

2023

Environmental, Social and Governance Report





**To create an innovation and technology-driven
World-class integrated investment bank
With a global vision and local strengths**



Message from the Chairman



As a leading, comprehensive securities firm in the country, Guosen Securities places great emphasis on ESG initiatives. We deeply integrates ESG concepts with our corporate culture and development strategy and carries out solid ESG practices. In 2022 and 2023, Guosen successively released the first Environmental Disclosure Report and the first ESG Report. In 2023, we renamed the Strategy Committee to the Strategy and ESG Committee, further enhancing our ESG organizational structure. By leveraging its professional expertise, Guosen contributes to the five major sectors, guiding social capital towards the real economy that align with ESG principles. For the first time, we published the *Policy Statement on Anti-Corruption and Integrity Practice*, the *Information Security and Privacy Protection Policy*, and the *Employee Interests and Benefits Policy* on official website, further demonstrating the effectiveness of our ESG practices. The Company's ESG practices have been widely recognized, with most ESG ratings improved or showing progress by leading rating agencies in 2023. We were also honoured with awards such as the "ESG best practice case for listed company" by the China Association for Public Companies, the "Green Finance - Award for Supporting the Real Economy" by the Finance Society of Shenzhen SEZ, and the "Best Practice Award for Sustainable Information Disclosure" by the Shenzhen Green Finance Association, among over 20 ESG accolades.

Fostering the Green Transition

Guosen fully implements the concept of green development, vigorously expanding green financial services to facilitate the green transformation of the economy and society. The company actively introduces green financial products and leverages financial resources to the green industry. A total of 415 green theme funds were sold on behalf of green enterprises, with a fixed market value of RMB1.53 billion at the end of 2023. We completed six green equity financing projects, raising over RMB7.34 billion to help green enterprises grow stronger. We also assisted in completing 16 green bond and social responsibility bond financing projects, with a total issuance size of RMB118.613 billion, guiding social capital to increase investment in sustainable development areas. Guosen H&S, in cooperation with Pen Yao Environmental Protection Co., Ltd., established a RMB400 million green industry-themed fund, which continue to lay out the frontier areas of green industry. Guosen Capital, through the implementation of a diversified investment strategy combining direct investment with fund investment, supports the high-quality development of the renewable energy industry. The clean energy asset distribution category of REITs, cultivated by the very first national fund, was successfully issued -- National Electric Investment - Hubei Electric Power Clean Energy Green Carbon Neutral Asset Support Special Program (quasi-REITs). We assisted China Aviation International Leasing Co., Ltd. in issuing the green "Pearl Bonds", which was the first issuance by state-owned leasing company in China. We have assisted Shenzhen to issue offshore RMB local government green bonds in Hong Kong for three consecutive years to meet all green financial needs.

Finance for the People

Guosen proactively shoulders the dual social responsibilities of a state-owned financial enterprise and a listed company, continuously organizing paired assistance work with 8 counties, 1 town, and 1 village. In 2023, we played the role as an intermediary in the capital market, and helped Jiangxi Zhite New Materials Co., Ltd., based in Guangchang County, Jiangxi Province, complete a convertible bond issuance, raising funds amounting to RMB614 million. Guosen Futures fully utilizes the expertise in risk management in the futures industry, and engaged in 31 "insurance + futures" projects in Hebei, Heilongjiang, Hainan,

and other regions by 2023. Focusing on 'precise assistance' and 'diversified assistance' charitable approaches, Guosen formulates precise assistance plans and continues to the "7+1+1" model of public welfare. In 2023, Guosen dispatched the 10th batch of volunteer team (a total of 6 employees) to Magneti County in Xinjiang Uygur Autonomous Region to carry out teaching activities and contribute to the development of local education. We have been honoured as a "caring enterprise" in Guangdong Province and "the 10th Best Caring Enterprise" in Shenzhen's 20th Cares Action.

Enhancing Corporate Governance

Guosen strictly implements the regulatory requirements of listed company supervision, securities industry supervision, and state-owned asset supervision. From 2022 to 2023, we organized the revision and improvement of 17 corporate governance systems, including the Company's articles of association, information disclosure management, and investor relations management. The board of directors listens to the report on the implementation of board resolutions and authorized matters every six months to ensure the effective implementation of board decisions and continuously enhance corporate governance effectiveness. The Company has comprehensively upgraded the periodic reports and the "Investor Relations" section on official website, improving the quality of information disclosure, and has received an A-level evaluation for information disclosure from the Shenzhen Stock Exchange for three consecutive years. Through various activities such as video earnings presentations, analyst conference calls, and investor open days, we establish a comprehensive IR framework. This enables our executive team to engage in face-to-face discussions with sell-side analysts and institutional investors about the Company's business and operation strategies, thereby conveying the Company's value. We were honoured with the "Best practice case of the Board of Directors" award by the China Association for Public Companies in 2023, which proves that the Company's influence and recognition in the capital market have continued to increase.

In the future, Guosen will thoroughly implement the spirit of the Central Financial Work Conference, deeply understand the political and people-oriented nature of financial work, and always adhere to the cultural philosophy of "compliance self-discipline profession, Pragmatic integrity Steadiness, harmony responsibility", as well as the values of "for value creation, for our achievement, for public service". We will integrate the ESG concept into our business and operations, continuously improve the ESG practice, and contribute to high-quality social and economic development.

Zhang Nasha
Secretary of the Party Committee and Chairman of Guosen Securities

April 2024

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About Guosen Securities

Company Profile

Guosen Securities Co., Ltd. (hereinafter referred to as "Guosen Securities", "Guosen" or "the Company") was formerly known as Shenzhen Guotou Securities Co., Ltd., which was established on June 30, 1994. Our roots can be traced back to one of the earliest three brokerage branches in Chinese securities market, the Shenzhen Guotou Securities Business Department. The Company made its initial public offering (IPO) on December 29, 2014, and began trading on the Shenzhen Stock Exchange, with the stock code "002736".

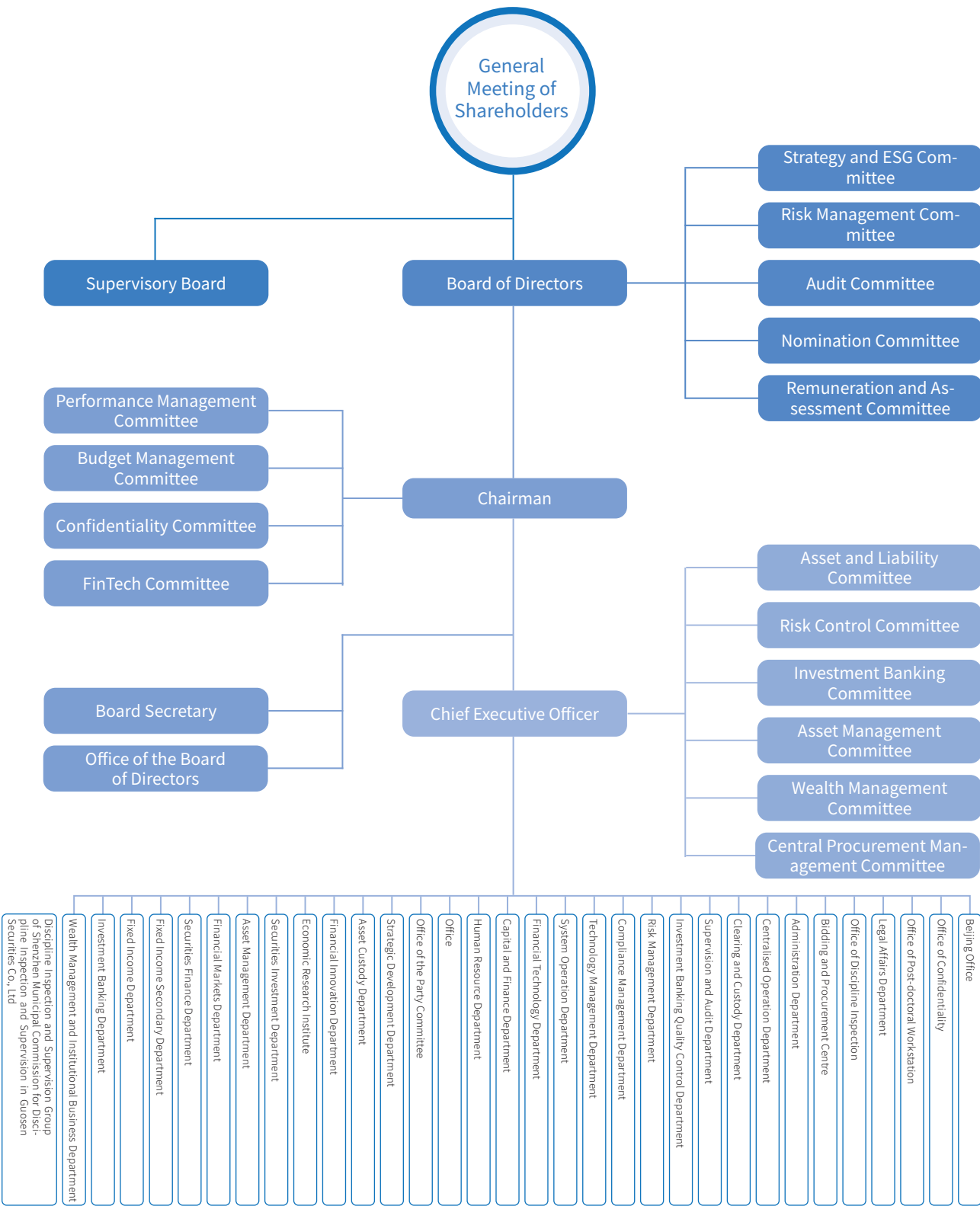
For three decades, Guosen has evolved from a local brokerage company with an initial registered capital of only RMB100 million to a large, national comprehensive securities firm with total assets exceeding RMB400 billion. The Company has also been included in the first batch of securities firm "whitelist" issued by China Securities Regulatory Commission (CSRC).

Scope of Business

Guosen Securities, headquartered in Shenzhen, has a business footprint covering both Mainland China and Hong Kong. We have four wholly owned subsidiaries, including Guosen Futures Co., Ltd. (referred to as "Guosen Futures"), Guosen H&S Private Equity Management Co., Ltd. (referred to as "Guosen H&S"), Guosen Securities (HK) Financial Holdings Co., Ltd.(referred to as "Guosen Securities (HK)"), and Guosen Capital Co., Ltd. (referred to as "Guosen Capital"). Additionally, the Company holds 50% of the shares of Penghua Fund Management Co., Ltd. (referred to as "Penghua Fund"). The company holds a broad range of securities business licenses from wealth management, investment banking, capital intermediary, research, fintech and overseas financing, and can provide one-stop integrated financial services.



Organisational Structure



Highlights of Business Performance

Key Financial Indicators

Revenue	Total Assets	Net Capital
RMB17,317 million	RMB462.96 billion	RMB82.14 billion
Net Profit	Shareholders' Equity	Basic Earnings per Share (RMB/share)
RMB6,427 million	RMB110.46 billion	0.54
Weighted Average Return on Equity	Cash Dividend for 2023	
6.57%	RMB2.70 per share (inclusive of tax) for every 10 shares	

Securities Brokerage and Wealth Management

The assets held in custody exceed RMB2.1 trillion

The total number of users of Guosen Gold-Sun mobile securities app was around 25 million

The number of users following the WeChat official account was nearly 3 million

Investment Banking

In 2023, Guosen

completed 23.83 equity underwriting projects raising funds amounting to RMB 26.045 billion

completed underwriting for 608 bond issues with a total underwriting amount of RMB 229.4 billion

Asset management business

In 2023, Guosen

Net asset size of asset management RMB155.06 billion

Achieved operating income of RMB531 million, a year-on-year increase of 45.23%

Joint Ventures

Participating company Penghua Fund, fund management scale of RMB 1,105.7 billion

Honors and Awards

In 2023, Guosen was honoured with over 20 ESG awards for the exceptional practices in the field.



ESG best practice case for listed company in 2023

China Association for Public Companies



Best practice case of the Board of Directors of Listed Companies in China in 2023

China Association for Public Companies



Selected in "ESG-Pioneer 100 Index of Listed State-owned Enterprises (2023)"

Index Issuer: the State-owned Assets Supervision and Administration Commission of the State Council



Selected as an excellent case in "Low Carbon" Chapter

"Blue Book on Social Responsibility of State-Owned Enterprises (2023)"



Green Finance - Award for Supporting the Real Economy

Finance Society of Shenzhen SEZ
Shenzhen Excellent Green Finance Case Selection of 2023



Best Practice Award for Sustainable Information Disclosure

Shenzhen Green Finance Association
Excellent Case of High-Quality Development of Green Finance in 2023



2023 "Caring Enterprises" in Guangdong Province

The Foundation of Justice and Courage in Guangdong Province



Responsibility Pioneer of the Year

NetEase Finance 2023 Excellent ESG Practice Case for Enterprises



ESG Financial Innovation Award

Cailian Society 2023 Green Water Gold Mountain Award

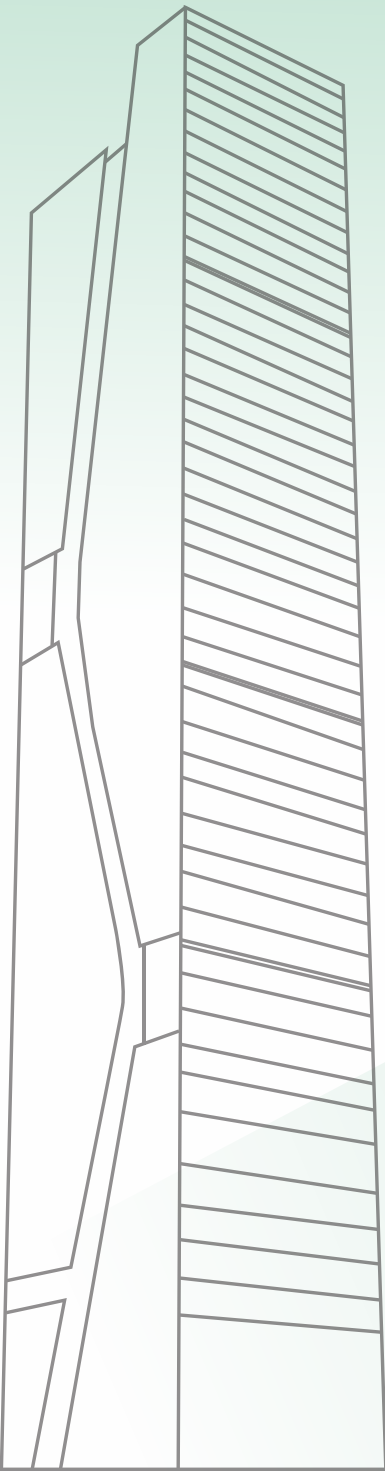
List of significant awards received in the field of professional services of Guosen Securities in 2023:

No.	Sponsor	Activities	Awards
1	National Business Daily	The "Golden Tripod Award"	2023 China Securities Industry Listed Companies Brand Value TOP 30
2			2023 Outstanding Cultural Construction Case
3			2023 Best Fixed Income Asset Management Team
4			2023 Most Favorite User APP
5			2023 Best Wealth Management Comprehensive Strength Securities Company
6	Investment Times	The "Golden Jubilee Award"	2023 Outstanding Securities Company
7			2023 Securities Company Innovation Award
8	China Securities News	The "Golden Bull Award" in the securities industry	Golden Bull Securities Company Award 2023
9			Golden Bull Award for Cultural Construction in 2023
10			In 2023, the team of Jinniu Investment Bank
11	China Times	The 17th China Times Institutional Investors Annual Conference "Jinchan Award" Selection	2023 High-Quality Development Financial Institution of the Year
12	Securities Times	2023 China Securities Industry Junding Award	2023 China Securities Industry All-Around Investment Banking Award
13			China Securities Industry Digital Transformation All-Around Excellence Award
14			Top 10 Securities Brand Apps

No.	Sponsor	Activities	Awards
15	Securities Times	2023 China Securities Industry Junding Award	China Securities Industry Best Hong Kong and U.S. Stock Brokerage APP Award
16			2023 China Securities Industry Publicly Offered REITs Project Award
17	New Fortune	The 16th New Fortune Best Investment Bank Selection	Outstanding ESG Investment Banking Practice
18	Cailian Society (CLS)	2023 "Golden Hazelnut" Asset Management Competitiveness Excellence Case Selection	Securities Brokerage Asset Management Excellence Case
19			Corporate ESG Forum 2023 ESG Pioneer Award
20	Wind	Wind's "Gold Analyst" Award	The Most Followed Institution
21			Best ESG Research Institute
22	Hexun	The 21st Financial Trends List in Financial Industry	2023 Securities Company with the Greatest Brand Impact Award
23	Securities Market Weekly	The 17th Vendor Analyst Crystal Ball Award	The Top 10 Investment Bank in 2023
24	Stock Star	The 11th Annual Activity of "Capital Power"	Outstanding securities company in 2023
25	China Network	2023 (3rd) Enterprise ESG Practice Research	2023 ESG Best Corporate Governance (G) Practice Company of the Year

Deepening the ESG Concept

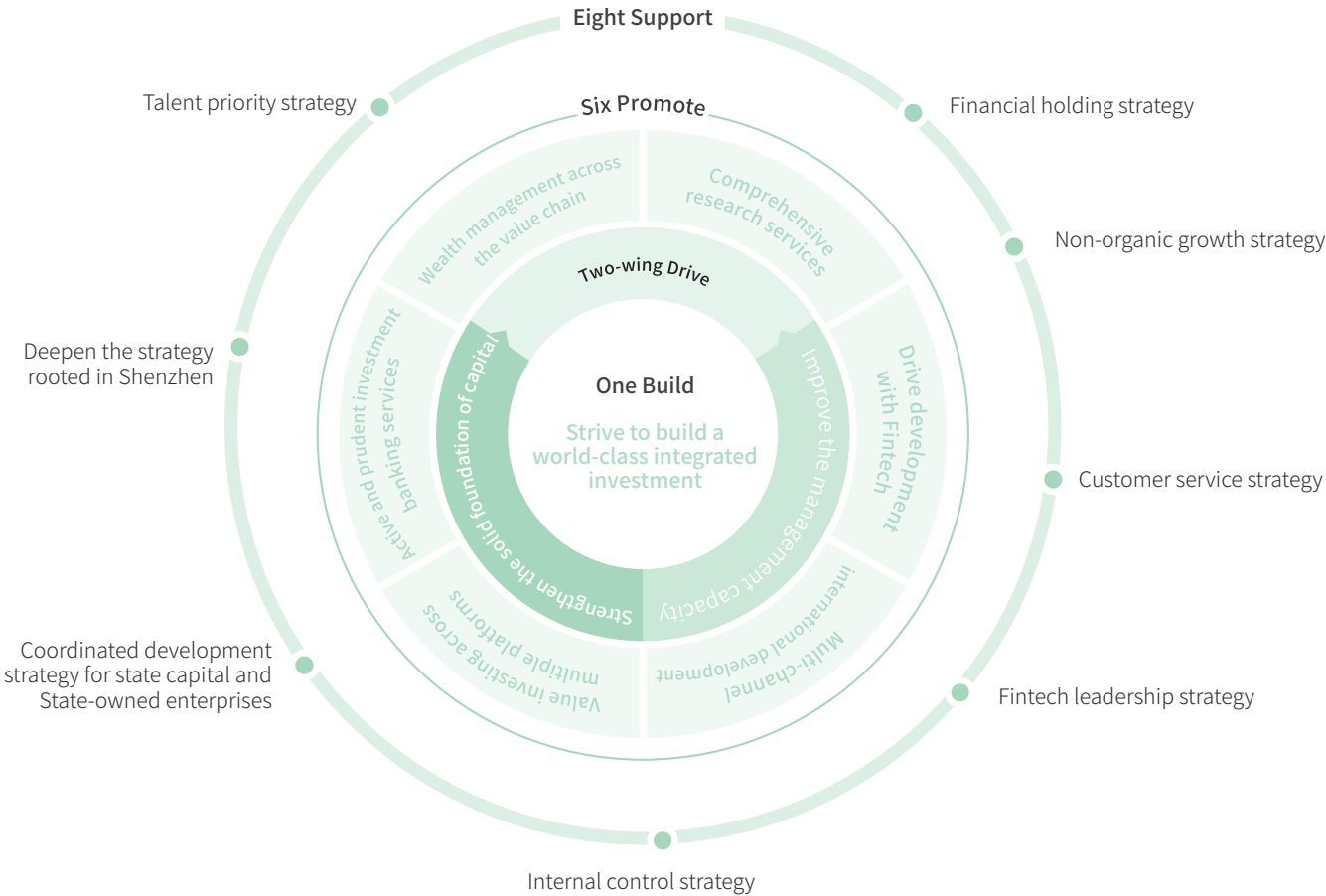
The Company actively responds to the call of the national, gives full play to our own professional advantages and brings together financial strength to serve the national strategy. At the same time, the Company attaches importance to the expectations and demands of internal and external stakeholders. We combine the international ESG reporting framework, rating standards and excellent management practices of our domestic and international peers to continuously strengthen ESG governance and refine ESG management initiatives in the course of our operations and management in order to implement the concept of sustainable development.



ESG Governance

The Company always implements the *Guosen Securities "14th Five-Year" Development Strategic Plan* (《国信证券"十四五"发展战略规划》), focusing on "One Build, Two-wing Drive, Six Promote, Eight Support" to explore and practice diversified ESG management initiatives and actively fulfil our social responsibilities. The Company has clearly stated in our strategic direction that we need to further enhance our social responsibility awareness and ability to fulfil responsibilities on the basis of improving service capacity and level in the industry. We have fully introduced the ESG evaluation system and organically integrated the fulfilment of social responsibility with the Company's operations. The Company's implementation path at the business level including but not limited to actively participating in green enterprise financing services, providing investment support to green enterprises and strengthening green financial product innovation. By guiding various types of social capital to increase investment in green assets, we promote the development of green finance and actively serve the "carbon peaking and carbon neutrality" goal of the national strategy.

Guosen Securities "14th Five-Year" Development Strategy



The Company has established a three-level ESG governance framework. In the current year, the Company revised the *Articles of Association of Guosen Securities Co., Ltd.* (《国信证券股份有限公司公司章程》) ("Articles of Association"), renamed the Strategic Committee of the Board of Directors as the Strategy and ESG Committee, which further emphasises and clarifies the responsibility for ESG governance, so as to ensure that the ESG work is reasonably and effectively implementation of and follow-up in the Company's development strategy, management system and business processes.

ESG governance framework of Guosen Securities

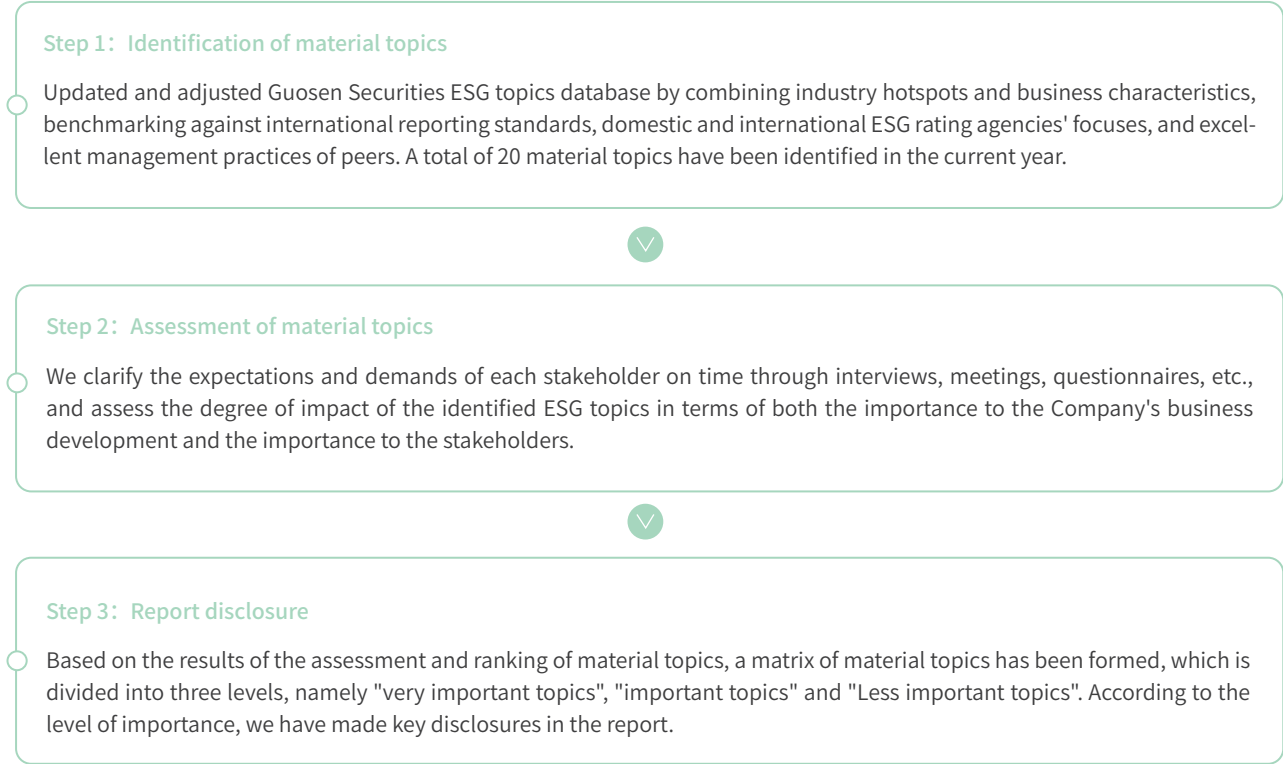


Stakeholder Engagement and Materiality Analysis

The expectations and demands of stakeholders are important factors for Guosen Securities to implement ESG strategy and optimise ESG management. The Company maintains close contact with all stakeholders through open, transparent and convenient communication channels, and actively creates more value for internal and external stakeholders by incorporating their expectations and demands into operational and decision-making considerations in combination with our own development strategy and business characteristics.

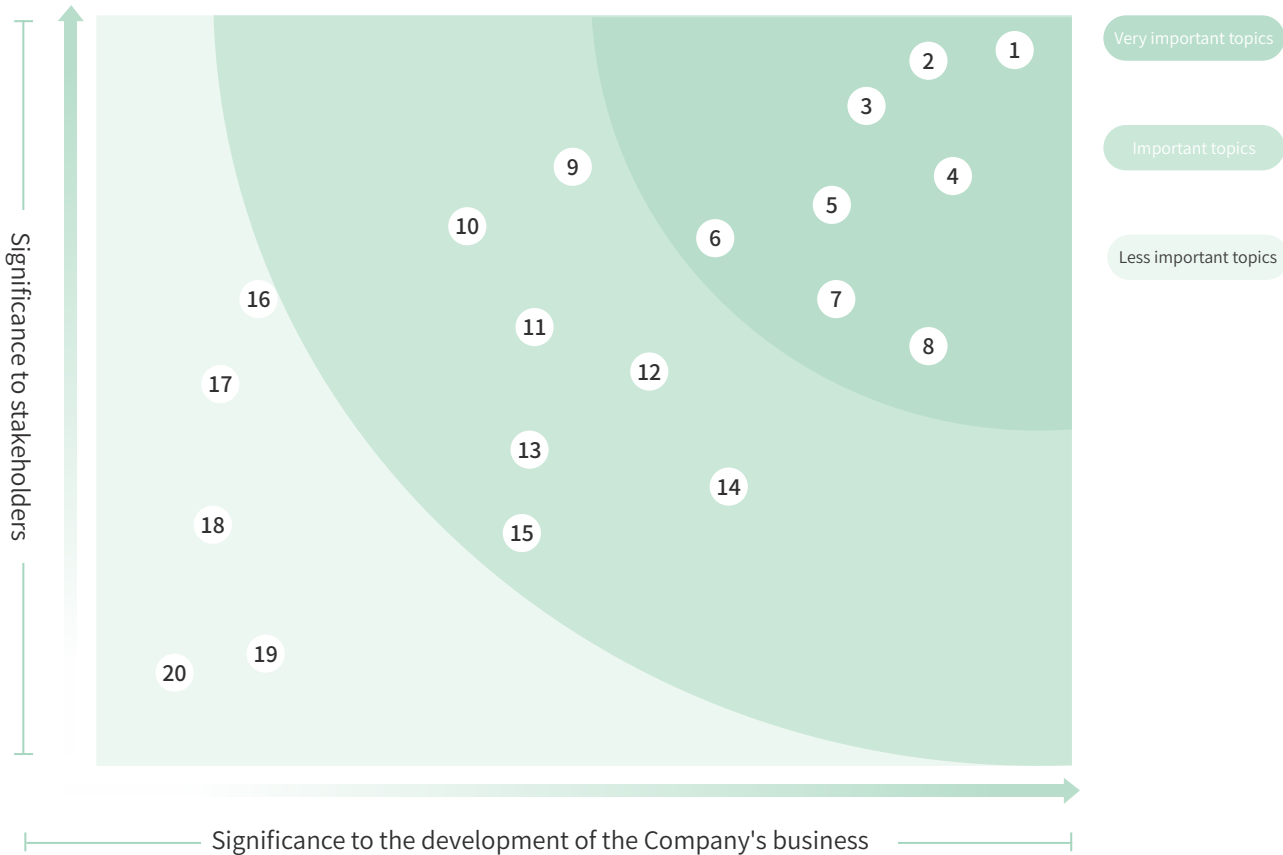
Stakeholders	Expectations and demands	Communication and response
 Government/Regulators	- Legally Compliant Operations - Comply with business ethics - Response to national strategies - Industry culture construction - Contribute to rural revitalisation - Response to climate change	- Cooperate with regulators' inspections - Regular Communication and Reporting - Public Information Disclosure - Promote industry culture - Insists on activity to support agriculture - Conduct climate risk identification
 Shareholders	- Robust return on investment - Conduct comprehensive risk management - Conduct efficient corporate governance	- Regular general meeting of shareholders - Regular reports and announcements - Enhance risk management - Improve corporate governance
 Customers	- Engage in responsible investments - Conduct investor education - Optimise customer service - Develop Fintech - Protect data security and privacy	- Conduct investor surveys - Conduct customer satisfaction surveys - Provide customer complaint hotlines - Apply new financial technologies - Improve customer privacy protection system
 Employees	- Perfect recruitment system - Protection of employee rights and interests - Clear training and development path - Equal and diversified working environment	- Establish feedback platform - Conduct employee satisfaction surveys - Conduct employee training
 Suppliers and partners	Cooperate with integrity	- Regular evaluation of suppliers - Online/offline communication meetings
 Community and public	- Social welfare - Rural revitalization	- Conduct public charity activities - Organise volunteer services

The Company conducts a comprehensive annual assessment of material topics with reference to the process of defining and assessing in the *Sustainability Reporting Standards* (《可持续发展报告标准》) of the Global Reporting Initiative (GRI) and the *Environmental, Social and Governance Reporting Guide* (《环境、社会及管治报告指引》) of the Hong Kong Stock Exchange (HKEX). The process for assessing material topics of Guosen Securities is as follows:



Assessment Process of Material Topics of Guosen Securities

Matrix of Material Topics of Guosen Securities



Material Topics of Guosen Securities in 2023

Very important topics	Important topics	Less important topics
1.Party building work 2.Corporate governance 3.Compliance operations 4.Integrity practice 5.Data security and privacy protection 6.Investor education 7.Financial technology 8.Serve the real economy	9.Green finance 10.Responsible investment 11.Optimise customer service 12.Employee training and development 13.Employee rights and interests protection 14.ESG risk management 15.Rural revitalization and community welfare	16.Respond to climate change 17.Equality and diversity of employees 18.Industrial culture construction 19.Green operations 20.Supplier management

Our response to the UNSDGs

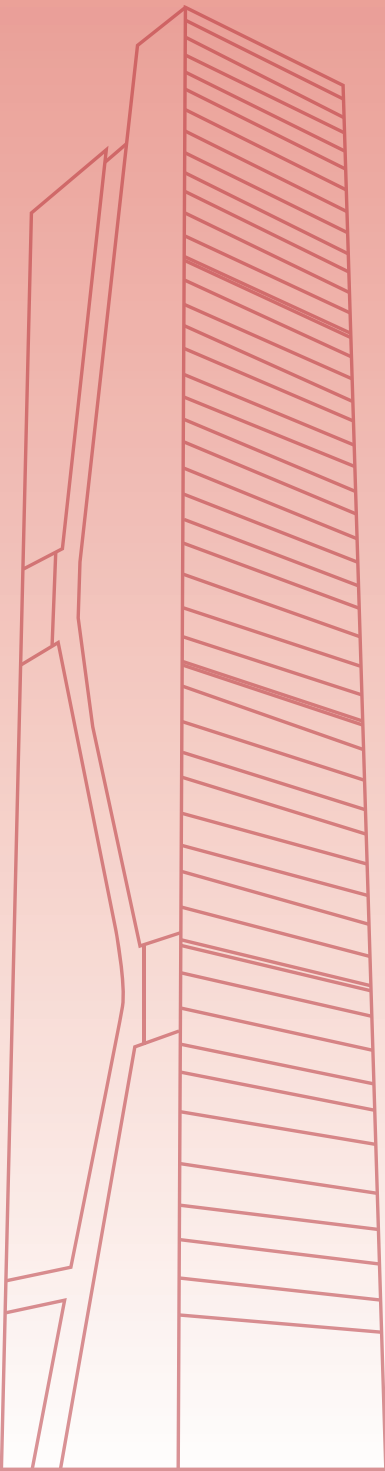
Guosen Securities focuses on environmental, social, corporate governance, and economic aspects to conduct a number of actions to contribute to the realisation of the United Nations Sustainable Development Goals (UNSDGs).

UNSDGs	Our actions	
	No poverty	- A total of RMB21.0325 million was invested in 51 public welfare and assistance projects, including external donations, industrial support, education development, livelihood construction, cultural promotion, consumer subscription, green ecology and other rural revitalization assistance projects; - Purchase special agricultural products from poverty-stricken areas and actively help develop the special industries in poverty-stricken areas. The total amount of special agricultural products purchased in 2023 was RMB8.6023 million.
	Good health and well-being	- Formed a four-tier employee care system including "mutual assistance funds for employee care, condolence funds for employee difficulties, daily care and condolence, and special care and condolence"; - Organised over 1,000 union activities, with more than 20,000 employee participants.
	Quality education	Continuously strengthen educational assistance, establish scholarships, carry out rural teaching support activities, and donate learning materials and funds to rural schools to improve local educational conditions.
	Gender equality	- Firmly oppose employment discrimination and ensure that employees are not affected by factors such as gender during recruitment, onboarding, training, promotion, and rewards; - Provide diversified, equality, and inclusivity-related training to all employees.
	Affordable clean energy	- Focusing on the development of the new energy industry, deeply participating in the construction of the new energy industry through equity direct investment, special funds, and other means, effectively supporting the development and growth of new energy enterprises; - Provide equity financing underwriting and debt financing services for the new energy industry, helping the industry to develop steadily; and - Utilize research expertise and publish over 400 industry research reports on industries such as new energy.
	Decent work and economic growth	- Provide employees with a competitive compensation system and welfare guarantees; - Advocate for the creation of an equal and diverse workplace environment; - In 2023, the "Guosen Huxue E" online learning platform released 1,384 courses and 1,747 exam tasks, with 18.8 million employee visits; - Donated a total of RMB3.82 million in industrial assistance funds to promote stable income growth for farmers.

UNSDGs	Our actions	
	Industry, innovation and infrastructure	- Focusing on information technology, high-end equipment manufacturing, new materials, and high-tech industries, we guide social resources to continuously increase support for key areas, important regions, and weak links through financing services, project investment, and the establishment of special funds; - Continue to improve the information security and data governance work structure and responsibility allocation mechanism, and establish a top-down management structure for information security and client privacy protection with clear powers and responsibilities.
	Responsible consumption and production	- Strictly review business publicity materials and urge our business divisions to strictly implement regulatory requirements and various control measures in cooperation with third-party Internet platforms; - Must fully understand the basic information, financial status, investment experience, investment objectives, risk preferences, integrity records and other information of our clients and update them in a timely manner before carrying out any business. We reasonably classify customer categories and risk levels of products and services to ensure that appropriate products and services are provided to suitable customers.
	Climate action	- Promote and participate in green finance innovation, develop financial products and services that meet ESG concepts and market demands, and guide the transformation of industrial and energy structures towards green and low-carbon through capital allocation; - Practice the concept of green finance, consider ESG related factors in investment decision-making and financing activities, and increase attention to green projects.
	Peace, justice and strong institutions	- Strictly observe and fulfil the requirements of laws and regulations relating to business ethics, continuously improve the supervision and management mechanism, and carry out diversified training and publicity activities on integrity and anti-money laundering; - Strictly abide by national labour laws and regulations, and sign labour contracts with employees in accordance with the law. In 2023, the proportion of employees signing labour contracts reached 100%.
	Partnerships for the goals	- Provide suggestions for the formulation of relevant policy rules around topics such as responsible investment, ESG themed strategies, and green finance; - Utilize the professional advantages of research business to conduct related industry research and meet the green finance needs of governments and enterprises at all levels.

Party Building

Adhering to the comprehensive leadership of the Party and the guidance of Party building is an important driving force for the positive, continuous, and robust operation and development of the Company. Guosen has always insisted on using Party building as a guide to promote development, continuously improving the quality and level of Party building work, and integrating Party leadership with corporate governance. The Company fully leverages the leading role of the Party committee in "setting direction, managing the overall situation, and ensuring implementation," transforming the Party's political and organizational advantages into competitive advantages for the Company's operation and development, thereby providing a strong political guarantee for the Company's high-quality development.



Guosen clearly defines the key tasks of comprehensively and strictly governing the Party.

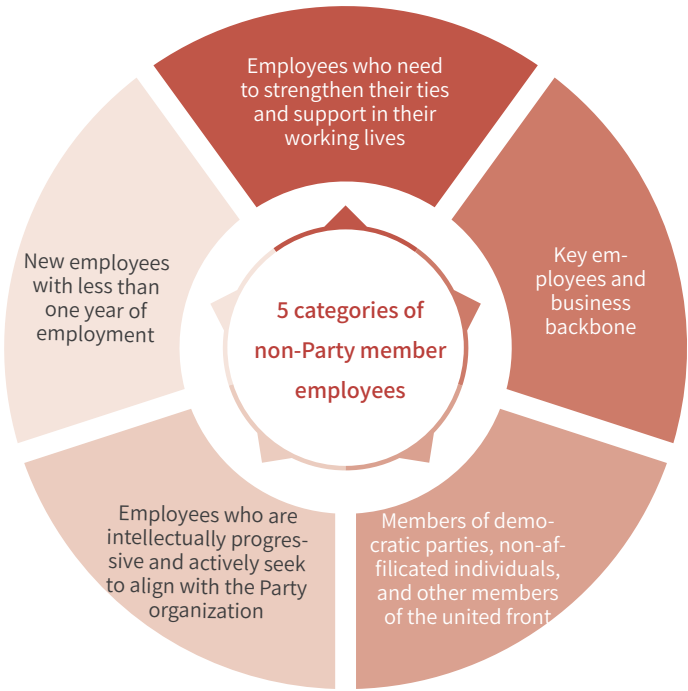
2023 Key Tasks for the Full and Strict Governance Over the Party

- Fully implement the spirit of the 20th CPC (the Communist Party of China) National Congress, firmly support the Two Affirmations and resolutely implement the Two Upholds with practical actions.
- Exploring and promoting comprehensive and strict management of the Party and the enterprise system, and promoting the improvement of institutional advantages to the effectiveness of governance.
- Persist in the integrated advancement of deterrence, prevention, and disinclination towards corruption, and resolutely win the protracted and tough battle against corruption.
- Persist in strengthening the discipline and integrity of the work style and discipline on a strict basis, and we should continue to strengthen the work style and discipline building.
- Focus on playing the role of maintaining a strong foundation in the culture of integrity, and continuously expand and consolidate the influence permeability of the culture of integrity.
- Persist in strengthening the construction of discipline inspection teams, and building a loyal and clean team with disciplines.

During the Year, Guosen formulated and issued the *Implementation Plan of the "1+4" Document on Implementing Guidelines for the Promotion of Party Building Quality of Municipal State-owned Enterprises* (《国信证券贯彻落实市属国企党建质量提升分类指导"1+4"文件实施方案》), which anchor the two main objectives of building a common goal for Party building of state-owned enterprises and winning the struggle for quality improvement in Party building, continuously consolidating the four guarantees and fully advancing the six major actions, and promoting "quality improvement through classification" at the primary level, and focuses on improving the scientific, standardized and refined level of Party building work.

In addition, Guosen has actively engaged in multi-level and multi-dimensional Party building activities, and formulated the *Twinning and Mentoring Guidelines for Party Members and Staff* (《党员与职工结对帮带工作指引》), whereby Party members mentor five categories of non-Party member employees, fully leveraging the combat fortress role of the Party organisation and the pioneering and exemplary role of Party members.

In 2023, Guosen continues to strengthen the Party's political construction and theoretical study, carried out various forms of Party building activities, promoted Party building exchanges, and built a solid ideological foundation.



5 categories of employees supported by Party members



Igniting the "Red Engine" of Party Building

- Deeply understand the decisive significance of the Two Affirmations , further strengthen the Four Consciousnesses firmly hold the Four-sphere Confidence, and achieve the Two Upholds, continuously improving political judgment, political comprehension, and political execution;
- Implement the spirit of the 20th CPC National Congress, plan the work objectives for 2023, and solidly implement the annual objectives;
- Develop learning plans, launch special training courses, organize special seminars on the spirit of the 20th CPC National Congress, and strengthen theoretical learning;
- Launch learning videos such as "Hot Words from the 2023 Chinese Two Sessions" and "Resonance of Spring" on the Guosen Financial Building Party and Mass Service Centre and the "Guosen Huxue E" online learning platform to provide support for Party organisations at all levels to learn the important speech spirit of Xi Jinping, General Secretary of CPC Central Committee, at the National Two Sessions and the spirit of the National Two Sessions;
- Open a thematic education exhibition in the Guosen Financial Building Party and Mass Service Centre, promptly promote relevant reports on thematic education on the main screen "Daily Headlines", edit learning videos such as *Selected Readings of Xi Jinping's Works* (《习近平著作选读》) and the spirit of special economic zones, attracting more than 90,000 visits and learning;
- In 2023, the Party Committee of Guosen conducted a total of 40 "First Topic" learning sessions.



The Party committee of the Company held a report on the party's 20 major spiritual propaganda

In January 2023, Zhang Nasha, the Party Secretary and Chairman of Guosen, presided over a report meeting on the promotion of the spirit of the 20th CPC National Congress. Zhu Dijian, a member of the Shenzhen Municipal Party Committee Propaganda Team and the 7th member of the Shenzhen Municipal Committee of the Chinese People's Political Consultative Conference, was invited to give a special lecture on the spirit of the 20th CPC National Congress.

Diversified party building activities

- Promoted the participation of Party organisations at all levels in visiting educational bases, with a total of 174 educational bases visited and over 11,000 people participating in related activities.
- Continuously optimised the Party building information system, publishing 521 activity information on the system.
- Hosted an exhibition of paintings and photography on studying and implementing the spirit of the 20th CPC National Congress and cultural construction.
- Launched a reading class for thematic education on studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.
- Organised 12 sessions of the "Shuxiang Guosen" themed book recommendation and reading club activities.
- Conducted research on improving the quality of Party building, established a special research team, and conducted on-site investigations in 11 different types of Party organisations within the Company and two securities firms, resulting in a special

- research report on classified guidance for improving the quality of Party building;
- Collaborated with universities, partner Party organisations, and other entities to jointly build Party organisations, promoting the improvement of Party building quality, business cooperation, and talent cultivation;
- Conducted various activities to actively study and implement the spirit of the Central Financial Work Conference.



Party building co-construction activities with Guangdong Institute of Finance



Red Army Yunlong rearranged history site visit and study activities



The Party Committee of Guosen Wealth Management and Institutional Business Department held a special Party class on in-depth study and implementation of the spirit of the Central Financial Work Conference

In December 2023, the Party Committee of the Ministry of Wealth Management and Institutional Business Department of Guosen held a special Party class in-depth study and implementation of the spirit of the Central Financial Work Conference at Guosen Financial Building. The special Party class was attended by more than 1,600 people, including all members of the Wealth Management and Institutional Business Department, management staff and business backbone of the department, and members of the Operations Management Committee of 40 branches. At the meeting, the Company clarified four requirements for the transformation issues and development direction of wealth management, and called on the Wealth Management and Institutional Business Department and its branches to seize the opportunity of implementing the spirit of the Central Financial Work Conference, under the guidance of the goal of "accelerating the construction of a financial power", to muster up confidence and determination to forge ahead, fully complement their capabilities, efficiently implement work requirements, and contribute to the achievement of the Company's "14th Five-Year Plan" objectives and high-quality development.



Special Party class

 The thematic work conference on comprehensive and strict governance of the Party and integrity practice in employment for the first half of 2023.

In May 2023, the Party Committee of Guosen held a thematic work conference on comprehensive and strict governance of the Party and integrity practice in employment for the first half of 2023, deploying the Company's work in comprehensive and strict governance of the Party and integrity practice in employment for 2023. The meeting conducted thorough discussions on topics such as the *Key Task List for Comprehensive and Strict Governance of the Party and Integrity Practice in Employment of Guosen Securities Co., Ltd. in 2023* 《国信证券股份有限公司全面从严治党和廉洁从业2023年度重点任务清单》, the *"Supervision and Inspection Work Plan of Guosen Securities Co., Ltd. for 2023* 《国信证券股份有限公司2023年度监督检查工作方案》, and the *"Integrity Culture Construction Plan of Guosen Securities Co., Ltd. for 2023* 《国信证券股份有限公司2023年廉洁文化建设方案》, among others. The requirements for the construction of a culture of integrity practice in employment were al so clearly defined.

 Exhibition of photography of calligraphy and painting of the 20th CPC National Congress on Spiritual and Cultural Construction

In January 2023, Guosen held the "Blooming Youth, Setting Sail Again - Guosen Exhibition of Paintings and Photographs for Learning and Implementing the Spirit of the 20th CPC National Congress and Cultural Construction." The series of works exhibited were award-winning entries from recent cultural construction photography, painting, and calligraphy competitions. The works are powerful and elegant, fully reflecting the enthusiastic and ambitious attitude towards life and the lofty and persistent professional pursuit of Guosen people. The overall style of the exhibition is elegant and concise, deeply integrated with various content sections of the Party and Mass Service Centre, fully demonstrating the good results achieved by Guosen in strengthening the cultural construction led by Party building, creating a strong cultural atmosphere, and effectively promoting the cultural philosophy of the securities industry.



Wall of calligraphy and photography

 Serving the Real Economy

The real economy is an important pillar of the national economy. Guosen Securities earnestly implements the spirit of the Central Economic Work Conference and the Central Financial Work Conference, focuses on the core functions of finance, continuously enhances the ability of financial services to serve the real economy and technological innovation, and promotes high-quality development of the real economy.

Guosen Securities seizes the main line of implementing the national strategy and serving the real economy. Focusing on the four dimensions of "investment, financing, sponsor, and research", it focuses on high-tech industries such as information technology, high-end equipment manufacturing, new materials, and new energy. Through financing participation, project investment, and the establishment of special funds, it guides social resources to continuously increase support for key areas, important regions, and weak links. The Company adheres to the essence of financial services for the real economy, continuously providing higher quality and more efficient financial services for the real economy through comprehensive financial services, and actively supporting the high-quality development of the real economy.

This year, Guosen Securities has formed a deep service coverage throughout the entire industry chain and lifecycle in industries such as photovoltaics, lithium batteries, automobiles, healthcare, and high-end manufacturing through IPO, direct equity investment, fund investment, convertible bonds, corporate bonds, refinancing, and financial advisory. It has accompanied the development and growth of multiple enterprises such as Longji Group and Betray to become industry leaders in global sub sectors. On the basis of providing traditional equity financing services, we actively strengthen the innovation of tools and models such as sci-tech bonds, sci-tech bills, public REITs, and intellectual property ABS, and continuously expand financing channels for sci-tech enterprises and platforms. Penghua Shenzhen Energy REIT, with Guosen Securities serving as the overall coordinator, plan manager, and exclusive financial advisor, is the first publicly offered REIT product in the domestic energy industry, opening up a new path for the full lifecycle model of clean energy projects through investment, financing, construction, management, and retirement. Guosen Securities continues to leverage its professional advantages and resource reserves in industry research, fintech, and other areas to create a comprehensive financial service platform for the entire life cycle of "Guosen Enterprise Stars". It provides one-stop services for enterprises in areas such as "specialized, refined, and innovative" enterprise evaluation, listing intelligence testing, policy inquiry, various training, product promotion, and equity management; And work together with governments at all levels in industrial planning, investment due diligence, technology enterprise classification and hierarchical evaluation, and industrial value evaluation to provide excellent think tank services. Guosen Securities focuses on key national industrial areas such as the Guangdong Hong Kong Macao Greater Bay Area, the Yangtze River Delta, the Beijing Tianjin Hebei region, Sichuan Chongqing, Shandong Henan, and the northwest, with coordinated and coordinated business lines to comprehensively support regional coordinated development.

In 2023, Guosen Securities completed 23.83 equity underwriting projects and raised RMB26.045 billion in funds. Completed bond underwriting for 608 units with an underwriting amount of RMB229.8 billion. Serving the development and growth of new productive forces through direct financing, investment business, and other means, assisting in the issuance of 22 science and technology innovation bonds, with an actual underwriting scale of RMB7.5 billion, many of which have created the first orders in the country; We have completed 19 project investments in hard technology fields such as artificial intelligence through equity and alternative investments, with a total investment amount exceeding RMB460 million.



Driving the Development in the Guangdong-Hong Kong-Macao Greater Bay Area and Shenzhen's Pilot Demonstration Area of Socialism with Chinese Characteristics

As a state-owned holding large securities firm based in the Guangdong-Hong Kong-Macao Greater Bay Area and with full financial licenses in both domestic and overseas markets, Guosen Securities fulfils the responsibility of financial state-owned enterprises, assists in the implementation of major national strategies, and fully participate in the building of the Guangdong-Hong Kong-Macao Greater Bay Area and a Pilot Demonstration Area of Socialism with Chinese Characteristics. The Company is deeply rooted in the main field of the Greater Bay Area, creating a service model that promotes both industrial and enterprise services, increasing efforts to promote comprehensive financial services throughout the entire industry chain, continuously improving the depth and breadth of services for the the building of the Guangdong-Hong Kong-Macao Greater Bay Area and a pilot demonstration area of socialism with Chinese characteristics, providing financial support for industrial upgrading and enterprise development through comprehensive services, and insisting on being a "vanguard" in serving the high-quality development of enterprises in the Greater Bay Area. As of the end of 2023, the Company has served 92 IPOs and refinancing of 98 enterprises in the Greater Bay Area, with a financing scale exceeding RMB120 billion ; Served 96 Guangdong enterprises to issue 546 various types of bonds, with an issuance scale exceeding RMB600 billion; Providing wealth management services to over 6 million customers in the Greater Bay Area.

Guosen Securities actively participates in promoting the improvement of the financial service system in the Greater Bay Area, providing wisdom and suggestions around the interconnection of the Shenzhen-Hong Kong financial markets and the planning and construction of Qianhai. The Company actively researches and explores cross-border financial innovation, actively promotes the pilot of cross-border wealth management services in the securities industry, and puts forward multiple suggestions on optimizing the QFLP/QDIE (Qualified Overseas Limited Partner/Qualified Domestic Investment Enterprise) quota approval and management system, building a cross-border commodity spot trading platform, establishing a Guangdong-Hong Kong-Macao Greater Bay Area Bond Center, and building a cross-border wealth management center.



Deeply Practicing the Concept of Industry Culture

Guosen adheres to the cultural philosophy of "compliance self-discipline profession, Pragmatic integrity Steadiness, harmony responsibility" and the values of "for value creation, for our achievement, for public service",and continuously deepens the culture construction work system, and carries out industrial cultural construction and promotion activities to promote "compliance, integrity, professionalism, professionalism, and professionalism." The sound and stable securities industry culture has contributed to the cultural and ecological construction of the securities industry.

In 2023, Guosen formulated and implemented the *Strategic Plan for Cultural Brand of Guosen Securities Co., Ltd. (2023 - 2025)* (《国信证券股份有限公司文化品牌战略规划（2023—2025年）》) in accordance with the latest requirements for cultural construction in the industry, the "One Centre" Leading, "Three Circles" Driving Force, Drawing Concentric Circles of Guosen's Culture Construction - Guosen's Implementation Plan for Further Consolidating and Promoting the Work Arrangement of Corporate Culture Construction (《“一个中心”引领、“三个圈层”发力，共画国信证券文化建设同心圆——国信证券进一步巩固推进公司文化建设工作安排的落实方案》), defined the corporate cultural brand "1336" strategy, and deepened and consolidated the "1+3+6" cultural construction work system. Guosen adheres to the guidance of the Company's Party committee as "One Centre," and combines the efforts of three circles: the "Promotion Layer" composed of three core departments for cultural construction, the "Support Layer" composed of other responsible departments, and the "Collaborative Layer" formed by all employees. Through three major paths of "establishing a cultural brand image", "strengthening cultural brand awareness," and "telling good cultural brand stories," the Company promotes the construction of its cultural brand, focusing on fostering "six cultures" of "responsible commitment, collaborative progress, professional pragmatism, integrity practice, compliance and stability, and integrity and innovation." These efforts jointly ensure the implementation of various cultural construction tasks and shape a cultural brand with Guosen's unique characteristics.

Continuous improvement of corporate system standards and governance system to create a "culture of responsibility" with clear objectives.

Building an agile and efficient "culture of collaborative progress" with strengthening the synergy mechanism and building management capacity as the main line

Continuously improve the system and incentive mechanism for professional talent development, and create a vibrant "professional and pragmatic culture"

Six Cultures

Building a "integrity practice culture" with the characteristics of Guosen, with the core of standardising business operations

Establish a long-term compliance management mechanism to build a strong "culture of compliance and stability"

Establish and improve management mechanisms that stimulate innovation, allow trial and error, and tolerate failure, and create a vibrant "culture of honest innovation"

During the Year, Guosen always keeps strengthening the leading role of Party organisations in cultural construction. By creating a cultural atmosphere of integrity and rectitude, strengthening the promotion of industry culture, promoting the shaping of a cultural brand with Guosen's characteristics, and participating in industry exchanges, the Company has organically integrated cultural construction with ideological and political work and ideological work, providing strong support for promoting the high-quality development of industry cultural construction.

Creating a clean and positive cultural atmosphere

- In accordance with the relevant work requirements of the Securities Association of China ("SAC"), the Company formulated and implemented the *Implementation Plan for the Further Implementation of the "Impression of the Securities Industry" by Guosen Securities Ltd. Co.* 《国信证券深入践行“证券行业荣辱观”的落实计划》, and carried out in-depth publicity and guidance on the concept of honour and shame, and worked hard to create a clean and healthy cultural atmosphere.
- Design 11 posters of industry promotion and promotion and display them in 23 elevators and Party and Mass Service Centre at the headquarters.

Strengthening cultural promotion

- Complete the series of special publicity guides such as the "six cultures" exhibition and the "Cultural construction calligraphy and photography exhibition", and upgrade the inner-network cultural construction exhibition centre.
- Six publicity articles on the achievements of cultural construction and seven research articles on theory of cultural construction were published in the central media. One special research topic on cultural construction was rated excellent by the China Society for Research on Financial Thought and Political Work.

Promoting the development of cultural brands with the characteristics of Guosen

- Actively implement the SAC requirements and produce three main products of the Company's Culture Concept Identification System (MI), Strategic Planning for Cultural Brand and Culture Training for New Employees.
- Two special cases of cultural construction were selected in the annual report of the SAC's industry culture construction, and the company's cultural brand was widely recognised.

Participating in cultural exchange activities

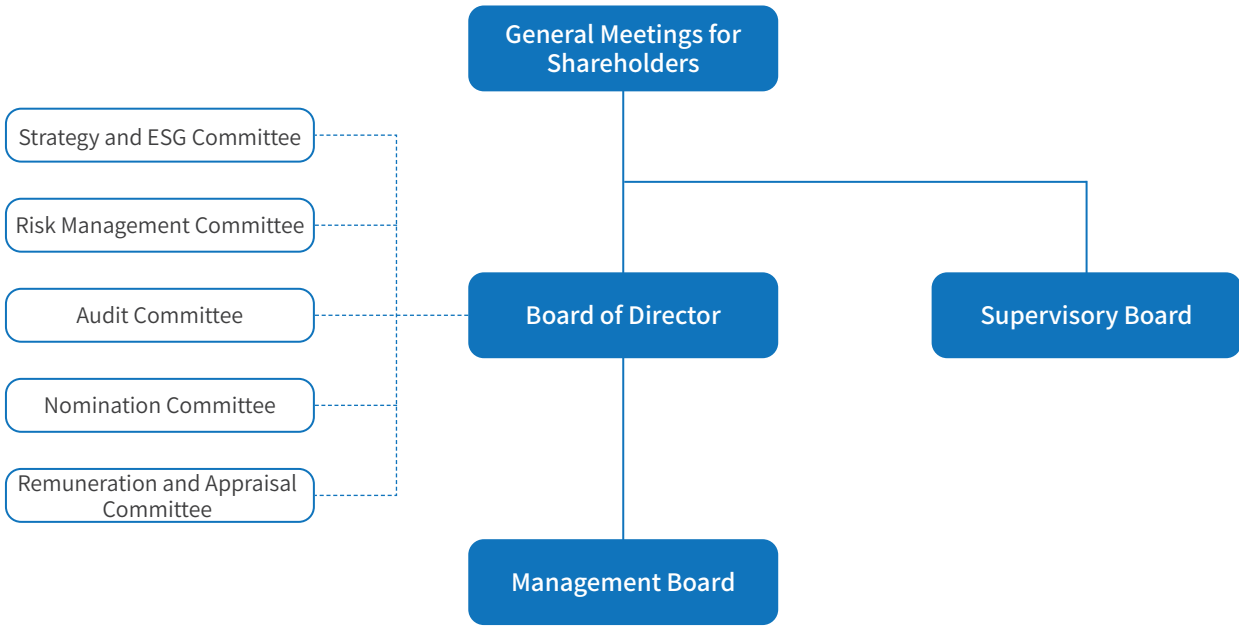
- In June 2023, the Rules on the *Management of Financial Accounts of Customers of Securities Companies* (《证券公司客户资金账户管理规则》), which Guosen participated in drafting, were officially issued and implemented.
- From September to October 2023, Guosen hosted the anti-illegal securities and industry culture promotion activities organised by the SAC, and launched the "4-in-1 mechanism for cooperation with institutions of higher learning financial knowledge competition".
- From October to November 2023, Guosen organised activities such as "Run across China and the Healthy Run on the Promotion Line of Preventing Illegal Securities in China in 2023".
- For the whole year of 2023, the secretary of the Party committee and the chairman of the company published five signed articles in the association magazine or in mainstream media.

Corporate Governance

Guosen has taken the initiative to meet the new requirements of high-quality development, continuously improve the corporate governance system, improve information disclosure and investor relationship management, consolidate the firm's foundation for sound development, and effectively protect investors' rights and interests.

Improving Corporate Governance

Good corporate governance is the cornerstone for promoting the steady development of enterprises. Guosen strictly abides by the requirements of laws, regulations, and normative documents such as the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, establishes and continuously improves the corporate governance structure centred on the shareholders' meeting, board of directors, board of supervisors, and management level; continuously revises the Company's governance system such as the *Articles of Association* (《公司章程》), clarifies the powers and responsibilities of each level, ensures the independent operation and checks and balances among all levels, and effectively safeguards the standardised operation of the company.



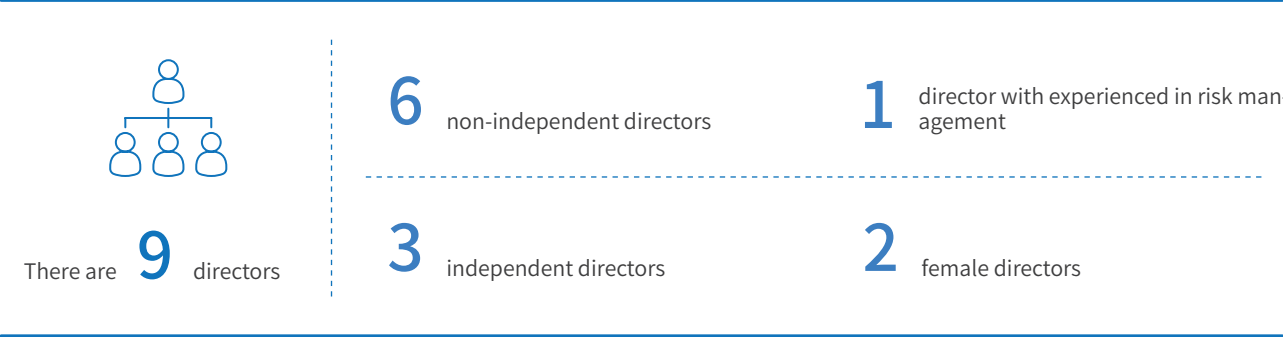
Governance Structure of Guosen Securities

General Meetings for Shareholders

In 2023, Guosen held three general meetings (the 2022 shareholders' general meeting, the first extraordinary shareholders' meeting in 2023 and the second extraordinary shareholders' meeting in 2023) in accordance with the *Articles of Association*. The substantial shareholders fulfilled their obligations in accordance with the laws and regulations and the *Articles of Association*.

Board of Directors

The directors of Guosen Securities diligently fulfill their responsibilities by attending shareholders' meetings, board meetings, and special committee meetings, as prescribed by law and company regulations. Meticulously deliberating on each agenda item, the directors provide expert guidance on critical corporate issues such as business development, related-party transactions, profit distribution, and institutional development. This contributes to the board's informed, well-regulated decisions, ensuring alignment with the company's objectives for sustainable and innovative growth. In the current year, Guosen Securities refined 17 corporate governance policies, including the *Rules of Procedures of the Board of Directors of Guosen Securities Co., Ltd.* (《国信证券股份有限公司董事会议事规则》) and the *Rules of Work of Independent Directors of Guosen Securities Co., Ltd.* (《国信证券股份有限公司独立董事工作细则》). These enhancements have elevated the Board's operational standards, earning us the "Best practice case of the Board of Directors" from the China Association for Public Companies.



The Board of Directors of Guosen comprises the Strategy and ESG Committee, the Risk Management Committee, the Audit Committee, the Nominating Committee and the Remuneration and Assessment Committee. Each of the committees is responsible for its duties and does its best to promote the efficient and standardized operation of the Company.

In 2023, the Board of Directors held 7 meetings of the Board of Directors, and considered and heard 90 motions in total.

Supervisory Committee

Guosen Supervisors strictly abide by the *Articles of Association* and the *Rules of Procedure of the Supervisory Committee* (《监事会议事规则》), and attend the meeting of the general meeting for shareholders in accordance with the laws and regulations. The supervisory committee attends meetings of the board of directors, conscientiously performs supervisory duties, and performs key supervision on the Company's standard operation, operation and management, financial operation, internal control, comprehensive risk management, cultural construction, integrity practice, and honest practice management, so as to effectively protect the Company's and shareholders' interests.



In 2023, Guosen held four supervisory meetings, and considered and heard 35 motions in total.

Operations Management

The management board of Guosen has resolutely implemented the decisions and arrangements made by its higher authorities, conducted operations in accordance with regulations and laws, and taken vigorous measures to ensure that the performance of the Company will continue to be at the forefront of the industry.

Information Disclosures and Investor Relations

The transparency and accuracy of information disclosure is the cornerstone of investor relations. Guosen continuously improves the internal control system for information disclosure, improves the accuracy and standardization of information disclosure, actively strengthens investor relationship management, and enhances investor confidence.

Information Disclosure

Guosen strictly implements relevant laws and regulations and normative documents such as the *Rules Governing the Listing of Securities on Shenzhen Stock Exchange* (《深圳证券交易所股票上市规则》), continuously improves the information disclosure management system, specifies the information disclosure rules and requirements, and complies with the "Timely, Fair, True, Accurate, Complete, The disclosure of information is conducted in a simple and clear manner and is easy to understand" manner, and periodic reports and interim announcements are issued in earnest to continuously improve the transparency and accuracy of information disclosure.

In 2023, the Company disclosed more than 200 announcement documents to the A-share market, and received the highest level A rating in the Shenzhen Stock Exchange's information disclosure assessment for the third consecutive year.

Investor Relationships

Guosen attaches great importance to maintaining good communication with investors, continuously maintaining smooth two-way communication channels such as the investor hotline (0755-82130188), investor relations email (ir@guosen.com.cn), and the Shenzhen Stock Exchange's investor relations interaction platform, to receive investor inquiries, listen to investors' opinions and suggestions, and promptly communicate the Company's strategic plan, business performance, and investment highlights to investors. At the same time, Guosen actively deepens communication with investors through various forms of performance briefings, online collective receptions for investors, open days for investors, conducting reverse roadshows, participating in securities strategy meetings, and other activities to promote the Company's value to investors of various types and maintain good investor relations.

Diversification of performance briefings

In 2023, the Company held annual performance briefing sessions using video and Internet text interaction. 29 questions were answered in text format.

Shenzhen Stock Exchange Investor Relations Interactive Platform

In 2023, Guosen responded to various questions raised by individual investors in a timely manner through the Shenzhen Stock Exchange Investor Relations Interactive Platform, totaling 35 times.

Performance communication telephone meeting

In 2023, the first semi-annual performance communication telephone meeting was held and six investor questions were answered during the event.

Online Group Reception Day for Investors

During the Group Reception Day for Investors Online in Shenzhen District in 2023, the Secretary of the Board of Directors and the financial person answered eight questions raised by investors online.

Performance of Investor Relationship Management



The 2022 Annual Result Announcement

Investor Open Day in 2023

On 6 July 2023, Guosen held the Investor Open Day event with the theme of wealth management and asset management. Zhang Nasha, Chairman of the Company, Deng Ge, President, Shen Chuanli, Vice President and Secretary of the Board of Directors, Du Haijiang, Vice President, Cheng Fei, Vice President, and Zhou Zhongguo, Head of Finance, attended the event. In his speech, Chairman Zhang Nasha presented the overall situation of the Company, the key work measures in recent years, and the vision for future development. President Deng Ge introduced the Company's basic conditions, key operating indicators, and Business advantages and future development ideas, Vice President Du Haijiang and Vice President Cheng Fei respectively presented the development of the Company's wealth management business and asset management business.

During the interactive exchange session, Chairman Zhang Nasha led the senior management team of the Company to provide investors and analysts with an in-depth understanding on the issues of corporate development strategy, transformation of wealth management business, innovation in asset management business, and digital transformation, which are of key concern to the market. Through the investor opening day, the Company has been able to communicate face-to-face with all parties in the market to present the Company's business initiatives in a more visual and comprehensive manner, thereby fostering a positive corporate image that is proactive and open, enhancing investors' understanding of the Company and promoting the Company's value discovery.



Investor Open Day

Interests of Shareholders and Creditors

Guosen has taken a lot of measures to effectively protect the rights and interests of investors and creditors, and has continued to deepen corporate governance.

Guosen attaches great importance to protecting investors' rights and interests, especially to protecting the rights of small and medium-sized investors to know and to participate in major decision-making decisions, so as to ensure that shareholders exercise their powers on an equal and effective basis. Guosen strictly convenes shareholders' general meetings in accordance with the Company's Articles of Association and other normative documents, providing both on-site meetings and online voting channels. When the shareholders' general meeting considers important matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors are individually counted and the results of the counting are disclosed in a timely manner, ensuring that all investors can participate in the governance of the company on an equal basis and effectively. At the same time, the Guosen shareholders' general meeting set up a shareholders' question and answer session. The chairman, president, and other senior management personnel of the Company responded on-site to questions of interest to investors, fully protecting the legitimate rights and interests of investors, and creating opportunities for and facilitating investors to participate in corporate governance.

Guosen regards cash dividends as an important measure to protect investors' rights and interests. Guosen formulates an annual profit distribution plan in accordance with the Articles of Association, which fully protects investors' income rights. In 2023, the Company implemented cash dividends for the year 2022, and paid a total cash dividend of RMB2.595 billion (including tax) to all shareholders of the Company, with the dividend payment rate of 42.63%.

Compliance and Prudent Operations

Guosen Securities adheres to the core values of the securities industry of "compliance, integrity, professionalism, and prudence", and establishes a comprehensive risk management system to ensure that the Company's business continues to operate in a prudent manner. We improve the compliance culture system and compliance risk control system to enhance the depth, breadth and effectiveness of compliance management. We promote the construction of the Company's culture of integrity and the standardisation of integrity and self-discipline, and require our employees to abide by business ethics and conduct. We formulated a rigorous bidding procurement and supplier management system to promote green circulation and sustainable development. The Company has set up a joint supervision committee, connecting disciplinary inspection, compliance, risk control, auditing, finance, human resources, legal affairs and other supervision chains, to carry out "three years of full coverage" comprehensive supervision and inspection, and to complete the "double physical examination" of the politics and business of all the Company's departments from 2021 to 2023. We promptly identify problems and loopholes, and establish targeted rules and regulations to comprehensively enhance the effectiveness of supervision.

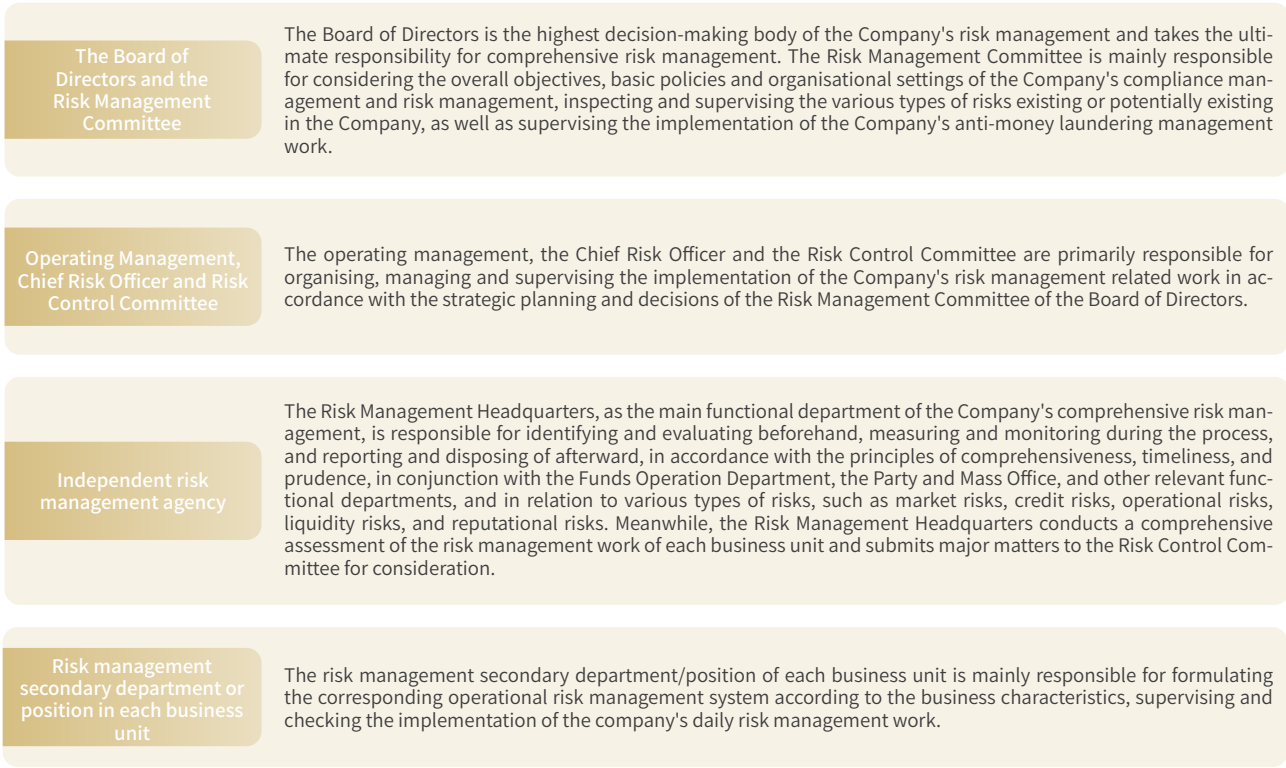


Comprehensive Risk Management

Guosen Securities strictly follows the *Securities Law of the People's Republic of China*, the *Regulations on the Supervision and Administration of Securities Companies* (《证券公司监督管理条例》), *Management Measures of Securities Companies' Risk Control Indicators* (《证券公司风险控制指标管理办法》), *Norms for Overall Risk Management of Securities Companies* (《证券公司全面风险管理规范》), and other laws, regulations, and self-discipline rules, formulates and strictly implement the *Comprehensive Risk Management System of Guosen Securities Co., Ltd.* (《国信证券股份有限公司全面风险管理制度》). Adhering to a steady and prudent risk appetite, we continue to improve our comprehensive risk management system. We have improved the risk control mechanism through risk analysis and assessment, risk investigation and inspection, risk monitoring and warning, risk response and disposal, and have continuously enhanced our ability to prevent and control major risks. At the same time, Guosen Securities has established a comprehensive risk management organisational structure, indicator system, and reporting mechanism that are suitable for our development strategy, and has formed a multi-dimensional, interconnected, effective checks and balances risk management operation mechanism to ensure that risk management is fully covered, monitorable, measurable, analytical and responsive.

Risk Management Structure

During the year, the Company formulated the *Measures for the Internal Audit Management of the Investment Banking Business of Guosen Securities Co., Ltd.* (《国信证券股份有限公司投资银行类业务内核管理办法》), the *Measures for the Risk Management of the Listed Funds Market Making Business of Guosen Securities Co., Ltd. (Trial)* (《国信证券股份有限公司上市基金做市业务风险管理办法(试行)》), the *Implementing Rules for Counterparty Credit Risk Management of Over-the-Counter Financial Derivatives Business of Guosen Securities Co., Ltd.* (《国信证券股份有限公司柜台市场金融衍生品业务交易对手信用风险管理实施细则》), the *Risk Management Measures for Market Making and Trading of Stocks on the Beijing Stock Exchange of Guosen Securities Co., Ltd. (Trial)* (《国信证券股份有限公司北京证券交易所股票做市交易业务风险管理办法(试行)》) etc., and revised the *Measures for Risk Management of Brokerage Business of Guosen Securities Co., Ltd.* (《国信证券股份有限公司经纪业务风险管理办法》) and the *Rules for Risk Monitoring of Settlement of Exchange Bond Pledged Repurchase Transactions under the Self-supporting Mode of Guosen Securities Co., Ltd.* (《国信证券股份有限公司自营模式下交易所债券质押式回购交易结算风险监测细则》) to comprehensively consolidate the foundation of business management and strengthen the risk management capability.



Guosen Securities four-level risk management framework

The Company has established a multi-level risk indicator system, including the risk control indicator system centred on net capital and liquidity, the system of risk appetite, risk tolerance and risk limit indicators, the system of professional risk indicators for market, credit, operation and liquidity, and the system of business risk indicators for brokerage, asset management, self-management and capital intermediation. The Company's risk indicator system covers all levels including business lines, departments and holding subsidiaries.

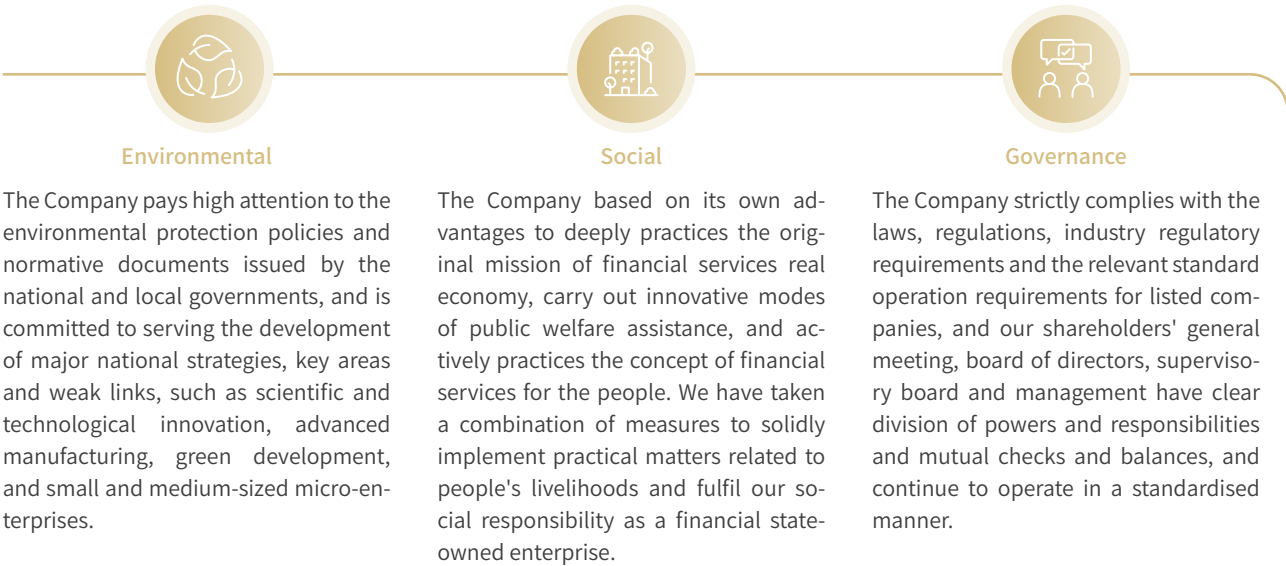
Risk Management Procedure

The Company's risk management work implements the whole process control before, during and after the event, covering all businesses, all departments and all personnel, and running through the decision-making, execution, supervision and feedback, so as to timely discover and clean up the loopholes and dead corners of risk management, and to ensure that there are no gaps in risk management.



The Company actively cooperated with the China Securities Regulatory Commission (CSRC) and its dispatched agencies, the Securities Association of China (SAC), the China Securities Depository and Clearing Corporation Limited (CSDC) and other organisations to carry out external audits, supervisory inspections and self-regulatory inspections. During the year, the risk management department of the Company carried out 16 risk-specific inspections and 31 risk inspections on business lines such as investment banking, proprietary investment, capital intermediary, asset management, asset custody and other subsidiaries such as the Guosen Hong Kong, and sent out 9 risk letters to effectively warn of and dispose of bond position risk potentials in advance, so as to avoid and reduce the regulatory penalties and economic losses resulting from the risk incidents.

In recent years, the Company has focused on promoting the in-depth integration of ESG-related risk factors with the Company's comprehensive risk management system so as to identify ESG factors that may have impacts on the operations of each business and actively promote ESG risk management.



At present, the Company has incorporated ESG factors into its risk management, and has realised the integration of ESG factors with risk management in the review of investment banking projects and internal ratings. In the future, the Company will continue to improve the attention to ESG factors in the whole process of risk management, integrate ESG factors into the whole process of risk management before, during and after the event, practice ESG concepts in depth, and assume the role of a large state-owned financial institution to continue to serve the real economy and maintain the stability of the financial market.

Risk Culture

The Company attaches great importance to the advancement of risk culture, and strengthens the advocacy of risk culture by means of risk cases, training organisations and thematic studies. At the same time, the Company annually assesses the effectiveness of risk management of each business division, headquarters, directly-affiliated departments, branches and holding subsidiaries, and organises the selection of "Internal Control Excellence Award" to link risk management with performance.

During the year, the Company continuously strengthened the risk management awareness of all staff by regularly collecting and collating risk cases and releasing them on the OA platform, and sorting out and analysing 13 typical cases of financial counterfeiting and disclosure violations of listed companies. We organised training on comprehensive risk management, risk management of financing and securities financing business and other topics to continuously enhance the risk management practice capability of our staff. We participate in the association's research on relevant topics, such as participating in the compilation and publication of the textbook "Comprehensive Risk Management of Securities Companies (《证券公司全面风险管理》)", and publishing the paper "Discussion on the Application of Stress Tests in Risk Management of Over-the-Counter Options (《压力测试在场外期权风险管理中的应用探讨》)" in the publication "Conduction (《传导》)" of the SAC, so as to expand our influence in the industry.



The People's Court of Luohu District "send the law to the door" and holds a special lecture on risk prevention of labour disputes in the Company

On November 2, 2023, the People's Court of Luohu District " send the law to the door", a team of professional judges came to the Company to carry out a special lecture on "Labour and Manpower Dispute Trial and Legal Risk Prevention (《劳动人力纠纷审判及法律风险防范》)". Chen Yong, Director of Compliance, attended the event, and about 100 people attended on-site, including the heads of headquarters departments and subsidiaries such as the Legal Affairs Department, Wealth Management and Institutional Business Department, and Investment Banking Department, as well as human resources and full-time and part-time legal personnel, and about 800 people from branches around the world participated in the event by remote video. In this activity, the judge made a case study and chose more than 20 typical cases of labour disputes, including the securities industry, to analyse in detail the common legal risks in labour employment and put forward specific suggestions on how to prevent risks and avoid labour disputes, which played a good role in building a harmonious labour relationship and promoting the healthy development of business.

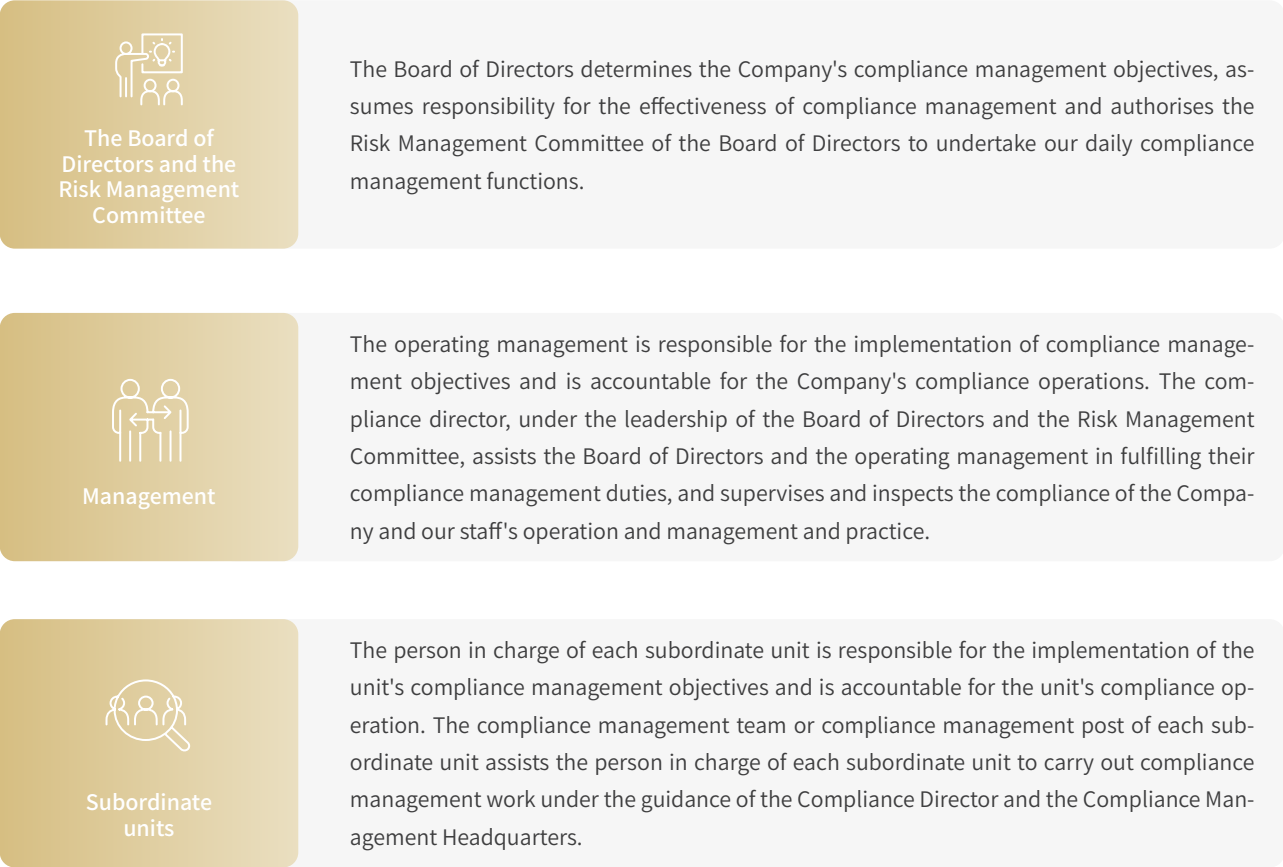


Compliance Management

The Company adheres to the cultural concepts of "compliance self-discipline profession,Pragmatic integrity Steadiness, harmony responsibility", strictly implements the regulatory requirements, improves the compliance management mechanism, and strengthens the communication between various departments to ensure stable operation of the Company's business.

Compliance Management System

Guosen Securities strictly complies with the *Measures for Compliance Management of Securities Companies and Securities Investment Fund Management Companies* (《证券公司和证券投资基金管理公司合规管理办法》), the *Guidelines for the Compliance Management of Securities Companies*(《证券公司合规管理实施指引》) and other laws and regulations as well as the requirements of self-regulatory rules of securities industry associations, and strengthens our compliance risk control management system. The Compliance Management Headquarters of the Company carried out timely analysis of the new regulations, compared and analysed the new requirements with the implementation of the existing business, put forward the implementation matters requiring key attention, and assisted the business departments in internalising the external regulations by sending reminder letters of the new regulations, organising or participating in seminars on the new regulations, acceptance of the implementation of the new regulations, assisting the business departments in formulating or revising the systems, and carrying out specialised training on the new regulations and demonstration of compliance. During the year, the Company completed the revision of a total of 20 internal compliance management systems, including the *Compliance Code of Guosen Securities Co., Ltd. (Revised Version 2023)* (《国信证券股份有限公司合规守则（2023年修订版）》).



Guosen Securities Compliance Management System

During the year, the Company revised the self-regulatory commitment document and organised all staff to study and sign it. At the same time, the Company also organised all staff to participate in diversified compliance training and publicity activities by sending new regulation newsletters, compliance bulletins and weekly updates on new regulations, and issued relevant case alerts to urge staff to strictly comply with the code of conduct for the practice of law. During the year, a total of 400 new regulations express were issued to the entire Company to promote the Company's business management and business operations to be in line with the changes in laws, regulations and guidelines.

The Company has built a comprehensive compliance IT system, with the building of a compliance data mart as the cornerstone, and further strengthened the application of various special application systems in compliance management work such as anti-money laundering, transaction management, and declaration of employees' investment behaviours around the new-generation compliance management platform, so as to create a compliance digital ecosystem. The new-generation compliance management platform focuses on the management and tracking of various types of compliance activities such as the implementation of laws and regulations, compliance personnel management, compliance inspections, compliance training, compliance audits, etc., centralises and standardises the processing of digitised compliance activities, supports the identification of compliance risks and potential hazards in a flexible, dynamic and timely manner through data visualisation and other technologies, and provides a decision-making reference basis for the compliance department to issue compliance opinions on major matters. It further enhances the effectiveness of compliance management and the intelligence of compliance management.

Business Ethics

As a nationwide large-scale comprehensive brokerage firm, Guosen Securities adheres to the leadership of party building, improves the personnel management system, and vigorously cultivates and establishes positive examples to enhance the professional competence, moral level and professional ethics of the Company's employees in all aspects. During the year, we publicly issued the *Policy Statement on Anti-Corruption and Integrity Practice of Guosen Securities Co., Ltd.* (《国信证券股份有限公司反贪污与廉洁从业政策声明》) applicable to all staff members, and strictly regulated and implemented the management initiatives related to integrity, anti-corruption, and whistleblowing, etc. We urge all staff members to strictly comply with laws, regulations, regulatory requirements and industry self-regulation rules in their practices, and to observe social ethics, business codes, professional ethics and codes of conduct.

Integrity Practice

The Company strictly complies with the *Securities Law of the People's Republic of China*, the *Guidelines on Internal Control of Securities Companies* (《证券公司内部控制指引》), the *Provisions on the Integrity of Securities and Futures Business Institutions and Practitioners* (《证券期货经营机构及其工作人员廉洁从业规定》) and other regulations and industry requirements. During the year, we formulated and revised a series of internal management systems, including the *Compliance Code of Guosen Securities Co., Ltd. (Revised Version 2023)* (《国信证券股份有限公司合规守则(2023年修订版)》), the *Measures for the Management of Practising Behaviour of Practitioners of Guosen Securities Co. Ltd.* (《国信证券股份有限公司从业人员执业行为管理办法》), the *Measures for the Administration of Integrity in the Practice of Business of Guosen Securities Co., Ltd.* (《国信证券股份有限公司诚信从业管理办法》), and *Implementing Rules for the Special Evaluation of Compliance of Various Departments, Branches and Subsidiaries of Guosen Securities Co., Ltd.* (《国信证券股份有限公司各部门、分支机构及子公司合规性专项考核实施细则》), so as to comprehensively enhance the construction of governance system of integrity in the practice of business and to refine the requirements for the management of integrity in the practice of business.

At the same time, the Company has revised the *Commitment Letter on Prohibited Behaviour Provisions of Guosen Securities Co., Ltd.* (国信证券股份有限公司员工执业禁止行为规定承诺书), the *Commitment Letter on Integrity of Guosen Securities Co., Ltd.* (《国信证券股份有限公司工作人员廉洁从业承诺书》), the *Commitment Letter on Self-discipline of Guosen Securities Co., Ltd.* (《国信证券股份有限公司工作人员自律承诺书》) and other documents of commitment nature in conjunction with the regulatory requirements, and organised the signing of such documents by all staff members, they are required to strictly observe and fulfil the relevant requirements on integrity and compliance practice. In terms of supervision and management of integrity, the Company strengthens the supervision and management of integrity by organising special inspections as well as covering integrity in compliance inspections, audits, and financial inspections. We set up a joint supervisory team to supervise and inspect the integrity of the Company and our staff. We made every effort to promote the construction of the joint supervision intelligence platform to enhance the effectiveness of supervision. During the year, Guosen Securities did not engage in any corruption and bribery litigation cases against the Company or individual staff members.

We have strictly implemented the management requirements of integrity management and have established a comprehensive management framework for integrity management and conducted regular audits to ensure the effective implementation of management initiatives related to integrity management.



Board of Directors

The Board of Directors is responsible for determining the objectives and overall requirements of integrity management and is accountable for the effectiveness of integrity management.



Principals of the Company

The principals of the Company is the first responsible person for the implementation of the Company's integrity management duties, and is responsible for organising the implementation of the integrity management objectives determined by the Board of Directors, and bears the leadership responsibility for the Company's integrity violations and breaches of laws and regulations.



Senior managers and heads of units

The senior managers of the Company and the heads of each unit are responsible for the concrete implementation of the management objectives of integrity in the work area under their charge or in their own units, assume responsibility for clean operation, and assume corresponding management responsibility for the construction of a clean culture and the management of clean operation in the work area under their charge or in their own units and staff within the scope of their duties.

Guosen Securities Integrity Management Framework

In terms of internal auditing, we have incorporated integrity in the scope of auditing in conjunction with routine audits, outgoing audits and post-service inspections, and have continued to strengthen the inspection of integrity, which includes the construction of policies, promotion and training, and control measures in respect of integrity, as well as in the areas of expenses and practice behaviours. At the same time, the Company engages an external auditor to carry out an internal control audit every year, and organises or engages an external auditor to carry out an assessment or evaluation of the effectiveness of compliance management and the effectiveness of internal control every year, which involves auditing or evaluating the internal control environment, internal control system, compliance management environment, the construction and operating status of the business management system and mechanism, and covers a wide range of aspects, such as corporate culture and integrity, which cover all the operation business lines of the Company.

In terms of integrity culture propaganda, the Company actively guided our staff to consciously comply with the Company's requirements relating to integrity, anti-corruption and anti-fraud, and to establish an awareness of integrity. During the year, the Company formulated the *2023 Integrity Culture Construction Programme of Guosen Securities Co., Ltd.* (《国信证券股份有限公司2023年廉洁文化建设方案》), which clearly defines the objectives, tasks and specific measures for the construction of integrity culture during the year, and carries out a variety of training and publicity activities, including, "door to door" activities, interpretation of the provisions on integrity, analysis of typical violation cases, watching warning educational films, holding speeches on topics related to the Company's integrity and anti-corruption and anti-fraud. During the year, the number of clicks on the column "Guosen Qingfeng" reached more than 5,000, and more than 800 books on integrity education were distributed. The "Guosen Huxue E" platform organised training and examination on the interpretation of the *Implementation Rules for the Integrity of Securities Business Institutions and Their Staff* (《证券经营机构及其工作人员廉洁从业实施细则》) to strengthen the education of employees on integrity practices, with 11,747 participants and a pass rate of 99.9%.



Theme speech contest of the "Clear wind moistens the heart, integrity accompanies the forward—Young people at Guosen love to talk about integrity"

On October 13, 2023, the Company organised young employees to carry out the theme speech competition of "Clear wind moistens the heart, integrity accompanies the forward—Young people at Guosen love to talk about integrity", in which 105 young employees of the Company participated on-site and more than 1,300 people observed on-line. The speech contest is an important initiative of Guosen Securities culture construction, but also to promote the integrity of the working atmosphere of vivid practice, fully demonstrated the integrity, self-discipline and the spirit of upward mobility of young employees of Guosen Securities. We hope to take this competition as an opportunity to guide the Company's young employees to promote integrity culture with practical action, and to be the inheritor and practitioner of the culture of integrity.



Speech contest on the theme of Integrity



The Company actively organised directors, supervisors and senior management to participate in relevant training organised by the Securities Regulatory Commission and the Stock Exchange. When holding the Company's shareholders' meeting, the Company promotes the regulatory requirements on integrity in practice to the directors, supervisors, senior management, shareholders and shareholder representatives attending the meeting. We have summarised and collated information on regulatory developments including the "Compliance Bulletin" (12

issues in total) and "Weekly Regulatory Developments" (49 issues in total) and sent them to directors, supervisors and shareholders on a regular basis. Through the above training and promotional activities, our integrity training has covered all board members.

The Company actively undertakes social responsibility and strictly implements internal integrity management, giving full play to our own advantages and capabilities. We are the first to demonstrate integrity management in the industry, and fully cooperate with the Shenzhen Securities Regulatory Commission to build a "Shenzhen Capital Market Integrity Education Base" covering an area of nearly 2,000 square metres in the Company. Taking into account the characteristics of the industry, we used new means such as interactive projection screen, video viewing and interesting games to achieve the transformation of integrity education from didactic to introspective through situation education, rule of law education and case study education, and effectively strengthened the sense of integrity of financial practitioners. By the end of 2023, the base has received 367 batches of visitors from Beijing, Shanghai, Jiangsu and other parts of the nation, with a cumulative total of over 88,675 visits. In the future, we will give full play to the function of the base as an integrity culture dissemination position, adhere to high standards and high specifications of construction and operation, and strive to build a platform highland of integrity culture propaganda and guidance, warning and education, training and exchange in the capital market with distinctive Shenzhen characteristics, to build a integrity culture ecology, and to make contributions to the promotion of the high-quality development of Shenzhen's capital market.

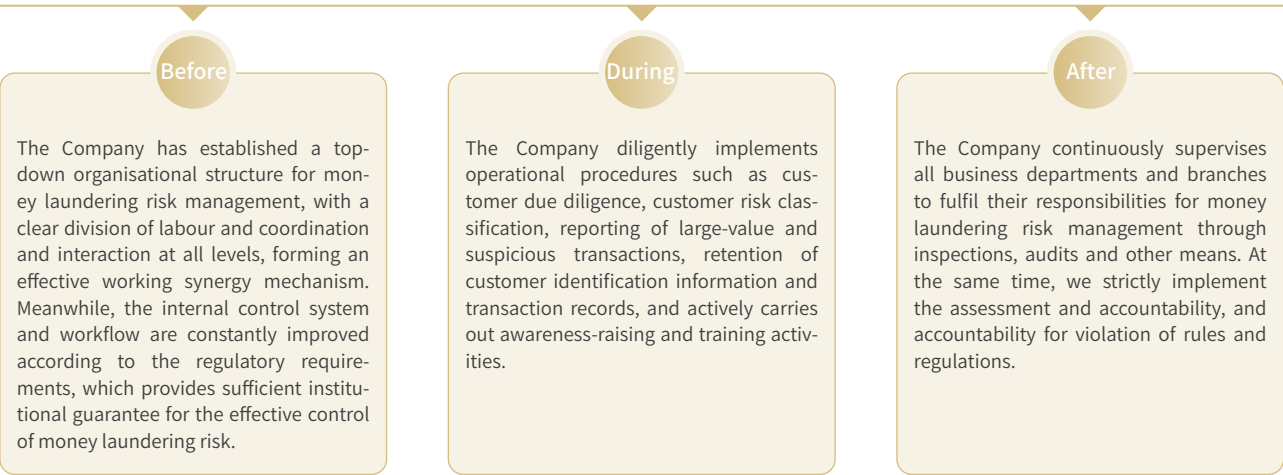


Shenzhen Capital Market Integrity Education Base

Anti-money Laundering

The Company attaches great importance to the risk management of money laundering, and revised the *Measures for the Administration of Large and Suspicious Transaction Reports of Guosen Securities Co., Ltd. (Revised Version 2023)* (《国信证券股份有限公司大额和可疑交易报告管理办法（2023年修订版）》), the *Measures for the Administration of Anti-money Laundering Monitoring Lists of Guosen Securities Co., Ltd.* (《国信证券股份有限公司反洗钱监控名单管理办法》), the *Measures for the Administration of Due Diligence of Customers and Classification of Money Laundering Risks of Guosen Securities Co., Ltd.* (《国信证券股份有限公司客户尽职调查和洗钱风险分类管理办法》) and other systems in the current year, and continued to improve the internal control and management system of anti-money laundering, which has effectively covered all businesses with the risk of money laundering. We have integrated money laundering risk management into all aspects of the legal person's governance system, such as organisational structure, staffing, performance appraisal and self-correction.

Anti-money Laundering Risk Management Process of Guosen Securities



The Company includes the implementation of anti-money laundering work in the scope of audit, and annually carries out special audits of the Company's anti-money laundering work in the previous year. The anti-money laundering management department organises the relevant departments to carry out rectification work, and the internal audit department supervises the rectification work and regularly follows up and gives feedback. During the year, the Company carried out audits of 27 independently assessed brokerage branches and 159 business outlets through projects such as routine audits of branches and outgoing audits of branch heads, and included anti-money laundering work in the scope of inspections. The anti-money laundering related inspections mainly included the construction of anti-money laundering internal control mechanism, customer due diligence and classification of money laundering risk level, and reporting of large-value and suspicious transactions.

During the reporting period, the Company actively promoted the anti-money laundering work in investment banking business, fixed income business, asset management business, over-the-counter business, institutional business, etc., pushed forward the formulation and revision of the anti-money laundering special system of the business departments, pushed forward the transformation and optimisation of the system of the non-brokerage business department in accordance with anti-money laundering related requirements, realised the docking of customer information between the non-brokerage business system and the anti-money laundering management platform, supported the operation of the non-brokerage customer list tracking system, and steadily pushed forward the anti-money laundering work in the non-brokerage business. Meanwhile, the Company continued to promote the optimisation and upgrading of the V8 version of the anti-money laundering system during the current year, formally launched the new version of the anti-money laundering management system and the list monitoring system, and optimised the processes and authority settings of the customer due diligence, blacklist backtracking, and the suspicious transaction report, so as to further improve the relevant functions of the system, and effectively support the implementation of the work on anti-money laundering.

The Company's headquarters, each department and branch seriously organised and planned, and all employees actively participated, making full use of various forms such as advertisement, distribution of publicity materials, community publicity and on-site questions and answers to continuously carry out anti-money laundering publicity activities, and to publicise anti-money laundering laws and regulations as well as the characteristics and hazards of money laundering activities to the public. At the same time, the Company attaches great importance to anti-money laundering training, incorporating anti-money laundering training into the Company's annual compliance training plan and anti-money laundering work plan, and arranging specialists to be responsible for follow-up and implementation. During the year, the Company carried out anti-money laundering training through various means such as special lectures and seminars, including identification of suspicious transactions, risk level classification, due diligence and system operation, etc., in order to continuously improve employees' understanding of and attention to anti-money laundering work.



"Guosen Securities 'Anti-money Laundering' Theme Bus" Publicity Activity

The headquarter of the Company cooperated with Shenzhen Public Transport Media Co., Ltd. and launched the "Guosen Securities 'Anti-money Laundering' Theme Bus" publicity activity in June 2023 to actively build a mobile "legal position". The publicity in the Shenzhen city put six "anti-money laundering" theme buses, distributed in six urban trunk bus routes, passing through Shennan Avenue, the city's Party and Mass Service Center, Fuhua Road, shopping parks, Overseas Chinese Town, Shenzhen Bay Park, the Sea World and other urban passenger traffic in the core of the city. Each "anti-money laundering" themed bus is printed with catchy anti-money laundering slogans, and the Company's Golden Sun cartoon character "Yangyang" has been promoting the concept of anti-money laundering to the public with our lively, cute and colourful body language, making full use of the advantages of bus routes that cover a large area, have strong mobility and a wide audience, so that the general public can learn about anti-money laundering knowledge and enhance their awareness of anti-money laundering while waiting for and taking the bus.



"Anti-money laundering" theme bus

"Financial practice of the original heart, hand in hand to build Nanshan——'Finance for the People' warm-hearted project into Nanshan anti-money laundering specialised publicity activities"

On 31 August 2023, under the guidance of Shenzhen Branch of the People's Bank of China, the Company and Nanshan Financial Development Service Centre, Bank of Beijing Shenzhen Branch, Shenzhen Sharelink Network Co.,Ltd, and China Merchants Life Insurance Company Limited jointly organised the "Financial practice of the original heart, hand in hand to build Nanshan——'Finance for the People' warm-hearted project into Nanshan anti-money laundering specialised publicity activities". All parties gave full play to their functional advantages and, through a variety of enjoyable and easy-to-understand methods, enabled the public to learn financial and anti-money laundering knowledge, enhance risk prevention awareness, and actively create a social atmosphere of "anti-money laundering for the whole people".



Anti-money laundering specialised publicity activities

Whistleblowing

Guosen Securities has continued to improve our whistleblowing work mechanism to properly handle customer complaints, business risks, supplier services, violations of laws and regulations, labour relations disputes, employee rights and interests, production safety and other whistleblowing matters. The Company revised the *Administrative Measures on Whistleblowing of Guosen Securities Co., Ltd.* (《国信证券股份有限公司信访工作管理办法》) in this year, and has set up the Whistleblowing Leading Group under the direct leadership of the Chairman of the Board of Directors to be fully responsible for the overall planning, organisation and implementation of whistleblowing, as well as the work coordination, supervision and guidance. The Company receives suggestions, opinions or complaints from employees, customers, partners and other stakeholders through the information network, letters, telephone, fax and visits.

The Company comprehensively consolidates the synergy of the whistleblowing work, designates the Office as the integrated management department of the whistleblowing work, coordinates and promotes the acceptance and handling of whistleblowing involving the Company by the relevant responsible units, and promotes the orderly and efficient conduct of whistleblowing work. In the management method of whistleblowing work, the Company specifies the investigation and handling process, supervision and responsibility of whistleblowing matters. Reporting and accusing whistleblowing matters must be accepted in accordance with the Company's confidentiality requirements, and we strictly prohibited for the accepting personnel to disclose the relevant whistleblowing information to other third parties, in order to protect the legitimate rights and interests of the whistleblower. During the year, the Company comprehensively applied legal, policy, economic and administrative means, as well as education, consultation and diversion, and took multiple measures to actively deal with all kinds of whistleblowing and appropriately resolve conflicts and disputes.

The Company strictly implement the whistleblowing confidentiality system, strict secrecy whistleblower's name, work unit, address and other relevant information, as well as the content of the whistleblowing. We are strictly prohibited to transfer or inform the whistleblowing material, whistleblowing information to the organisation or person being reported, and to carry out verification work without exposure of the identity of the whistleblower. The *Rules for Handling Violation Whistleblowing of Guosen Securities Co., Ltd.* (《国信证券股份有限公司违规举报处理规则》) clearly stipulates that all departments and staff members shall not retaliate against the whistleblowers under any pretext. In case of retaliation against the whistleblower, the Company will deal with it seriously in accordance with the relevant provisions, and if it constitutes a crime, the Company will transfer it to the judicial organs for legal treatment.

Intellectual Property Protection

In order to regulate and strengthen the management of copyright and encourage the enthusiasm of employees to create, the Company has formulated the *Measures for the Management of Copyright of Guosen Securities Co., Ltd.* (《国信证券股份有限公司著作权管理办法》) and the *Guidelines for the Management of Financial Technology Patents of Guosen Securities Co., Ltd.* (《国信证券股份有限公司金融科技专利管理工作指引》) in accordance with laws and regulations related to intellectual property rights and combined with the development of our own situation, so as to clearly define the structure of the patent management, the patent excavation and the application process of the Company. We also improves the creation, protection, use and management of works to protect the Company's intangible assets from infringement. At the same time, the Company adopts contractual constraints and other precautionary measures to clarify the attribution of intellectual property rights (including the right of ownership, the right of use and the right of income) in the purchase, design and other contracts, and stipulates that the products involved shall not infringe upon the intellectual property rights of others, so as to adhere to baselines, and to prevent and avoid the occurrence of infringement incidents.

The Company also attaches importance to the education and publicity of intellectual property rights, and carries out legal literacy publicity on "4.26 World Intellectual Property Day" every year, and regularly holds intellectual property management meetings to enhance the awareness of intellectual property rights prevention among employees and strengthen the management of intellectual property rights.

During the year, the Company did not have any lawsuit cases related to intellectual property rights.

Supplier Management

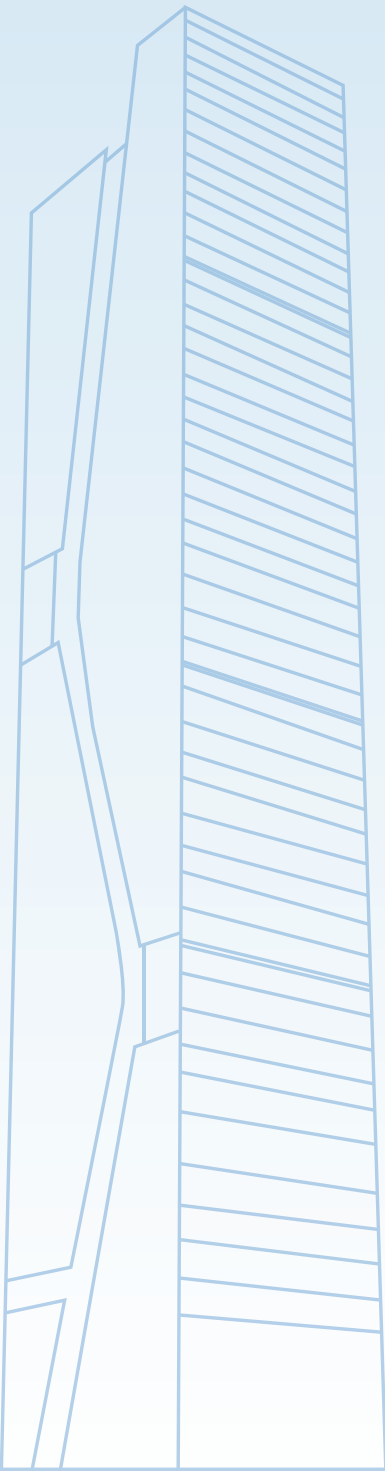
Guosen Securities strictly follows the *Government Procurement Law of the People's Republic of China*, the *Regulation on the Implementation of the Bidding Law of the People's Republic of China*, and the *Interim Provisions on Centralised Procurement Management of State-owned Financial Enterprises* (《国有金融企业集中采购管理暂行规定》). The Company has formulated and consistently enforced the *Measures for Management of Centralised Procurement Suppliers of Guosen Securities Co., Ltd.* (《国信证券股份有限公司集中采购供应商管理办法》), and the *Working Rules of the Bidding and Procurement Management Committee of Guosen Securities Co., Ltd.* (《国信证券股份有限公司招标采购管理委员会工作细则》), which clearly stipulates that we conducts multi-dimensional research and investigation in the process of supplier selection, enrolment and evaluation, and carries out dynamic tracking and management of suppliers, including but not limited to actual or potential impacts in economic, social and environmental dimensions.

In order to further standardise the supplier management system and procedures, the Company has taken measures such as on-site spot checks, flight checks on suppliers, market research, etc., to continuously improve the professional level of procurement, gain an in-depth understanding of the industry and suppliers in the procurement category, and strengthen the verification and management of single-source procurement projects, which has strongly ensured that the Company's procurement is compliant and carried out successfully. At the same time, the Company carries out procurement system training in real time by relying on platforms such as "Three Meetings and One Lesson", Investment Education Base and "Guosen Huxue E", etc., and adopts the methods of "old bring new" and "learning by doing" to help newcomers to master the relevant laws and regulations, document preparation and process operation. In addition, we combine the actual situation with on-site verification of the supplier's production environment, fulfilment environment, design and development, manufacturing, safety prevention and control, and the employment of labour to ensure the authenticity, accuracy and completeness of the supplier's situation and information.

In terms of anti-corruption management of suppliers, the Company strictly abides by laws and regulations, practices the code of conduct for employees and the provisions on integrity practice, strictly protects suppliers' commercial secrets and private and sensitive information, and resolutely resists commercial bribery. The Company has formulated a series of procurement-related regulations to clarify the scope of the Company's bidding and procurement, the responsibilities and authorities of each department, and the operating flow of each procurement method, etc., to ensure the separation of purchasing positions and the separation of powers and responsibilities for execution and supervision. At the same time, the Company provides the corresponding commitment letter of integrity agreement for the bidding documents of each bidding procurement project, and requests the bidding suppliers to sign it when bidding, and promise to abide by the relevant regulations of integrity practice whether in the bidding process or the subsequent performance process, so as to jointly build a harmony and stability of the cooperation atmosphere.

Professional Customer Service

Adhering to the values of "for value creation, for our achievement, for public service", the Company continuously improves our internal management mechanism and optimises the customer service experience. At the same time, the Company gives full play to our strengths, seizes the opportunities of digital transformation, attaches importance to strengthening data governance, and continuously improves network information security management and privacy protection mechanisms to protect the legitimate rights and interests of customers. In addition, the Company has always attached great importance to investor education, and carries out diversified publicity and education activities every year to popularise financial knowledge, fight against illegal activities, demonstrate corporate responsibility, and continue to contribute to sustainable financial development.

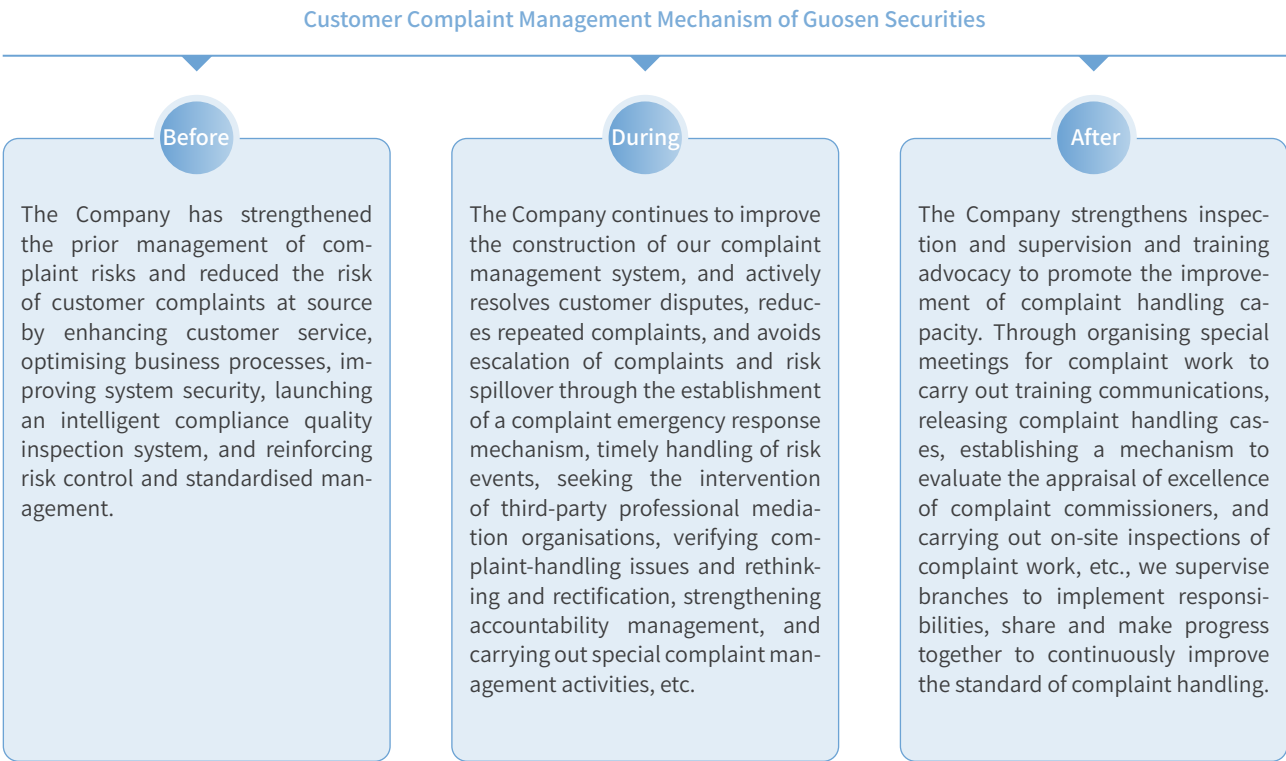


Optimising Customer Service

The Company actively fulfils responsibilities and obligations to our customers, continuously optimises the process of handling customer complaints, patiently listens to suggestions and opinions, actively solves customer needs, continuously improves customer satisfaction, and is committed to providing customers with better products and service experiences. Meanwhile, in the process of digital transformation, the Company continues to explore and provide diversified and convenient services, laying a solid foundation for enhancing customer service experience.

Customer Satisfaction and Complaint Management

The Company strictly abides by the *Law of the People's Republic of China on Protection of Consumer Rights and Interests* and other relevant laws and regulations, and always attaches importance to the protection of customers' rights and interests. The Company has formulated the *Complaints Management Measures of Guosen Securities Co., Ltd.* (《国信证券股份有限公司投诉管理办法》) to establish corresponding complaint handling mechanisms for customers at the headquarters and branch levels, and jointly promote the handling of customer complaints and disputes, so as to ensure that customer complaints are quickly responded to and appropriately dealt with. In 2023, the Company continued to intensify the control of the whole process of complaint management before, during and after the event, and disposed of customer disputes in a timely manner, with no major complaint risk events occurring during the year.



At the same time, we actively respond to and solve the actual needs of customers, focusing on customer relationship maintenance. The Company invites customers to make satisfaction evaluation after the end of service of the customer service team, and takes the results of satisfaction evaluation as the assessment basis for employee performance and monthly internal evaluation. We summarize our service experience and share our communication skills in a timely manner through the compilation of "Quality Speaks Quality" cases, weekly sharing of business knowledge and cases, the establishment of a library of excellent recordings, and the optimisation of the staff training process, etc., to continuously empower our customer service and enhance the quality of our customer service. During the year, the Company's annual customer satisfaction rate reached 99.3%.



During the year, the Company's annual customer satisfaction rate reached

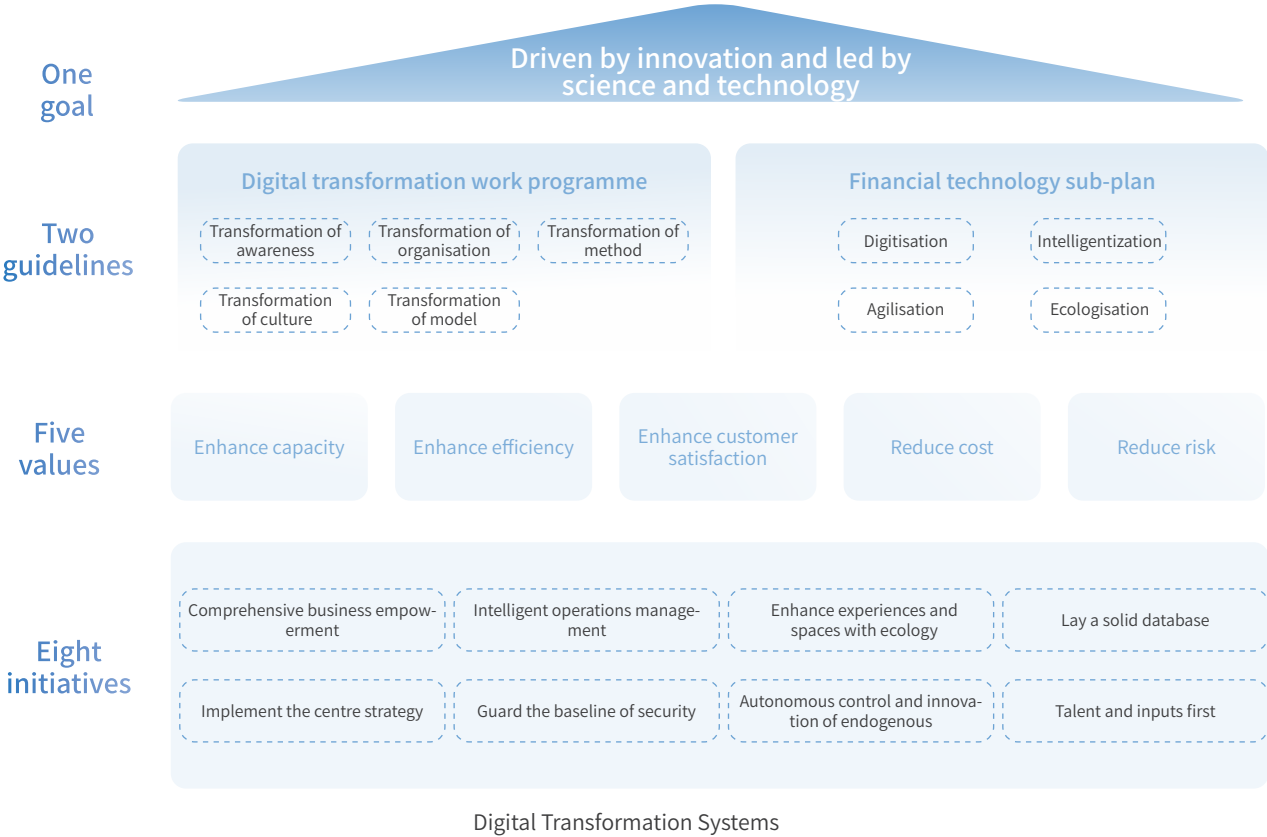
99.3%



Branch customer relationship maintenance training and communication meeting in 2023

Digital Customer Service

Guosen Securities attaches great importance to digital transformation, incorporating "driven by innovation and led by science and technology" into the Company's development vision and clearly including "Drive development with Fintech" as one of the six major business lines in the Company's "14th Five-Year" Development Strategy Plan, placing digital construction based on fintech construction at the core. In recent years, Guosen Securities has adopted "online integration", "data-driven" and "sharing and synergy" as the implementation strategy for digital transformation, and created a system of "One goal, Two guidelines, Five values, and Eight initiatives" to systematically promote the Company's digital transformation.



Guosen Securities has made a comprehensive transformation from "business-centred" to "customer-centred", with the core objective of enhancing customer satisfaction. We have evolved from the original organisational structure divided by business lines to a customer-centric business and synergy system, creating an online and offline integration, multi-channel integration, and a one-stop service system covering the entire life cycle to comprehensively enhance the customer experience.

Guosen Securities has systematically promoted the effective implementation of digital transformation through the "Five Transformations" (transformation of awareness, organisation, method, culture and model), laying a solid foundation for the Company's high-quality development, and combined with the deepening of the construction of financial technology, and we have achieved fruitful results in terms of empowering the business, improving customer satisfaction, enhancing efficiency and reducing risks.

Guosen Securities Financial Technology Construction Results in Various Areas

Cilent wealth management area

We have built a digital wealth management platform with Golden Sun APP as the core, realising the online and offline integration and multi-channel service integration to meet the differentiated needs of investors under different scenarios. At the same time, we have continued to develop "Xin Investment Consulting" securities investment consulting service, "Guosen Preferred" fund distribution service, "Guosen Intelligent Investment" fund investment consulting service and "Gusen Private Equity" private placement customised service for high net-worth clients, which accurately portrays clients, classifies and grades products, achieves accurate matching between clients and products, and provides clients with personalised product and service suggestions.

Institutional transaction integration service area

For professional institutional clients, we builds one-stop comprehensive service solutions and provides integrated and customised high-speed solutions, including "high-speed trading", "high-speed network", "high-speed quotes" and "high-speed risk control", etc., in response to the highly personalised needs of institutional clients, which provide customer-specific strategy system customisation services to the top high-frequency privately offered fund market, launch the GTrade strategy trading platform and the cloud-core strategy hosting platform for mature privately offered fund, and provide iQuant all-species quantitative trading platform to strategy enthusiasts to meet the differentiated and specialised trading needs of different investors. At the same time, we released a one-stop smart fund platform to fully meet the financial services needs of various institutions.

Investment transaction support area

Guosen Securities continues to build a five-wheel-driven large asset system of "convertible bonds, equity, fixed income, quantitative and derivatives". Taking the investment value chain as the core, relying on high-speed trading, big data mining, artificial intelligence, distributed computing and other capabilities, we have built three platforms around the core businesses of investment trading, market-making services and over-the-counter derivatives to provide three-dimensional solutions of digitalisation, integration and intelligence, using them as the basis to provide customers with a series of comprehensive financial services, such as investment and financing, risk management, hedging transactions and market-making liquidity support, thus reshaping the new pattern of investment and trading.

Big investment banking business area

In the area of big investment banking business, Guosen Securities took the lead in the industry as early as 2018 to realise in-depth digital management, full-segment intelligent issuance and electronic management of papers in the whole business and process of equity and debt. As of December 2023, we have continued to build 19 smart tools for investment banking and widely apply digital employees to effectively help fast-track the big investment banking business.

Operations management area

Guosen Securities is based on efficient internal operation and comprehensively improves the customer experience by comprehensively applying digital and intelligent technologies to continuously promote the centralisation, leanness and intelligence of internal operation services and management, so as to save every minute of customers' time. The Company is one of the first in the industry to realise the "24/7 uninterrupted business audit" model, and also takes the lead in realising one-stop intelligent witnessing opening of accounts for institutions and products, which shortens the account opening time of the whole process by 75%.



New generation of Golden Sun mobile securities app digital transformation construction of Guosen Securities

The Company fully implements "Financial Technology Driven Development" and leads the overall digitalisation of business development. In the area of wealth management, the Company has strengthened the ecological construction centred on Golden Sun APP, launched "Golden Sun APP 7.0" and above, and iterated and released more than 30 times throughout the year to build a one-stop comprehensive wealth management platform. By the end of 2023, the monthly activity of the digital wealth management platform centred on Golden Sun APP exceeded 3 million, and the quotes and transaction speed remained the highest in the industry.



Guosen Golden Sun mobile securities app



Guosen Securities GTrade institutional trading platform

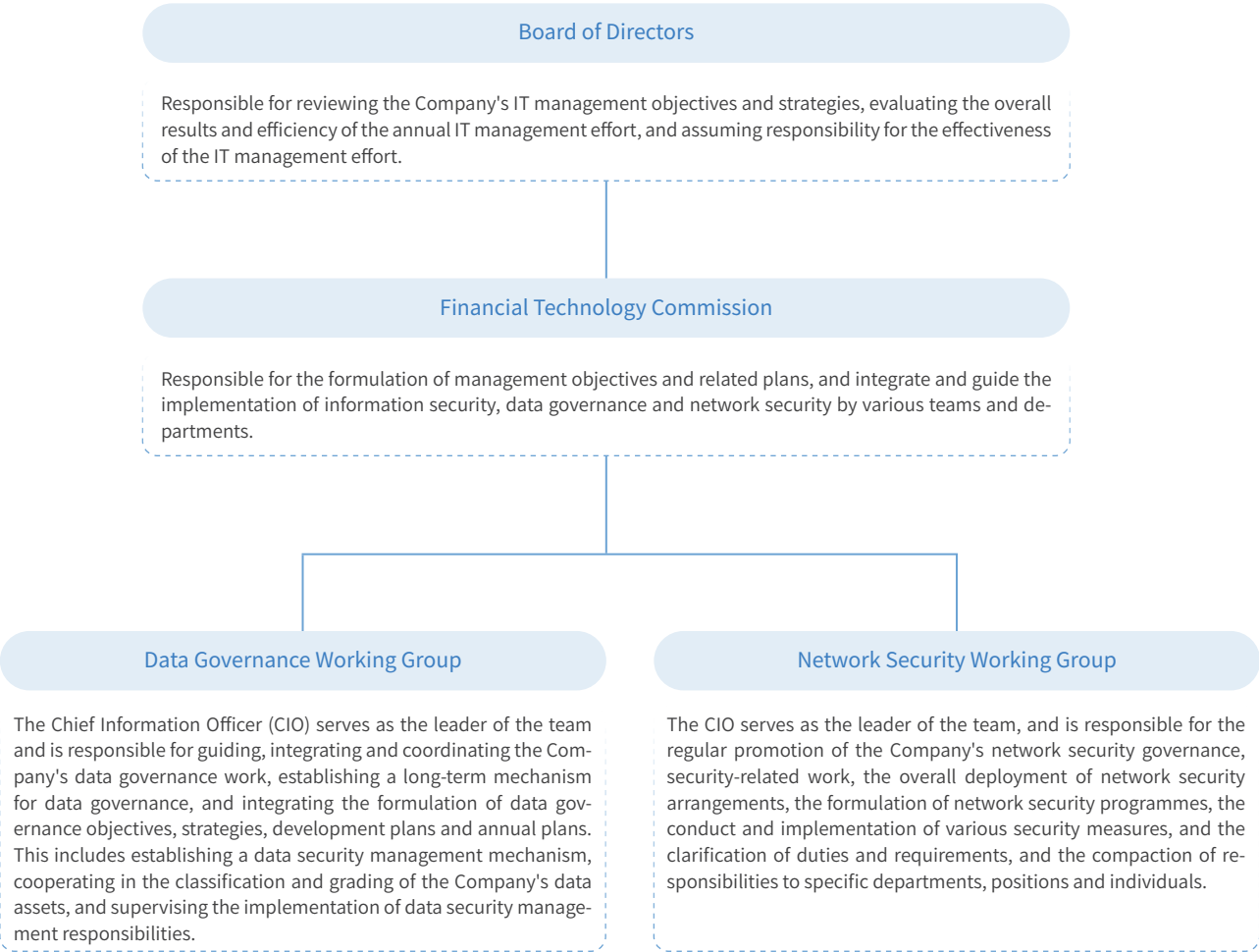
Guosen Securities moves in response to the situation, the Company's leadership judging the situation forward deployment, the earliest layout in the industry in the area of intelligent trading, by playing the advantages of self-research, the new planning and construction of institutional trading services platform GTrade, to build a full range of intelligent trading services, and to promote the digital transformation of the institutional trading business. We have built an industry-leading all-link trading, algorithm and other service platforms, implemented GTrade 2.0 iteration, and in the area of institutional transaction, the all-link performance ranking ranks among the industry's top. We can complete the day's reconciliation file sending for institutional clients before 18:30, and our service time and service level are leading in the industry.



GTrade institutional trading platform

Data Security and Privacy Protection

In accordance with the *State Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and other national laws, regulations of regulatory institutes, and industry norms on information security, and in line with the international standard ISO/IEC 27001:2022, the Company has formulated management norms for the protection of personal information, data security management and privacy protection, and regularly reviewed and updated the relevant systems to meet the latest legal and regulatory requirements. During the year, the Company publicly released the *Policy Statement on Information Security and Privacy Protection of Guosen Securities Co., Ltd.* (《国信证券股份有限公司信息安全与隐私保护政策声明》) applicable to all business lines, continue to improve the information security and data governance work structure and responsibility allocation mechanism, and established a top-down management structure for information security and client privacy protection with clear powers and responsibilities.



Information Security and Customer Privacy Protection Management Framework

To ensure the effective implementation of information security and privacy protection management initiatives, we regularly conduct internal and external audits. In terms of external audits, based on ISO 27001 and the national standard *Data Management Capability Maturity Model (DCMM)* (《数据管理能力成熟度评估模型》), the Company engages professional third-party agencies to carry out data security audits, which inspect the organisational structure of data governance, data security system specifications, data classification and grading, data full life-cycle management, application authority management and other data governance and data security work. We regularly engage professional third-party agencies to implement special network security testing. We conduct inspections of data security, personal information collection and application, and other data governance work based on national security laws and regulations and industry regulatory security norms. In terms of internal audit, the Company based on regulatory requirements and the Company's internal management norms, regularly carries out information security review activities annually by the internal control team as the second line of defence for security risks, and conducts special audits of information technology work (including data classification and grading, data security, authority management, data application and other work) by the audit department as the third line of defence. During the year, the Company has passed the ISO/IEC 27001:2022 information security management system certification.

In 2023, the Company's data asset management practice was successfully selected as one of the 100 excellent cases of DCMM data management organised by China Information Technology Industry Federation, and won the "2023 Star River Competition" excellent case of data asset management, which includes data classification and grading, and other data security related practices.

Information Security Management

With information security risk management as the core, the Company has formed a sound security protection system and security operation system through continuous construction and optimisation in accordance with the requirements of level protection and various national information security laws and regulations, which cover multiple aspects such as operating system security, network security, transmission security, database security, application system security and security management system, etc. The Company has integrated security into system development and business processes, and continuously improved the ability to discover and respond to security incidents, strengthened the ability to detect and repair vulnerabilities, continuously optimised the existing defence system, and transformed from "passive defence" to "attack and defence in action, active operation", to continuously improve the Company's security protection capability and level.

In terms of information security risk prevention and control, the Company has established a full control, automatic and efficient application security system to achieve full-process security control over the R&D process, formulated and implemented the *Application Development Security Management Standards of Guosen Securities Co., Ltd.* (《国信证券股份有限公司应用开发安全管理规范》), the *Information System Security Vulnerability Management Measures of Guosen Securities Co., Ltd.* (《国信证券股份有限公司信息系统安全漏洞管理办法》) and other normative systems, to ensure the closed-loop management of risks. We take security and efficiency into account technically by building an application security management platform, embedding security tools such as source code auditing and grey-box testing into the research and development pipeline, and realising automatically triggered and second-level execution of security testing, covering all change on-line processes. At the same time, we use a variety of scanning means to carry out full-volume risk screening of the Company's assets on a daily regular basis to proactively discover and converge security risks. During the year, the Company built the ability to monitor the flow of sensitive data from Internet applications, conducted regular risk screening of interfaces involving sensitivity, established monitoring capabilities at the core network borders, covering all the Company's information system interfaces, and organised 2 rounds of special training to carry out data security training for key positions to enhance their data security awareness and capabilities.

In terms of information security threat response, the Company has formulated the *Information System Security Incident Management Measures of Guosen Securities Co., Ltd.* (《国信证券股份有限公司信息系统安全事件管理办法》) and the *General Emergency Response Plan for the Continuity of Information System of Guosen Securities Co., Ltd.* (《国信证券股份有限公司信息系统连续性应急总预案》) and other normative systems. We have a perfect emergency response process for security incidents, and have established a secondary plan covering the main attack and defence scenarios and operation and maintenance scenarios. We strictly implement the security emergency response mechanism for important positions, with 7*24-hour duty for operation and maintenance, network, information security and other important positions on a regular basis, and implement the "three-quick" emergency response system of "quick response, quick positioning, and quick disposal". In terms of technology, the Company builds a network security protection technology system with deep defence, actively practices zero-trust technology, and continuously improves the security operation capabilities of standardisation, automation, intelligence and combat, so as to realise dynamic access control based on identity and environment security, perceive information system security risks in real time, accurately analyse and identify security attack behaviours, and automate the disposal of threats to safeguard the security of core information assets. The Company regularly carries out security crowd testing, "red and blue" emergency drills, and internal security drills to verify the effectiveness of the security protection system in multiple dimensions, enhance the internal cross-team emergency response and collaboration capabilities, and exercise the combat capability of the security team.

Highlight data during the year

A total of **3** security crowd testing were conducted Conducted a total of **2** company-wide cybersecurity drills; and

Successfully blocked **430** million malicious attacks and proactively identified and hardened **641** risks



Successful completion of the 13th Joint Cybersecurity Emergency Drill for the securities and futures industry

On 29 July 2023, according to the requirements of the *Notice on the 13th Joint Cybersecurity Emergency Drill for Securities and Futures Industry* (《关于开展证券期货业第十三次网络安全联合应急演练的通知》) of CSRC, the IT emergency management team of the Company organised the relevant departments of the headquarter and all branches to successfully complete all the work of the drill. In the demonstration part of the drill, based on the Company's IT emergency management master plan, the Company's emergency response process for cyber security incidents was demonstrated in an all-round and visual way from the aspects of fault discovery, fault notification, research and warning, disposal and recovery, business verification and event reporting. In the practice session of the drill, under the unified command of the emergency management team, the switching from the Company's production data centre to the disaster recovery centre in the same city and the disaster recovery centre in a different place was completed, with the participation of 18 departments at the Company's headquarters and more than 180 branches, and the number of systems and participants in the drill was the largest in the history of the drill, fully demonstrating the Company's ability of organisation and coordination, rapid response, efficient disposal and protection in case of emergencies.

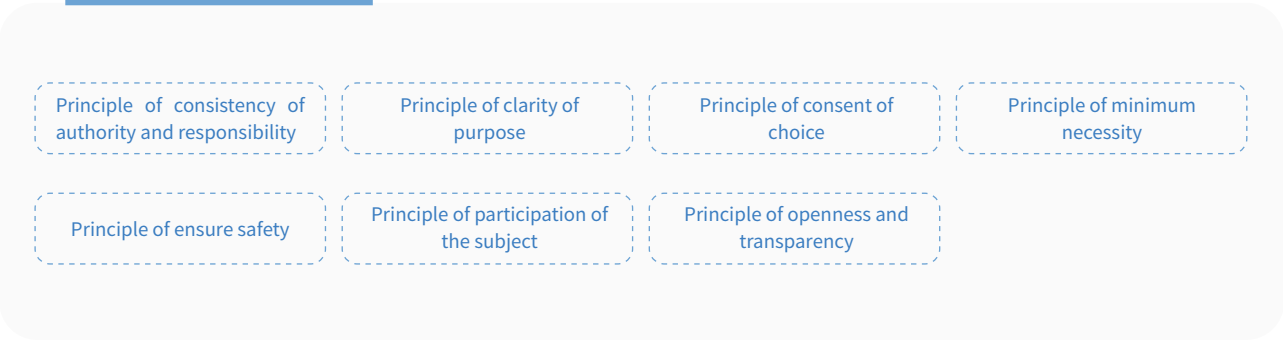


13th Joint Cybersecurity Emergency Drill for Securities and Futures Industry

Customer Privacy Protection

During the year, the Company issued the Measures for the *Management of Data Security of Guosen Securities Co., Ltd.* (《国信证券股份有限公司数据安全管理办法》), which implements full life-cycle protection of data in terms of authorised use of client information, limitation of the purpose and scope of use, responsibility for data protection, and classification and grading of data, and revised the *Privacy Protection Provisions of the Golden Sun Internet Platform of Guosen Securities Co., Ltd.* (《国信证券股份有限公司金太阳互联网平台隐私保护条款》), the *Measures on the Information Management of Brokerage Services Clients of Guosen Securities Co., Ltd.* (《国信证券股份有限公司经纪业务客户信息管理办法》) and the *Administrative Provisions on Investor Information Protection of Guosen Securities Co., Ltd. (Revised in 2023)* (《国信证券股份有限公司投资者信息保护管理规定 (2023年修订)》) to further improve the Company's investor information protection system by adding mechanisms for the protection of investors' sensitive personal information, mechanisms for assessing the impact of the protection of investors' personal information, norms for automated decision-making using investors' personal information, and requirements for the cross-border provision of investor information, among other things.

In order to ensure the normal use of the Company's services by customers, to meet the requirements of relevant laws and regulations, to improve and optimise the service experience, and to protect the security of customers' information, the Company adheres to the following principles to protect customers' personal information:



In accordance with the industry's mature security standards, the Company has adopted corresponding security measures to protect customers' personal information, and has built a data security operation platform to identify and mark sensitive information such as personal customer information against various business systems, laying the foundation for data classification and hierarchical protection, and has researched and developed our own platform for monitoring the collection of user privacy data and interface calls to ensure that the collection of users' privacy data has been authorised by the users.



Personal information control permissions

- During the use of the Company's services, the Client can conveniently access, rectification, supplement, transfer and delete personal information, and we guarantee the Client's right to withdraw consent to the use of personal information and to cancel the account.



Access control and protection

- The Company establishes personal information access control management mechanism and strictly segregates different functional areas through firewall access control. At the same time, according to the business needs and the principle of least privilege, the Company reasonably controls and allocates personal information access, use policy and operation privileges to ensure that different functional personnel have corresponding levels of information access privileges to avoid ultra vires operation behaviour.
- The Company's technical department ensures the security of personal information storage through data encryption, authentication, access control and other technical means, and de-identifies and anonymises those that are not required in business for the complete display of document numbers, account numbers, names, reserved mobile phone numbers or other types of identifying personal identity information. At the same time, the Company carries out personal information classification and grading management, and implements strict protection of sensitive personal information and key protection of other personal information. The Company establishes and improves the data classification and grading management system and management system, strengthens the identification of the sensitivity of personal information, and implements corresponding security strategies and safeguard measures for different categories and levels of personal information.

Privacy Protection Management Mechanism of Guosen Securities



Information collection

- When customers use the services of the Company's various platforms, the Company will state the types of personal information collected and their corresponding uses in the Privacy Policy, so that customers can understand the types of specific personal information collected by the Company for a particular function, the reasons for its use, and how it is collected.
- The Company will collect information from customers in accordance with the principles of lawfulness, legitimacy and necessity, and the scope of information collected for all products and services is limited to the minimum necessary information for the Company to provide user services and conduct business.
- When customers use certain functions, the Company will collect some necessary personal information after informing or obtaining the customer's consent as required by law. Unless it is required to be collected in accordance with relevant laws and regulations, refusal to provide such information will only prevent the client from using the relevant specific function. Meanwhile, in the *Privacy Protection Provisions of Golden Sun Internet Platform of Guosen Securities Co., Ltd.* (《国信证券股份有限公司金太阳互联网平台隐私保护条款》), we clearly inform the clients of the scope and purpose of data collection, and fully reveal the rights of the individuals and inform the clients of the purpose of the use of the relevant data in the privacy agreement.



Information storage

- The Company strictly complies with the provisions of laws and regulations and the agreements with customers, and stores the collected personal information of customers in the internet line through encrypted transmission to the system server of the Company for encrypted storage, and the management of the server room, server management, network management and the security of the internet platform application of the Company strictly complies with the national information system security level protection (Level 3).
- The Company strictly keeps customers' information in accordance with the deadlines stipulated by laws, regulations and regulatory requirements. The company will not provide personal information to the public unless the client chooses to do so or is in compliance with relevant laws and regulations.

The Company actively organises information security and privacy protection training covering all employees in conjunction with regulatory requirements and the Company's internal management regulations. In terms of security awareness promotion, the Company sends out monthly security awareness training emails to all employees, organises quarterly information security training and examinations for IT outsourcing service personnel, and organises annual activities such as phishing email drills and security publicity weeks in order to raise the awareness of information security and privacy protection among all employees. In terms of security special skills enhancement, the Company organises quarterly security training for new employees in the information technology department, and conducts security special training from time to time for the Company's executives, development, operation and maintenance, business operations and other key positions, to publicise the security skills that should be known and understood by the positions and to enhance the preventive ability to respond to common security risks.

Training on the topic "Confidentiality work under the new situations"

In order to further strengthen the Company's employees' awareness of confidentiality and enhance the quality of the Company's confidentiality work, the Company invited confidentiality experts from Shenzhen to hold a special training on the topic of "Confidentiality work under the new situation" in the Company on 11 May 2023. This training is full of content, easy to understand, and strong hands-on, to promote the Company's relevant departments and employees to further enhance the awareness of confidentiality, strengthen confidentiality management, and build a strong security bottom line to provide systematic theoretical support and vivid case warnings.

Special confidentiality training on "Security protection of smart device and personal data"

In order to further enhance the Company's level of confidentiality management, strengthen the confidentiality of the daily work of data management and security awareness of confidentiality, the Company's confidentiality office invited Shenzhen confidentiality experts on 8 June 2023 to carry out a special training in the Company with the topic of "Security protection of smart device and personal data". Through this training, the participants fully understand the severity of the current confidentiality work, and further enhance their awareness of confidentiality and compliance with confidentiality laws and regulations.

Third-party Data Management

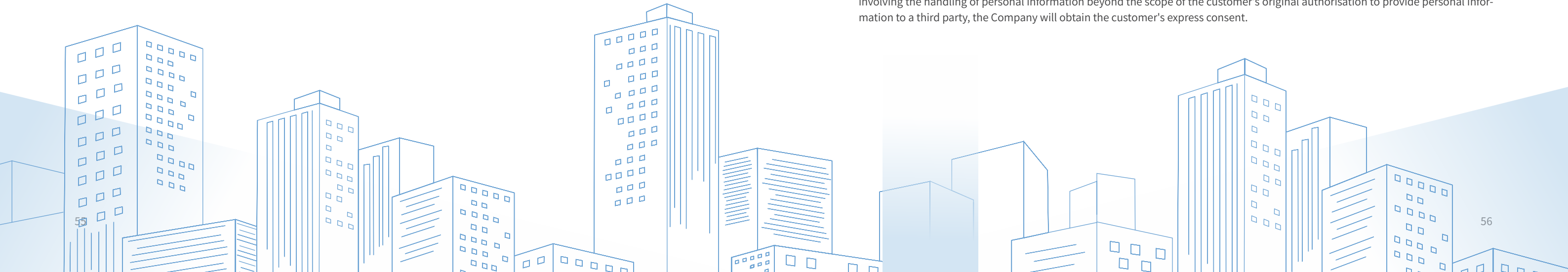
In accordance with the *Administrative Provisions on Investor Information Protection of Guosen Securities Co., Ltd. (Revised in 2023)* (《国信证券股份有限公司投资者信息保护管理规定（2023年修订）》) and the *Privacy Protection Provisions of the Golden Sun Internet Platform of Guosen Securities Co., Ltd. (《国信证券股份有限公司金太阳互联网平台隐私保护条款》)*, the Company commits to not share client information with other third-party organisations, except for the purpose of completing the necessary and sufficiently authorised services in principle, or due to the requirements of the law. In the event that it is necessary to provide such information, the Company will provide such information after obtaining the authorisation of the clients, and assess the ability of the third-party cooperating institution to keep client information confidential, sign a data protection responsibility commitment with the third party, and set up relevant clauses in the cooperation agreement to clearly define the content of the information to be shared and the confidentiality obligations of both sides.

The Company has clarified the management regulations of third-party service providers from the entire process of cooperation, including strictly restricting the entry conditions of third-party service providers, comprehensively examining the personnel, qualifications, technology and credibility of the relevant providers, and taking the ability to protect client information as an important assessment indicator. We continue to optimise the control mechanism for external intermediaries and strictly enforce the declassification and desensitisation of confidential and sensitive information. We re-identify and re-evaluate the entire process of the organisations that we have already cooperated with, and focus on preventing the risk of client information leakage before, during and after the process. We strengthened our technical inspection of third-party service organisations, and continued to do a good job of security monitoring where third-party information systems are involved. We regularly inspect third-party service organisations by on-site or off-site means, and promptly terminate cooperation with those who do not adequately protect customer information.

By signing information security and confidentiality clauses with third-party personnel, the Company clarifies the confidentiality obligations and responsibilities of each party, the confidentiality and integrity requirements of data, the compliance with information security standards, and the confidentiality commitment of on-site service personnel. In terms of permissions, the Company strictly enforces permissions control and operation checking of third-party personnel, does not grant production environment permissions to third-party personnel, and the supervisory and management responsibilities of third-party personnel are assumed by the project manager.

The Company is committed to not sharing or transferring customers' personal information to third parties other than the Company. If there are laws and regulations, regulatory authorities and necessary business operations that require the sharing or transfer of customers' personal information, or if customers need the Company to share or transfer their personal information to third parties beyond Guosen Securities, the Company will inform the user of the situation and obtain the consent to share or transfer the information. The Company will evaluate and inspect the legality, compliance, legitimacy, and necessity of the information collected by the third party. We require third parties to protect our customers' information and to comply with relevant laws, regulations and supervisory requirements.

The Company will not obtain customers' personal information from third parties other than the Company. If there are laws, regulations, supervisory authorities and necessary business operations that require the acquisition of customer information from a third party, the Company will require the third party to explain the source of the information and require the third party to safeguard the legitimacy and compliance of the information it provides. The Company will disclose to the customer the source, type and scope of use of the customer's personal information before obtaining it. In the event that the Company needs to carry out business activities involving the handling of personal information beyond the scope of the customer's original authorisation to provide personal information to a third party, the Company will obtain the customer's express consent.





Responsible Marketing

In terms of responsible marketing, Guosen Securities strictly complies with the *Advertising Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Regulations on the Supervision and Administration of Securities Companies* (《证券公司监督管理条例》), the *Measures for Administration of Investor Appropriateness of Securities and Futures* (《证券期货投资者适当性管理办法》), the *Measures for the Administration of the Securities Brokerage Business* (《证券经纪业务管理办法》), the *Implementing Rules for the Administration of Securities Brokerage Business* (《证券经纪业务管理实施细则》) and other laws and regulations and supervisory requirements, and formulated internal management systems such as the *Measures for Investor Appropriateness Management of Guosen Securities Co., Ltd.* (《国信证券股份有限公司投资者适当性管理办法》), the *Rules for Wealth Management Business Customer Appropriateness Management of Guosen Securities Co., Ltd.* (《国信证券股份有限公司财富管理业务客户适当性管理细则》), the *Regulations for Brokerage Business Management of Guosen Securities Co., Ltd.* (《国信证券股份有限公司经纪业务管理办法》), the *Guidelines for the Management of Wealth Management Business Marketing and Publicity of Guosen Securities Co., Ltd.* (《国信证券股份有限公司财富管理业务营销宣传管理规范》) and the *Measures for the Management of Securities Investment Consultancy Business of Guosen Securities Co., Ltd.* (《国信证券股份有限公司证券投资顾问业务管理办法》) and other internal management systems, clearly prohibiting the use of unfair competition methods such as sending gifts for account opening and red packets for deposit to attract investors, and continuously paying attention to the regulatory policies and industry dynamics in respect of the cooperation of third-party internet platforms in attracting traffic and marketing, and strictly reviewing the business promotional materials to ensure that the contents of the promotional materials are objective, accurate and complete. During the year, the Company continued to strengthen our review of cooperation with Internet treasury channels and urged our business divisions to strictly implement regulatory requirements and various control measures in cooperation with third-party Internet platforms, and there were no incidents in which the Company was punished for acts of unfair competition or violation of the Anti-Monopoly Law throughout the year.

In terms of appropriateness management, the Company strictly implements appropriateness management norms such as the *Measures for Investor Appropriateness Management of Guosen Securities Co., Ltd.* (《国信证券股份有限公司投资者适当性管理办法》) and follows the principles of compliant operation, diligence and responsibility, and adheres to the principle that the interests of clients are paramount. We must fully understand the basic information, financial status, investment experience, investment objectives, risk preferences, integrity records and other information of our clients and update them in a timely manner before carrying out any business. We reasonably classify customer categories and risk levels of products and services to ensure that appropriate products and services are provided to suitable customers. Meanwhile, the Company continued to improve the appropriateness management level of information released to the public, strengthened the appropriateness management of information released through live video broadcasting, WeChat official accounts, Golden Sun Intelligent Information, etc., and strengthened the spot check and regulation of branch offices' business development through live video broadcasting platforms, corporate WeChat and other channels. During the year, Guosen Securities did not have any major violations of information and labelling of products and services. During the year, the Company's Wealth Management and Institutional Business Department continued to carry out appropriateness management for the products or services they produced, formulated or revised 30 systems involving appropriateness, organised 175 relevant trainings, organised follow-up assessments of risk tolerance for all clients, and organised monthly self-inspections of appropriateness of the sales of financial products by branches.

In terms of marketing personnel management, the Company requires that all employees related to marketing activities need to comply with the Company's suitability, anti-unfair competition, anti-money laundering, integrity and other compliance management requirements to protect the legitimate rights and interests of financial consumers. Marketing employees provide timely risk reminders and business product introductions at the nodes of investors' business handling, transactions and purchase of financial products to help investors understand the relevant knowledge and risk points and establish rational investment concepts, and for the sale of specific high-risk financial products, the Company strictly manages the marketing qualifications of branches and sales personnel, requiring sales personnel to learn the relevant product business knowledge in addition to the fund sales qualifications. The Company strictly manages the marketing qualifications of our branches and sales personnel. For specific investors, the Company will fully reveal the risks and strengthen investor education to enhance the level of financial knowledge and risk awareness of specific investors. For special investor groups, such as elderly investors over 70 years old, the Company will understand the investor's situation and fully disclose the risks. The Company clearly stipulates that we shall hold accountable those who have violated the law and shall not grant rewards to them.



Investor Education

The Company has formulated the *Guidelines for Investor Education Work of Guosen Securities Co., Ltd. (Revised)* (《国信证券股份有限公司投资者教育工作指引(修订)》), the *Administrative Measures for Investor Education Bases of Guosen Securities Co., Ltd. (Revised)* (《国信证券股份有限公司投资者教育基地管理办法(修订)》), the *Administrative Measures for the Protection of Investors' Rights and Interests of Guosen Securities Co., Ltd.* (《《国信证券股份有限公司投资者权益保护工作管理办法》》), the Rules for the *Protection of Specific Investors of Guosen Securities Co., Ltd.* (《国信证券股份有限公司特定投资者保护工作细则》) and other management systems, which clearly specify the requirements for the popularisation of investor education and the protection of rights and interests. The Company carries out various forms of investor education activities regularly every year, covering financial education, anti-fraud, combating illegal securities activities, etc., and builds a number of investor education bases to continuously expand the coverage of financial inclusion and enhance the financial literacy of residents. In the future, Guosen Securities will endeavour to play our role as a hub and bridge for financial enterprises in the social economy, actively guide the flow of social resources, and effectively protect the rights and interests of investors.

Financial Education for All

The Company actively promotes the development of financial services for the real economy, attaches importance to the protection of investors' rights and interests, and works closely with listed companies to carry out a series of investment education activities. At the same time, the Company creates the "In-depth Research of Enterprises" online brand investment and education column and "e-Enterprise Forward Together" offline brand investment and education activities, which effectively integrates industrial investment and securities investment. We also promotes effective communication between listed companies and investors, strengthens exchanges and cooperation among enterprises, which empowers the development of enterprises with comprehensive financial services.

Highlight data

Branches across the country organised more than **60** "Entering Listed Companies" activities in 2023, covering **290,000** person-times;

The number of listed companies participating in the "In-depth Research of Enterprises" section of Golden Sun APP has exceeded **23**, with a cumulative number of visits exceeding **600,000** person-times; and

"e-Enterprise Forward Together" brand activities have served more than **300** listed companies, enterprises to be listed and small and medium-sized enterprises.

"Entering Listed Companies" series of investment education activities

In 2023, the Company combined with the topic of big consumption, planned a series of online investment and education activities of "In-depth Research of Enterprises and Cloud Entering Listed Companies", and invited ten famous listed companies in four major industries, such as food and beverages, apparel and fashion, home building materials and gold and jewellery, to participate in the activities. The executives of the ten listed companies visited Guosen Securities' live platform and interacted with consumers and investors through video and live broadcasting to provide investors with first-hand information, help investors gain insight into the investment opportunities in the consumer industry, and gain an in-depth understanding of the corporate culture and entrepreneurial stories behind famous brands.

The Company continued to strengthen government-enterprise cooperation and promote the high-quality operation of the investment education base. The Shenzhen Investment Education Base of Guosen Securities is a base jointly built with the Shenzhen Judiciary Bureau, which integrates investment education, rule of law propaganda and integrity education functions, and is also the first integrity education base in Shenzhen capital market covering the securities, futures and fund industries. The Shenzhen Investment Education Base of Guosen Securities actively cooperates with Shenzhen Judiciary Bureau, Shenzhen Small and Medium-sized Enterprises Service Bureau, Shenzhen Office of Law Enforcement, Shenzhen Stock Exchange, Shanghai Stock Exchange, Beijing Stock Exchange, HKEX, China Customs, Shenzhen Internet Finance Association and other units to carry out various kinds of thematic activities, and to further promote the construction of culture in the securities industry.

Highlight data

By the end of 2023, the Shenzhen Investment Education Base of Guosen Securities had received visitors for more than **120,000** person-times,

carried out various kinds of investment education and legal education activities for more than **400** activities, with more than **600,000** person-times participating in them,

and received a cumulative total of more than **460** external units coming into the Investment Education Base for visits and learning;

By the end of 2023, the Shenzhen Investment Education Base of Guosen Securities invited various industry associations of the capital market, securities fund and futures operators, listed companies and private equity fund operators in Shenzhen to carry out a cumulative total of more than **350** integrity culture and education activities,

covering nearly **8,000** person-times.

Guosen Securities Shenzhen Investment Education Base awarded "Five-star Base" of rule of law publicity and education in Shenzhen

The Shenzhen Judiciary Bureau and the Shenzhen Office of Law Enforcement organised the Rule of Law Publicity and Education Star Base Selection Activity in 2023, and after the conformity review, on-site inspection, expert on-site evaluation and other aspects of the assessment and evaluation, the Company's Rule of Law Publicity and Education Base was awarded the Shenzhen Five-Star Rule of Law Publicity and Education Base among the 54 eligible reporting units, and it is one of the three five-star bases in the city that were awarded the highest level of assessment. Focusing closely on the themes of "learning Xi Jinping's thought on the rule of law" and "finance + rule of law", the Base has carried out the "Constitution Awareness Week", "Shenzhen's First Corporate Legal Skills Competition for Shenzhen Enterprises", "Anti-Money Laundering Metro Train", "Anti-fraud Publicity Bus", "Security and Anti-fraud Public Welfare Walk", "Intellectual Property Rights Publicity Month" and other large-scale publicity programmes. Intellectual property rights publicity month" and other large-scale legal literacy activities, and strive to build a national investment education base and capital market integrity education base with distinctive Shenzhen characteristics, and make due contribution to promoting the high-quality development of Shenzhen's capital market.

The Company innovates the form of "investment education +" activities, provides multi-level investment education services, and effectively combines investment education with hot topics in the market, organising "investment education + marathon", "investment education + expo/exhibition" activities, etc. to effectively expand the publicity of investment education. " activities, etc., to effectively expand investment education publicity by taking advantage of hot topic traffic and crowded areas. We combine investment education with traditional festivals, cultural customs, sports and other scenes of people's lives, and organised "investment education + Mid-Autumn tea party", "investment education + book sharing party", "investment education + sports competition" and other activities to increase the attractiveness of investment education activities and investor participation. We combine investment education with economic outlook, industry analysis, investment opportunities, etc., and organise activities such as "investment education + wealth China tour" and "investment education + investment presentation", which incorporate themes such as the full registration system, the Beijing Stock Exchange, and ETF investment, etc., to serve our high-net-worth clients. The "investment education +" series of activities effectively meets the needs of investors at different levels and creates an all-round accompanying investment education service.



Investment education + marathon

Highlight data

The company was awarded an **A** grade in the 2022-2023 industry rating of the SAC's investment education work;

The company won **16** industry awards for investment education work in 2023; and

Our investor satisfaction rating reached **93.9%** in 2023.

The Company carries out in-depth national education and is committed to improving students' financial literacy. Guosen Securities organises and carries out the "Investment Education into 100 Schools" activity regularly, promotes the construction of the "Four-in-One" mechanism of the SAC, and continuously improves the national education curriculum system. We continue to deepen our cooperation with primary and secondary schools and colleges to explore new forms of campus financial education activities and provide assistance and support to students of all ages in terms of financial literacy, professional ability and career path selection. Guosen Securities has joined hands with the Shenzhen Stock Exchange and the Shanghai Stock Exchange to conduct national education programmes regularly at Shenzhen University, Shenzhen Middle School and Shenzhen Senior High School, etc. In addition to traditional lectures and seminars, Guosen Securities also develops investment education knowledge playing cards and investment education table games such as "Sunken Tulips" and other special investment education physical products, enriches the contents and forms of financial activities for young people, organises students' visits to stock exchanges and investment education bases, enters into listed companies, visits to the securities business department, talks and exchanges with outstanding employees and market elites, organises breakthrough game activities, etc., so as to deliver investment education and financial knowledge to the student group in various forms and effectively enhance students' financial literacy.

Highlight data

Guosen Securities has signed a memorandum of cooperation with **7** universities in conjunction with the SAC.

We have conducted a total of **179** hours of lectures ;

organised a number of university knowledge competitions with **1,585** participants, and have provided **22** internships.

Our branches across China have organised **625** "Investor Education into 100 Schools" activities, covering **160,000** teachers and students.



Guosen Securities "Financial Education into School" financial education programme into Shenzhen Senior High School Group

In order to continuously promote investor education into the national education system and guide students to establish a correct view of money and financial awareness, on 23 February 2023, under the guidance of the Shenzhen Securities Regulatory Commission, Shenzhen Stock Exchange and the China Capital Market Institute, the Shenzhen Investor Service Centre and Guosen Securities launched the activity of "Financial Education into Schools - Shenzhen Senior High School Financial Quotient Course". This activity is an important practice for the Shenzhen Investor Education Base of Guosen Securities and the Shenzhen Investor Service Centre to actively carry out financial literacy education, and is also a positive response to the needs of the student community, which is exemplary for further promoting the inclusion of investor education into the national education system and realising investor education in schools. In the future, under the guidance of Shenzhen Securities Regulatory Commission, Shenzhen Stock Exchange, Shenzhen Investor Service Centre and industry associations, Guosen Securities Investor Education Base will strengthen cooperation with all sectors of the community, continuously explore the forms of financial education activities on campus, make positive contributions to students of all ages in financial literacy, professional ability and career choice path, and jointly create a new situation for investor education to be included in national education.

Anti-fraud

Guosen Securities actively carries out investment education and anti-fraud propaganda, and continuously expands the coverage of financial inclusion. The Baishaquan National Investment Education Base of Guosen Securities carries multiple functions such as

investor education base, financial and economic crime prevention base, anti-money laundering base, and youth education practice base, etc. It has joined hands with public security organs, branch offices and police stations in cities across the province to conduct extensive investment education and anti-fraud lectures in hospitals, schools, enterprises and communities, and set up missionary points in large-scale enterprises, parks, offices, stations and other places with dense human flow. The Base conducts in-depth investment education propaganda with financial mergers and acquisitions and anti-fraud propaganda as the key, driving branches across the country to learn and copy advanced experience, helping investors learn anti-fraud knowledge, and guarding the safety of people's financial properties.

Highlight data

Cumulatively organised over **1,000** investment education and anti-fraud activities in 2023, serving over **220,000** people in the public;

Organised **3,480** crackdowns on unlawful securities activities in 2023, with publicity covering **1.61** million people;

In the 2022-2023 China Securities Regulatory Commission's investment education base assessment, the **Baishaquan National Investment Education Base of Guosen Securities was rated excellent.**



"Constitution Awareness Week" activities

On 4 December 2023, the Company's "Constitution Awareness Week" activity was launched at the rule of law publicity and education base of Guosen Securities. The activity adopts the methods of "online punching card" and "offline communication", enhances the participation of the site through exhibition boards and punching card points, and combines "typical cases of preventing financial investment fraud" "financial consumer rights protection code" "alert investment fraud" prize quiz to carry out legal propaganda, and distributed legal literacy books and small gifts to the public and employees on site. The event attracted 35,000 visitors and more than 1,000 books were distributed on site. As a five-star base of Shenzhen Rule of Law Publicity and Education, we will continue to carry out in-depth rule of law publicity, enhance the atmosphere of "respecting, learning, observing and using the law", and promote the construction of the Company's rule of law culture.



"Constitution Awareness Week" activities

3.15 Theme activity: "Enhance wealth with discerning eyes, prevent corruption and fraud to ensure safety"

In order to build a safe campus, practice the concept of financial education for the people, Lixin - Guosen Securities Investment Education Base joined hands with Shanghai Zhangjiang University Police Station, Shanghai Lixin University of Accounting and Finance, Shanghai Branch of Guosen Securities to carry out the 3.15 theme of investment education activities. The activity invited the police to carry out anti-fraud preaching with the theme of " jointly building anti-fraud wall, constructing a safe campus" and "be alert to the trap of getting rich". Shanghai Branch of Guosen Securities, as a representative of enterprises, established the first "police, school and enterprise" anti-fraud safety education demonstration site in Pudong universities with Zhangjiang University Police Station and Shanghai Lixin University of Accounting and Finance, creating a "police, school and enterprise" model of three-dimensional linkage and collaboration. We are actively fulfilling the social responsibility of anti-fraud propaganda.



3.15 Theme of investment education activities

Combating Illegal Securitie

In accordance with the *Guidelines for Securities Business Institutions to Participate in Crackdown on illegal Securities Activities* (《证券经营机构参与打击非法证券活动工作指引》) issued by SAC, the Company revised the *Administrative Measures on Participation in Crackdown on illegal Securities Activities of Guosen Securities Co., Ltd.* (《国信证券股份有限公司参与打击非法证券活动管理办法》), and continuously improving the system of "crackdown on illegal" and improving the working mechanism. At the same time, the Company continues to embed the requirements of " crackdown on illegal" and "prevention of illegal" into our business processes, and continuously monitors and maps out illegal securities activities involving the Company's practitioners, relevant counterfeit websites of legitimate organisations and illegal securities activities. We report or complain about fake websites, software, WeChat ID and WeChat group, etc., and assist in blocking or closing counterfeit websites and WeChat ID and WeChat group that illegally disseminate information on financial pyramid schemes and frauds. In 2023, the Company collected and processed 310 cases of counterfeit securities companies engaging in illegal securities activities, closed 335 illegal websites of counterfeit and imitation securities companies, and applied for 13 times for reports to cyber-110.

The Company actively carries out "crackdown on illegal" learning and education and "prevention of illegal" publicity activities, organises staff to study the *Decision of the State Council on Cleaning Up and Rectifying All Kinds of Trading Places to Effectively Pre-*

vent Financial Risks (《国务院关于清理整顿各类交易场所切实防范金融风险的决定》), the *Opinions of the General Office of the State Council on the Implementation of Cleaning Up and Rectifying All Kinds of Trading Places* (《国务院办公厅关于清理整顿各类交易场所的实施意见》) and the regulatory provisions, ensures that staff members accurately identify the compliance attributes and risk characteristics of the local trading venues, and explicitly stipulates that the business departments and branches shall not participate in illegal and irregular activities of the local trading venues in any form, either directly or indirectly, and shall not carry out cooperation with the various "fake financial asset exchanges" to carry out illegal business. We conducted training on the *Management of Illegal Securities Activities and Disposal* (《非法证券活动及处置管理》) and the *Work Requirements and Experience Sharing in Crackdown on Illegal Securities Activities* (《打击非法证券活动工作要求与经验分享》) for the leading departments and branches of the Company's insurance work, covering the interpretation of illegal securities activities, typical cases of illegal securities activities, as well as the Company's mechanism , handling process, and forms of publicity for crackdown on illegal securities activities, etc. We organised our staff to study in depth and accurately understand the various forms of illegal securities activities, educated them to clarify the boundaries between "investor education" and securities investment consulting business, and organised the relevant departments and branches to carry out "investigation and rectification of illegal securities activities on the internet". In 2023, the Company adhering to the principle of "Combination of fight and defence, prevention as the main focus", promoted in-depth publicity and education on "prevention of illegal", and produced 377 original products for crackdowns on illegal activities, released 35,000 publicity materials, and received 18.95 million clicks on the electronic products. We organised 3,480 activities to crackdown on illegal securities, with publicity reaching 1.61 million people.

Guosen Securities deeply implements the special action against counterfeit state-owned enterprises

In 2023, the Company continued to implement the requirements of the Shenzhen State-owned Assets Supervision and Administration Commission to "carry out in-depth special action to crackdown on the counterfeiting of state-owned enterprises", and promoted the implementation of the *Work Programme of Special Action to Crackdown on the Counterfeiting of State-owned Enterprises* (《打击假冒国企专项行动工作方案》), combining the Company's efforts in building the "Century-old Guosen" brand, protecting intellectual property rights and "crackdown on illegal activities and counterfeiting" in the securities industry. The Company has filed a total of more than 80 lawsuits to defend trademark and name rights, and more than 50 allegedly infringing subjects have been renamed or cancelled.

2023 China Securities Industry Preventing Illegal Securities Publicity Health Run · Guosen Securities Station

In October and November 2023, the "2023 China Securities Industry Prevention of Illegal Securities Publicity Health Run · Guosen Securities Station" was launched, which coincided with the intensive period of marathon races in China. Guosen Securities organised a number of branches to participate in the marathon expo, and took advantage of the high popularity of the races and the spread of topics to carry out the prevention of illegal securities publicity. The event was designed with various interactive sessions and the presentation of a special issue of the Reader for the Beijing Marathon, which attracted the participation of a large number of runners and spectators. Guosen Securities combined "health+long-distance running" with "rational investment+long-term investment" to popularise financial knowledge and convey the concept of rational investment to participants, and achieved good publicity effects. Our branches nationwide organised a total of 147 activities, covering a total of 69,296 people, and 89 original investment education products were released, with cumulative views of 2.16 million person times.

Implementation of Sustainable Finance

Guosen Securities actively responds to the requirements of relevant laws and regulations, such as the *Guiding Opinions on Building a Greening Financial System* 《关于构建绿色金融体系的指导意见》 jointly issued by the People's Bank of China, the Ministry of Finance, the National Development and Reform Commission, and the China Securities Regulatory Commission, the *Guidance for Green Investment (Trial)* 《绿色投资指引（试行）》 formulated by the China Securities Investment Fund Industry Association, and the *Green Finance Regulations in Shenzhen Special Economic Zone* 《深圳经济特区绿色金融条例》 led by the Shenzhen Municipal Local Financial Supervision and Administration. The strategic goal is to promote the development of green industries, innovate green financial products and services.



Strategic objectives

Actively participate in equity and debt financing services for new energy, energy conservation and environmental protection, green buildings, clean transportation and other enterprises, raise funds for the development of green enterprises, and promote the development of green economy.

Strengthen the cultivation and support of green enterprises, increase investment support for green enterprises through equity investment, alternative investment, private equity investment funds, and other businesses, and actively promote the development of the green industry.

Strengthen the innovation of green financial products, guide social capital to increase investment in green assets through forms such as REITs and ABS, and contribute to promoting the development of green economy.



Implementing Responsible Investment

Responsible Investment System

Guosen Securities actively practices the concepts of "responsible investment" and green finance, integrating ESG related factors and incorporating the concept of responsible investment into investment decision-making process, closely monitoring investment opportunities in green fields such as new energy, new materials, energy conservation and environmental protection, searching for compliant green bonds and social bondswithin the investment scope, and increasing attention to green projects, public utilities construction, and other projects.

According to the requirements ofthe "Risk Management Measures for Proprietary Investment Trading Business of Fixed Income Securities of Guosen Securities Co., Ltd." 《国信证券股份有限公司固定收益自营投资交易业务风险管理办法》 and the "Credit Risk Management Standards for Issuers of Fixed Income Self-operated Investment Business of Guosen Securities Co., Ltd." 《国信证券股份有限公司固定收益自营投资业务发行人信用风险管理规范》, the ESG performance of investment projects is taken as a prerequisite factor for making investment decisions. Before investment, a comprehensive analysis of the issuer's shareholder background, industry characteristics, financial status, and other factors is required to conduct, so as to avoid projects with defects in the environment and society, and to promote the integration of the concept of responsible investment and the Company's investment business.



Environmental

- Determine whether the target meets the conditions for green bonds;
- The issuer's industry situation, environmental protection situation, and the proportion of government subsidy income to the Company's income;
- Analyze and consider the expected carbon reduction benefits and other environmental benefits of the fundraising project.



Social

- Focus on the construction of public facilities, healthcare, and rural revitalisation goals.



Governance

- Pay attention to whether the corporate governance structure is standardized;
- Pay attention to whether there are significant litigation cases in the enterprise;
- Pay attention to the business operation, financial information, and other major issues of the enterprise.



Carbon emission measurement for investment financing activities

In 2023, we referred to the framework and measures prescribed by The Global GHG Accounting and Reporting Standard for the Financial Industry, which was issued by Partnership for Carbon Account Financials, to measure the carbon emissions of bonds and equities, further measured the carbon emissions of investment financing activities in a high-carbon industry during the reporting period.

An energy industry enterprise			
The name of the indicator	Units	2023	2022
Total assets of the issuer	RMB million	2,026,674	1,948,640
Annual carbon emissions of the issuer	tCO ₂ e	168,640,000	161,790,000
Balance of stock positions held by Guosen Securities at the end of the year	RMB million	1,325.50	1,025.26
Carbon emissions from Guosen Securities investment activities	tCO ₂ e	110,295.02	85,124.60
The carbon intensity of Guosen Securities investment activities	tCO ₂ e/thousand RMB	8.3	8.3

Responsible Investment Practices

Guosen Securities adheres to responsible investment and green investment, is committed to implementing responsible investment in its business, follows the responsible investment strategy when making investment decisions, pays attention to assets with ESG attributes, and manages water, wind and electricity, Investment opportunities in renewable energy such as photovoltaic follow the direction of national policies, and in collaboration with subsidiaries such as Guosen H&S and Guosen Capital, we are promoting sustainable social development through direct equity investment, special fund investment, debt investment, and sales of financial products.

In 2023, Guosen H&S, in partnership with the listed company Peng Yao Environmental Protection, created the "Shenzhen Peng Yao Hongsheng Private Equity Investment Fund Partnership for Green Industry" with a total size of RMB 400 million. It is the first green investment industry fund managed by the Company, with emphasis on investment in environmental protection industry digitization, hydrogen energy, and energy. Green industry segments such as resource recovery and utilization.

In 2023, Guosen Capital focused on the implementation of China's dual carbon strategy and investment opportunities in the new energy industry, steadily promoting research on green investment themes, and embedding ESG into the Company's investment analysis and decision-making process. By implementing a diversified investment strategy of direct investment and fund investment, and deeply participating in the construction of the new energy industry, a total of RMB67 million has been invested in the new energy battery supply chain, wet lithium-ion battery separator project, solar crystal silicon battery and component project, forming an investment map for the entire new energy vehicle industry chain, and promoting the high-quality development of the new energy industry.

In terms of sales of financial products, as of the end of 2023, the Company has cumulatively sold 415 green themed funds, with a total market value of RMB1.53 billion at the end of the period. In 2023, the Company listed 56 funds such as Penghua New energy vehicle theme hybrid securities investment Fund as key products.

In addition, Guosen Securities actively provides suggestions and suggestions for the formulation of relevant policy rules, focusing on topics such as responsible investment, ESG themed strategies, and green finance. It leverages its professional advantages in research business to conduct related industry research, and comprehensively and multi-channel meets the green finance needs of governments and enterprises.

Responsible Investment Performance

As at the end of December 2023, Guosen Securities held positions related to responsible investment

Green bonds	RMB4,257.1 million
Bonds related to social welfare	RMB17,501.74 million
Sustainable thematic funds (REITs)	RMB194.09 million
In 2023, Guosen Capital was carried out through equity investments and special funds	
Green investment project	4
Total responsible investment	RMB93 million

Advancing Sustainable Financing

ESG Risk Management in Financing Activities

Guosen Securities attaches great importance to ESG risk management and management at the business level, and extends ESG management to the business level. ESG risk management mechanisms and processes are regulated in business activities such as investment banking business and customer asset management business to ensure that each business operates in an orderly manner within the range of ESG risk that can be tolerated, and to ensure the Company's sustainable and high-quality development.

Industry prudence

We pay special attention to industrial enterprises with relatively high environmental risks, such as coal and cement, and enterprises with certain compliance risks that are more affected by industrial policies, such as education, training and games, and prudently carry out enterprise financing business in related industries.

Due diligence

In due diligence and ongoing supervision, the core elements of ESG are incorporated into the work process, with emphasis on social security payments, tax payment, labor dispatch and outsourcing, employee remuneration levels, environmental protection inputs and environmental compliance, safe production, credit risk, corporate governance and legal compliance.

ESG training for Investment Banking

In February 2023, we conducted ESG training activities for all personnel of investment banks, including ESG concepts, significance, and practical situations both domestically and internationally; Taking Singapore as an example, introduce the rules and requirements of the Singapore Exchange in terms of ESG; The main considerations for the implementation of ESG concepts, the formulation of domestic ESG related rules, and the alignment with international rules by major sectors of China's national economy and key industry enterprises.

Sustainable Financing Practices

In response to the call of the state for new development concept and low-carbon transformation, Guosen Securities has continued to implement the national dual-carbon strategy, actively developed diversified green financial products and services, directed social capital to entities that conform to the concept of sustainable development, and promoted the growth and growth of green industry.

Equity underwriting sponsorship business

In 2023, Guosen Securities completed six green equity financing projects, raising more than RMB7.34 billion, mainly involving environmental governance, green buildings, photovoltaic and gas service industries, with the aim of providing important financial support for the development of green environment-friendly enterprises.

Name of green equity financing project	
Hangzhou Guotai Environmental Protection Technology Co., Ltd. IPO project	Shenzhen Minburo Photoelectric Co., Ltd. IPO Project
Shenzhen Gas Group Co., Ltd. convertible corporate bonds	The convertible corporate debt project of Inner Mongolia Oujing Technology Co., Ltd.
Jingko Energy Co., Ltd. convertible corporate bonds	Jiangxi Zitt New Materials Co., Ltd. convertible corporate bonds

Hangzhou Guotai Environmental Protection Technology Co., Ltd. IPO project

Hangzhou Guotai Environmental Protection Technology Co., Ltd focuses on sewage treatment plant sludge treatment, disposal and resource mobilization. As A sponsor (lead underwriter), Guosen Securities provided listing financing services for the company's public issuance of shares and listing on the GEM, with a financing amount of RMB922.6 million, and the company successfully listed on the GEM on April 4, 2023, becoming the first A-share listed company specializing in sludge treatment services, which is conducive to the healthy development of the company and leading the development of the whole industry.

Shenzhen Gas Group Co., Ltd. convertible corporate bonds

Against the background of the "dual carbon" target, natural gas is expected to become one of the main energy sources of China's modern clean energy system. Its share of primary energy is continuously rising, and it is also an important livelihood protection industry. Shenzhen Gas Company is a state-owned and listed company with urban gas operation, which has been developed in synergy with gas resources, comprehensive energy and intelligent services. Shenzhen Gas Company is one of the urban gas enterprises with a relatively complete natural gas industry chain, and is the first to lay out clean energy industries such as photovoltaic and other clean energy industries in the industry.

Guosen Securities, as a sponsor (the principal underwriter), provided financing services for Shenzhen Gas to issue convertible corporate bonds to unspecified targets, amounting to RMB3 billion, and was listed for trading on 18 August 2023. Once the equity investment project is completed and put into operation, it will further enhance natural gas peak adjustment and emergency support capability, optimize urban energy structure, and assist in the development of clean energy such as natural gas.

Bond underwriting business

In 2023, Guosen Securities assisted in the completion of 16 financing projects of green bonds and social liability bonds (including asset securitisation), with a total issued size of RMB118.613 billion, mainly related to energy, infrastructure construction, Finance and other industries have led social capital to invest more in relevant areas of sustainable development.

 **Green Bond Project**

CITIC Bank Co., Ltd. Green Financial Bond 2023 (Phase II)

Jilin Electric Power Co., Ltd. in 2023 publicly issued the Technology Innovation Green Village Promotion Co., Ltd. bonds (specifically for carbon neutral) to professional institutional investors

China Power Investment Ronghe Financial Leasing Co., Ltd (Phase 1) Carbon Medium Green Asset Support Special Plan for 2023

CNAC International Finance Leasing Co., Ltd. (2023) Free Trade Zone Offshore Green Bond

National Electric Investment - Hubei Electric Power Clean Energy Green Carbon Neutral Asset Support Special Program (quasi - REITs)

Shenzhen Expressway Group Co., Ltd. issued green corporate bonds to professional investors in 2023 (Phase 1)

Ping An - Shenzhen Metro Passenger Charge Income Right No. 1 Asset Support Special Plan (Carbon neutral)

Jiangxi Investment Group Co., Ltd. in 2023 publicly issued technology innovation low carbon transformation linked renewable corporate bonds to professional investors (Phase 1)

Jiangxi Transportation Investment Group Co., Ltd. in 2023 publicly issued Science and Technology Innovation Corporation bonds to professional investors (Phase 1) (sustainable linkage)

Shandong Express Group Co., Ltd. issued renewable corporate bonds to professional investors in 2023 (Phase 4) (sustainable linkage)

Jiangsu Pingling Construction Investment Group Co., Ltd. Green offshore RMB bonds 2023 (Dim sum bond)

Bank of Communications Co., Ltd. Green finance bonds 2023

Bank of China Co., Ltd. Green Financial Bond 2023 (Phase I)

Industrial and Commercial Bank of China (ICBC) Co., Ltd. Green Finance Bond No. 2 2023

Green finance bonds (Phase I) of Bank of Communication Financial Leasing Co., Ltd., 2023

Shenzhen Municipal Government offshore RMB local government bonds 2023, including green bonds and social responsibility bonds



AVIC International Financial Leasing Co., Ltd. Offshore Green Bond in 2023

Guosen Securities, as the global co-coordinator, assisted China Airlines International Finance Leasing Co., Ltd. in issuing the first green "Pearl bonds" . The project is also the first time that the customer has completed the issuance of green self-trading zone offshore bonds without debt rating. The raised funds will be used for the purpose of Moody Green. The planned areas of investment include: Renewable energy projects, including photovoltaic power generation in fisheries, Wind power and hydropower projects; construction of wastewater treatment facilities, including water circulation and treatment system, high difficulty wastewater treatment equipment, Treatment equipment for leachate and high-salt industrial wastewater in landfills; projects to improve air quality and reduce noise pollution in metro stations and to promote compliance with relevant regulations on pollution and noise levels of metro stations in national metro stations; low-carbon transport projects in China, including construction of electric public transport rail system, Operation and maintenance of low-carbon transport supporting infrastructure and infrastructure related to supplementary passenger services. The project achieved the best results of the Chinese-funded enterprises in Moody's SQS2 Green Framework, and is an important practice for enterprises to actively promote the development of green transformation and achieve the in-depth integration of green industry and financial services.



China Power Investment Ronghe Financial Leasing Co., Ltd first phase of carbon neutral green asset support special plan in 2023

On 28 April 2023, Guosen Securities, a sales promotion agency, successfully set up the "Special Plan for Carbon Medium and Green Assets Support for Phase 1 of 2023", with the issuance scale of RMB1.513 billion. 100% of the raised funds will be used in the carbon neutral field, and the proceeds will mainly be used for renewable purposes Financing of energy generation (wind power, photovoltaic) projects, etc. With the certification of carbon neutral assessment issued by an independent third party organization, the fund raised by this special program is expected to achieve annual carbon dioxide emission reduction of 368.6 thousand tons, annual replacement of fossil energy of 143 thousand tons of standard coal, annual emission reduction of 47.92 tons of sulfur dioxide, annual emission reduction of 72.11 tons of nitrogen oxides, and soot Annual emission reduction of 10.44 tons. The project is of great significance in supporting the financing of renewable energy enterprises such as wind power and photovoltaic, and in promoting the development of new energy industry with financial and capital forces.



Annual carbon dioxide emissions reduction

368.6 thousand tons

Annual replacement of fossil fuels

143 thousand tons of standard coal

State Electric Power Investment - Hubei Electric Power Clean Energy Green Carbon Neutral Asset Support Special Program(quasi - REITs)

The "State Electric Power Investment - Hubei Electric Power Clean Energy Green Carbon Neutral Asset Support Special Program (quasi - REITs)", which Guosen Securities is the program manager and sole principal underwriter, is the first innovative financing product of Pre-REITs, which nurtures clean energy asset distribution category REITs in the country. The underlying assets of the special plan are three wind power projects held by the State Electric Investment Hubei Electric Power Company. The environmental benefits of the bottom projects are significant, with an annual replacement of 123.2 thousand tons of standard coal, 331.0 thousand tons of carbon dioxide, 43.13 tons of sulfur dioxide and 64.92 tons of nitrogen oxides and 9.39 tons of soot emission reduction.



Annual replacement of fossil fuels

123.2 thousand tons of standard coal

Annual carbon dioxide emissions reduction

331.0 thousand tons



ESG Research

Guosen Securities is committed to studying in depth the direction of green economic development in China and providing research services to various institutional investors based on the core concept of "in-depth research and value creation".

In 2023, the Power Equipment and New Energy Team of Guosen Securities Economic Research Institute released more than 400 reports on new energy, including more than 30 in-depth analysis reports on new energy; the Public Utilities and Environmental Protection Team published more than 60 reports on new energy, including the large-country carbon neutral series.



Guosen Securities Interim Investment Strategy Meeting in 2023

In May 2023, Guosen Securities held the "From China Speed to China Quality" Interim Investment Strategy Meeting in 2023, in which the "Hydrogen Sub-Forum" focused on the current state of development of China's hydrogen energy industry, ranging from the policy system of hydrogen energy development, the storage and transportation of hydrogen, and hydrogen energy. The multi-dimensional perspective of the industry chain such as hydrogen power generation applications and hydrogen energy commercialisation development analyzed the current positive trend of the development of the hydrogen energy industry in China and the development bottlenecks in various sectors, and shared that the future development of the hydrogen energy industry in China will be led by technological innovation and material upgrading.

Promoting Green Development

Guosen Securities continues to pursue a green low-carbon business approach to achieve the national "2030 Carbon Summit, 2060 Carbon neutral" strategic goal. The Company is actively addressing the challenge of climate change and is committed to promoting social harmony and natural environmental protection through sustainable investment and financing activities that have a positive impact on the environment and society. Guosen Securities actively advocates energy conservation and emission reduction, strengthens the management of the environment in the office space, encourages employees to choose green and low-carbon lifestyle and work style, organizes green activities, and actively creates a green office environment.

Responding to Climate Change

In order to further understand and manage climate change risks in the course of our business operations, we actively identify and manage climate-related financial information disclosure team recommendations issued by the Climate-Related Financial Information Disclosure Working Group (TCFD). Assess and manage the operational and business impacts of physical and transformational risks and opportunities of climate change, assess the potential impacts of identified major climate-related risks and opportunities, and develop risk management strategies to proactively address the impacts of climate change.

Analysis of climate-related risks and opportunity impacts of Guosen Securities

Risk			
Type of risk	Risk description		Time dimension
Physical risk	Climate disasters	Property losses or disruptions due to extreme weather events such as typhoons, floods, storms, etc.	We, our customers and the operating entities that are the subject of the investment may face operational disruptions and property losses
	Climate change	Long-term changes in natural patterns such as sea level rise and constant high temperatures may have a significant impact on physical assets, natural resources and specific industries	The Increase in the cost of customers and investments in specific industries and the interruption of services, etc., increase the probability of default
Transformation risk	Policies and regulations	In the policy context of the low carbon transformation, the business of specific customers will be affected positively/negatively	The cost of our business and investment decisions increased
	Emerging technologies	Energy-saving and environmental-friendly technologies such as renewable energy and new energy sources may lead to major breakthroughs, and the development of traditional technology customers will be frustrated	Debt service capacity and market valuation of customers and investment targets of traditional technologies may be affected
	Market focus	As the process of low-carbon transformation continues to accelerate, carbon-intensive enterprises will face higher carbon quota costs, and their high-carbon assets will be depreciated faster or scrapped earlier	The operating costs of carbon-intensive customers and investment targets were higher, and capital and revenue were impaired
Opportunities			
Type of opportunity	Opportunity description		Time dimension
Market opportunities	The introduction of policies related to carbon neutral, clean energy, environmental protection subsidies and other policies has led to the development of green finance business and the market		We explore new markets and reduce the cost of our business
Products and services	Under the theme of sustainable development, the publi's preference for using green products and services has gradually increased		We may profit from green financial products and services
Resource efficiency	Energy-saving technologies, purchasing green electricity, recycling and recycling of resources are becoming more popular and improved, and the efficiency of resource and energy use is improved		Our operating costs are reduced

 Our response

- Strengthen the preparedness measures for extreme weather hazards and conduct training on emergency response capability
- In conjunction with the regulatory requirements, we should focus on the impact of the external environment in the production and operation of the enterprise, focus on the environmental risk rating of projects in high environmental risk areas in due diligence, and strengthen credit risk management
- Continuously strengthen risk management towards climate change, environmental and social risks,integrate ESG into investment decision-making system, and accurately grasp risks and opportunities under ESG dimension
- Promote and participate in green financial innovation, focus on clean energy industry, actively develop financial products and services that meet ESG concept and market demand, and guide the transformation of industry structure and energy structure to green low carbon through capital allocation

 Green and Low Carbon Operations

Guosen continues to promote its various branches and subsidiaries to engage in low-carbon operations. Among them, Guosen securities (HK) has issued an *Initiative on Practicing Green and Low-carbon Development Philosophy* (《国信香港践行绿色低碳发展理念倡议书》) to its employees and actively implemented it. The Zhejiang Branch of Guosen has established a remote business centre to undertake the counter review and service business of the entire company, achieving centralised business management and reducing energy consumption, paper usage and other resources and energy consumption for scattered review work.

Green Office

Guosen strictly abides by *the Energy Conservation Law of the People's Republic of China, the Water Law of the People's Republic of China*, and relevant laws and regulations in the regions where it operates. It actively advocates the concept of low-carbon environmental protection, attaches great importance to the promotion of green ideas, and takes various measures to improve the efficiency of resource and energy utilisation, aiming to promote all branches to achieve energy conservation and emission reduction in daily office work and embark on a path of sustainable development.

During the Year, Guosen has created a green office environment through the following measures:

Promote the green concept and inject internal driving force

Thematic campaigns	• Organise and carry out the publicity campaign on the theme "Implementing the concept of energy conservation and creating green national capital", widely spread the importance and urgency of energy conservation and environmental protection, and advocate that all employees jointly maintain the green low-carbon office environment, and contribute to the building of green national capital with practical actions.
Promote food conservation	• Promote the concept of food conservation and on-demand meals in staff canteens to reduce food waste.
Environmental protection activities	• During international festivals related to environmental protection, Guosen Financial Building will arrange promotional panels on green concept in the lobby and elevator booths, etc. in areas with high traffic flow, so as to popularize environmental protection knowledge for employees and guide employees to establish values of environmental protection and low carbon living. • Guosen Financial Building launched a week-long theme event on the theme of "rejuvenating old goods" from 5 June to 9 June. Employees can participate in the activities of unused books and old clothes replaced with desktop potted plant, and promote their active participation in environmental protection.

Implement environmental protection work to help conserve energy and reduce consumption

Waste classification	- Set up special disposal points for various types of waste in office buildings and keep them clean through regular cleaning, and hand over household waste generated from daily operations to relevant collection, collection and disposal in a timely manner. Transport unit; - The household waste classification management journal is set up and submitted to the street office in accordance with the relevant requirements.
Paperless office	- To optimise and upgrade the Company's office operating equipment, all operating network offices are equipped with electronic screens, replacing the traditional paper posting format, reducing the paper used for the Company's publicity, and promoting a completely paperless office; - Reduce the use of paper by docking suppliers through electronic processes; - We should continue to promote paperless management of accounting certificates, improve productivity and reduce costs.
Digital operations	- Actively promote digital office, introduce OA system, palm portal, knowledge sharing system, and internal customer service robot, effectively reducing the consumption of office paper, travel and energy, etc.; - In November 2023, the Company went online to the procurement management platform to enable the operation of the whole line of procurement work, forming the monitoring and management of the whole process and chain of the procurement business, and effectively improving the efficiency of the procurement work. At the same time, electronic transactions with suppliers can save nearly 30,000 sheets of paper annually.
Equipment upgrades	- Replacing general lighting equipment in office buildings car parks with intelligent induction-type variable frequency energy-saving lamps, achieving energy savings of over 60%, greatly improving energy efficiency; - The curtain wall system of the office building is equipped with double-layer energy-saving heat-resistant glass; - The air-conditioning system uses the ice-saving design to adjust the charge and avoid the peak, thus achieving energy saving and consumption.
Reduce equipment usage time	In order to meet office requirements, reduce the number of lighting and lighting hours in the public areas on each floor of the office building and adjust the operating hours of air conditioning, lighting, elevators, etc. When the office building is empty, it will automatically shut down according to operating hours to achieve energy savings.
Energy consumption monitoring system	Establish a BA energy consumption monitoring system in the office building to monitor daily and monthly consumption of hydropower resources and the operation of each utility and utility equipment, automatically generate data reports, accurately capture energy use, and provide additional system support for the implementation of energy conservation and emission reduction targets.

Green Travel

Guosen calls on all employees to go green and promote a green lifestyle. The Company strictly complies with the relevant regulations of Shenzhen City for official vehicles, reduces the use or elimination of vehicles that do not meet energy-saving requirements, and advocates the acquisition of new energy vehicles; formulates and implements the standard for the allocation of official vehicles under the *System for the Registration and Management of Vehicles of Guosen Co., Ltd.* (《国信证券股份有限公司车辆登记管理制度》), implements the system of booking and dispatch of vehicles, and is uniformly allocated in collective official business Arrangements are made to use the vehicle together to avoid unnecessary personal official travel, so as to achieve the objectives of green, low-carbon travel and energy conservation and emission reduction.

In the current year, Guosen Branch fully considered the green low carbon concept when purchasing official vehicles. The proportion of new energy commercial vehicles purchased was 70%.

Green Procurement

Guosen actively promotes green procurement, incorporating low-carbon environmental protection elements into the procurement process. The Company has established a sound green supply chain management system, requiring all relevant departments, branches and subsidiaries to comprehensively revise and improve the procurement management system, clarify the green procurement objectives and standards, procurement process, supplier selection and identification, and other work requirements, giving priority to business ethics, environmental protection, employee rights and interests. Suppliers with outstanding performance in product safety and corporate social responsibility.

At the same time, the Company clarified the inspection and dispute handling mechanism in the process of fulfilling green procurement contract, and established a special working mechanism for green supply chain management, incorporated green supply chain management into the daily management evaluation, strengthened the tracking and evaluation of suppliers' performance in ESG, and promoted green supply chain construction.

The Company incorporated low-carbon environmental protection elements into the procurement process, prohibited the purchase of products with high VOCs, and promoted green logistics distribution. At the same time, the Company specified the environmental protection requirements for the bidding and purchase of hardware, construction and office furniture to reduce the negative impact on employees and the environment caused by the procurement activities.

Hardware procurement	Preference is given to equipment that is environmentally friendly, free from heavy metal pollution and low energy consumption to reduce the environmental impact of the use process.
Engineering and construction procurement	Construction quality is strictly considered in accordance with various national standards for indoor environmental pollution control, and the safety of the office environment is guaranteed.
Procurement of office furniture	We will select suppliers that strictly adhere to the national limit on the quantity of hazardous substances to safeguard the health of employees.

Environmental protection requirements for hardware, construction and office furniture procurement

Employee Development

Guosen adheres to the principles of "equality and inclusiveness" and "people-oriented" in talent reservation and creating a positive workplace atmosphere. The Company places great emphasis on talent team building, actively safeguards the rights and interests of employees, provides a comprehensive compensation and welfare system, establishes a comprehensive employee training and development system to fully support the development of talents at all levels, actively organises team-building activities, establishes various channels to listen to and care for employees, and creates a harmonious workplace environment.

Talent Development

Guosen continuously improves its talent recruitment and management mechanism, clarifies recruitment needs and talent development strategies according to business development requirements, laying a solid foundation for the establishment of a diversified talent team. At the same time, the Company continuously optimises performance evaluation and feedback mechanisms, and provides a comprehensive and fair promotion system to fully protect the enthusiasm of talents and the stability of the talent team.

Recruitment and Retention

In the current year, Guosen has strengthened wealth management, investment banking, investment, research, financial technology, and development strategies based on the guidelines of the "14th 5-year" *Development Strategic Plan of Guosen Co., Ltd.* (《国信证券股份有限公司"十四五"发展战略规划》) and the "six main lines of business" of the Company's strategy. The core talent reserve of strategic business such as international business should be strengthened, the recruitment of composite and high-level talent should be strengthened, the recruitment plan should be defined, and the talent reserve should be well prepared for the development of the Company's business.

Guosen strictly complies with the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*, and strictly complies with the laws and regulations of the People's Republic of China. We strictly adhere to the principles of "open recruitment, fair competition, merit-based selection, and matching talents with positions" in conducting recruitment activities, ensuring fairness and transparency throughout the recruitment process, and upholding equal employment opportunities for employees. The Company firmly opposes employment discrimination and ensures that employees are not affected by factors such as their ethnicity, gender, religion, age, marital status, social status, etc., in recruitment, induction, training, promotion, rewards, and other aspects. In addition, we actively provide diverse, equal, and inclusive training to all employees, advocating for the creation of an equal and diverse workplace environment.

The Company has continuously expanded the recruitment channels through online recruitment, campus recruitment, headhunting and recruiting. We also use the digital recruitment management platform to develop recruitment plans, publish job information, screen CVs, assess and evaluate talent. The recruitment and approval process is managed in a unified manner, and the recruitment efficiency is enhanced, and the talent matching the business development of the company is accurately identified. At the same time, the Company has set up internal recruitment activities to encourage employees to seize opportunities for promotion or job transfer, promoting healthy internal talent mobility.

The Company attaches great importance to protecting employees' legitimate rights and interests, strictly complies with national labour laws and regulations, establishes regulations and regulations on equal employment, and enters into labour contracts with employees on the basis of "equal voluntary and agreed agreement". For employees who need to leave, the Company has also established a complete resignation approval process and management procedures to standardize the handling of matters such as salary settlement and labour relations.

Diversified recruitment activities

- Participate in the "Elite Gather in Shenzhen" campus recruitment project for Shenzhen-affiliated state-owned enterprises in 2024. This project provides a platform for the Company to directly connect with outstanding students from universities, enabling the Company to identify potential talents and facilitating the screening and introduction of more high-quality talents more accurately.
- Visit multiple well-known universities to carry out recruitment promotion activities, conduct deep exchanges and interactions with university students, introduce them to the Company's culture, development history, and career opportunities, attract a large number of outstanding graduates to participate in company interviews, and strengthen the cooperation between the Company and universities.

Performance Appraisal

Guosen has established a performance management system applicable to all employees, conducting annual performance appraisals to evaluate their individual performance, compliance management, anti-money laundering efforts, comprehensive risk management, integrity in professional conduct, honesty in their work, and other aspects. Through four key stages: the development of employee performance plans, tracking and coaching throughout the performance process, assessing performance outcomes, and applying and improving upon performance results, the Company continuously enhances employees' business capabilities and overall quality, promoting the common development of employees and the Company.

To ensure fairness and reasonableness in performance appraisals, the Company has established a performance appeal mechanism. Supervisors in each department monitor the progress of their employees' performance goals, provide guidance and assistance in solving problems, and help employees improve their performance levels. If an employee disagrees with the appraisal results, they can apply for a performance appeal. The Company will promptly investigate the appeal and form a resolution, ensuring strict confidentiality and proper handling of the entire appeal process to safeguard employees' rights and interests.

In addition, Guosen focuses on the career growth and incentives of all employees. According to internal policies such as the *Guidance on Promotion and Salary Adjustment for Employees of Guosen Securities Co., Ltd. Headquarters* (《国信证券股份有限公司本部员工晋升调薪工作指引》), the Company promotes and elevates outstanding employees, adjusts their salary levels, and awards bonuses to effectively enhance their work enthusiasm and allow them to fully realise their potential in a fair and just environment.

Employee Training

Guosen has always adhered to the concept of co-growth between employees and the Company, and has continuously improved the multi-level staff development system that matches the development of the company, so as to strengthen the professional quality of employees and enhance the core competitiveness of the Company. The Company implements a refined talent training strategy, provides employees with training in various aspects of business skills and professional skills, and carries out in-depth training cooperation with well-known external business organizations, industry associations, universities and educational institutions to further promote employee development.

Employee Training System

Guosen continuously optimises the training system for talents at all levels and improves the *Interim Measures for Training Management of Guosen Securities Co., Ltd.* (《国信证券股份有限公司培训管理暂行办法》) based on internal policies such as the *Five-Year Training Plan of Guosen Securities Co., Ltd. from 2019 to 2023* (《国信证券股份有限公司2019-2023年五年培训规划》) and the *2023 Talent Training Work Plan of Guosen Securities Co., Ltd.* (《国信证券股份有限公司2023年人才培训工作计划》), the Company continues to strengthen the talent cultivation system at all levels. The Company's talent development system includes internship training programs, customized "Sailing Plan" (扬帆计划) for new employees, "Sail-off Plan" (启航计划) to assist the growth of young reserve talents and grassroots leaders, "Voyage Plan" (远航计划) for newly appointed managers, "Pilot Plan" (领航计划) for middle and senior management, as well as training projects such as "Guosen Lecture Hall" (国信大讲堂) and "Sunshine Gas Station" (阳光加油站) for all employees, comprehensively enhancing the overall quality and professional level of the talent team.

In addition, Guosen focuses on the cultivation and introduction of outstanding graduates, continuously collaborating with multiple renowned universities to establish employment practice bases and conduct on-the-job internships. Major business lines of the Company, such as investment banking, fixed income, and research, provide professional training to on-the-job interns every year and recruit outstanding interns with solid professional foundations and outstanding potential to join their business teams. This serves as a talent reserve for the Company's development, achieving a "win-win" situation for both the university and the Company.

Sailing Plan - New Employee Training Club

In 2023, the Company organised four rounds of the "Sailing Plan" new employee training to help them understand the Company's strategy, familiarise themselves with the Company's business and regulations, integrate and identify with the Company's culture and values, and enhance their professional qualities and skills. This training aimed to assist new employees in quickly familiarising themselves with and becoming proficient in their job positions, while also strengthening their sense of belonging and cohesion to the Company. The "Sailing Plan" training primarily adopted diversified training methods such as online recorded broadcasts, cultural creation, experiential team-building activities, and expert lectures and discussions. It also leveraged the integration of online and offline teaching through the One Centre and Three Bases, as well as the "Guosen Huxue E" online learning platform (国信互学E线上学习平台). In this year, "Sailing Plan" training was attended by 317 new employees from the headquarters, with a 100% participation rate among new employees.



The "Sailing Plan" training site

Guosen Lecture Hall - Special study activities for executive

In 2023, the Company organised the special learning activity of "Guosen Lecture Hall - Executive Classroom" with the aim of further deepening the understanding and grasp of the Company's "14th Five-Year" development strategic plan among leaders at all levels, continuously promoting high-quality development of the Company, and helping all employees enhance their understanding and awareness of the registration-based system, as well as gaining a comprehensive understanding of the significant meaning and impact of implementing the registration-based system reform. The activity was conducted through both online and offline channels, focusing on "comprehensive registration-based system" and "new asset management regulations," educating employees on the impact and development trends of the latest industry regulatory requirements. Nearly 10,000 employees actively participated in the learning, injecting new momentum into the Company's business development and employees' professional growth.



Guosen Lecture Hall - Special study site for executive

Sunshine Gas Station - Guosen Special Public Class for improving staff writing ability

During this Year, the Company provided public classes on "Sunshine Gas Station" to all employees to further enhance their ability to write official documents. The open course uses the TCS 3-level skip interpretation method to provide an in-depth analysis of the "six main elements" of document writing. Through application of tools and case exercises, the course helps employees learn more about document writing skills and improve the overall level of writing.



Sunshine Gas Station - Guosen Special Open Class Site

Training on the "Climbing Plan"

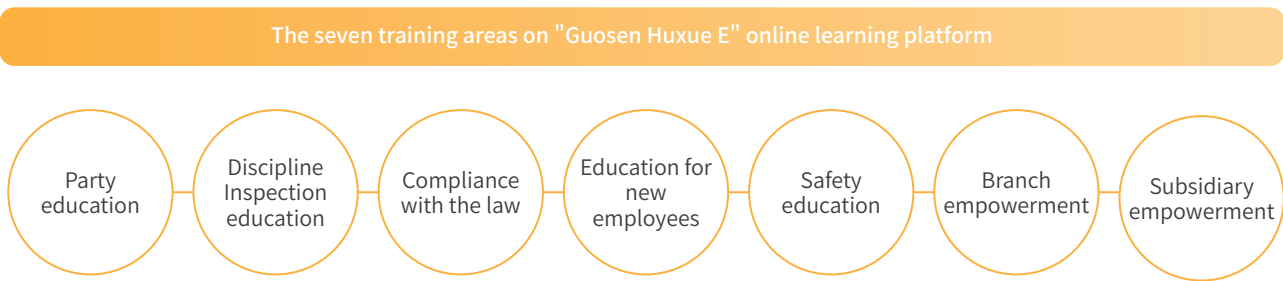
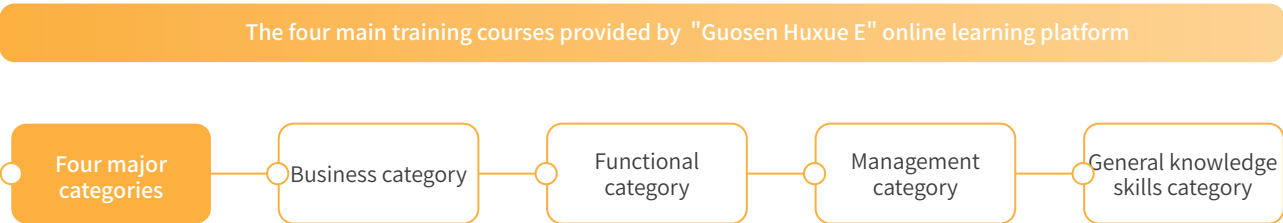
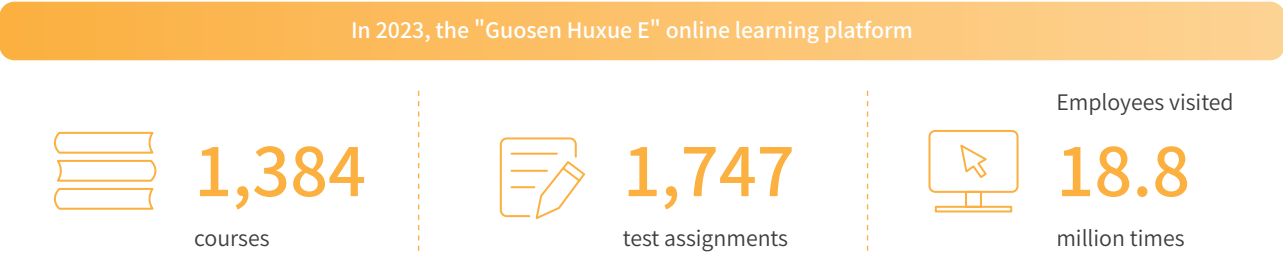
In 2023, the human resources department of the Company and the headquarters of Fintech jointly conducted the second stage of the special training for product managers of the "Climbing Plan" "Growth Advanced Training Camp" (成长进阶训练营), which aims to stimulate the innovation of science and technology among employees, empower businesses, and help the company promote its digital transformation strategy.

To guarantee the quality of training, the Company conducted a survey on training satisfaction of various departments, headquarters and direct departments at the beginning of the year. It focused on organizing interviews with departments such as wealth management, investment bank, capital management, Fintech, and research on training methods, teaching methods, training timeliness, capability requirements, and other topics. Satisfaction with the implementation plan and other aspects provides direction for training improvements such as post-leadership, business knowledge, general quality and skills enhancement.

Employee Career Development

Guosen continuously carries out diversified professional skills training activities in line with the development needs of various business lines, actively updating the "Guosen Huxue E" online learning platform to provide employees with more comprehensive opportunities for business skills improvement. At the same time, based on the *Management Measures for Internal Lecturers of Guosen Securities Co., Ltd. (Revised in 2016)* (《国信证券股份有限公司内部讲师管理办法 (2016 年修订)》), the Company progressively improves the internal trainer system and collaborates with external institutions to provide training for employees, further stimulating their potential and enabling business development.

Guosen has comprehensively upgraded the "Guosen Huxue E" online learning platform, continuously refining four major training course categories including business, general skills, management, and functional skills, as well as seven specialized training areas such as party member education, disciplinary inspection education, compliance and legal education, new employee education, safety education, and enabling branches and subsidiaries, to meet the diverse learning needs of employees. In 2023, the "Guosen Huxue E" online learning platform released 1,384 courses and 1,747 exam tasks, with employee visits reaching 18.8 million. This continuously strengthens the learning atmosphere, effectively expands the coverage of the Company's daily training, and further enhances the professional literacy and business capabilities of the talent team.



The Company continues to conduct cross-departmental training and collaborate with universities and external training institutions to provide employees with multi-dimensional and diversified professional skills training in areas such as customer relationship maintenance, customer service capabilities, legal awareness, structured thinking, and more, to further enhance their professional qualifications.

Guosen jointly conducted the "Workshop on Enhancing the Performance of Legal Personnel" with the China University of Political Science and Law

In September 2023, the Company jointly organised a "Special Seminar on Improving the Performance Capabilities of Legal Staff" with China University of Political Science and Law, aiming to implement the Company's "14th Five-Year" plan for legal affairs and cultivate a high-quality legal talent team with qualified political standing, professional excellence, and outstanding capabilities. The training combines teaching methods such as theoretical lectures, on-site teaching, scenario simulations, roundtable discussions, structured discussions, and more, to comprehensively improve the professional literacy and business capabilities of legal staff. Nearly 70 people participated in the event.



Legal personnel have enhanced their ability to perform their duties at the site of the special study session

Guosen Hong Kong invited third-party professional organizations to conduct "structured thinking skills" training

In 2023, Guosen securities (HK) hired a third-party professional training institution to provide employees with "Structured Thinking Skills" training. This training integrates teaching methods such as theoretical explanations, case studies, and comprehensive exercises, enabling employees to think clearly and comprehensively when facing tasks and problems, breaking out of inherent experiences and thinking patterns. It effectively improves their abilities in independent thinking, communication, and expression.



The "Structured Thinking Skills" training site

In 2023, the Company actively selected employees to participate in a total of 94 various learning activities organised by superior departments, regulatory agencies, and training institutions, with a cumulative participation of over 4,000 person-times. This further enriched employees' knowledge systems and enhanced the overall quality of the team.

In addition, Guosen encourages employees to focus on their job responsibilities, improve their business skills, and promote a comprehensive upgrade of their personal skills. To inspire employees' career development motivation, the Company provides policy subsidy application support to full-time employees who obtain authoritative professional qualifications such as Chartered Financial Analyst, Financial Risk Manager, Fellow of the Society of Actuaries (North America), and Chinese Certified Actuary. In 2023, the Company assisted 24 employees in obtaining policy subsidies.

Employee Benefits and Caring

Guosen is committed to providing a comprehensive and balanced welfare protection system for employees, carrying out diversified employee care activities, smooth communication channels for employees, actively creating a healthy work environment, and continuously enhancing employee sense of belonging and job satisfaction.

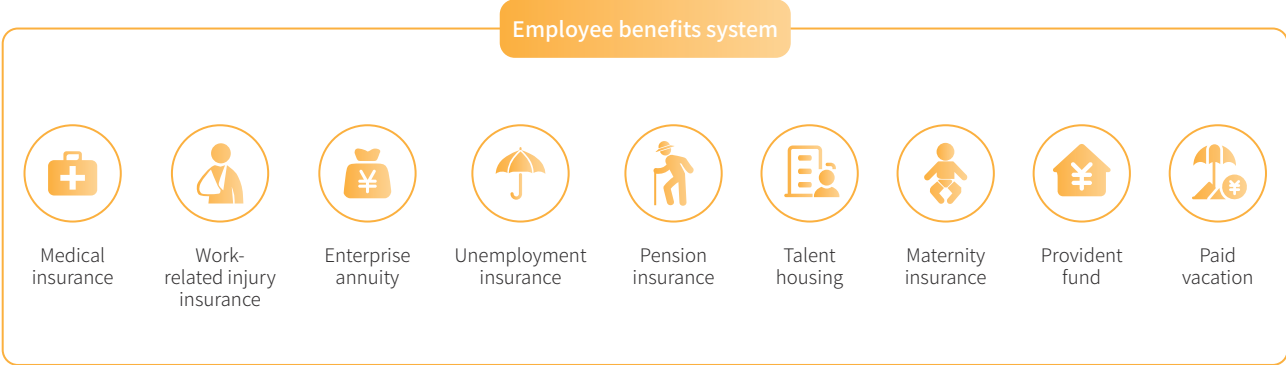
Employee Interests and Benefits

Guosen Securities strictly follows relevant regulations such as the *Labour Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. It has formulated and implemented internal regulations and policies such as the *Statement on Employee Rights and Interests Policy of Guosen Securities Co., Ltd.* (《国信证券股份有限公司员工权益政策声明》), the *Employee Handbook of Guosen Securities Co., Ltd.* (《国信证券股份有限公司员工手册》), and the *Recruitment Management Measures of Guosen Securities Co., Ltd. (2022 Edition)* (《国信证券股份有限公司招聘管理办法 (2022 年版)》). These regulations clearly standardise the management of various types of employees, including full-time employees, labour dispatch, interns, and retired rehired personnel, as well as the work requirements for recruitment, dismissal, and working hours management. The Company firmly opposes and strictly prohibits any form of child labour and forced labour, effectively safeguarding the legitimate rights and interests of employees.

Guosen integrates the concept of "compliance, integrity, professionalism, and stability" into its salary management, closely combining salary management with compliance and risk control. It implements a salary incentive mechanism that emphasizes both incentives and constraints, following the main principles of "appropriate guarantee, effective incentives, risk deductions, and deferred distribution" to provide employees with competitive salary returns in the industry.

In terms of employee welfare security, Guosen continuously improves its welfare security system, covering diversified welfare benefits such as medical insurance, unemployment insurance, maternity insurance, work injury insurance, old-age insurance, housing provident fund, and enterprise annuity. The Company actively strives for various welfare supports for employees of all levels, including housing and various talent subsidies, in accordance with local policies.

The Company fully respects employees' vacation rights and ensures that employees can enjoy paid holidays in accordance with the law, such as statutory holidays, annual leave, marriage leave, sick leave, maternity leave, etc. It strives to create a work environment that combines work with rest for employees and achieves a balance between work and life. At the same time, the Company has included childcare leave and nursing leave in its management system in accordance with relevant regulations such as the *Guangdong Provincial Population and Family Planning Regulations* (《广东省人口与计划生育条例》). In 2023, 372 employees at the Company's headquarters were approved for childcare leave or nursing leave.



Guosen attaches great importance to the occupational health and safety of employees, takes great care to maintain the safety of the employees' office environment, and continuously raises the safety awareness of employees through safety training and fire drills. The Company regularly organises safety drills to enhance its risk response capability; actively conducts safety knowledge competitions to motivate employees to learn safety knowledge and enhance their self-defense capability. At the same time, the Company formulated internal systems such as the *Emergency Response Plan of Guosen Co., Ltd.* (《国信证券股份有限公司突发事件应急预案》), arranged for emergency watch, conducted safety inspections on a monthly basis, and carried out comprehensive and detailed inspections of office premises and equipment facilities to ensure the safety and stability of the working environment. At the same time, high-rise buildings are equipped with emergency shelters and matched with corresponding emergency materials to further safeguard the occupational health and safety of employees.

Fire drills

In November 2023, Guosen implemented the fire safety work plan, and organised staff to conduct fire evacuation drills at Guosen Financial Building with the theme of "prevention is the primary priority, life is the primary priority." This fire drill exercise involved around 100 people, and strengthened the safety awareness of the Company's employees, tenants and property management staffs, and enhanced their ability to deal with sudden burning situation.



Fire drill site

During the Year, Guosen carried out a total of 9 safety supervision inspections, investigated more than 180 safety hazards, and conducted 5 special investigation and rectification actions; and conducted 8 fire drills, with approximately 1,046 participants.

Employee Caring and Communication

Guosen actively listens to the needs and voices of its employees, sincerely caring for their physical and mental health. The Company has established and maintained diversified two-way communication channels to ensure that employees can express their opinions and suggestions to their superiors, the human resources department, or the union through various means such as email, staff representative meetings, and symposiums, and participate in democratic decision-making within the Company. The Company organises annual health check-ups for all employees and arranges activities such as "one-on-one" expert interpretation of health reports, "Eagle Eye" health screenings, and first aid knowledge training to further promote employees' awareness of caring for their physical health. Additionally, medical supplies such as first aid kits and blood pressure monitors are available in the office to safeguard employees' health. Furthermore, the Company's union regularly and meticulously plans and organises employee care activities, including traditional festival events, parent-child activities, team-building exercises, and sports competitions, which enrich employees' professional lives while promoting cooperation and communication among teams.

In 2023, the Company's union organised over 1,000 union activities, with over 20,000 employee participations, effectively enhancing employees' participation in team building and their sense of belonging to the Company.

During the Year, Guosen actively engaged in a variety of employee care activities:

Diversified employee care activities

In January, on the occasion of the approaching Spring Festival, the Company's union organised the 2023 "Spring and Scenery, Joyful Welcome" employee event, which attracted nearly 1,500 participants. The photos of the event released by the Company received 250,000 clicks, effectively enhancing employee cohesion and giving employees a sense of belonging to a family amidst the laughter and joy of welcoming the new year.



In June, the Company's union successfully organised the "Tong Xin's Fun, Walking Together with Light" themed employee family event, with more than 160 employees and their families participating. Through various creative games, parents and children strengthened their team cooperation and enjoyed a pleasant family time together.



In March, the Company held the "Guosen You Ni, Blooming Grace" theme event for International Women's Day, featuring activities such as flower delivery, DIY phone case making, outdoor hiking, and flower arrangement art displays. This event paid tribute to the female employees of the Company, enriched their cultural life, and conveyed the Company's care.



From September to December, the Company successfully held the 2023 "Retracing the Long March" event. More than 9,000 employees participated in this hiking team-building activity, and over 5,200 completed the entire "Long March" route. This effectively guided all employees of the Company to strengthen their physical exercise, understand the meaning of team collaboration, and continue the Long March spirit through practical actions.



Guosen has established the *Management Measures for the Warmth Delivery Activities of the Guosen Securities Co., Ltd. Union (Trial)* (《国信证券股份有限公司工会送温暖活动管理办法（试行）》), which has created a comprehensive, routine, and long-term four-pronged employee care system consisting of "employee care and mutual assistance funds, employee difficulty condolence funds, daily care and condolences, and special care and condolences". This system aims to assist more employees in overcoming practical difficulties and promptly convey the warmth of the union.

Guosen regularly organises various grass-roots union visits to employees who are ill and hospitalised, those who have given birth, and those whose immediate family members have passed away, to offer the sincerest care and greetings to employees. In 2023, the Company extended its kindness to 192 employees and offered relevant comfort money of RMB240,000 in total, including RMB12,000 of which for 4 persons in difficulty and RMB30,000 specialised comfort money for 13 employees.

Social Responsibilities

Guosen attaches great importance to fulfilling its social responsibilities, adhering to the social responsibility philosophy of "professional collaboration, multi-point promotion, balanced development, and building harmony". Guided by the spirit of the 20th CPC National Congress, the Company continues to carry out public welfare assistance work based on the dual channels of "precise assistance" and "diverse assistance" and the idea of joint improvement. Leveraging its industry expertise, the Company focuses on seven major assistance areas, takes into account public welfare donations, advocates employee participation, and continuously cultivates the "7+1+1" public welfare model with Guosen characteristics, helping to achieve agricultural and rural modernisation, promoting common prosperity for farmers and rural areas, and contributing Guosen's strength to the new journey.

In 2023, Guosen invested a total of RMB21,032,500 in assistance funds to carry out 51 public welfare and assistance projects, including external donations of funds and materials totaling RMB12,430,200, and promoting the completion of consumer assistance worth RMB 8,602,300. The project covers seven areas including industrial support, educational development, people's livelihood construction, cultural promotion, intellectual assistance, consumer subscription, and green ecology, further consolidating the poverty alleviation achievements in the assisted areas and promoting the implementation of the rural revitalisation strategy.



Rural Revitalization

In 2023, the Company strictly followed the deployment requirements of the Party and government, as well as regulatory authorities, and continuously organized and implemented pairing assistance work in eight counties, one town, and one village. Among them, it focused on assisting in poverty alleviation and rural revitalization linkage work in places such as Maigaiti County in Xinjiang Uygur Autonomous Region, Taxkorgan Tajik Autonomous County in Xinjiang Uygur Autonomous Region, Yingjisha County in Xinjiang Uygur Autonomous Region, Sandu Water Ethnic Autonomous County in Guizhou Province, Xinghe County in Inner Mongolia Autonomous Region, and Dahu Town in Haifeng County, Shanwei City, Guangdong Province. Clear assistance priorities and measures were established, aiming to implement more effective, sustainable, and growth-oriented assistance projects. At the same time, the Company continuously selected and dispatched one first secretary and two team members to Dahu Town in Haifeng County, Shanwei City, to carry out the work of stationed assistance in the town and village, and promote pairing assistance with Mingre Village Party Branch in Chishi Town, Shenshan Cooperation Zone.

Innovating Financial Support Services

By innovatively implementing financial assistance, Guosen has fully leveraged its investment banking expertise and actively harnessed the power of the capital market. Through the provision of financial support, the Company has strengthened its guidance for key enterprises in the assisted regions, popularized financial knowledge among the populace, and contributed to the implementation of work related to agriculture, rural areas, and farmers. This has further facilitated industrial upgrading and economic restructuring in the assisted areas.

In 2023, the main work and achievements of Guosen in financial assistance are as follows:

 Capital market empowerment	Leveraging the capital market to support financing for enterprises in assisted regions The Company leverages its own business advantages to assist enterprises in assisted regions in fully utilising the resources of the capital market, thereby enhancing their autonomous development and growth capabilities. In 2023, the Company assisted Jiangxi Zhite New Material Co., Ltd. in Jiangxi Province's Guangchang County in issuing one refinancing project for convertible bonds, raising a total of RMB614 million.
 Financial products spread risk	Launch of "Insurance + Futures" projects Guosen Futures, a subsidiary of the Company, leverages its expertise in risk management in the futures industry to carry out "Insurance + Futures" projects. These projects educate agricultural producers on using futures and insurance to diversify price risks, stabilize basic income, and achieve targeted industrial assistance. In 2023, a total of 31 "Insurance + Futures" projects were implemented in Hebei, Guangdong, Heilongjiang, Yunnan, Hainan, and other regions, with a notional principal exceeding RMB690 million and a compensation amount of RMB8.9689 million.



Collaboration in industry and research

Enhancing professional capabilities in financial assistance

Guosen Futures has continued to strengthen its strategic partnership with the Big Data Research Institute of Southwestern University of Finance and Economics. This partnership, which covers four areas: industrial research platform construction, joint project research, talent cultivation, and academic exchange, has jointly propelled the implementation of the "Insurance + Futures" projects, comprehensively enhancing the professional capabilities in financial assistance. In 2023, the jointly completed project "Commodity Smart Management System" was awarded the third prize in the Fintech Development Award, which is the only ministerial-level award jointly issued by the People's Bank of China and the China Securities Regulatory Commission.



Financial support

Conducting Special Training on "Futures Market Serving Agriculture, Rural Areas, and Farmers"

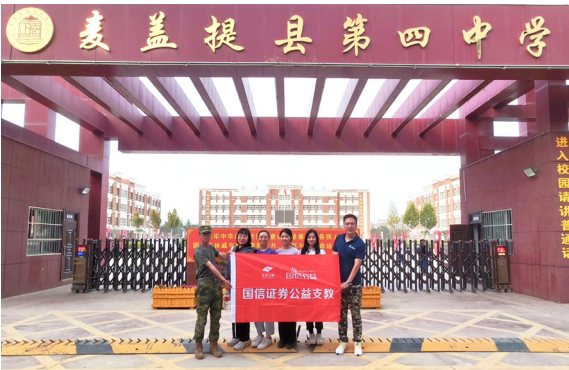
Guosen Futures has conducted 30 special training sessions on "Futures Market Serving Agriculture, Rural Areas, and Farmers" in Anhui, Yunnan, Henan, and other regions, adopting a combination of "on-line + offline" methods. A total of 300 farmers have been trained, helping local farmers enhance their ability to defend against market risks through the use of futures tools.

Promoting Shared Prosperity

Guosen continues to carry out assistance activities in various fields such as industrial development, educational development, people's livelihood construction, cultural promotion, consumption, and green ecology. These efforts comprehensively support the regions receiving assistance in consolidating their poverty alleviation achievements and further implementing rural revitalization work.

Educational assistance

"Combined support for aspirations and education" is the fundamental strategy for winning the battle against poverty and supporting rural revitalization. The Company has always attached great importance to educational assistance and actively leveraged its role in consolidating the achievements of poverty alleviation and continuously advancing rural revitalization efforts. It continues to promote employee participation in volunteer teaching programs. In 2023, the Company sent the 10th batch of six employee volunteers to Maigaiti County, Xinjiang Uygur Autonomous Region, to carry out teaching activities, aiming to improve the local level of proficiency in the national common language and further promote ethnic unity, progress, and interaction. From September 2018 to the end of 2023, the Company has sent a total of 10 batches of 59 employee volunteers, continuously strengthening educational assistance and contributing to the development of local education.



Teaching activities in Makgaiti County, Xinjiang Uygur Autonomous Region

Education is the foundation for long-term development. Guosen has consistently paid attention to the quality of rural education and actively optimized local educational conditions by donating learning materials and funds to schools in assisted regions, thereby contributing to the vigorous development of rural education. The main achievements of Guosen in improving the school environment in 2023 are as follows:

- A donation of RMB1.0497 million was made to the Experimental School in Dahu Town, Haifeng County, Guangdong Province. This funding was used for the renovation of the school's sports ground and kindergarten facilities, further enhancing the school's sports facilities and early childhood education environment. This provides students with safer and more comfortable spaces for sports and learning.
- A batch of green and caring computers, equivalent to RMB28,800, was donated to the Guangdong Provincial Education Foundation and the Sandong Middle School in Sandu Water Autonomous County, Guizhou Province. These computers are intended to improve the level of information-based teaching in local schools, enabling students to better adapt to modern educational needs.
- A donation of 2,200 books was made to the Pengcheng Hope School in Sandu Water Autonomous County, Guizhou Province. These books enrich students' reading resources and broaden their knowledge horizons.



Donation of books to Pengcheng Hope School in Sandu County, Guizhou Province

Establishing scholarship funds

For seven consecutive years, Guosen has supported the "Chunhui Scholarship Fund" project in Shuigen Village, Sandu Water Autonomous County, Guizhou Province. The Company has continuously provided financial incentives to local outstanding students, thus enhancing the momentum of local educational development.



Chunhui Scholarship Donation to Shuigen Village

Industrial assistance

The Company actively invests funds to support the scaled and industrialized operation of agricultural and sideline products in the assisted areas. Through industrial assistance, it aims to promote the development and income growth of various assisted regions. In 2023, the Company donated a total of RMB3.82 million to Yanchang County in Shaanxi Province, Tongbai County in Henan Province, Ximeng Wa Autonomous County and Fugong County in Yunnan Province, Maigaiti County and Taxkorgan Tajik Autonomous County in Xinjiang Uygur Autonomous Region, as well as Xinghe County in Inner Mongolia Autonomous Region. This funding further strengthens targeted assistance for local industries such as apple cultivation, beef cattle breeding, organic vegetable seedling bases, jujube planting, and specialty tourism. These efforts aim to promote stable income growth for local farmers and consolidate the achievements of industrial revitalisation in these regions.



Donation Ceremony for Supporting the Development of Jujube Industry in Makgaiti County, Xinjiang Uygur Autonomous Region

Consumption assistance

The Company leverages the resource advantages of poverty-stricken regions and employee demand to actively support the development of characteristic agricultural industries in these areas by purchasing specialty agricultural products. In 2023, the Company procured specialty products from poverty-alleviated regions totaling RMB8.6023 million. Through consumption assistance, it actively supported the sales of specialty products from 32 locations in 19 provinces, including Ganzi Tibetan Autonomous Prefecture, Nanchong City, and Aba Tibetan and Qiang Autonomous Prefecture in Sichuan Province; Xining City in Qinghai Province; Pingliang City in Gansu Province; Wuzhong City in Ningxia Hui Autonomous Region; Hechi City and Baise City in Guangxi Zhuang Autonomous Region; Bijie City, Qiandongnan Miao and Dong Autonomous Prefecture, and Liupanshui City in Guizhou Province; Lijiang City in Yunnan Province; Ganzhou City in Jiangxi Province; Yanbian Korean Autonomous Prefecture in Jilin Province; Daqing City in Heilongjiang Province; and Xinghe County in Inner Mongolia Autonomous Region. This effort broadened the income of local farmers, enhanced their confidence in becoming prosperous, and promoted the healthy development of local industries.



Consumption assistance to purchase agricultural products

Cultural assistance

Focusing on cultural construction in the assisted areas, the Company supports the inheritance and development of excellent traditional cultural activities, and actively participates in the construction of rural public cultural facilities and party building culture. In 2023, the Company donated a total of RMB1.615 million to support various projects, including but not limited to the following:

- Construction of a multimedia display system for party building culture in Yingjisha County, Xinjiang Uygur Autonomous Region.
- Cultural revitalization construction project in Youkakewsitang Village, Qiaolepan Township, Yingjisha County, Xinjiang Uygur Autonomous Region.
- Development of the Millennium Walnut King tourist attraction in Datong Township, Taxkorgan Tajik Autonomous County, Xinjiang Uygur Autonomous Region.
- Construction of a cultural and sports activity center in Shuige Village, Jiuqian Town, Sandu Water Autonomous County, Guizhou Province.



Donation of cultural support in Jiuqian Township, Sandu Shui Autonomous County, Guizhou Province

Ecological construction

In 2023, the Company actively explored assistance measures in ecological construction and invested a total of RMB1 million in this area to support the following projects:

- In Maigaiti County, Xinjiang Uygur Autonomous Region, we have adopted 667 hectares of ecological forests to provide financial support for the county's million-hectare windbreak and sand-fixation ecological forest construction project. This initiative aims to establish a green barrier along the edge of the Taklimakan Desert, creating a pleasant, liveable, and business-friendly development environment. Through this effort, we are contributing to the national goal of achieving carbon peak and carbon neutrality.



667 hectares of eco-forest is cultivated in Magneti County, Xinjiang Uyghur Autonomous Region

Livelihood Assistance

In 2023, we focused on enhancing the quality of life for residents in the assisted areas by improving infrastructure and other means. A total of RMB 3.9638 million was invested in livelihood assistance projects, including but not limited to the following:

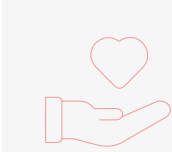
- A public welfare project for the rescue of children with cerebral palsy;
- Construction of a barrier-free cultural and fitness centre for the disabled in Yingjisha County, Xinjiang Uygur Autonomous Region;
- Purchase of solar street lights for the village of Tizhinafu in Tizhinafu Township, Taxkorgan Tajik Autonomous County, Xinjiang Uygur Autonomous Region;
- Expansion of the industrial road in Babing Group, Dimeng Village, Zhonghe Town, Sandu Water Autonomous County, Guizhou Province;
- Purchase of office supplies for the new hospital of Sandu Water Autonomous County People's Hospital, Guizhou Province;
- Maintenance of rural mutual assistance and happiness homes and purchase of medical equipment and supplies for Xinghe County Hospital in Inner Mongolia Autonomous Region.



Donation of livelihood support in Dimeng Village, Zhonghe Township, Sandu Shui Autonomous County, Guizhou Province

Public Welfare and Charity

Guosen focuses on the development of public welfare and charity causes, actively fulfils the social responsibilities of a state-owned financial enterprise, and vigorously carries out charitable activities such as donation and establishing scholarships to form a sustainable public welfare ecosystem and convey social warmth. During the Year 2023, the Company has actively responded to various calls for assistance and has donated a total of RMB763,000 to support the development of public welfare undertakings in various regions.



In 2023, the Company has been honoured with the title of "Top 10 Caring Enterprise" in the 20th Shenzhen Caring Action of 2023, a testament to the recognition and praise our public welfare efforts have received from all sectors of society.

"Top 10 Caring Enterprise"



Award for "Top 10 Caring Enterprises"

 ESG Performance

Table of Environmental KPIs

Indicator	Unit	2023 ¹
Energy		
Direct Energy		
Fossil fuel consumed in the workplaces		
Natural gas	m ³	78,342.02
Diesel	Litre	1,328.60
Fuel consumed by self-owned transportation		
Petrol	Litre	220,309.76
Diesel	Litre	2,448.90
Indirect Energy		
Total consumption of purchased electricity	kWh	58,248,862.63
- Electricity consumed in the workplaces	kWh	20,711,072.82
- Electricity consumed in the data centres	kWh	37,537,789.81
Electricity consumption per capita	kWh/Person	4,843.17
Water Resources		
Water consumed in the workplaces	Tons	180,301.53
Water consumption per capita	Tons/Person	14.99
Waste		
Hazardous waste		
Waste batteries	Tons	40.29
Electronic waste	Items	1,606
Non-hazardous waste		
Waste paper	Tons	37.20

Indicator	Unit	2023 ¹
Food waste	L	71,223.12
GHG emissions		
Scope 1	tCO ₂ e	765.62
- Fossil fuel consumed in the workplaces	tCO ₂ e	172.87
- Fuel consumption by self-owned transportation	tCO ₂ e	592.75
Scope 2	tCO ₂ e	33,219.33
- Electricity consumed in the workplaces	tCO ₂ e	11,811.52
- Electricity consumed in the data centres	tCO ₂ e	21,407.80
Total GHG emissions (Scope 1 + Scope 2)	tCO ₂ e	33,984.95
GHG emission intensity (Scope 1 + Scope 2)	tCO ₂ e/Person	2.83
Scope 3 ²	tCO ₂ e	10,745.15
GHG emission intensity (Scope 3) ³	tCO ₂ e/Person	0.95

Description of changes in environmental data:

- On the one hand, Guosen Securities further expanded the scope of environmental data, covering 4 office buildings, 3 data centres, 57 branches, 181 business divisions, and 4 wholly owned subsidiaries and their branches. On the other hand, the Company resumed employee business travel with the nation's optimization of control measures. Therefore, the environmental performance data in 2023 has increased compared to 2022.

¹ The scope of data collection on the environmental performance of Guosen in 2023 includes Guosen Securities (including the headquarters and branches), Guosen Securities' Data Centres, and subsidiaries Guosen H&S, Guosen Futures (including the branches of Guosen Futures), Guosen Securities (HK) and Guosen Capital. If some of the indicators specify a different coverage area, the description shall be taken into account.

² Scope 3 GHG emissions cover only Guosen Securities (including the headquarters and branches).

³ The denominator used to calculate the Scope 3 GHG emission intensity is the number of employees at Guosen Securities' headquarters and branches.

Table of Social KPIs

Employees

Indicator	Unit	2022	2023
Employment			
Total number of employees	Person	12,189	12,027
Number of female employees	Person	6,060	6,134
Number of male employees	Person	6,129	5,893
Total number of new employees	Person	3,159	2,575
Number of new female employees	Person	1,461	1,182
Number of new male employees	Person	1,698	1,393
Employee turnover	Person	314	307
Employee turnover rate ⁴	%	8.28	7.70
Proportion of employees signing labour contracts	%	100	100
Training and Education			
Average number of training hours per employee ⁵	Hours	81.88	59.12
Diversity and Equal Opportunity			
Percentage of employee breakdown by gender			
Female	%	49.72	51.00
Male	%	50.23	49.00
Percentage of employee breakdown by age			
Under 31	%	34.98	36.06
31 to 40	%	49.77	49.04

⁴The scope of employee turnover and turnover rate of Guosen Securities includes the headquarters of Guosen Securities and its subsidiaries including Guosen H&S, Guosen Futures, Guosen Securities (HK) and Guosen Capital. Employee turnover rate = number of employee turnover / total number of employees at the end of reporting period.

⁵The number of training hours of employees is derived from online training statistics and does not include offline training. The online training hours of employees of Guosen were higher in 2022 due to the impact of controlling measures; this year, online and offline training activities were launched routinely, and the data for this indicator became lower than the previous year.

Indicator	Unit	2022	2023
41 to 50	%	12.36	12.22
Over 50	%	2.89	2.68
Other Diversity Indicators			
Number of women in executive management	Person	/	2
Ethnic minorities	Person	455	479

Suppliers

Indicator	Unit	2022	2023
Suppliers			
Total number of suppliers ⁶	/	652	588
Number of new suppliers screened using environmental and social criteria	/	334	245
Number of suppliers assessed for environmental and social impacts	/	334	588
Percentage of procurement expenditure from local suppliers	%	100	100
Percentage breakdown by the type of supplier ⁷			
IT services	%	52	57
Engineering	%	14	10
Goods and services	%	34	33

⁶This year, Guosen adjusted the statistical scope based on the number of suppliers with material business transactions with the company. We also retrospectively adjusted the data for 2022.

⁷This year, Guosen adjusted the statistical scope based on the number of suppliers with material business transactions with the company. We also retrospectively adjusted the data for 2022.



Appendix I

Index of Environmental Information Disclosures

Disclosure indicator		Location
1. Basic information		Reporting Scope, Report Data Description, Reporting Basis and Principles, Reporting Obtaining and Feedback
2. Strategic objectives	Environment and green finance related objectives and strategies	Advancing Sustainable Financing
3. Governance structure	Board level	ESG Governance
	Management level	
	Department level	
4. Policy and system	The current policy system of internal environment and green finance	Responsible Investment Practices, Sustainable Financing Practices
	Compliance with external environment, climate and green finance policies and regulations	
5. Environmental risk management	Environmental risk and opportunity management mechanism	Responding to Climate Change
	Significant environmental issues of interest to stakeholders	
	Identified environmental risks and opportunities	
6. Environmental impacts of business activities	Energy consumption of operating activities	Table of Environmental KPIs
	Water consumption of operating activities	
	Paper consumption of operating activities	
	Waste discharge and disposal of business premises	
	Total direct and indirect GHG emissions (Scope 1 to 3)	
7. Environmental impact of investment and financing activities	Environmental protection measures and environmental benefits	Green Office, Green Travel, Green Procurement
	Investment and financing	
	Green investment and financing activities	
	Environmental benefits of green investment and financing activities	
8. Capacity-building	Carbon emissions from investment and financing activities	Responsible Investment Practices, Sustainable Financing Practices, ESG Research
9. Innovation and research	Green financial innovation case studies	Responsible Investment Practices, Sustainable Financing Practices, ESG Research
	Green finance research and outputs	
10. Data quality management	Data curation, verification and protection	Information Security Management, Customer Privacy Protection, Third-party Data Management
	Data security emergency plan	



Appendix II

About this Report

The *Guosen Securities Co., Ltd. 2023 ESG Report* was the second ESG report published by Guosen. Prepared in accordance with principles of objectivity, standardization, transparency, and comprehensiveness, this report aims to disclose the Company's and its subsidiaries' sustainability performance over the past year. In order to fulfil the concerns and expectations of all stakeholders regarding the sustainable management of the Company and its subsidiaries, this report covers the management strategies, practices, and performance of Guosen and its subsidiaries in the field of sustainability during 2023.

This Report is published in Chinese and English. In case of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

Reporting Scope

Reporting Period: January 2023 to 31 December 2023 ("within the reporting period" or "in 2023"). In order to enhance comparability and completeness of reporting, parts of the report are appropriately dated back to previous years.

Scope of the organization: Based on Guosen Securities Co., Ltd., this report includes information on all of the Company's operations, including its headquarter, 57 branches, 181 business divisions, and 4 wholly owned subsidiaries.

Description:

Explanatory items	Interpretation
This report	2023 Environmental, Social and Governance Report of Guosen Securities Co., Ltd.
Guosen, the Company, We	Guosen Securities Co., Ltd.
Board of Directors	Fifth Board of Directors of Guosen Securities Co., Ltd.
Supervisory committee	Fifth Supervisory Committee of Guosen Securities Co., Ltd.
Guosen H&S	Guosen H&S Private Equity Management Co., Ltd., is a wholly owned subsidiary of the Company
Guosen Futures	Guosen Futures Co., Ltd., a wholly owned subsidiary of the Company
Guosen Securities (HK)	Guosen Securities (HK) Financial Holdings Limited, a wholly owned subsidiary of the Company
Guosen Capital	Guosen Capital Co., Ltd., is a wholly owned subsidiary of the Company
ESG	Environmental, Social and Governance
REITs	Infrastructure Portfolio Investment Fund
IPO	Initial Public Offering

Publication Schedule: This report is an annual report.

Report Data Description

The data in this report and the cases are derived from the original records or financial accounts that are actually in operation. Unless otherwise stated, the currency amounts referred to in this report are denominated in RMB as the currency of measurement. If there is any inconsistency with the Annual Report of Guosen Securities Co., Ltd. for 2023, the Annual Report of Guosen Securities Co., Ltd. for 2023 shall be used.

Reporting Basis and Principles

This report is prepared in accordance with the *Shenzhen Special Economic Zone Green Finance Regulations* approved by the Standing Committee of the Shenzhen Municipal People's Congress, the *Guidelines for Environmental Information Disclosure of Financial Institutions in Shenzhen* issued by the Shenzhen Local Financial Regulatory Bureau, the *Contents and Forms of Information Disclosure for Companies Issuing Public Securities No. 2—Annual Report (Revised in 2021)* (《公开发行证券的公司信息披露内容与格式准则第2号—年度报告的内容与格式（2021年修订）》) issued by the China Securities Regulatory Commission, and the *Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1—Standard Operation of Main Board Listed Companies (Revised in December 2023)* (《深圳证券交易所上市公司自律监管指引第1号—主板上市公司规范运作（2023年12月修订）》) and *Shenzhen Stock Exchange Self-Regulatory Guide for Listed Companies No. 1—Business Handling (Revised in December 2023)* (《深圳证券交易所上市公司自律监管指南第1号—业务办理（2023年12月修订）》) and other relevant laws, regulations, and normative documents. This report was also prepared in reference to the Global Reporting Initiative (GRI) Standards (2021), the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations, and provisions outlined in the Hong Kong Exchanges and Clearing Limited's (HKEX) Listing Rules, Appendix C2, Guidance on Environmental, Social and Governance Reporting. This report adheres to the principles of accuracy, timeliness, consistency, and coherence to ensure that information disclosed aligns with actual circumstances.

Report Obtaining and Feedback

The report is published in an online version and can be viewed and downloaded from the Company website (www.guosen.com.cn). If you have any questions or suggestions about the report, please email ir@guosen.com.cn or call 0755-82130188.



国信证券
GUOSEN SECURITIES

Values

For Value Creation For Our Achievement For Public Service

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