, I earnestly performed my duties by attending the meetings of the Board and its special committees and the general meetings of the Company, participating in research activities for the Company's public welfare fund projects and attending Board strategy sessions, etc., and prepared relevant work records as required, and all on-site working hours and contents were in compliance with relevant requirements.

(8) The Company's cooperation for independent Directors' work

The Company also provided proactive cooperation and support for my performance of duties, and attached great importance to the communication with me, and maintained daily contact and work implementation through email, telephone and other channels in a timely manner. The Company regularly prepared materials such as Board Bulletins, Compliance and Risk Management Comprehensive Report, Compliance Mails and Anti Money Laundering Quarterly Report, so that I can timely access to the Company's operation and management information and follow up the operation dynamics, and put forward constructive opinions and recommendations on relevant resolutions of the Board. Meanwhile, the Company also organized my participation in specialized training on "Key Revisions and Practical Application of the New Company Law", assisted me in participating in the "2024 Second Session of Training Program for Directors, Supervisors, and Senior Management of Listed Companies in Shanghai", and provided me with the guidance documents such as the "Reminder on Conducting Securities Transactions in Compliance with Laws and Regulations to Prevent Short-Swing Trading Violations" and the "Cases and Regulations on Illegal Trading of Shares by Directors, Supervisors and Senior Management of Listed Securities Companies and Their Relatives", so as to enhance my ability to perform duties in all aspects.

III. KEY MATTERS OF INDEPENDENT DIRECTORS IN PERFORMING THEIR DUTIES DURING THE YEAR

(1) Discloseable related-party transactions

As the Chairman of the Audit Committee and an independent Director, I considered and approved the “Proposal Regarding the Audit of the Related-Party Transactions of the Company in 2023”, the “Proposal Regarding the Projected Routine Related-Party Transactions of the Company in 2024” and the “Proposal Regarding the ‘2024–2026 Related-Party Transaction Framework Agreement’ with Shenergy (Group) Company Limited” at the First 2024 Meeting of the Audit Committee of the fifth session of the Board of the Company, the First 2024 Meeting of the Special Committee for Independent Directors of the fifth Session of the Board of Directors and the 33rd Meeting of the fifth Session of the Board of Directors, respectively, and agreed with the above related-party transaction matters.

(2) Plans for the listed company and related parties to modify or waive commitments

During the Reporting Period, there were no instances involving the Company or related parties modifying or waiving commitments.

(3) Decisions and measures taken by the Board of Directors of the acquired listed company in response to the acquisition

During the Reporting Period, there were no instances involving the Company being acquired.

(4) Disclosure of financial information and internal control evaluation reports in financial accounting reports and periodic reports

During the Reporting Period, the Company prepared and disclosed the 2023 Annual Report, the 2024 First Quarterly Report, the 2024 Interim Report, the 2024 Third Quarterly Report and the 2023 Internal Control Evaluation Report in accordance with the Company Law, the Securities Law, the Guidelines for the Content and Format of Information Disclosure by Companies Offering Securities to the Public No. 2 – Content and Format of Annual Report and the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and other laws and regulations as well as the requirements of regulatory documents strictly, and disclosed the financial information and material matters for the corresponding reporting period in a timely manner, so as to fully disclose the Company’s operation to investors. The above reports were considered and approved by the meetings of the Audit Committee of the Board and the Board of the Company. The 2023 Annual Report was also considered and approved at the 2023 annual general meeting of the Company. I signed written confirmation opinions on the truthfulness, accuracy and completeness of the periodic reports of the Company, agreed with the conclusions made in the 2023 Internal Control Evaluation Report of the Company, and believed that the Company has implemented the requirements of the enterprise internal control framework and other relevant regulations, and its internal controls are effective.

(5) Appointment of accounting firm for auditing services of the Company

After the completion of the 2023 audit, Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP had served as the overseas auditor for eight consecutive years (2016 to 2023) and the domestic auditor for seven consecutive years (2017 to 2023), respectively, reaching the maximum consecutive engagement period for accounting firms as stipulated in the Measures for the Selection and Appointment of Accounting Firms by State-Owned Financial Enterprises issued by the Ministry of Finance.

As the Chairman of the Audit Committee and an independent Director, I considered and approved the Proposal on the Appointment of the 2024 Audit Firm at the first 2024 meeting of the Audit Committee of the fifth session of the Board and the 33rd meeting of the fifth session of the Board of the Company, and agreed to appoint KPMG Huazhen LLP as the Company's domestic auditor and internal control auditor for 2024, and KPMG as the Company's overseas auditor for 2024.

(6) Appointment or dismissal of the Company's financial officer

As an independent Director, I considered and approved the Proposal on the Appointment of Senior Management at the second meeting of the sixth session of the Board, and agreed to reappoint Mr. SHU Hong to concurrently serve as the Company's CFO.

(7) Changes in accounting policies or accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards

During the Reporting Period, the Company did not involve any changes in accounting policies or accounting estimates, or corrections of significant accounting errors due to reasons other than changes in accounting standards.

(8) Nomination or appointment/dismissal of Directors, and appointment/dismissal of senior management personnel

As a member of the Remuneration and Nomination Committee of the fifth session of the Board and an independent Director, I considered and approved the Proposal on the Election of Directors (Non-Independent Directors) for the Sixth Session of the Board and the Proposal on the Election of Independent Directors for the Sixth Session of the Board at the 4th 2024 meeting of the Remuneration and Nomination Committee of the fifth session of the Board and the 39th meeting of the fifth session of the Board, and agreed to nominate Mr. GONG Dexiong, Mr. LU Weiming, and Mr. LU Dayin as executive Directors of the sixth session of the Board of the Company; to nominate Mr. XIE Weiqing, Mr. YANG Bo, Mr. SHI Lei, Ms. LI Yun, Mr. XU Yongmiao, and Mr. REN Zhixiang as non-executive Directors of the sixth session of the Board of the Company; and to nominate Mr. WU Hong, Mr. FENG Xingdong, Mr. LUO Xinyu, Mr. CHAN Hon, and Mr. ZHU Kai as independent Directors of the sixth session of the Board of the Company.

As an independent Director, I considered and approved the Proposal on the Appointment of Senior Management Personnel at the Second Meeting of the sixth session of the Board, and agreed to appoint Mr. LU Dayin as Vice President (in charge of affairs); to appoint Mr. SHU Hong, Mr. ZHANG Jianhui, Mr. CHEN Gang, and Mr. WU Zezhi as Vice Presidents; to appoint Mr. SHU Hong to concurrently serve as CFO; to appoint Mr. JIANG Helei as CRO and CCO; and to appoint Mr. WANG Rufu as Secretary to the Board.

(9) Remuneration of Directors and senior management personnel; formulation or modification of equity incentive plans or employee stock ownership plans; fulfillment of conditions for granting or exercising incentive rights; arrangement of shareholding plans by Directors or senior management personnel in subsidiaries intended for spin-off

As a member of the Remuneration and Nomination Committee of the fifth session of the Board and an independent Director, I considered and approved the Report on the 2023 Performance Evaluation and Remuneration of Directors, the Report on the 2023 Performance Evaluation and Remuneration of Senior Management Personnel, and the Company's 2023 Annual Report at the 2nd 2024 meeting of the Remuneration and Nomination Committee of the fifth session of the Board and the 33rd Meeting of the fifth session of the Board, and agreed with the remuneration of Directors and senior management personnel disclosed in the annual report.

As a member of the Remuneration and Nomination Committee and an independent Director, I considered and approved the Proposal on the 2023 Performance Bonus Allocation Plan for Members of the Company's Leadership Team and the Proposal on the 2023 Performance Evaluation and Allocation for Members of the Company's Leadership Team at the 3rd 2024 meeting of the Remuneration and Nomination Committee of the fifth session of the Board and the 38th meeting of the fifth session of the Board, and agreed with the 2023 performance bonus arrangements for members of the Company's leadership team.

In 2024, the Company did not involve the formulation or modification of equity incentive plans or employee stock ownership plans, the fulfillment of conditions for granting or exercising incentive rights, or the arrangement of shareholding plans by Directors or senior management personnel in subsidiaries intended for spin-off.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

In 2024, I faithfully performed my duties as an independent Director, actively participated in key matters and exercised my duties as a Director, through diligent and dedicated engagement, I provided professional and objective recommendations on the operation and development of the listed company, made positive contributions for improving the corporate governance structure and safeguarding the interests of the Company as a whole as well as the legitimate rights and interests of the public shareholders.

In 2025, I will continuously abide by the regulatory requirements of listed securities companies, diligently and faithfully perform my duties in strict compliance with the relevant requirements under the laws, regulations and the Articles of Association; and effectively safeguard the legitimate rights and interests of all the Shareholders and in particular of the minority Shareholders, with a view to promoting the sustainable, healthy and stable development of the Company.

Independent Director: ZHU Kai
March 2025

2024 FINAL ACCOUNTS REPORT OF THE COMPANY

Dear Shareholders,

The preparation of 2024 final accounts report of the Company has been completed. The 2024 financial statements of the Company were audited by KPMG Huazhen LLP and KPMG, who issued a standard unqualified audit report thereon.

Unless otherwise stated, the financial data in this report are based on the audited A Share consolidated statements, of which the data on net assets, net profit, and total comprehensive income are all based on those attributable to owners of the parent company.

TABLE: 2024 KEY ACCOUNTING DATA AND FINANCIAL INDICATORS
(UNIT: RMB100 MILLION)

Items	A Share			H Share		
	As at the end of 2024	As at the end of 2023	Change	As at the end of 2024	As at the end of 2023	Change
Total assets	4,177.36	3,836.90	+9%	4,177.36	3,836.90	+9%
Total liabilities	3,363.37	3,049.30	+10%	3,363.37	3,049.30	+10%
Net assets	813.97	787.46	+3%	813.97	787.46	+3%
Net capital (parent company)	538.48	505.92	+6%	538.48	505.92	+6%
Items	2024	2023	Change	2024	2023	Change
Operating income/revenue and other income	191.90	170.90	+12%	276.84	242.77	+14%
Operating expenses/total expenses	156.64	143.44	+9%	244.82	219.42	+12%
Total profit	36.59	29.19	+25%	36.59	29.19	+25%
Net profit	33.50	27.54	+22%	33.50	27.54	+22%
Total comprehensive income	50.41	31.71	+59%	50.41	31.71	+59%
Earnings per Share (RMB/Share)	0.37	0.30	+23%	0.37	0.30	+23%
Weighted average return on net assets	4.14%	3.45%	↑ 0.69 percentage point	4.14%	3.45%	↑ 0.69 percentage point

Note: For A Share and H Share financial reports, total assets, total liabilities and net assets are identical. The differences in operating income and operating expenditure are mainly attributable to the income and expenses for fees and interests, which are reflected on a net basis for A Share but reflected separately for H Share.

I. FINANCIAL POSITION IN 2024**(i) Assets**

As at the end of 2024, total assets of the Company amounted to RMB417.736 billion, representing an increase of RMB34.046 billion or 9% as compared with those of the end of the previous year. The major changes were as follows: various kinds of financial investment and derivative financial assets recorded an increase of RMB26.250 billion in aggregate from the end of the previous year; monetary funds (including settlement reserves and deposited margins) recorded an increase of RMB3.276 billion over the end of the previous year; and the financial assets held under resale agreements recorded a decrease of RMB1.454 billion over the end of the previous year.

(ii) Liabilities

As at the end of 2024, total liabilities of the Company amounted to RMB336.337 billion, representing an increase of RMB31.406 billion or 10% as compared with those of the end of the previous year. The major changes were as follows: amount due to banks and other financial institutions recorded an increase of RMB13.525 billion over the end of the previous year; financial assets sold under repurchase agreements increased by RMB12.200 billion over the end of the previous year; short term financing bills payable recorded an increase of RMB2.881 billion over the end of the previous year; the amount of funds received from agency securities trading increased by RMB2.330 billion compared to the end of the previous year; bonds payable and long-term borrowings increased by RMB1.045 billion compared to the end of the previous year; and financial liabilities held for trading decreased by RMB0.593 billion over the end of the previous year.

After deducting amount from securities brokerage business and funds payable to securities issuers, as at the end of 2024, the gearing ratio of the Company was 73.20%, representing an increase of 2.16 percentage points as compared with that of the end of the previous year.

(iii) Net Assets and Net Capital

As at the end of 2024, net assets of the Company amounted to RMB81.397 billion, representing an increase of RMB2.651 billion or 3% as compared with that of the end of the previous year. The major changes were as follows: net profit of RMB3.350 billion in 2024, other comprehensive income (net of tax) of RMB1,691 million, cash dividend distributed for 2024 of RMB1.904 billion and the payment for interest of perpetual bonds of RMB475 million.

As at the end of 2024, net asset per Share attributable to owners of the parent company was RMB9.62/Share, representing an increase of RMB0.32/Share or 3% over the end of the previous year.

As of the end of 2024, net capital of the parent company amounted to RMB53.848 billion, representing an increase of RMB3.256 billion over the end of the previous year. During the year, major risk control indicators such as net capital continued to meet regulatory requirements.

II. OPERATION RESULTS IN 2024**(i) Operating Income**

In 2024, the Company realized operating income of RMB19.190 billion, representing a year on year increase of RMB2.100 billion or 12%, among which:

1. net fee income and commission amounted to RMB5.435 billion, down by RMB1.500 billion year on year, which was mainly attributable to the decrease of RMB688 million in net fee income from asset management business as compared with the same period last year; the decrease of RMB342 million in net fee income from investment banking business as compared with the same period last year and the decrease of RMB270 million in net fee income from brokerage business as compared with the same period last year.
2. the investment income and gains from fair value changes amounted to RMB5.384 billion, representing a year on year increase of RMB2,412 million, which was mainly attributable to the increase in investment income from proprietary securities trading business and gains from fair value changes of equity securities of the Company during the period.
3. net interest income amounted to RMB1.321 billion, representing a year on year decrease of RMB443 million, which was mainly attributable to the decrease of RMB358 million in interest income from equity pledge repurchase, the decrease of RMB74 million in interest income from deposits with financial institutions, the increase of RMB143 million in interest expense on funds borrowed and the decrease of RMB209 million in interest expenses on bonds payable.
4. income from other businesses amounted to RMB6.965 billion, representing a year on year increase of RMB1.507 billion, which was mainly attributable to the increase in income of sales of bulk commodities by subsidiaries during the period.

(ii) Operating Expenditure

In 2024, the Company incurred operating expenditure of RMB15.664 billion, representing a year on year increase of RMB1.320 billion or 9%, among which:

1. Business and management expenses totaled RMB7.864 billion, a year-on-year increase of RMB149 million, mainly due to an increase of RMB467 million in employee compensation, a decrease of RMB205 million in asset management special expenses, and a decrease of RMB113 million in other expenses.
2. Credit impairment losses and asset impairments amounted to RMB676 million, a year-on-year decrease of RMB576 million, primarily due to a decrease of RMB603 million in impairment losses from stock pledge financing compared to the previous year.

3. Other operating costs amounted to RMB7.038 billion, a year-on-year increase of RMB1.744 billion, mainly due to higher cost of sales of bulk commodities incurred by subsidiaries during the current period.

(iii) Profit and Comprehensive Income

In 2024, the Company realized net profit of RMB3.350 billion, an increase of RMB596 million or 22% compared with the same period of last year. The Company realized total comprehensive income of RMB5.041 billion, an increase of RMB1.870 billion or 59% compared with the same period of last year.

In 2024, earnings per Share attributable to ordinary shareholders of the parent company amounted to RMB0.37 per Share, an increase of RMB0.07 per Share or 23% compared with the same period of last year.

In conclusion, in 2024, the Company adhered to the principles of improving quality, increasing efficiency, and enhancing returns. By continuously optimizing resource allocation, it achieved steady year-on-year growth in the return on financial assets and effectively reduced variable expenses. Overall, the Company delivered strong operational performance.

The above proposal is hereby put forth for Shareholders' consideration.

**PROPOSAL REGARDING THE PROJECTED ROUTINE RELATED-PARTY
TRANSACTIONS OF THE COMPANY IN 2025**

Dear Shareholders,

In accordance with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Guidelines No. 5 for the Self regulation of Listed Companies on the Shanghai Stock Exchange – Transactions and Related Party Transactions, and the Administrative Measures for the Related Party Transactions of the Company, taking into consideration of the Company’s daily operation and business development needs, the Company has made estimation on the routine related party transactions that may occur in 2025 and up to the 2025 annual general meeting, details of which are as follows:

I. DESCRIPTION OF RELATED PARTIES AND RELATED RELATIONSHIP**1. Shenergy (Group) Company Limited and its related companies**

Shenergy Group was established by Shanghai State owned Assets Supervision and Administration Commission on November 18, 1996 with a registered capital of RMB28 billion. Its legal representative is HUANG Dinan. Shenergy Group holds 26.63% shares of the Company and is the largest shareholder of the Company. The related companies of Shenergy Group include parties acting in concert with Shenergy Group, associates of Shenergy Group¹ and major upstream and downstream companies of Shenergy Group and the above entities.

2. Other related legal persons

Related legal persons refer to legal persons or other organizations which hold more than 5% of the Shares of the Company and parties acting in concert with them other than Shenergy Group; legal persons or other organizations directly or indirectly controlled by the related natural persons of the Company, or where the related natural persons of the Company serve as Directors (excluding being an independent Director of both parties) and senior management, other than the Company and its holding subsidiaries; legal persons or other organizations that met or will meet any of the conditions enumerated above in the past 12 months or within 12 months after relevant agreements or arrangements take effect; and legal persons or other organizations, recognized based on the principle of substance over form by the CSRC, the Shanghai Stock Exchange, or by the Company, who have a special relationship with the Company and may cause the Company to lean against its interest.

¹ According to Rule 14A.13 of the Hong Kong Listing Rules, associates of Shenergy Group mainly include subsidiaries (50% controlled companies) of Shenergy Group, 30% controlled companies held by Shenergy Group and its subsidiaries and any subsidiaries under such 30% controlled companies.

3. Related natural persons

Related natural persons refer to natural persons who directly or indirectly hold more than 5% of the Shares of the Company; Directors, Supervisors and senior management of the Company; close family members of the aforementioned persons; natural persons that met or will meet any of the conditions enumerated above in the past 12 months or within 12 months after relevant agreements or arrangements take effect; and other natural persons, recognized based on the principle of substance over form by the CSRC, the Shanghai Stock Exchange, or by the Company, who have a special relationship with the Company and may cause the Company to lean against its interest.

II. DETAILS OF PROJECTED ROUTINE RELATED-PARTY TRANSACTIONS

1. Projected related-party transactions with Shenergy Group and its related companies

Category of Transactions	Description	Projected Amount
Securities and Financial Services	The services cover, including but not limited to: securities; futures brokerage; sale of securities and financial products; underwriting and sponsoring; financial consultancy; entrusted assets management; settlement and sale of foreign exchange; margin trading; asset custody; securities and financial advisory and consultancy; insurance, etc.	For related party transactions within the scope the connected transaction agreement ² , the amount of the transactions shall not exceed the maximum amount agreed in the said agreements.

² The Related Party Transaction Framework Agreement was considered and approved at the 33rd meeting of the fifth session of the Board of the Company. For details, please refer to Proposal 18 in the “Announcement on the Resolutions of the 33rd Meeting of the Fifth Session of the Board of Directors of the Company” (Announcement No.: 2024-008), titled “Proposal on Signing the ‘2024–2026 Related Party Transaction Framework Agreement’ with Shenergy (Group) Company Limited”.

Category of Transactions	Description	Projected Amount
Trading in Securities and Financial Products	The trading covers, including but not limited to: 1. transactions relating to equity products, non equity products and their derivatives: including but not limited to stocks, bonds, funds, trusts, wealth management products, asset management schemes, asset securitization products, swaps, futures, options, forwards and other financial products; 2. financing related transactions: financial intermediation activities among financial institutions, including but not limited to interbank lending; repurchases; mutual holding of debt instruments such as income certificates, short term financing bills, subordinated bonds and corporate bonds; and 3. other securities and financial products transactions as permitted by the regulatory authorities.	For related party transactions outside the scope the connected transaction agreement, due to uncertainties of the occurrence and volume of such business, the projected cap will be calculated based on the actual amount.
Others	Including but not limited to the following transactions and services: Electricity, gas, commodities, consulting, promotion, labor services, human resources, office operations, exhibitions, information technology, equipment leasing and maintenance, property management, and housing leasing, among other transactions and services.	

2. Projected related-party transactions with other related companies

Category of Transactions	Description	Projected Amount
Securities and Financial Services	The services cover, including but not limited to: securities and futures brokerage; seat leasing transactions; leasing of trading seats; sale of securities and financial products; underwriting and sponsoring; financial consultancy; entrusted assets management; settlement and sale of foreign exchange; margin trading; entrusted assets management; securities and financial advisory and consultancy; insurance, etc.	Due to uncertainties of the occurrence and volume of such business, the projected cap will be calculated based on the actual amount.
Trading in Securities and Financial Products	The trading covers, including but not limited to: 1. transactions relating to equity products, non equity products and their derivatives: including but not limited to stocks, bonds, funds, trusts, wealth management products, asset management schemes, asset securitization products, swaps, futures, options, forwards and other financial products; 2. financing related transactions: financial intermediation activities among financial institutions, including but not limited to interbank lending; repurchases; mutual holding of debt instruments such as income certificates, short term financing bills, subordinated bonds and corporate bonds; and	

Category of Transactions	Description	Projected Amount
	3. other securities and financial products transactions as permitted by the regulatory authorities.	
Others	Including but not limited to the following transactions and services: Commodities, consulting, promotion, labor services, human resources, office operations, exhibitions, information technology, equipment leasing and maintenance, property management, and housing leasing, among other transactions and services.	

3. Projected related-party transactions with related natural persons

Related natural persons of the Company will receive securities and financial services provided by the Company, trade in securities and financial products with the Company and provide relevant services to the Company in accordance with laws, regulations and regulatory requirements. Due to uncertainties of the occurrence and volume of such business, the projected cap will be calculated based on the actual amount.

III. PRICING PRINCIPLE AND BASIS OF RELATED-PARTY TRANSACTIONS

For the aforementioned related party transactions in the ordinary course of business, the Company will determine the transaction price in strict compliance with the principle of fairness with reference to the prevailing market price, industry practice and prices determined by any third party. The aforementioned related party transactions did not prejudice the interests of the Company and its Shareholders, especially the minority Shareholders.

IV. IMPACT OF ROUTINE RELATED-PARTY TRANSACTIONS ON THE COMPANY

1. The above related party transactions are conducted in the ordinary business operation of the Company and will contribute to normal business development of the Company;
2. The pricing of the aforesaid related party transactions was determined with reference to the market price, which was fair and reasonable without prejudice to the interests of the non-related shareholders of the Company and the Company;
3. The above related party transactions did not affect the independence of the Company as the principal businesses of the Company did not rely on the related parties as a result of the above related party transactions.

The above proposal is hereby put forth for Shareholders' consideration (the relevant related Shareholders shall abstain from voting on the related proposals, respectively).

**ANNEX VI REPORT REGARDING THE APPRAISAL AND REMUNERATION
OF THE DIRECTORS OF THE COMPANY FOR THE YEAR 2024**

**REPORT REGARDING THE APPRAISAL AND REMUNERATION OF
THE DIRECTORS OF THE COMPANY FOR THE YEAR 2024**

Dear Shareholders,

In accordance with the “Governance Guidelines for Securities Companies”, the “Corporate Governance Guidelines for Listed Companies”, the “Articles of Association”, the “Performance Evaluation and Remuneration Management System for Directors and Supervisors of the Company”, and other relevant regulations, the performance evaluation and remuneration of Directors of the Company for 2024 are reported as follows:

I. PERFORMANCE EVALUATION OF THE DIRECTORS OF THE COMPANY**(1) Directors’ Fulfillment of Loyalty Obligations**

In 2024, the Directors of the Company strictly adhered to their duties as required by regulatory provisions and internal policies, truthfully disclosing their primary roles, concurrent positions, and other relevant information. No instances were found where Directors abused their authority for personal gain, exploited affiliations to harm the Company’s interests, accepted improper benefits, or disclosed confidential information.

(2) Directors’ Fulfillment of Diligence Obligations

In 2024, the Company convened three Shareholders’ general meetings, 10 Board meetings, One Board strategy seminar, and a total of 20 meetings for the Special Committee under the Board and independent Directors. The Directors diligently fulfilled their responsibilities by attending Board and Committee meetings on time, proactively staying informed about the Company’s operations and development, thoroughly reviewing meeting materials, engaging in discussions on proposed resolutions, and making independent, professional, and objective judgments to facilitate scientifically sound Board decisions. In addition to participating in Board and Committee meetings to express their views, all Directors also contributed to the Company’s future development and offered recommendations through various activities, such as attending corporate seminars and researching the Company’s public welfare fund projects.

(3) Directors' Competence in Fulfilling Duties

All the Directors of the Company possess professional theoretical knowledge, extensive industry experience, and relevant work backgrounds in the financial sector, all demonstrating strong capabilities in serving as directors of a listed securities firm. In 2024, the Directors diligently studied new regulatory requirements and reviewed materials provided by the Company, such as the Monthly Board Briefing, Comprehensive Compliance Management Report, Compliance Express, Quarterly Anti-Money Laundering Work Bulletin, and Case Studies and Regulations on Irregular Stock Trading by Directors, Supervisors, and Senior Management of Listed Securities Firms and Their Relatives. These materials enabled them to gain a comprehensive understanding of the Company's operational management and policies related to board operations. Additionally, all Directors actively participated in training programs organized by regulatory authorities, industry associations, and the Company, including the online training sessions for Directors, Supervisors, and senior management in Shanghai. These efforts have continuously enhanced their competence and performance in fulfilling their duties.

(4) Directors' Compliance and Integrity in Professional Conduct

In 2024, the Directors of the Company strictly adhered to laws, regulations, regulatory requirements, and the Articles of Association. They attended Board and Committee meetings in accordance with rules and continuously standardized their performance of duties. No penalties were imposed by regulators for violations related to compliance or integrity in professional conduct. Furthermore, all Directors diligently studied training materials and videos provided by the Company, including the Integrity in Professional Conduct Management Measures of the Company, the Clean Professional Practice Management Measures of the Company, DFZQ 2024 Clean Professional Practice Training Courseware, and Case Studies – Analyzing Clean Professional Practice Requirements from Regulatory Cases. These efforts reinforced their awareness of integrity in professional conduct and ensured compliant and standardized performance of their duties.

Upon evaluation by the Remuneration and Assessment Committee of the Board of the Company, all Directors received a "Competent" rating for their 2024 performance.

ANNEX VI REPORT REGARDING THE APPRAISAL AND REMUNERATION OF THE DIRECTORS OF THE COMPANY FOR THE YEAR 2024

II. REMUNERATION OF THE DIRECTORS OF THE COMPANY

The allowances for independent Directors are disbursed in accordance with the plan approved by Shareholders' general meeting. External non-independent Directors do not receive remuneration from the Company. Directors holding other positions in the Company do not receive allowances but are compensated under the relevant remuneration management policies of the Company.

The total pre-tax remuneration for Directors receiving remuneration from the Company in 2024 is as follows:

Name	Position	Whether the remuneration	
		Total Pre-tax Remuneration for 2024 (RMB'0,000)	is received from a related party of the Company
LU Weiming	Vice Chairman of the Board and executive Director	99.00	No
LU Dayin	Executive Director	145.61	No
WU Hong	Independent Director	19.00	No
FENG Xingdong	Independent Director	16.00	No
LUO Xinyu	Independent Director	16.00	No
Chan Hon	Independent Director	16.00	No
ZHU Kai	Independent Director	19.00	No
SUN Weidong	Employee Director	6.83	No
JIN Wenzhong (resigned)	Former Chairman of the Board and executive Director	90.75	No
ZHU Jing (resigned)	Former Employee Director	80.67	No

Note: The final remuneration for Directors, Supervisors, and senior management who received remuneration from the Company during the Reporting Period is still under confirmation. The remaining amounts will be disclosed upon confirmation.

The above proposal is hereby put forth for Shareholders' consideration.

ANNEX VII REPORT REGARDING THE APPRAISAL AND REMUNERATION OF THE SUPERVISORS OF THE COMPANY FOR THE YEAR 2024

REPORT REGARDING THE APPRAISAL AND REMUNERATION OF THE SUPERVISORS OF THE COMPANY FOR THE YEAR 2024

Dear Shareholders,

In accordance with the “Governance Guidelines for Securities Companies”, the “Corporate Governance Guidelines for Listed Companies”, the “Articles of Association”, the “Performance Evaluation and Remuneration Management System for Directors and Supervisors of the Company”, and other relevant regulations, the performance evaluation and remuneration of Supervisors of the Company for 2024 are reported as follows:

I. PERFORMANCE EVALUATION OF THE SUPERVISORS OF THE COMPANY

(1) Supervisors’ Fulfillment of Loyalty Obligations

In 2024, the Supervisors of the Company strictly adhered to their duties as required by regulatory provisions and internal policies, truthfully disclosing their primary roles, concurrent positions, and other relevant information. No instances were found where Supervisors abused their authority for personal gain, exploited affiliations to harm the Company’s interests, accepted improper benefits, or disclosed confidential information.

(2) Supervisors’ Fulfillment of Diligence Obligations

In 2024, the Company convened three Shareholders’ general meetings, five meetings of the Supervisory Committee, two special meetings of the Supervisory Committee on audit matters, and two inspection tours of the Supervisory Committee. The Supervisors faithfully fulfilled their duties by attending the meetings of the Supervisory Committee on schedule, proactively staying informed about the Company’s operations and development, thoroughly reviewing meeting materials, and engaging in discussions on proposed resolutions to provide independent, professional and objective opinions and suggestions. The Supervisors actively participated in special audit meetings and inspection tours, diligently conducted performance evaluations of Directors, Supervisors and senior management, prudently offered supervisory opinions and recommendations, and lawfully performed their oversight responsibilities regarding the financial affairs, compliance and risk management of the Company.

ANNEX VII REPORT REGARDING THE APPRAISAL AND REMUNERATION OF THE SUPERVISORS OF THE COMPANY FOR THE YEAR 2024

(3) Supervisors' Competence in Fulfilling Duties

All the Supervisors of the Company possess professional theoretical knowledge, extensive industry experience, and professional backgrounds in legal affairs, finance, financial services, and corporate governance, all demonstrating strong capabilities in fulfilling their supervisory duties at a listed securities firm. In 2024, the Supervisors diligently studied new regulatory requirements and reviewed materials provided by the Company, including the Work Bulletin of the Supervisory Committee, the Work Briefing of the Supervisory Committee, the Comprehensive Compliance Management Report, the Compliance Express, and the Quarterly Anti-Money Laundering Work Bulletin. These materials enabled them to gain a comprehensive understanding of the Company's operational management and policies related to the functions of the Supervisory Committee.

(4) Supervisors' Compliance and Integrity in Professional Conduct

In 2024, the Supervisors of the Company strictly adhered to laws, regulations, regulatory requirements, and the Articles of Association. They attended meetings of the Supervisory Committee in accordance with rules and continuously standardized their performance of duties. No penalties were imposed by regulators for violations related to compliance or integrity in professional conduct. Furthermore, all Supervisors diligently studied training materials and videos provided by the Company, including the Integrity in Professional Conduct Management Measures of the Company, the Clean Professional Practice Management Measures of the Company, etc. These efforts reinforced their awareness of integrity in professional conduct and ensured compliant and standardized performance of their duties.

Upon evaluation by the Supervisory Committee of the Company, all Supervisors received a "Competent" rating for their 2024 performance.

II. REMUNERATION OF THE SUPERVISORS OF THE COMPANY

Shareholder representative Supervisors do not receive remuneration from the Company. Employee representative Supervisors are compensated under the relevant remuneration management policies of the Company.

ANNEX VII REPORT REGARDING THE APPRAISAL AND REMUNERATION OF THE SUPERVISORS OF THE COMPANY FOR THE YEAR 2024

The total pre-tax remuneration for Supervisors of the Company receiving remuneration from the Company in 2024 is as follows:

Name	Position	Whether the remuneration is received from a Shareholder employer or a related party of the Company	
		Total Pre-tax Remuneration for 2024 (RMB'0,000)	
RUAN Fei	Employee representative Supervisor	82.00	No
DING Yan	Employee representative Supervisor	82.00	No
ZHANG Yun	Employee representative Supervisor	6.83	No
DU Weihua (resigned)	Former Vice Chairman of the Supervisory Committee and employee representative Supervisor	72.42	No
XIA Lijun (resigned)	Independent Supervisor	9.17	No

Note: The final remuneration for Directors, Supervisors, and senior management who received remuneration from the Company during the Reporting Period is still under confirmation. The remaining amounts will be disclosed upon confirmation.

The above proposal is hereby put forth for Shareholders' consideration.

TABLE OF COMPARISON FOR THE AMENDMENTS TO
THE ARTICLES OF ASSOCIATION

Original article	To be amended as	Basis
Article 14 The business scope of the Company is: securities business; securities investment advisory. The business scope of the Company must conform to the items approved by the company registration authority. The Company shall conduct all business within the business scope approved by the securities regulatory authority as well as other businesses approved by the securities regulatory authority.	Article 14 The business scope of the Company is: <u>licensed items</u>; securities business; securities investment advisory; <u>securities firms providing intermediary services for futures firms. General items: securities financial advisory service.</u> The business scope of the Company must conform to the items approved by the company registration authority. The Company shall conduct all business within the business scope approved by the securities regulatory authority as well as other businesses approved by the securities regulatory authority.	Amended based on the Catalog of Standardized Descriptions for Business Scope (Trial) (《經營範圍規範表述目錄(試行)》) issued by the State Administration for Market Regulation and the actual conditions of the Company
/	Article 18 <u>The objectives of the Company's integrity management are to fully leverage the political leadership of the Party building in guiding integrity practices, establish and improve the rules and regulations and internal control mechanism for integrity practices, effectively identify, assess and prevent the integrity risks, strengthen the personnel management and accountability mechanism, continuously promote the development of the Company's culture of integrity and professional ethics, and uphold the ethical standards in the securities industry, fulfill the Company's social responsibility, and thereby providing a strong support for the Company's high-quality development.</u> <u>The general requirements of the Company's integrity in professional conduct are that the Company and its employees strictly abide by relevant laws, regulations, regulatory requirements and self-regulatory provisions, adhere to social ethics, business ethics, professional ethics and codes of conduct, and adhere to fair competition, compliant operation, faithfulness and diligence, honesty and trustworthiness in the course of carrying out securities business and related activities, neither transferring improper benefits to others nor seek improper benefits.</u>	Based on the proposal in Article 5 of the Implementation Rules for the Integrity Practices of Securities Firms and Their Staff, new objectives and general requirements for the Company's incorporate integrity management are added

Original article	To be amended as	Basis
Article 199 The President shall be accountable to the Board of Directors and perform the following duties: (1) to be in charge of the production and operation management of the Company and report his/her work to the Board of Directors; The senior management in charge of compliance management, risk management and the audit department shall not concurrently hold other positions or take charge of other departments that have conflicting duties with their incumbency. 	Article 200 The President shall be accountable to the Board of Directors and perform the following duties: (1) to be in charge of the production and operation management of the Company and report his/her work to the Board of Directors; The senior management in charge of compliance management, risk management and the audit department shall not concurrently hold other positions or take charge of other departments that have conflicting duties with their incumbency. 	Amended based on the actual conditions of the Company
Chapter 11 Financial and Accounting System, Profit Distribution and Audit Section 2 Internal <u>Audits</u> Article 265 The Company shall adopt an internal <u>audit</u> system and designate <u>auditors</u> to supervise the internal <u>audits</u> of incomes and expenses as well as the business activities of the Company.	Chapter 11 Financial and Accounting System, Profit Distribution and Audit Section 2 Internal Audits Article 266 The Company shall adopt an internal audit system and designate auditors to supervise the internal audits of incomes and expenses as well as the business activities of the Company.	Amended based on the actual conditions of the Company
Article 266 The internal <u>audit</u> system of the Company and the duties of <u>auditors</u> shall come into effect upon the approval of the Board of Directors. The person in charge of <u>audits</u> shall be accountable to and report to the Board of Directors.	Article 267 The internal audit system of the Company and the duties of auditors shall come into effect upon the approval of the Board of Directors. The person in charge of audits shall be accountable to and report to the Board of Directors.	Amended based on the actual conditions of the Company

* Changes in the order of articles caused by the addition of new articles will be adjusted based on actual situation.