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

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

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

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# **中信建投証券股份有限公司** **CSC FINANCIAL CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 6066)**

- (1) 2024 WORK REPORT OF THE BOARD OF DIRECTORS**
- (2) 2024 WORK REPORT OF THE SUPERVISORY COMMITTEE**
- (3) 2024 FINAL FINANCIAL ACCOUNTS PLAN**
- (4) PROFIT DISTRIBUTION PLAN OF THE COMPANY IN 2024**
- (5) 2024 ANNUAL REPORT**
- (6) 2024 WORK REPORTS OF INDEPENDENT  
NON-EXECUTIVE DIRECTORS**
- (7) CAP ON INVESTMENT AMOUNT FOR  
PROPRIETARY BUSINESS IN 2025**
- (8) EXPECTED DAILY RELATED PARTY TRANSACTIONS/  
CONTINUING CONNECTED TRANSACTIONS IN 2025**
- (9) REAPPOINTMENT OF 2025 ACCOUNTING FIRMS  
AND  
NOTICE OF THE 2024 ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 3 to 22 of this circular. Please refer to pages 67 to 70 of this circular for the notice convening the Annual General Meeting.

Please complete and return the proxy form in accordance with the instructions printed thereon, if the Shareholders are to appoint a proxy to attend the Annual General Meeting.

For H Shareholders, the proxy form and any authorization documents should be returned to Computershare Hong Kong Investor Services Limited (whose address is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) as soon as possible, but in any event not less than 24 hours before the time appointed for holding the Annual General Meeting (i.e. before 2:30 p.m. on Thursday, June 26, 2025). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or at any adjourned meetings should you so wish.

May 29, 2025

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*Note:* In the event of any discrepancy between the English and Chinese versions of this circular, the Chinese version shall prevail.

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## DEFINITIONS

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

“A Share(s)”	the ordinary shares in the share capital issued of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“AGM” or “Annual General Meeting”	the 2024 annual general meeting or any adjournment thereof of the Company to be held at 2:30 p.m. on Friday, June 27, 2025 at the Conference Room, 13/F, Taikang Group Tower, Building 1, Courtyard 16, Jinghui Street, Chaoyang District, Beijing, the PRC
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board” or “Board of Directors”	the board of Directors of the Company
“Board Meetings”	the board meetings convened by the Company on Thursday, March 27, 2025 and Tuesday, April 29, 2025
“Company”	CSC Financial Co., Ltd. (中信建投証券股份有限公司), a joint stock company incorporated in the People’s Republic of China with limited liability, the H Shares of which have been listed and traded on the main board of the Hong Kong Stock Exchange (stock code: 6066) and the A Shares of which have been listed and traded on the Shanghai Stock Exchange (stock code: 601066)
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“H Share(s)”	overseas listed foreign invested ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange, and traded in Hong Kong dollars
“H Shareholders”	holders of H Shares
“HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Independent Non-executive Director(s)” or “Independent Director(s)”	the independent non-executive Director(s) of the Company
“Non-executive Director(s)”	the non-executive Director(s) of the Company
“PRC” or “China”	the People’s Republic of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including A Share(s) and H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Supervisory Committee Meetings”	the Supervisory Committee meetings convened by the Company on Thursday, March 27, 2025 and Tuesday, April 29, 2025
“SSE”	Shanghai Stock Exchange
“SSE Listing Rules”	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (as amended from time to time)
“%”	percentage

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## LETTER FROM THE BOARD

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# 中信建投証券股份有限公司 CSC FINANCIAL CO., LTD.

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

**(Stock Code: 6066)**

Mr. Liu Cheng (*Chairman, Executive Director*)  
Mr. Jin Jianhua (*Executive Director*)  
Mr. Li Min (*Vice Chairman, Non-executive Director*)  
Mr. Yan Xiaolei (*Non-executive Director*)  
Mr. Liu Yanming (*Non-executive Director*)  
Mr. Yang Dong (*Non-executive Director*)  
Ms. Hua Shurui (*Non-executive Director*)  
Ms. Wang Hua (*Non-executive Director*)  
Mr. Po Wai Kwong (*Independent Non-executive Director*)  
Mr. Lai Guanrong (*Independent Non-executive Director*)  
Mr. Zhang Zheng (*Independent Non-executive Director*)  
Mr. Wu Xi (*Independent Non-executive Director*)  
Mr. Zheng Wei (*Independent Non-executive Director*)

*Registered office in the PRC:*  
Unit 4, No. 66 Anli Road  
Chaoyang District  
Beijing, the PRC

*Principal place of business  
in the PRC:*  
No. 10 Guanghua Road  
Chaoyang District  
Beijing, the PRC

*Principal place of business  
in Hong Kong, the PRC:*  
18/F, Two Exchange Square  
Central, Hong Kong

*To the Shareholders:*

Dear Sir or Madam,

- (1) 2024 WORK REPORT OF THE BOARD OF DIRECTORS**
- (2) 2024 WORK REPORT OF THE SUPERVISORY COMMITTEE**
- (3) 2024 FINAL FINANCIAL ACCOUNTS PLAN**
- (4) PROFIT DISTRIBUTION PLAN OF THE COMPANY IN 2024**
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- (8) EXPECTED DAILY RELATED PARTY TRANSACTIONS/  
CONTINUING CONNECTED TRANSACTIONS IN 2025**
- (9) REAPPOINTMENT OF 2025 ACCOUNTING FIRMS  
AND  
NOTICE OF THE 2024 ANNUAL GENERAL MEETING**

### 1. INTRODUCTION

On behalf of the Board, I invite you to attend the AGM to be held at 2:30 p.m. on Friday, June 27, 2025 at the Conference Room, 13/F, Taikang Group Tower, Building 1, Courtyard 16, Jinghui Street, Chaoyang District, Beijing, the PRC.

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## LETTER FROM THE BOARD

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### **2. BUSINESS TO BE CONSIDERED AT THE AGM**

Resolutions will be proposed at the AGM to approve: (1) the 2024 work report of the Board of Directors; (2) the 2024 work report of the Supervisory Committee; (3) the 2024 final financial accounts plan; (4) the profit distribution plan of the Company in 2024; (5) the 2024 annual report; (6) the 2024 work reports of Independent Non-executive Directors; (7) the cap on investment amount for proprietary business in 2025; (8) the expected daily related party transactions/continuing connected transactions in 2025; and (9) the reappointment of 2025 accounting firms.

The above resolutions are subject to approval by the Shareholders at the AGM by way of ordinary resolutions.

The purpose of this circular is to provide you with the information on the above resolutions to enable you to vote for or against the proposed resolutions at the AGM under fully informed condition.

#### **(1) 2024 Work Report of the Board of Directors**

The 2024 work report of the Board of Directors of the Company was considered and approved by the Board of the Company on March 27, 2025 and is hereby proposed at the AGM for Shareholders' consideration and approval, details of which are set out in Appendix I to this circular.

#### **(2) 2024 Work Report of the Supervisory Committee**

The 2024 work report of the Supervisory Committee of the Company was considered and approved by the Supervisory Committee of the Company on March 27, 2025 and is hereby proposed at the AGM for Shareholders' consideration and approval, details of which are set out in Appendix II to this circular.

#### **(3) 2024 Final Financial Accounts Plan**

The 2024 final financial accounts plan prepared in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards was considered and approved by the Board on March 27, 2025 and is hereby proposed at the AGM for Shareholders' consideration and approval, details of which are set out in Appendix III to this circular.

#### **(4) Profit Distribution Plan of the Company in 2024**

As confirmed by the external auditors, the Company (referred to the "Parent Company", the same thereafter) achieved a net profit of RMB7,521,182,364.45 in 2024.

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## LETTER FROM THE BOARD

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According to the relevant provisions of the Company Law, the Securities Law, the Financial Regulations of Financial Enterprises (《金融企業財務規則》), the Interim Measures for the Supervision and Administration of the Risk Reserves of Public Securities Investment Funds (《公開募集證券投資基金風險準備金監督管理暫行辦法》), the Interim Provisions for the Supervision of Important Money Market Funds (《重要貨幣市場基金監管暫行規定》) and the Articles of Association, the Company intended to distribute its net profit for 2024 according to the following order:

According to 10% of the net profit, a statutory reserve of RMB752,118,236.45 was drawn;

According to 10% of the net profit, a general risk reserve of RMB752,118,236.45 was drawn;

According to 10% of the net profit, a trading risk reserve of RMB752,118,236.45 was drawn;

RMB2,016,409.21 of risk reserve for mutual funds custodian business was drawn;

RMB17,408,359.48 of risk reserve for large-scale collective product asset management business was drawn;

RMB16,384.80 of risk reserve for important money market funds was drawn.

The above appropriations amounted to RMB2,275,795,862.84 in total, and subtracting the Company's interest on perpetual subordinated bonds of RMB1,066,528,356.17, the cash dividends for 2023 distributed in the year 2024 of RMB1,939,173,699.25, the interim cash dividend for 2024 of RMB698,102,531.73 and losses on disposal of other equity instrument investments of RMB274,800.70, and adding undistributed profit at the beginning of the year of RMB24,994,358,684.26, the Company's undistributed profit at the end of 2024 was RMB26,535,665,798.02.

Based on an overall consideration of the long-term development of the Company and the interests of Shareholders, the 2024 final profit distribution plan is as follows:

The Company proposes to distribute in the form of cash dividends, on the basis of 7,756,694,797 Shares in the total share capital as at December 31, 2024, RMB1.65 (tax inclusive) for every 10 Shares to all the Shareholders, amounting to RMB1,279,854,641.51 (tax inclusive) in aggregate.

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## LETTER FROM THE BOARD

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On November 5, 2024, the 2024 third extraordinary general meeting of the Company considered and approved the 2024 interim profit distribution plan, namely, the distribution of cash dividends of RMB0.90 (tax inclusive) for every 10 Shares. The total amount of cash dividends distributed was RMB698,102,531.73 (tax inclusive). The plan was completed in December 2024. Accordingly, the total cash dividends distributed by the Company for the year (including the interim distributed amount and the proposed final distribution amount) is RMB1,977,957,173.24 (tax inclusive), representing 32.13% of the net profit (excluding interest on perpetual subordinated bonds) attributable to equity holders of the Company in the consolidated statements for 2024. The remaining undistributed profit will be carried forward to the subsequent period.

Cash dividend is denominated and declared in RMB and payable in RMB to the A Shareholders and in Hong Kong dollars to the H Shareholders. The actual amount declared in Hong Kong dollars will be calculated based on the average of the intermediate exchange rate for conversion of Hong Kong dollars to RMB as announced by the People's Bank of China for one calendar week prior to the date of convening the Shareholders' general meeting for considering and approving the resolution on profit distribution.

The above resolution was considered and approved by the Board on March 27, 2025 and is hereby proposed at the AGM for Shareholders' consideration and approval.

The final cash dividends for the year ended December 31, 2024 is expected to be distributed to the H Shareholders listed on the register of members on Thursday, July 10, 2025. For the purpose of determining the entitlement of H Shareholders to receive the cash dividend to be distributed, the register of members of the Company will be closed from Saturday, July 5, 2025 to Thursday, July 10, 2025 (both days inclusive). In order to be entitled to the receipt of cash dividend to be distributed which will be approved at the AGM, the H Shareholders should ensure that all transfer documents together with relevant share certificates, are lodged with the Company's Hong Kong Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, July 4, 2025. The final cash dividend for the year ended December 31, 2024 (if approved by the Shareholders of the Company at the AGM) is expected to be distributed on or about Thursday, August 21, 2025 to the H Shareholders listed on the register of members of the Company on Thursday, July 10, 2025.

### **(5) 2024 Annual Report**

The 2024 annual report of the Company was considered and approved by the Board and the Supervisory Committee on March 27, 2025 and is hereby proposed at the AGM for the Shareholders' consideration and approval. The annual report has been published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.csc108.com](http://www.csc108.com)) on Friday, April 25, 2025.



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## LETTER FROM THE BOARD

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### **(6) 2024 Work Reports of Independent Non-executive Directors**

The 2024 Work Reports of Independent Non-executive Directors of the Company were considered and approved by the Board of the Company on March 27, 2025 and are hereby proposed at the AGM for Shareholders' consideration and approval. Details of the reports are set out in Appendix IV to this circular.

### **(7) Cap on Investment Amount for Proprietary Business in 2025**

According to the Provisions on Strengthening the Supervision and Administration of Listed Securities Companies (《關於加強上市證券公司監管的規定》) promulgated by the CSRC, "pursuant to the requirements of the listing rules of the Shanghai Stock Exchange and the Shenzhen Stock Exchange with respect to discloseable transactions, where the amounts of material foreign investment including proprietary investment in securities by listed securities companies exceed certain thresholds such that they have to be disclosed in a timely manner and submitted to the Shareholders' general meeting for approval, such companies may submit the aggregate amount of proprietary investments for consideration and disclosure at Shareholders' general meeting each year, and in the event that any changes occur in the implementation process of these proprietary investments, subject to the provisions of the articles of association, the Shareholders' general meeting may authorize the board to vote on such changes and publish announcements regarding the same."

According to the above requirements of the CSRC, the Company proposes that the Shareholders' general meeting determine the cap on investment amount for proprietary investment, and to authorize and allow the Board to authorize the management on proprietary investment in relation to relevant matters to a certain extent in order to enable flexible allocation of capital and investment direction by the Company according to the market condition and enhance efficiency in decision-making on the cap on the proprietary investment. In this regard, the following matters were submitted to the general meeting for consideration:

1. Approval is sought for the investment limit for proprietary investment of the Company to be as follows: for the year 2025, the aggregate amount for proprietary equity securities and the investment of the security derivatives shall be within 80% of the parent company's net capital; and the aggregate amount for non-proprietary equity securities and the investment of the security derivatives shall be within 400% of the parent company's net capital, and shall be no more than the limit prescribed in the administrative regulations and regulatory documents of the CSRC. The above limit excludes long term equity investment of the Company, which shall still be determined and executed according to the relevant decision-making process. The scale of the Company's proprietary investment business shall be calculated in accordance with the relevant formulae set out in the Provisions on the Calculation Basis for Risk Control Indicators of Securities Companies issued by the CSRC. The use of the

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## LETTER FROM THE BOARD

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above limit must comply with other relevant requirements under the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. Approval is sought to authorise the Board, subject to its compliance with the relevant requirements of proprietary investment management and risk control indicators issued by the CSRC, to determine and adjust the specific amount of the proprietary investment of the Company within the above limit according to the market condition, and to authorise the Board to authorise the management on proprietary investment in relation to relevant matters to a certain extent.

This resolution has been considered and approved by the Board and is hereby submitted to the Shareholders' general meeting for consideration.

### **(8) Expected Daily Related Party Transactions/Continuing Connected Transactions in 2025**

To further standardize the management on daily related party transactions/continuing connected transactions of the Company, the Company made a reasonable forecast on the daily related party transactions/continuing connected transactions that may be entered into in 2025, details of which are as follows:

#### ***I. General information of daily related party transactions/continuing connected transactions***

##### ***(I) Overview of, and approval procedures for, daily related party transactions/continuing connected transactions***

Daily related party transactions refer to related party transactions in connection with the daily operations as defined in the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (the "SSE Listing Rules"). Pursuant to the SSE Listing Rules and the Guidelines No. 5 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號–交易與關聯交易》) (the "Guidelines on Transactions and Related Party Transactions") and other regulations, the Articles of Association of CSC Financial Co., Ltd., the Requirements of the Management Systems on Related Party Transactions of CSC Financial Co., Ltd. (《中信建投證券股份有限公司關聯交易管理制度》), and other internal systems, the Company made a reasonable forecast on its daily related party transactions that may be entered into in 2025, and submitted to the Board and the Shareholders' general meeting for consideration and approval. The daily related party transactions of the Company falling within the scope of forecast will not be separately subject to the procedures of the

## LETTER FROM THE BOARD

Board and Shareholders' general meetings for consideration and disclosure. The Company will disclose the actual performance of its daily related party transactions in its semi-annual and annual reports.

Continuing connected transactions refer to connected transactions as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") involving the provision of goods, services or financial assistance, which occur on a continuing or recurring basis and are expected to be maintained for a period of time. Pursuant to the requirements of the Hong Kong Listing Rules, the Company will continue to monitor the connected transactions and estimate the applicable ratios of assets ratio, revenue ratio, consideration ratio, equity capital ratio and others under the Hong Kong Listing Rules based on the actual transactions, as well as perform the necessary Board and Shareholders' approval and disclosure procedures in accordance with the applicable requirements.

When the Board considers this resolution, the related/connected Directors had abstain from voting on relevant matters in this proposal. When the resolution is considered at the Shareholders' general meeting, related/connected Shareholders shall abstain from voting on relevant matters. For matters other than this resolution that require separate procedures for consideration by the Board or general meeting, the related/connected Directors are also required to abstain from voting on relevant matters and the related/connected Shareholders are also required to abstain from voting on relevant matters.

*(II) Expected and actual amounts of daily related party transactions/continuing connected transactions for 2024*

1. Profit or loss amounts arising from related/connected party transactions

*Unit: RMB'0,000      Currency: RMB*

Type of transactions	Related/connected party	Description of transactions	Brief description of related business or matters	Profit or loss amounts in the income statement for 2024
		Fee and commission income	Income from securities brokerage business	1.56
		Fee and commission income	Income from investment banking business	39.30
		Fee and commission income	Income from fund management business	56.38
		Fee and commission expenses	Expenses from investment banking business	18.87
		Fee and commission expenses	Others	0.05

## LETTER FROM THE BOARD

Type of transactions	Related/ connected party	Description of transactions	Brief description of related business or matters	Profit or loss amounts in the income statement for 2024
Securities and financial products transactions and services	Beijing Financial Holdings Group Limited (“Beijing Financial Holdings Group”) and its acting-in-concert persons/subsidiaries	Interest income	Interest income from bank deposits	0.69
		Interest expenses	Interest expenses on accounts payable to brokerage clients	1.06
		Interest expenses	Interest expenses on financial assets sold under repurchase agreements	1.55
		Interest expenses	Interest expenses on placements from banks and other financial institutions	576.39
		Interest expenses	Interest expenses on securities borrowing	31.51
	Including: Beijing Jinkong Capital Co., Ltd. (北京金控資本有限公司) JIC Trust Co., Ltd. (中建投信託股份有限公司)  CITIC Urban Development & Operation Co., Ltd. China Jianyin Investment Limited (中國建銀投資有限公司)	Business and management expenses	Others	16.49
		Interest expenses	Interest expenses on accounts payable to brokerage clients	Less than 0.01
		Fee and commission income	Income from investment consultation business	103.22
		Fee and commission income	Income from investment banking business	168.23
		Fee and commission income	Income from investment banking business	80.58
		Interest expenses	Interest expenses on accounts payable to brokerage clients	5.15

## LETTER FROM THE BOARD

### 2. Balance of related/connected party transactions

*Unit: RMB'0,000      Currency: RMB*

Type of transactions	Related/ connected party	Description of transactions	Balance sheet
			balance at December 31, 2024
Securities and financial products transactions and services	Beijing Financial	Bank deposits	25.46
	Holdings Group	Accounts payable to	10.29
	and its acting-in- concert	brokerage clients	
		Account payables	4.42
	persons/subsidiaries		
Securities and financial products transactions and services	China Jianyin	Account payables	Less than 0.01
	Investment Limited (中國建 銀投資有限責任公 司)		
	CITIC Urban Development & Operation Co., Ltd.	Accounts payable to brokerage clients	Less than 0.01

*Note 1:* As the Company is a financial institution whose main business is the provision of securities and financial products transactions and services, the securities market conditions and the trading volume are difficult to estimate. By referring to the market practice, the expected amounts of the securities and financial products transactions and services mentioned above are based on the actual amount.

*Note 2:* Pursuant to the criteria for the recognition of related parties under the SSE Listing Rules, Beijing Jinkong Capital Co., Ltd. (北京金控資本有限公司) has ceased to be a related party of the Company since August 2024. The related party transaction amounts shown above represent transactions with it during the reporting period when it was still a related party.

### (III) *Expected daily related party transactions/continuing connected transactions for 2025*

- Pursuant to the SSE Listing Rules, it is expected that among the legal persons holding more than 5% of the Shares of the Company and their acting-in-concert persons, legal persons for which associated natural persons of the Company serve as Directors or senior management, legal persons that fell into the aforementioned circumstances in the past 12 months, and legal persons to which the principle of substance over form applies, the related parties that may conduct related party transactions with the Company include Beijing Financial Holdings Group and its acting-in-concert persons, Beijing

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## LETTER FROM THE BOARD

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Jincai Fund Management Co., Ltd. (北京金財基金管理有限公司) (“Jincai Fund”), China Jianyin Investment Limited (中國建銀投資有限責任公司) (“JIC”), JIC Trust Co., Ltd. (中建投信託股份有限公司) (“JIC Trust”), Jiantou Holding Co., Ltd. (建投控股有限責任公司) (“Jiantou Holding”), CITIC Urban Development & Operation Co., Ltd. (“CITIC Urban Development”), China CITIC Bank Corporation Limited (“CITIC Bank”) and China CITIC Bank International Limited (“CITIC Bank International”).

The types of related party transactions that may occur between the Company and the above related parties are expected to comprise securities and financial products transactions and services. Securities and financial products transactions refer to transactions involving over-the-counter derivatives, interchangeable financial derivatives, foreign exchange and foreign exchange derivatives, distribution trading, bond trading, repurchase transactions, interbank lending, interest rate swaps, equity swaps, and subscription of private bonds or certificates. Securities and financial products services refer to the provision of securities brokerage, futures brokerage, distribution agency of financial products, bank deposits and loans, asset management, underwriting, sponsorship and financial advisory, equity pledge, margin financing and securities lending, research, and investment advisory services.

The estimated related party transactions between the Company and the above related parties for 2025 are set out as follows:

*Unit: RMB'0,000    Currency: RMB*

Related party	Description of related party transactions	Estimated amount for 2025
Beijing Financial Holdings Group and its acting-in-concert persons	Income from securities and financial products services	22
	Expenses for securities and financial products services	5
	Securities and financial products transactions	Due to the uncertainty in the occurrence and scale of the business, the actual amount shall prevail
	Income from securities and financial products services	120
	Expenses for securities and financial products services	5

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## LETTER FROM THE BOARD

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Related party	Description of related party transactions	Estimated amount for 2025
Jincai Fund	Securities and financial products transactions	Due to the uncertainty in the occurrence and scale of the business, the actual amount shall prevail
	Income from securities and financial products services	400
	Expenses for securities and financial products services	25
JIC	Securities and financial products transactions	Due to the uncertainty in the occurrence and scale of the business, the actual amount shall prevail
	Income from securities and financial products services	1,300
	Expenses for securities and financial products services	750
JIC Trust	Securities and financial products transactions	Due to the uncertainty in the occurrence and scale of the business, the actual amount shall prevail
	Income from securities and financial products services	10
	Expenses for securities and financial products services	5
Jiantou Holding	Securities and financial products transactions	Due to the uncertainty in the occurrence and scale of the business, the actual amount shall prevail
	Income from securities and financial products services	200
	Expenses for securities and financial products services	5
CITIC Urban Development	Securities and financial products transactions	Due to the uncertainty in the occurrence and scale of the business, the actual amount shall prevail
	Income from securities and financial products services	60,000
	Expenses for securities and financial products services	8,000

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## LETTER FROM THE BOARD

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Related party	Description of related party transactions	Estimated amount for 2025
CITIC Bank	Securities and financial products transactions	Due to the uncertainty in the occurrence and scale of the business, the actual amount shall prevail
	Income from securities and financial products services	5,000
	Expenses for securities and financial products services	8,000
CITIC Bank International	Securities and financial products transactions	Due to the uncertainty in the occurrence and scale of the business, the actual amount shall prevail

*Note 1:* As of December 31, 2024, none of the shareholders of the Company was an acting-in-concert person of Beijing Financial Holdings Group as prescribed under the Measures for the Administration of the Takeover of Listed Companies. Subsequently, if there are acting-in-concert persons of Beijing Financial Holdings Group who meet the aforementioned conditions, they will be included in the Company's management on related parties and related party transactions.

*Note 2:* As the Company is a financial institution whose main business is the provision of securities and financial products transactions and services, the execution and scale of trading businesses carry inherent uncertainties. By referring to the market practice, the expected amounts of securities and financial products transactions are based on the actual amount.

- Pursuant to the Hong Kong Listing Rules, expected connected transactions with shareholders holding more than 10% of the Shares of the Company and its subsidiaries, of which such connected persons include Beijing Financial Holdings Group and its subsidiaries.

It is expected that the types of connected transactions that may occur between the Company and Beijing Financial Holdings Group and its subsidiaries are securities and financial products transactions and services, of which the relevant transactions include but not limited to interbank lending, subscription of private placement bonds or income certificates, bonds, dealer-quoted bond repurchase, over-the-counter derivatives and other businesses; and relevant services include but not limited to the provision of securities and futures brokerage, bank deposits, asset management, distribution agency of financial products, sponsorship and underwriting, financial advisory and research services.



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## LETTER FROM THE BOARD

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The Company will continue to monitor the actual connected transactions with Beijing Financial Holdings Group and its subsidiaries in accordance with the requirements of the Hong Kong Listing Rules and estimate the applicable ratios of assets ratio, revenue ratio, consideration ratio, equity capital ratio and others under the Hong Kong Listing Rules based on the actual transactions. Once the applicable ratio reaches 0.1%, such connected transactions shall be implemented after consideration and approval by the Board and information disclosure procedures shall be carried out according to the rules; once the applicable ratio reaches 5%, such connected transactions shall be executed after consideration and approval by the Board and general meeting and information disclosure procedures shall be carried out according to the rules.

### ***II. Overview of the expected related/connected parties and related party/connected relationship***

#### ***(1) Related parties that are expected to be subject to related party transactions under the SSE Listing Rules***

1. Legal persons holding more than 5% Shares of the Company and their acting-in-concert persons

Beijing Financial Holdings Group: as of December 31, 2024, Beijing Financial Holdings Group directly held 35.81% of the Shares of the Company and is a related party under the SSE Listing Rules.

Beijing Financial Holdings Group was established on October 19, 2018, with FAN Yuanning as its legal representative, and a registered capital of RMB12,000 million. It carries out financial holding company business subject to the approval of the People's Bank of China.

The acting-in-concert persons of Beijing Financial Holdings Group refer to investors who act in concert with Beijing Financial Holdings Group in the Company's acquisitions and relevant activities involving equity changes in shares as defined in Article 83 of the Measures for the Administration of the Takeover of Listed Companies. As of December 31, 2024, there were no acting-in-concert persons of Beijing Financial Holdings Group as prescribed under the Measures for the Administration of the Takeover of Listed Companies. In 2025, if there are acting-in-concert persons of Beijing Financial Holdings Group who meet the aforementioned conditions, they will be included in the Company's management on related parties and related party transactions.

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## LETTER FROM THE BOARD

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### 2. Other related parties

- 2.1 Jincai Fund: Mr. LI Fang, Supervisor of the Company, also serves as a director of Jincai Fund. Jincai Fund was established on August 21, 2019, with the legal representative Zheng Xiaou and the registered capital of RMB100,000,000. Its business scope includes investment management and consulting for non-securities businesses, as well as equity investment management. Jincai Fund is also a subsidiary of Beijing Financial Holdings Group. The corporate basic information is sourced from the National Enterprise Credit Information Publicity System, and the same applies hereinafter.
- 2.2 JIC: Mr. Wang Xiaoguang, Supervisor of the Company, also serves as a director of JIC. JIC was established on June 21, 1986, with the legal representative Liu Zhihong and the registered capital of RMB20,692,250,000. Its business scope includes investment and investment management, asset management and disposal, corporate management, real estate leasing and consulting.
- 2.3 JIC Trust: Mr. Wang Xiaoguang, Supervisor of the Company, also serves as a director of JIC Trust. JIC Trust was established on August 27, 1979, with the legal representative Liu Gongsheng and the registered capital of RMB5,000,000,000. It operates business approved by the China Banking Regulatory Commission in accordance with relevant laws, administrative regulations and other provisions.
- 2.4 Jiantou Holding: Mr. Wang Xiaoguang, Supervisor of the Company, also serves as a director of Jiantou Holding. Jiantou Holding was established on December 19, 2006, with the legal representative Wan Jianfa and the registered capital of RMB2,000 million. Its business scope includes project investment, investment management, hotel management, property management, corporate management consultancy and equipment leasing.
- 2.5 CITIC Urban Development: Ms. Wang Hua, Director of the Company, served as a director of CITIC Urban Development<sup>1</sup>. CITIC Urban Development was established on May 7, 2015, with the legal representative Yang Jin and the registered capital of RMB13.68 billion. Its business scope includes real estate development, real estate brokerage, sales and rental of

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Note 1: Ms. Wang Hua resigned from her position as a director of CITIC Urban Development in June 2024.

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## LETTER FROM THE BOARD

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commercial properties, project investment, investment consulting, corporate management, catering management, property management and real estate information consultation.

2.6 CITIC Bank: Mr. Liu Cheng, Chairman of the Board and the Chairman of the Executive Committee of the Company, previously served as an executive director and president of CITIC Bank<sup>2</sup>. CITIC Bank was established on April 20, 1987, with the legal representative Mr. Fang Heying and the registered capital of RMB48,934,796,573. Its business scope includes concurrent insurance agency business, absorption of public deposits, granting of short, medium and long-term loans, domestic and overseas settlement, bill acceptance and discount, issuance of financial bonds, agency issuance business, agency payment, and underwriting of government bonds, trading in government bonds and financial bonds, placements with and from banks and other non-bank financial institutions, foreign exchange trading and agency foreign exchange trading, bank card business, L/C services and guarantee, agency receipt and payment, safe deposit box services, foreign exchange settlement and sales, open-ended funds agency business, gold business, gold import and export, custody services for securities investment funds, enterprise annuities, insurance funds and QFII, other businesses approved by the banking regulatory authority under the State Council.

2.7 CITIC Bank International: Mr. Liu Cheng, Chairman of the Board and the Chairman of the Executive Committee of the Company, previously also served as a director of CITIC Bank International<sup>3</sup>. CITIC Bank International is a fully licensed commercial bank incorporated in Hong Kong, and a controlling subsidiary of CITIC Bank. Its chief executive officer is Mr. Shen Qiang (沈強). CITIC Bank International has an issued share capital of HK\$18.404 billion and its business scope covers wealth management, personal banking, corporate banking services, as well as global markets and treasury solutions. The above information is sourced from the 2024 annual report of China CITIC Bank Corporation Limited and the official website of CITIC Bank International.

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Note 2: Mr. Liu Cheng resigned from his positions as an executive director and president of CITIC Bank in February 2025, was appointed as a senior management member of the Company in February 2025, and was further appointed as an executive Director of the Company in March 2025.

Note 3: Mr. Liu Cheng resigned from his position as a director of CITIC Bank International in February 2025, was appointed as a senior management member of the Company in February 2025, and was further appointed as an executive Director of the Company in March 2025.

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## LETTER FROM THE BOARD

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The above related parties fall within the scope of Article 6.3.3 of the SSE Listing Rules in respect of legal persons for which associated natural persons of the Company serve as Directors or senior management, legal persons that fell into the aforementioned circumstances in the past 12 months, and legal persons to which the principle of substance over form applies.

- (2) *Connected persons who are expected to have connected transactions under the Hong Kong Listing Rules*

As of December 31, 2024, Beijing Financial Holdings Group directly held 35.81% of the Shares of the Company and is a shareholder holding more than 10% of the Shares of the Company; Beijing Financial Holdings Group and its subsidiaries are connected parties under the Hong Kong Listing Rules. For details of the basic information of Beijing Financial Holdings Group, please refer to the information shown under “1. Legal persons holding more than 5% Shares of the Company and their acting-in-concert persons” above.

### ***III. Main contents and pricing principle of daily related party transactions/continuing connected transactions***

Daily related party transactions/continuing connected transactions of the Company that occur are in the ordinary business and priced based on market price level and with reference to industry practice. The pricing is fair and there is no circumstance which is detrimental to the interests of the Company and its non-related/connected Shareholders, in particular those of minority Shareholders.

### ***IV. Purpose of daily related party transactions/continuing connected transactions and the effect on the Company***

- (1) Such transactions are occurred in the normal course of business of the Company, which are conducive to the Company’s business development and facilitate the Company’s overall competitiveness.
- (2) Such transactions are priced based on market prices. The pricing principle is reasonable and fair and there is no circumstance which is detrimental to the interests of the non-related/connected Shareholders of the Company. The relations between the Company and related/connected parties are equal and mutually beneficial and there is no detriment to the rights and interests of the Company.

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## LETTER FROM THE BOARD

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- (3) Such transactions have no effect on the independence of the Company. The primary businesses of the Company do not rely on related/connected persons as a result.

The following matters are hereby proposed at the Shareholders' general meeting for consideration:

1. Approval for the expected daily related party transactions/continuing connected transactions of the Company with Beijing Financial Holdings Group and its acting-in-concert persons/subsidiaries in 2025;
2. Approval for the expected daily related party transactions of the Company with Jincai Fund in 2025;
3. Approval for the expected daily related party transactions of the Company with JIC in 2025;
4. Approval for the expected daily related party transactions of the Company with JIC Trust in 2025;
5. Approval for the expected daily related party transactions of the Company with Jiantou Holding in 2025;
6. Approval for the expected daily related party transactions of the Company with CITIC Urban Development in 2025;
7. Approval for the expected daily related party transactions of the Company with CITIC Bank in 2025;
8. Approval for the expected daily related party transactions of the Company with CITIC Bank International in 2025.

This resolution was considered and approved at the meetings of the Board and the Supervisory Committee and is hereby proposed at the Shareholders' general meeting for consideration on item-by-item basis. When the proposals are considered at the Shareholders' general meeting item by item, Shareholders who have conflicts of interests in relation to the above related party/connected transactions shall abstain from voting on the relevant matters.

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## LETTER FROM THE BOARD

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### **(9) Reappointment of 2025 Accounting Firms**

At the 2023 Annual General Meeting, the Company appointed KPMG Huazhen LLP and its overseas member firm, KPMG (collectively referred to as “KPMGs”), as the external auditors of the Company for 2024, which should be responsible for the provision of the relevant annual audit and interim review services in accordance with the China Accounting Standards for Business Enterprises and the International Financial Reporting Standards, respectively. KPMGs performed their duties in accordance with the professional standards of independence, objectivity and impartiality, and successfully completed the relevant audit and review work.

Having conducted a comprehensive evaluation of the 2024 annual audit and review services provided by KPMGs, KPMGs have the qualifications for acting as an accounting firm for financial enterprises under the Administrative Measures for State-owned Enterprises and Listed Companies to Select and Appoint Accounting Firms prescribed by the Ministry of Finance. Their independence and integrity are in compliance with regulatory requirements, and they have the experience and expertise to continue to provide audit services to the Company. It is proposed to re-appoint KPMGs as the Company’s external audit agencies in 2025. For details of KPMGs, please refer to the announcement of the Company on the re-appointment of the accounting firm dated March 27, 2025 which was published on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)).

The following matters are hereby proposed at the Shareholders’ general meeting for consideration:

1. Approval for the reappointment of KPMG Huazhen LLP and its overseas member firm, KPMG, as the external auditors of the Company for 2025, which shall be responsible for the provision of the relevant annual audit and interim review services in accordance with the China Accounting Standards for Business Enterprises and IFRSs, respectively.
2. Approval for the reappointment of KPMG Huazhen LLP as the auditor for internal control of the Company for 2025.
3. Approval for aforesaid domestic and overseas audit and review fees shall not exceed RMB3.825 million in total (excluding the audit fee of the subsidiaries, of which RMB0.32 million is the audit fee for internal control), and the Shareholders’ general meeting is requested to authorize the Board to determine the specific fees based on the scope and content of the actual audit and review in the event that the change of the scope and content of the audit and review lead to an increase in fees.

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## LETTER FROM THE BOARD

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This resolution has been considered and approved by the Board and is hereby submitted to the Shareholders' general meeting for consideration.

### 3. RESPONSIBILITY STATEMENT

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

### 4. ANNUAL GENERAL MEETING

The 2024 Annual General Meeting will be held at 2:30 p.m. on Friday, June 27, 2025 at the Conference Room, 13/F, Taikang Group Tower, Building 1, Courtyard 16, Jinghui Street, Chaoyang District, Beijing, the PRC. The notice of the Annual General Meeting is set out on pages 67 to 70 of this circular.

A form of proxy to be used at the Annual General Meeting, is enclosed. If you intend to appoint a proxy to attend the Annual General Meeting, please complete and return the enclosed proxy form in accordance with the instructions printed thereon. For H Shareholders, the proxy form or any other authorization documents should be returned to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, which is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or at any adjourned meeting if you so wish.

In order to determine the list of Shareholders who are entitled to attend the Annual General Meeting, the Company will close the register of members of H Shares during the period from Tuesday, June 24, 2025 to Friday, June 27, 2025 (both days inclusive), during which no registration of Shares will be made. H Shareholders who wish to attend the Annual General Meeting are required to send all the transfer documents together with the relevant share certificates to Computershare Hong Kong Investor Services Limited which is at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to register before 4:30 p.m. on Monday, June 23, 2025. At the close of business of the aforementioned date, H Shareholders registered in Computershare Hong Kong Investor Services Limited or the office of the Board of Directors of the Company (if applicable) are entitled to attend the Annual General Meeting.

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## LETTER FROM THE BOARD

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### 5. VOTING BY POLL

In accordance with Rule 13.39(4) of the Hong Kong Listing Rules, any vote made by the Shareholders at the Annual General Meeting shall be conducted by way of poll, except where the chairman of the meeting, in good faith, decides to allow a resolution which only relates to a procedural or administrative matter to be voted. Accordingly, the resolutions proposed at the Annual General Meeting will be voted by way of poll.

In considering and approving the resolution on the Company's expected daily related party transactions/continuing connected transactions in 2025 (resolution number 8), Beijing Financial Holdings Group (the number of Shares held in the Company was 2,684,309,017 A Shares and 93,080,000 H Shares, representing 34.61% and 1.20% of the total number of Shares of the Company, respectively) is interested in the expected daily related party transactions/continuing connected transactions between the Company and Beijing Financial Holdings Group and its acting-in-concert persons/subsidiaries, the Company and Jincai Fund in 2025. Therefore, it will abstain from voting on the relevant sub-proposals of the resolution at this AGM. Central Huijin Investment Ltd. (the number of Shares held in the Company was 2,386,052,459, representing approximately 30.76% of the total number of Shares of the Company) is interested in the expected daily related party transactions between the Company and JIC, the Company and JIC Trust, the Company and Jiantou Holding in 2025. Therefore, it will abstain from voting on the relevant sub-proposals of the resolution at this AGM. CITIC Financial Holdings Co., Ltd. (the number of Shares held in the Company was 351,647,000, representing approximately 4.53% of the total number of Shares of the Company) is interested in the expected daily related party transactions between the Company and CITIC Urban Development, the Company and China CITIC Bank, the Company and CITIC Bank International in 2025. Therefore, it will abstain from voting on the relevant sub-proposals of the resolution at this AGM.

### 6. RECOMMENDATIONS

The Directors consider that all resolutions proposed above are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be submitted at the 2024 Annual General Meeting.

By order of the Board  
**CSC Financial Co., Ltd.**  
**LIU Cheng**  
*Chairman*

Beijing, the PRC  
May 29, 2025



2024 marked a pivotal year for fully implementing the strategic deployment of high-quality economic development set out at the 20th National Congress of the Communist Party of China (CPC), and for advancing the achievement of the goals under the 14th Five-Year Plan. Facing a complex internal and external environment, the Board adhered to national strategic directives by optimising asset structures, enhancing governance mechanisms, strengthening risk control and compliance frameworks, proactively identifying breakthrough opportunities, cultivating growth drivers, and steadily advancing the development of a first-class investment bank. According to China Accounting Standards for Business Enterprises, in 2024, the Company achieved consolidated operating revenue of RMB21.129 billion, a net profit attributable to equity holders of the Parent Company of RMB7.223 billion. As of the end of 2024, the total consolidated assets of the Company amounted to RMB566.418 billion, the equity attributable to equity holders of the Parent Company amounted to RMB106.469 billion, and the return on weighted average equity was 8.22%. The Company maintained its momentum of high-quality and steady growth, and continued to enhance its ability and effectiveness in serving real economy. In 2024, the principal work of the Board was as follows:

## **I. MEETINGS OF THE BOARD AND ITS SPECIAL COMMITTEES IN 2024**

In 2024, the Board convened a total of 14 meetings for the consideration/review of 72 resolutions and reports; and convened a total of 7 Shareholders' general meetings for the consideration/review of 27 resolutions and reports. In addition to the election of Directors and Supervisors, final financial accounts plan, profit distribution plan, amendments to the Articles of Association, related party transactions/continuing connected transactions, reappointment of accounting firms, and other resolutions which were required to be submitted to the general meeting for consideration, the Board also considered resolutions on matters such as appointment and removal of senior management personnel, risk management policies, remuneration of senior management, external donations, periodic reports, compliance reports, risk reports and internal control evaluation reports, and facilitated the effective implementation of various resolutions upon approval, promoting the sustainable and healthy development of the Company.

The Board of the Company has established four special committees, namely the Development Strategy Committee, the Risk Management Committee, the Audit Committee and the Remuneration and Nomination Committee. Each committee conducts in-depth research on specific issues and actively expressed opinions in accordance with the working responsibilities and rules of procedure to facilitate scientific and efficient decision making by the Board.

The Development Strategy Committee of the Board convened three meetings for the consideration and discussion of four resolutions, topics of which include the Company's operation, work plans, financial plans, amendments to its rules of procedure and other issues.

The Risk Management Committee of the Board convened four meetings for the consideration and discussion of seven resolutions and hearing of three reports, topics of which include risk report, compliance report, internal control evaluation report, anti-money laundering report, risk management policy, amendments to its rules of procedure and other issues.

The Audit Committee of the Board convened nine meetings for the consideration and discussion of 18 resolutions and hearing of three reports, topics of which include internal audit report, external audit plan and report, periodic report, internal control evaluation report, related party transactions/continuing connected transactions, re-appointment of accounting firms, appointment of chief financial officer and other issues.

The Remuneration and Nomination Committee of the Board convened nine meetings for the consideration and discussion of 15 resolutions and hearing of one report, topics of which include appointment of senior management personnel, assessment on compliance responsible person, qualification review of candidates for directorship, remuneration arrangements of senior management personnel, total payroll management, the Board diversity policy and other issues.

## II. IMPLEMENTATION OF MAJOR TASKS OF THE BOARD OF DIRECTORS FOR 2024

### (I) Implementing national strategies and fulfilling corporate commitment

Guided by the strategic goal of building a first-class investment bank, the Board fully supported and supervised the management in effectively implementing national strategies and focusing on the “Five Major Areas” (五篇大文章). **Many indicators in technology finance ranked among the top three in industry.** The Company sponsored 4 IPOs from Beijing Stock Exchange, with the lead underwriting amount of RMB889 million, each ranking No. 1 in the industry, respectively. Moreover, the Company sponsored 11 IPO projects in strategic emerging industries and 9 IPO projects for national-level “little giant” enterprises that used special and sophisticated technologies to produce novel and unique products. The number of sponsorships conducted by the Company ranked No. 1 in the industry. The Company led the underwriting of a total of 299 technology innovation corporate bonds (including assets-backed securities) and technology innovation instruments, with a lead underwriting scale of RMB100.4 billion. In particular, the Company ranked third in the industry in terms of the amount of lead underwriting of technology innovation instruments. **The Company achieved multiple “first of its kind” breakthroughs in green finance,** leading the underwriting of 4 green equity financing projects with a scale of RMB4.1 billion and 107 green bonds with a scale of RMB57.3 billion. It completed the first privately-owned onshore wind power-Mingyang Smart public REITs project, and assisted Huaneng Renewables in completing the largest private equity financing project in the new energy industry for the year; launched the first batch of carbon quota repurchase transactions in the Shanghai carbon market, and completed the first market-based return swap transactions linked to the CFETS interbank high-grade green bond index. **In inclusive finance and pension finance, the Company explored multiple**

**innovative models**, including the Inclusive Finance Digital Intelligence Center model, with the establishment of a Central China sub-center. It promoted the role of “insurance + futures” and OTC options in risk management and service protection in the field of contract farming. It also independently developed and launched the Jiaxin series (家鑫系列) products in the area of pension services. **In digital finance, the Company deepened the integration of “Artificial Intelligence +” into its operations.** In “AI + customer service”, it implemented telephone robots, agent-assistance systems and intelligent outbound call systems. In “AI + investment research”, it developed the “Zhiwen” (智問) system, capable of automatic document review, extraction of market highlights and parsing of audio and video conferences. In “AI + investment”, it applied AI to scenarios such as research report analysis, alternative factor processing and market penetration analysis, and was among the first to deploy the DeepSeek model locally. In “AI + investment advisory”, it integrated multi-dimensional data and applied a range of algorithms to optimise intelligent investment advisory strategies. In “AI + fixed income”, it achieved automated responses to bond and derivative pricing enquiries, market comparison and quote transmission. In “AI + risk control”, it enabled functions such as profiling of client groups, identification of suspected concerted action relationships, identification of related parties and early warning of financial fraud. In “AI + office operations”, it developed the “Zhiyuan” (智遠) AI platform to enhance the efficiency of employees’ office work.

## (II) Optimising liability structure and controlling financial costs

The Board focused on high-quality development requirements, on the premise of ensuring risk control indicators continue to meet the requirements of external regulation and internal control, supervised the executive management to improve the foresight, initiative and systematisation in financing work, continuously promoted subordinated capital replenishment, constantly optimised the liability term structure and effectively controlled financial costs.

In 2024, in order to continuously meet the debt financing needs, the Company actively executed domestic and overseas debt financing under the authorisation of the Board and the general meetings, aligning with debt maturity profiles and the needs of its buy-side business. This involved dynamically capitalising on market opportunities and continuously improving its financing efficiency. The Company has strengthened the refined management and control of liquidity indicators and rationally coordinated the scale and term structure of assets and liabilities to effectively enhance the allocation efficiency while ensuring liquidity safety. During the year, the Company issued RMB45.5 billion mid-to long-term bonds in an accumulative manner on the Shanghai Stock Exchange, of which the balance of 10-year bonds increased by RMB3.0 billion to RMB12.0 billion, which effectively replenished the long-term stable capital while meeting the capital requirements of various businesses, laying a solid foundation for the Company’s steady development, and at the same time continued to reduce the cost of financing, with the weighted interest rate of debt financing declining for consecutive years.

**(III) Strengthening risk control compliance and improving the efficiency and effectiveness of internal control management**

The Board has consistently insisted on the principle of full coverage of risk management and control, enhanced risk compliance and internal control management systems, and practiced a sound risk compliance management culture.

The Board regularly reviewed the management effectiveness of the Company's risks, compliance and internal controls by considering/reviewing proposals on risk management policy, risk report, compliance report, anti-money laundering report, anti-money laundering plans and internal audit systems, and by listening to special reports on risk, compliance and audit management.

The Board facilitated the enhancement of the comprehensive risk management system by expanding coverage to include new businesses and emerging risk types, such as country-specific risks and ESG risk, and by strengthening risk control in key areas. The Board also advanced risk appetite management, concentration management and key risk assessments in capital management; reinforced customer management to improve risk identification and management at the customer level; promoted digital transformation of compliance management to enable digital management capabilities in risk prevention and control; and enhanced internal audit system development and strengthened the internal audit framework to provide a strong audit safeguard to promote and support the Company's implementation of the annual key initiatives.

In 2024, all risk control indicators of the Company were in compliance with the regulatory requirements and the risk appetite, risk tolerance and risk limits set by the Board.

**(IV) Improving information disclosure and deepening investor relationship management**

The Board strictly complied with domestic and overseas information disclosure regulatory requirements, and performed the obligation of information disclosure in compliance with the laws and regulations. In 2024, the Company prepared and disclosed four quarterly reports across 16 versions and more than 200 other information disclosure documents in relation to the A Shares and H Shares markets, ensuring disclosures were truthful, accurate, complete and timely. The Company received the highest rating level of "A" in the Shanghai Stock Exchange's 2023-2024 evaluation of listed companies' information disclosure practices.

The Board has continuously maintained robust investor communication mechanisms to comprehensively enhance value delivery quality and efficiency. The Company strengthened its engagement with investors through performance briefings, roadshows and investor research activities to promote full market understanding on

the Company's investment value. The Company was selected as one of the "Best Practices for 2023 Annual Report Performance Briefings" by the China Association for Public Companies. At the same time, through the investor contact hotline, contact email and "SSE E Interactive" platform, the Company responded to investors' questions in a timely manner and provided more convenient communication ways for the investors' understanding on the Company. The Company has actively implemented a multiple-dividend policy within the year. During the reporting period, the Company distributed dividends for 2023 of RMB2.50 per 10 Shares (tax inclusive) and an interim dividend for 2024 of RMB0.90 per 10 Shares (tax inclusive) to Shareholders with a cumulative cash dividend of RMB16,558 million since the listing of the H Shares in December 2016 through a stable cash dividend policy to create value for Shareholders.

**(V) Actively fulfilling the social responsibility and establishing a good corporate image**

The Company fully implemented the new development concept, actively implemented the deployment requirements of the national "dual-carbon" strategy and the "Five Major Areas" in Finance. We provided financial support for green and low-carbon industries through conducting equity financing, debt financing, financial advisory, industrial investment and carbon finance and other businesses. In 2024, the Company assisted enterprises in clean energy and ecological and environmental protection industry to complete 4 green equity financing projects, with an underwriting amount of RMB4.1 billion, and helped listed companies in green industry complete major asset restructuring transactions amounting to RMB7.6 billion; led the underwriting of 107 green bonds, with an underwriting scale of RMB57.3 billion, and total financing scale of RMB193.0 billion, among which, there were 31 carbon neutral bonds, with a lead underwriting scale of RMB23.1 billion, and total financing scale of RMB39.1 billion. The Company continued to obtain A of MSCI ESG rating and was included in S&P Global Sustainability Yearbook 2024 (China Edition) and "2024 Best Practice Case of Sustainability in Listed Companies" (2024年上市公司可持續發展最佳實踐案例) by China Association for Public Companies.

The Company continued to advance rural revitalisation initiatives, completing 16 bond financing projects in poverty alleviation areas, with an underwriting amount of RMB9.2 billion and a total financing scale of RMB16.1 billion. The subsidiary China Futures Co., Ltd. launched over 100 "insurance + futures" projects, covering insured goods valued at approximately RMB1.7 billion and with total claims payments of approximately RMB33.64 million. The Company had annual external public welfare expenditures and support funds of approximately RMB17.91 million with consumption support of RMB20.7379 million.

**(VI) Strengthening the self-improvement and enhancing corporate governance capability**

The Board has continuously strengthened its self-improvement, and continued to enhance corporate governance capability. Firstly, the Board improved the governance system by promptly amending the Articles of Association, optimising corporate governance procedures, and strengthening the performance of duties by independent Directors, to enhance the compliance and effectiveness of corporate governance. Secondly, the Board strengthened strategic management by conducting in-depth research on the capital market and securities industry and preparing special reports to provide strategic support to Directors in the performance of their duties. Thirdly, the Board strengthened training and research, and organised internal trainings and made coordination to participate in special trainings organised by Shanghai Stock Exchange, The Listed Companies Association of Beijing and China Association for Public Companies for a total of 102 person-times throughout the year, with topics including the interpretation of regulations, policies and market trend, new quality productive forces and high-quality development, norms for the performance of duties by independent Directors, and corporate integrity for listed companies. Research was also conducted on topics such as implementing national strategic, corporate business development, and institutional capacity building. Fourthly, the Board strengthened the team building of its working departments, enhanced its staffing and information management capability and kept improving the operational capacity of the Board's affairs. The Board's working departments of the Company was recognised as the "2024 Best Practice Case of Board Offices of Public Companies" by the China Association for Public Companies.

**III. PERFORMANCE OF DUTIES OF DIRECTORS IN 2024**

In 2024, the Directors of the Company strictly complied with the relevant provisions of the laws and regulations, the listing rules and the Articles of Association, fulfilled their respective duties, and continuously promoted the enhancement of governance effectiveness. All Directors actively participated in the meetings of the Board, fully communicated and conducted research before the meetings, seriously deliberate the proposals at the meetings, and made use of their professional expertise and experience to actively express constructive opinions and suggestions, which strongly ensured scientific decision-making and efficient operation of the Board, earnestly safeguarded Shareholders' rights and interests and promoted the sustainable and healthy development of the Company.

The executive Directors earnestly performed their dual duties in decision making and execution, actively implemented the resolutions of Shareholders' general meetings and Board, and conducted in-depth study of the development and operating strategies of the Company to boost the Company to achieve outstanding operating results. Non-executive Directors played an active role in strengthening internal control and management and achieving stable operation based on the preservation and enhancement of the value of

state-owned assets. Independent Directors focused on the protection of the legitimate rights and interests of small and medium-sized shareholders, and gave full play to their roles in participating in the decision-making, supervision and balance, and professional consultation.

In 2025, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Board will continue to implement the directives of the Central Financial Work Conference and the Central Economic Work Conference, and uphold the political and people-oriented nature of financial work. It will strengthen its functional role, adhere to right operational principles and performance objectives, enhance and strengthen the “Financial Core”, and accelerate the establishment of a first-class investment bank, thereby creating greater value for Shareholders and society.

This proposal has been considered and approved by the Board and is hereby submitted to the Shareholders’ general meeting for consideration.



**I. IMPLEMENTATION OF MAJOR TASKS OF THE SUPERVISORY COMMITTEE FOR 2024**

In 2024, the Supervisory Committee of the Company participated in the review of the material decisions of the Company with strict compliance with relevant provisions of the Company Law, Securities Law and the Articles of Association. It regularly inspected the financial condition and operations of the Company as well as its business operation and risk and compliance management, supervised the performance of the Board of the Company, executive management and its respective members, and actively safeguarded the legitimate interests of the Shareholders, Company, employees and other stakeholders. The Supervisory Committee performed its duties of supervision conscientiously and gave full play to its supervisory role in corporate governance.

In 2024, the Supervisory Committee of the Company held eleven Supervisory Committee meetings in total, during which 26 resolutions were considered and passed. The Supervisors of the Company observed all Board Meetings and considered resolutions proposed at the meetings. The Supervisors of the Company observed all 2024 Shareholders' general meetings and supervised the implementation of resolutions. In 2024, the Supervisory Committee of the Company focused on the following tasks:

**(I) Paying attention to the significant matters of the Company and earnestly performing the day-to-day duty of supervision**

In 2024, Supervisors of the Company observed the Board Meetings and Shareholders' general meetings. The chairman of the Supervisory Committee of the Company attended meetings of the Executive Committee of the Company and gave full play to its role in supervision, support and guarantee. The Supervisory Committee carefully supervised the implementation of the resolutions of the Shareholders' general meetings by the Board, supervised the performance of the Company's senior management, paid attention to the whole implementation process of the development plan, business plan and work objectives by the executive management, and actively safeguarded the legitimate interests of Shareholders.

The members of Supervisory Committee made full use of the right to information, the right to propose, the right to inquire, the right to examine and the right to investigate, supervised the major matters such as the Company's information disclosure, management of related/connected transactions, final financial accounts plan and profit distribution plan on the basis of inspecting the Company's finance and business and supervising the performance of directors and senior management, performed its supervision duties conscientiously, and gave full play to its supervision role in corporate governance.



**(II) Improving the Company's anti-risk capability with internal audit**

In 2024, the Supervisory Committee guided the Audit Department to further clarify the positioning of audit as “identifying problems, solving problems, preventing risks and creating value” by focusing on the work target of the Company, actively implemented the annual key work, and conscientiously fulfilled the important responsibility of internal audit as the third line of defense in the Company's risk management system.

In 2024, the Company carried out a total of 191 internal audit cases, including 39 audit projects at headquarters, 3 audit projects at subsidiaries and 149 audit cases at branch offices. The scope of the audit covered the special audits of the effectiveness evaluation of the Company's internal control, the effectiveness evaluation of compliance management, the management of anti-money laundering, the management of capital expenditure, the management of information technology, the investment banking business, the sales business of financial products, the brokerage business, the securities proprietary business, the custody business and others, as well as the special audit of controlled subsidiaries.

**(III) Organising and conducting compliance management, internal effectiveness audit assessment to promote further improvement of the company's internal control mechanism**

The Supervisory Committee instructed Audit Department to take the lead in organizing the legal compliance department, the risk management department and other departments, evaluating the effectiveness of the Company's compliance management for the year 2024, focusing on the compliance risk matters during the evaluation period, to identify compliance management deficiencies, to analyze the causes of the deficiencies, to track correction and accountability as well as rectification in terms of system and mechanism construction and operation to further improve the effectiveness of compliance management.

The Supervisory Committee instructed Audit Department to strengthen the audit supervision of internal control to evaluate the effectiveness of the Company's internal control for the year 2024, at the same time, to launch a special evaluation of the effectiveness of internal control in respect of major matters such as the investment banking business, related party transactions and others in conjunction with regulatory requirements, and to conduct a comprehensive evaluation on the Company's internal control in respect of internal environment, risk identification, control activities, information and communication and internal supervision and other elements.

After evaluation, the Supervisory Committee is of the view that the Company has respectively established and effectively implemented a management system for the businesses and matters that have been included in the scope of evaluation, which

have achieved the Company's objectives of compliance management, and there is no significant compliance risk. However, there is room for improvement. Based on the identification of internal control deficiencies in financial report of the Company, the Company did not have any internal control deficiencies in financial report as at the base date of the internal control evaluation report; based on the identification of internal control deficiencies in non-financial report of the Company, the Company did not identify significant and material deficiencies in internal control in non-financial report as at the base date of the internal control evaluation report.

**(IV) Emphasizing investigation and research and training of duty performance, fully playing the role of support and guarantee**

Investigation and research are effective means for the Supervisory Committee to perform duties. In 2024, following the national development strategy and focusing on the development of the Company's core business, the Supervisory Committee successively conducted special research and studies on initiatives, including efforts to advance the specialised work of "Five Major Areas" in Finance, the development of fund business operations and the establishment of third-tier branch offices. By conducting face-to-face research with business departments, subsidiaries and branches, the Supervisory Committee fully understood the current status of the Company's business development, coordinated and resolved problems affecting business development, and better escorted the steady development of the Company.

Adequate training is necessary for Supervisors to enhance their ability to perform duties. Supervisors of the Company received continuous training on duty performance, covering topics such as interpretation of domestic and foreign laws and regulations, policies and market trend, and performance standards; newly appointed Supervisors also received training on first appointment, covering topics such as national strategy and industry development, corporate governance, and corporate management. The training of Supervisors of the Company met the requirements of regulatory authorities and stock exchanges, and the average duration of training related to the performance of their duties exceeded 15 hours.

**II. MEETINGS OF SUPERVISORY COMMITTEE AND PERFORMANCE OF DUTIES OF THE SUPERVISORS IN 2024**

In 2024, the Supervisory Committee of the Company held eleven meetings in total and the relevant information of the meetings are as follows:

- (1) On March 28, 2024, the 33rd meeting of the second session of the Supervisory Committee of the Company considered and approved the Resolution on the 2023 Work Report of the Supervisory Committee of the Company, the Resolution on 2023 Internal Audit Work and 2024 Work Plan of the Company, the Resolution on the 2023 Final Financial Accounts Plan of the Company, the Resolution on the Profit Distribution Plan of the Company in 2023, the Resolution on the 2023 Annual

Report of the Company, the Resolution on the 2023 Compliance Report of the Company, the Resolution on the 2023 Internal Control Evaluation Report of the Company, and the Resolution on the 2023 Social Responsibility & Environmental, Social and Governance (ESG) Report of the Company.

- (2) On April 3, 2024, the 34th meeting of the second session of the Supervisory Committee of the Company considered and approved the Resolution on Nomination of Candidates for Shareholder Representative Supervisors of the Third Session of the Supervisory Committee of the Company.
- (3) On April 29, 2024, the Resolution on the 2024 First Quarterly Report of the Company, the Resolution on the 2023 Risk Report of the Company, the Resolution on the 2023 Anti-Money Laundering Work Report of the Company, the Resolution on the 2024 Anti-Money Laundering Work Plan of the Company were considered and approved at the 35th meeting of the second session of the Supervisory Committee of the Company.
- (4) On April 30, 2024, the 1st meeting of the third session of the Supervisory Committee of the Company considered and approved resolutions including the Resolution on Exemption from Prior Notification Time Requirements of Meetings of the Supervisory Committee, and the Resolution on Election of the Chairman of the Supervisory Committee of the Company.
- (5) On May 30, 2024, the 2nd meeting of the third session of the Supervisory Committee of the Company considered and approved resolutions including the Resolution on the Interim Profit Distribution Plan in 2024, and the Resolution on the Expected Daily Related Party Transactions/Continuing Connected Transactions of the Company in 2024.
- (6) On July 8, 2024, the 3rd meeting of the third session of the Supervisory Committee of the Company considered and approved the Resolution on Amendments to the Articles of Association, the Rules of Procedure of Shareholders' General Meeting and the Rules of Procedure of the Supervisory Committee.
- (7) On August 29, 2024, the 4th meeting of the third session of the Supervisory Committee of the Company considered and approved resolutions including the Resolution on the 2024 Semi-annual Report of the Company and the Resolution on the 2024 Interim Internal Audit Work Report.
- (8) On September 26, 2024, the 5th meeting of the third session of the Supervisory Committee of the Company considered and approved the Resolution on the 2024 Interim Profit Distribution Plan of the Company.

- (9) On October 30, 2024, the 6th meeting of the third session of the Supervisory Committee of the Company considered and approved the Resolution on the 2024 Third Quarterly Report of the Company.
- (10) On November 28, 2024, the 7th meeting of the third session of the Supervisory Committee of the Company considered and approved the Resolution on Amendments to Measures for Internal Audit Management of the Company.
- (11) On December 20, 2024, the 8th meeting of the third session of the Supervisory Committee of the Company considered and approved resolutions including the Resolution on the Exemption of Prior Notice Period of Supervisory Committee Meeting, the Resolution on Nomination of Shareholder Representative Supervisors of the Company and the Resolution on Election of Convener of Supervisory Committee of the Company.

### **III. SPECIAL OPINION ISSUED BY THE SUPERVISORY COMMITTEE IN 2024**

In 2024, the Supervisors of the Company attended the Board Meetings and Shareholders' general meetings and reviewed the meeting resolutions, supervised and inspected major decisions of the Company, major operating activities and the financial position of the Company, supervised the performance of Directors and senior management, and issued the following special opinions on this basis:

- (1) In 2024, the Company was able to maintain sound operation in strict accordance with the Company Law, the Securities Law, the Articles of Association and regulatory requirements, the corporate governance procedures were legal and compliant, the internal control mechanism was sound and effective, and the Supervisory Committee raised no objection of the supervision matters during the reporting period.
- (2) In 2024, the financial condition of the Company was good. The reporting accountant of the Company had audited the annual financial report and issued standard auditors' report without qualified opinions. The financial report truly and objectively reflects the Company's financial conditions and operating performance.
- (3) In 2024, the management level of the Company's information disclosure affairs and the quality of information disclosure were steadily improved to protect the legitimate rights and interests of investors. At the same time, the reporting, transmission, review and disclosure of major events of the Company complied with the provisions of the Administrative Measures for Corporate Information Disclosure (《公司信息披露事務管理辦法》) and other systems, and were well implemented.
- (4) In 2024, the audit opinion of the Supervisory Committee on the Company's regular reports was as follows: the preparation and review procedures of the regular report complied with the relevant requirements of relevant laws, regulations, normative

documents and the Articles of Association and other internal systems; the content and format complied with the requirements of regulatory authorities and stock exchanges, and could truthfully, accurately, completely and objectively reflect the operational management and financial position of the Company. There was no objection to the content of the report, and no violation of the confidentiality of insider information by the personnel involved in the preparation and review of the report.

- (5) In 2024, the consideration, voting, disclosure and performance of the Company's daily related party transactions/continuing connected party transactions were in compliance with the relevant provisions of the laws and regulations and the Articles of Association. The Company's daily related party transactions/continuing connected party transactions were priced with reference to market price levels and industry practices, and the pricing was fair. No circumstance was found to be detrimental to the interests of the Company and its shareholders, in particular minority shareholders.

In addition, the Supervisory Committee supervised the implementation of the cash dividend policy by the Board, the fulfilment of relevant decision-making procedures and information disclosure requirements, and no violation of the relevant provisions was identified.

#### **IV. ASSESSMENT ON PERFORMANCE OF DUTIES OF THE BOARD AND THE EXECUTIVE MANAGEMENT**

##### **(1) Assessment on the performance of duties of the Board and its members**

In 2024, the Board adhered to the political and people-oriented nature of financial work, promoted the organic integration of Party leadership and corporate governance, insisted on the concepts of compliance and sustainable development, continued to improve the quality and efficiency of operation and management, and furthered to achieve good operating results. In particular:

In terms of strategic management, the Board adhered to the guidance of XI Jinping Thought on Socialism with Chinese Characteristics for a New Era, closely aligned with the spirit of the 20th CPC National Congress, the Second Plenary Session of the 20th Central Committee, the Central Financial Work Conference and the Central Economic Work Conference, and led the executive management to comprehensively advance the development of Five Major Areas in Finance, including technology finance, green finance, inclusive finance, pension finance and digital finance, as part of our efforts to contribute to the growth of new quality productive forces. The Board remained committed to serving national strategies as its primary objective and led the Company's businesses towards high-quality development.

In terms of corporate governance, the Board worked to promote the sustainable and healthy development of the Company by organizing meetings of the Board and special committees of the Board, convening Shareholders' general meetings and making scientific decisions on major issues of operation and management in accordance with the authorization system of the Company. It continued to advance the replenishment of subordinated capital and continuously optimized the maturity structure of liabilities to achieve effective control of financing costs. It also improved the information disclosure mechanism to earnestly protect investors' right to know, and optimized the diversified Shareholder communication mechanism to actively respond to the concerns of investors, especially small and medium-sized investors.

In terms of risk and compliance management, the Board adhered to the concept of full coverage of risk management and control, continuously optimized the risk management system and enhanced risk management capability effectively. It advocated and promoted the development of a compliance culture, continuously evaluated the effectiveness of the Company's compliance management, and supervised the resolution of issues in compliance management. During the year, the Board continued to increase its supervision over the important work of risk and compliance management, conducted periodic reviews of risk exposure and compliance management effectiveness and optimized the internal control and management mechanism in a timely manner to ensure that business risks of the Company are controllable, measurable and bearable.

In terms of social responsibility, the Board actively pushed forward culture building, thoroughly implemented the national "dual carbon" strategy and the deployment requirements of the "Five Major Areas" in Finance, and actively incorporated ESG factors into corporate governance, business strategy and risk management. The Company has been obtained A of MSCI ESG rating for two consecutive years. It was listed in S&P Global Sustainability Yearbook 2024 (China Edition) and "2024 Best Practice Case of Sustainability in Listed Companies" (2024年上市公司可持續發展最佳實踐案例) by China Association for Public Companies.

In 2024, members of the Board strictly complied with laws and regulations, regulatory requirements and the Articles of Association, and complied with the regulations on clean practices, and faithfully and diligently discharged their duties and responsibilities, thereby strongly safeguarding the scientific decision-making and efficient operation of the Board. No Director of the Company has been found to have violated any laws and regulations, the Articles of Association or resolutions of the general meeting in the performance of duties.

**(2) Assessment on the performance of duties of the executive management and senior management**

In 2024, amidst a complex market environment, the Company's executive management continued to strengthen the leadership and political guidance of the Party, served the real economy and national strategy in an all-round manner, and united all cadres and employees to work hard to ensure that the Company maintained high-quality development. Core indicators of the Company's major businesses continued to rank at the forefront of the market, with some hitting a new record high, and the Company fairly accomplished its full-year operating tasks.

Senior management personnel of the Company strictly complied with laws and regulations, regulatory requirements and the Articles of Association, and complied with the regulations on clean practices. They have been diligent and cooperative in exercising their operation and management duties in compliance with the law and regulations to ensure the efficient operation of the Company's management work. No senior management personnel of the Company have been found to have violated any laws and regulations, the Articles of Association or resolutions of the general meeting or the Board in the performance of duties.

This proposal has been considered and approved by the Supervisory Committee and is hereby submitted to the Shareholders' general meeting for consideration.



The external auditors have audited and confirmed the financial statement of the Company for the year 2024, and issued an audit report with standard unqualified opinion. According to their opinion, the Company's financial statement has been prepared in accordance with the provisions of the China Accounting Standards for Business Enterprises and IFRSs, and has fairly reflected its financial position as of December 31, 2024 and its operating results and cash flows in 2024 in each major aspect. The reports of financial position, operating results and other related matters of the Company (unless otherwise stated, the financial data in this resolution are based on the data from the audited consolidated statements (A Shares), involving Shareholders' equity, net profit, and total comprehensive income based on those attributable to the Shareholders of the Parent Company) are presented below for your consideration.

### Financial position and operating results of the Company for 2024

Item (RMB'00 million)	A-Share Statement			H-Share Statement		
	End of 2024	End of 2023	Increase/ Decrease	End of 2024	End of 2023	Increase/ Decrease
Total assets	5,664.18	5,227.52	8.35%	5,664.18	5,227.52	8.35%
Total liabilities	4,598.99	4,252.26	8.15%	4,598.99	4,252.26	8.15%
Shareholders' equity	1,064.69	974.78	9.22%	1,064.69	974.78	9.22%
Net capital	746.75	668.59	11.69%	746.75	668.59	11.69%

Item (RMB'00 million)	A-Share Statement			H-Share Statement		
	2024	2023	Increase/ Decrease	2024	2023	Increase/ Decrease
Operating revenue/total revenue and other income	211.29	232.43	-9.10%	322.16	339.79	-5.19%
Operating revenue/total revenue and other income (excluding bulk trade revenue, etc.)	190.17	209.77	-9.34%	301.05	317.14	-5.07%
Operating expenses/total expenses	123.45	137.45	-10.18%	235.34	256.15	-8.12%
Operating expenses/total expenses (excluding bulk trade expenses, etc.)	102.69	114.95	-10.67%	214.58	233.66	-8.17%
Net profit	72.23	70.34	2.68%	72.23	70.34	2.68%
Total comprehensive income	78.21	73.05	7.06%	78.21	73.05	7.06%

*Note:* In the financial statement of A Shares and H Shares, the difference between operating revenue and operating expenses mainly represents revenue and expenses of handling fees and interests. A Shares are reflected on net basis and H Shares are reflected on separate basis.



**I. FINANCIAL POSITION OF THE COMPANY IN 2024****(I) Asset Position**

As of the end of 2024, total assets of the Company on consolidated basis amounted to RMB566,418 million, representing a year-on-year (“YoY”) increase of RMB43,666 million, or 8.35% (after deducting accounts payable to brokerage clients, total assets of the Company on consolidated basis amounted to RMB435,776 million, representing a YoY increase of 3.31%). The main changes are as follows: cash and bank balances (mainly including client money) showed a YoY increase of RMB38,184 million.

**(II) Liability Position**

As of the end of 2024, total liabilities of the Company on consolidated basis amounted to RMB459,899 million, representing a YoY increase of RMB34,673 million, or 8.15% (after deducting accounts payable to brokerage clients, total liabilities of the Company on consolidated basis amounted to RMB329,257 million, representing a YoY increase of 1.53%). The main changes are as follows: accounts payable to brokerage clients recorded a YoY increase of RMB29,718 million.

**(III) Shareholders’ Equity and Net Capital**

As of the end of 2024, Shareholders’ equity of the Company on consolidated basis amounted to RMB106,469 million, representing a YoY increase of RMB8,991 million, or 9.22%. The main changes are as follows: a net profit of RMB7,223 million of the year, and distributed cash dividend for 2023 and the first half of 2024 of RMB2,637 million.

As of the end of 2024, net capital of the Company (Parent Company) amounted to RMB74,675 million, representing a YoY increase of RMB7,816 million, or 11.69%. The Company strictly controlled the risks, with a risk coverage ratio of 182.06% as of the end of 2024, a liquidity coverage ratio of 341.37% and a net stable funding ratio of 199.70%. The above indicators and other risk control indicators of business complied with regulatory requirements.

**II. OPERATING RESULTS IN 2024****(I) Operating Revenue**

In 2024, the consolidated operating revenue of the Company amounted to RMB21,129 million, representing a YoY decrease of RMB2,114 million, or 9.10%, among which:

1. Net fee income from brokerage business amounted to RMB5,818 million, representing a YoY increase of RMB255 million, mainly attributable to a YoY increase in the trading volume of market stocks and funds;

2. Net fee income from investment banking business amounted to RMB2,490 million, representing a YoY decrease of RMB2,306 million, mainly attributable to a YoY decrease in the financing scale of IPO projects sponsored and underwritten by the Company;
3. Net fee income from asset management and fund management business amounted to RMB1,343 million, representing a YoY increase of RMB29 million, mainly attributable to a YoY increase in the size of asset management;
4. Investment gains (inclusive of changes in fair value) amounted to RMB7,736 million, representing a YoY increase of RMB887 million, mainly attributable to a YoY increase in the revenue of the Company's fixed income as a result of on-going improvement of bond index in the secondary market;
5. Net interest income amounted to RMB786 million, representing a YoY decrease of RMB926 million, primarily attributable to a YoY decrease in the interest income from margin financing and securities lending;
6. Other business income was RMB2,255 million, representing a YoY decrease of RMB114 million, mainly attributable to the decrease in revenue from bulk commodity trading of the futures subsidiary.

## **(II) Operating Expenses**

In 2024, the consolidated operating expenses of the Company amounted to RMB12,345 million, representing a YoY decrease of RMB1,400 million or 10.18%, mainly attributable to a YoY decrease in business and management fees.

## **(III) Profit**

In 2024, the Company realized net profit on consolidated basis of RMB7,223 million, representing a YoY increase of RMB189 million, or 2.68%; return on weighted average equity of 8.22%, representing a YoY decrease of 0.37 percentage points. Upon incorporating other comprehensive income, the Company realized RMB7,821 million of total comprehensive income on consolidated basis, representing a YoY increase of RMB516 million or 7.06%.

This proposal has been considered and approved by the Board and the Supervisory Committee and is hereby submitted to the Shareholders' general meeting for consideration.

**2024 Work Report of Independent Non-executive Director  
(PO Wai Kwong)**

**I. GENERAL INFORMATION**

I, PO Wai Kwong, have been serving as an independent non-executive director (the “Independent Director”) of CSC Financial Co., Ltd. (the “Company”) since May 14, 2021, and a member of the Audit Committee of the Board and a member of the Remuneration and Nomination Committee of the Board of the Company since May 26, 2021.

I have not held any position in the Company other than the Independent Director, and have no relationship with the Company and its substantial Shareholders that might hinder my independent and objective judgment. Therefore, my independence is in compliance with regulatory requirements. My work experience, professional background and part-time positions are as follows:

I served as Senior Director of the Securities and Futures Commission of Hong Kong, Executive Director of the Insurance Authority of Hong Kong, Member of the International Advisory Council of the China Securities Regulatory Commission, and Independent Director of Everbright Securities Company Limited. I currently serve as an Independent Director of the Company and Citibank (Hong Kong) Limited, and also act as a Member of the Hang Seng Index Advisory Committee in Hong Kong and Honorary Adviser to the Hong Kong Investment Funds Association. I hold a Bachelor’s degree and a Master’s degree in Business Administration from The Chinese University of Hong Kong.

**II. PERFORMANCE OF DUTIES**

In 2024, I, in accordance with the laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Independent Directors of Listed Companies, the Guidelines on the Duty Performance of Independent Directors of Listed Companies and the Guidelines No. 1 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Standardised Operation, and related requirements of the listing rules of the place where the Shares of the Company are listed and the Articles of Association, performed the following duties faithfully and diligently:

**(I) Attendance of the meeting and voting**

In 2024, I actively attended Shareholders’ general meetings, Board Meetings and meetings of the special committee of the Board, giving full play to my professional strengths, maintaining independent judgment and expressing professional opinions and advice on major decisions of the Company. Before the meeting, I carried out sufficient communication with the executive management, the working departments under the Board and the departments related to the matters under consideration with

regard to the matters proposed to the Board and the special committees of the Board for consideration, so as to acquire sufficient understanding and basis of judgement for the matters under consideration; at the meeting, I conducted discussion and analysis with other Directors to make prudent decisions. During the year, I voted in favour of all matters proposed by the Company to the Board and the special committees of the Board for consideration without objection or abstention. Details of my attendance of the meetings are set out in the following table. For details of the resolutions, please refer to the 2024 annual report of the Company.

Name	Shareholders'	Development		Risk		Remuneration
	General Meeting	Board	Strategy Committee	Management Committee	Audit Committee	and Nomination Committee
PO Wai Kwong	7/7	14/14	–	–	9/9	9/9

*Note:* The above table is in the form of “Actual attendance/Number of meetings requiring attendance”; “Actual attendance” includes on-site attendance and communication attendance. Among which, the shareholders’ general meetings include the annual general meeting, the extraordinary general meeting, and class general meeting.

## (II) Participation in training

In 2024, I focused on the learning of business and regulatory policies and the improvement of performance capabilities. During the non-conference period, I actively participated in various trainings arranged by the Board of the Company through on-site and telecommunication means, including (1) the 2024 first-phase subsequent training for independent directors of listed companies organised by the Shanghai Stock Exchange in January 2024, the training content of which included the reform of the independent director system and legal liabilities of independent directors of listed companies; (2) the training to convey “Top Ten Things to Know and Do for Independent Directors in Performing Duties” and “Listed Companies Regulatory Communication” organised by the Company in March 2024, to timely understand the requirements of securities regulatory authorities for independent directors’ performance of duties and cash dividend-related work; (3) the training for directors and supervisors organised by the Listed Companies Association of Beijing in June 2024, the training content of which included the revision of the Company Law, investor protection and investor relations, new quality productive forces and high-quality development; (4) the training for directors and supervisors organised by the Listed Companies Association of Beijing in December 2024, the training content of which included policy interpretation of the “Answers to Relevant Questions on Handling Criminal Cases of Financial Fraud”; and (5) the special training on “Key Points and Suggestions on Anti-Fraud Duties of Independent Directors of Listed Companies” organised by the Shanghai Stock Exchange in December 2024, which effectively enhanced anti-fraud duty performance capabilities.

**(III) Research inspections and interviews**

In 2024, the executive management of the Company continuously maintained effective communication mechanism with the Independent Directors to safeguard the information rights of the Independent Directors and provide necessary conditions and support for the due performance of the Independent Directors. During the year, I reviewed the Company's operation reports on a monthly basis to regularly keep myself informed of the Company's operation and development; focusing on the national development strategies and the core business of the Company, I participated in special research and inspection activities in relation to the Company's efforts to advance the specialised work of "Five Major Areas" in Finance, the development of fund business operations and the establishment of third-tier branch offices.

During the audit of the annual financial report, I reviewed the reports submitted by the executive management regarding the Company's operations, financial situation, investment and financing activities and other material matters in the previous year before the annual report was prepared. Before the entry of the annual audit accountants, after the issuance of the preliminary examination results and prior to the Board's deliberation, I maintained good communication with the executive management and the annual audit accountants, and fully communicated with the annual audit accountants in respect of auditors' arrangement, audit plan, audit method and audit focus.

**III. MAJOR CONCERNS RAISED**

In 2024, according to the duties authorized by laws and regulations as well as the Articles of Association, as an Independent Director, I focused on profit distribution, internal control evaluation, related party/connected transactions, guarantee, re-appointment of accounting firms, nomination of Directors, appointment of senior management personnel and other matters of the Company, together with other Independent Directors of the Company, details of which are as follows:

1. Profit distribution plan: the profit distribution plan to be implemented by the Company during the reporting period complies with the relevant requirements of relevant laws and regulations, normative documents as well as the Articles of Association and other internal systems, is in line with the actual situation of the Company, is in the interests of the Shareholders as a whole and long-term, and is conducive to the long-term development of the Company, and there is no circumstance which is detrimental to the rights and interests of minority Shareholders.

2. Internal control evaluation: the Company has established and effectively implemented an internal control system for each business and management matters included in the scope of internal control assessment, which has achieved the objectives of the Company's internal control, and the internal control evaluation report of the Company is in compliance with the relevant requirements of laws and regulations as well as the Company's internal governance system, which is complete and true.
3. Related party/connected transactions: the relevant transactions involved in the daily related party transactions/continuing connected transactions of the Company shall be priced according to the market price, and the pricing principle shall be reasonable and fair and there is no damage to the interests of the non-related/connected Shareholders of the Company. The Company and the related/connected party are equal and mutually beneficial, and there is no damage to the interests of the Company. Relevant transactions do not affect the Company's independence, and the Company's main business does not become dependent on the related/connected party as a result of related party/connected transactions.
4. Guarantee: the Company has complied with the requirements of laws and regulations, normative documents and the Articles of Association regarding guarantee, and has strictly fulfilled its decision-making procedures and information disclosure obligations and controlled guarantee-related risks effectively. There is no non-compliance with guarantees. There is no circumstance beyond the authority of the Shareholders' general meeting, and there is no circumstance which is detrimental to the lawful rights and interests of the Company and Shareholders.
5. Re-appointment of accounting firms: after a comprehensive evaluation on the proposed entity, the proposed entity is in compliance with the regulatory requirements in terms of professional competence, investor protection competence, independence and integrity, and the approval procedure of such re-appointment is in compliance with the relevant requirements of relevant laws and regulations as well as the Articles of Association.
6. Nomination of Directors: the Director candidates nominated during the reporting period meet the requirements of laws and regulations as well as the listing rules of the stock exchanges in the places where the Company's Shares are listed for the appointment of directors of listed securities companies, and the nomination procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.

7. Appointment of senior management personnel: the senior management personnel appointed during the reporting period meet the qualification criteria for senior management of listed securities companies, are conducive to the optimisation of corporate governance and meet the needs of operation and management, and the appointment procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.

In addition, based on my past experience accumulated in the long-term practice in financial regulatory institutions, I focused on the implementation effectiveness of mechanism construction and internal control measures of the Company in terms of risk prevention and control, compliance management, anti-money laundering management and other critical areas. Meanwhile, I maintained close oversight of global financial regulatory trends and shifts in overseas market conditions, assisted the Company in enhancing its understanding on domestic and overseas macroeconomic policies and development strategies of Chinese securities firms in global business and prioritized oversight of the Company's international operations, integration of overseas subsidiaries, and risk control measures to facilitate high-quality and sustainable growth of the Company.

#### IV. ASSESSMENT ON PERFORMANCE OF DUTIES

In 2024, in strict compliance with the requirements of laws and regulations as well as the Articles of Association, I devoted sufficient time and energy to perform my duties as an Independent Director. In particular, I worked on site for more than 15 days, which is in compliance with regulatory requirements, including but not limited to participation in Board Meetings, meetings of special committees of the Board, communication meetings for Board resolutions, special meetings and surveys of Directors, trainings for Directors and etc.; gave full play to my professional strengths, provided independent and objective advice, acted in good faith and with diligence, played the role of decision-making, supervising balance and professional advisory in the Board, and continuously paid attention to the matters related to the minority Shareholders. I effectively safeguarded the interests of the Company as a whole and the lawful rights and interests of the Shareholders, in particular the minority Shareholders, and duly performed the duties as an Independent Director.

This report is hereby given.

**Reporter: PO Wai Kwong**  
June 27, 2025



**2024 Work Report of Independent Non-executive Director  
(LAI Guanrong)****I. GENERAL INFORMATION**

I, LAI Guanrong, have been serving as an Independent Non-executive Director (the “Independent Director”) of CSC Financial Co., Ltd. (the “Company”) since May 14, 2021, and a member of the Development Strategy Committee of the Board and a member of the Audit Committee of the Board of the Company from May 26, 2021, and was redesignated as the chairman of the Remuneration and Nomination Committee of the Board and a member of the Development Strategy Committee of the Board from September 27, 2022.

I have not held any position in the Company other than the Independent Director, and have no relationship with the Company and its substantial Shareholders that might hinder my independent and objective judgment. Therefore, my independence is in compliance with regulatory requirements. My work experience, professional background and part-time positions are as follows:

I served as the deputy general manager (presiding over the work) of Min Fa Security Limited Company (閩發證券有限責任公司), the deputy chief officer of the office of Fujian Branch of People’s Bank of China (中國人民銀行福建省分行), the general manager of Fujian Minnan Qiaoxiang Trust and Investment Company (福建省閩南僑鄉信託投資公司), the president of Huaifu Securities Co., Ltd. (華福證券有限責任公司), the secretary of the Party Committee and president of Jiahe Life Insurance Co., Ltd. (嘉禾人壽保險股份有限公司), the vice chairman of ABC Life Insurance Co., Ltd. (農銀人壽保險股份有限公司), the chairman of the supervisory committee of Beijing Zhongguancun Science City Construction Holding Co., Ltd. (北京中關村科學城建設股份有限公司), the chief economist and member of the investment committee of Shenzhen CMAF Investment Management Co., Ltd. (深圳市遠致富海投資管理有限公司), an independent director of Xin Yuan Enterprises Group Limited (信源企業集團有限公司), and a director of China Sciences Industrial Group Holdings Co., Ltd. (中科實業集團(控股)有限公司). I currently serve as an Independent Director of the Company, an independent director of Chinasoft International Limited (中軟國際有限公司), an independent director of Dongxing Securities Co., Ltd. (東興證券股份有限公司) and an independent director of New China Life Insurance Company Ltd. (新華人壽保險股份有限公司). I obtained a bachelor’s degree in Economics from Xiamen University, a master’s degree in Monetary Banking from the Graduate School of the People’s Bank of China, and a doctor’s degree in Economics from Xiamen University.



**II. PERFORMANCE OF DUTIES**

In 2024, I, in accordance with the laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Independent Directors of Listed Companies, the Guidelines on the Duty Performance of Independent Directors of Listed Companies and the Guidelines No. 1 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Standardised Operation, and related requirements of the listing rules of the place where the Shares of the Company are listed and the Articles of Association, performed the following duties faithfully and diligently:

**(I) Attendance of the meeting and voting**

In 2024, I actively attended Shareholders' general meetings, Board Meetings and meetings of the special committee of the Board, giving full play to my professional strengths, maintaining independent judgment and expressing professional opinions and advice on major decisions of the Company. Before the meeting, I carried out sufficient communication with the executive management, the working departments under the Board and the departments related to the matters under consideration with regard to the matters proposed to the Board and the special committees of the Board for consideration, so as to acquire sufficient understanding and basis of judgement for the matters under consideration; at the meeting, I conducted discussion and analysis with other Directors to make prudent decisions. During the year, I voted in favour of all matters proposed by the Company to the Board and the special committees of the Board for consideration without objection or abstention. Details of my attendance of the meetings are set out in the following table. For details of the resolutions, please refer to the 2024 annual report of the Company.

Name	Shareholders' General Meeting	Board	Development Strategy Committee	Risk Management Committee	Remuneration and	
					Audit Committee	Nomination Committee
LAI Guanrong	7/7	14/14	3/3	–	–	9/9

*Note:* The above table is in the form of “Actual attendance/Number of meetings requiring attendance”; “Actual attendance” includes on-site attendance and communication attendance. Among which, the shareholders' general meetings include the annual general meeting, the extraordinary general meeting, and class general meeting.

**(II) Participation in training**

In 2024, I focused on the learning of business and regulatory policies and the improvement of performance capabilities. During the non-conference period, I actively participated in various trainings arranged by the Board of the Company through on-site and telecommunication means, including (1) the 2024 first-phase subsequent training for independent directors of listed companies organised by the Shanghai Stock Exchange in January 2024, the training content of which included the reform of the independent director system and legal liabilities of independent directors of listed companies; (2) the training to convey “Top Ten Things to Know and Do for Independent Directors in Performing Duties” and “Listed Companies Regulatory Communication” organised by the Company in March 2024, to timely understand the requirements of securities regulatory authorities for independent directors’ performance of duties and cash dividend-related work; (3) the training for directors and supervisors organised by the Listed Companies Association of Beijing in June 2024, the training content of which included the investor protection and investor relations; (4) the training for directors and supervisors organised by the Listed Companies Association of Beijing in November 2024, the training content of which included the building of a culture of integrity and policy interpretation of the “Answers to Relevant Questions on Handling Criminal Cases of Financial Fraud”; and (5) the special training on “Key Points and Suggestions on Anti-Fraud Duties of Independent Directors of Listed Companies” organised by the Shanghai Stock Exchange in December 2024, which effectively enhanced anti-fraud duty performance capabilities.

**(III) Research inspections and interviews**

In 2024, the executive management of the Company continuously maintained effective communication mechanism with the Independent Directors to safeguard the information rights of the Independent Directors and provide necessary conditions and support for the due performance of the Independent Directors. During the year, I reviewed the Company’s operation reports on a monthly basis to regularly keep myself informed of the Company’s operation and development; focusing on the national development strategies and the core business of the Company, I participated in special research and inspection activities in relation to the Company’s efforts to advance the specialised work of “Five Major Areas” in Finance, the development of fund business operations and the establishment of third-tier branch offices.

During the audit of the annual financial report, I reviewed the reports submitted by the executive management regarding the Company's operations, financial situation, investment and financing activities and other material matters in the previous year before the annual report was prepared. Before the entry of the annual audit accountants, after the issuance of the preliminary examination results and prior to the Board's deliberation, I maintained good communication with the executive management and the annual audit accountants, and fully communicated with the annual audit accountants in respect of auditors' arrangement, audit plan, audit method and audit focus.

### III. MAJOR CONCERNS RAISED

In 2024, according to the duties authorized by laws and regulations as well as the Articles of Association, as an Independent Director, I focused on profit distribution, internal control evaluation, related party/connected transactions, guarantee, re-appointment of accounting firms, nomination of Directors, appointment of senior management personnel and other matters of the Company, together with other Independent Directors of the Company, details of which are as follows:

1. Profit distribution plan: the profit distribution plan to be implemented by the Company during the reporting period complies with the relevant requirements of relevant laws and regulations, normative documents as well as the Articles of Association and other internal systems, is in line with the actual situation of the Company, is in the interests of the Shareholders as a whole and long-term, and is conducive to the long-term development of the Company, and there is no circumstance which is detrimental to the rights and interests of minority Shareholders.
2. Internal control evaluation: the Company has established and effectively implemented an internal control system for each business and management matters included in the scope of internal control assessment, which has achieved the objectives of the Company's internal control, and the internal control evaluation report of the Company is in compliance with the relevant requirements of laws and regulations as well as the Company's internal governance system, which is complete and true.
3. Related party/connected transactions: the relevant transactions involved in the daily related party transactions/continuing connected transactions of the Company shall be priced according to the market price, and the pricing principle shall be reasonable and fair and there is no damage to the interests of the non-related/connected Shareholders of the Company. The Company and the related/connected party are equal and mutually beneficial, and there is no damage to the interests of the Company. Relevant transactions do not affect the Company's independence, and the Company's main business does not become dependent on the related/connected party as a result of related party/connected transactions.

4. Guarantee: the Company has complied with the requirements of laws and regulations, normative documents and the Articles of Association regarding guarantee, and has strictly fulfilled its decision-making procedures and information disclosure obligations and controlled guarantee-related risks effectively. There is no non-compliance with guarantees. There is no circumstance beyond the authority of the Shareholders' general meeting, and there is no circumstance which is detrimental to the lawful rights and interests of the Company and Shareholders.
5. Re-appointment of accounting firms: after a comprehensive evaluation on the proposed entity, the proposed entity is in compliance with the regulatory requirements in terms of professional competence, investor protection competence, independence and integrity, and the approval procedure of such re-appointment is in compliance with the relevant requirements of relevant laws and regulations as well as the Articles of Association.
6. Nomination of Directors: the Director candidates nominated during the reporting period meet the requirements of laws and regulations as well as the listing rules of the stock exchanges in the places where the Company's Shares are listed for the appointment of directors of listed securities companies, and the nomination procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.
7. Appointment of senior management personnel: the senior management personnel appointed during the reporting period meet the qualification criteria for senior management of listed securities companies, are conducive to the optimisation of corporate governance and meet the needs of operation and management, and the appointment procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.

In addition, the Remuneration and Nomination Committee of the Board, of which I acted as the convener, focused on the selection criteria of Directors and senior management personnel, reviewed the qualifications and conditions of the candidates, reviewed the remuneration packages of Directors and senior management personnel and etc. In 2024, I presided over the meetings of the Remuneration and Nomination Committee of the Board, which considered the nomination of Directors, the appointment of senior management personnel, the annual assessment on compliance officer, remuneration policies and Board diversity and other matters and made recommendations to the Board.

**IV. ASSESSMENT ON PERFORMANCE OF DUTIES**

In 2024, in strict compliance with the requirements of laws and regulations as well as the Articles of Association, I devoted sufficient time and energy to perform my duties as an Independent Director. In particular, I worked on site for more than 15 days, which is in compliance with regulatory requirements, including but not limited to participation in Board Meetings, meetings of special committees of the Board, communication meetings for Board resolutions, special meetings and surveys of Directors, trainings for Directors and etc.; gave full play to my professional strengths, provided independent and objective advice, acted in good faith and with diligence, played the role of decision-making, supervising balance and professional advisory in the Board, continuously paid attention to the matters related to the minority Shareholders, and strengthened communication with minority Shareholders through multiple channels. I effectively safeguarded the interests of the Company as a whole and the lawful rights and interests of the Shareholders, in particular the minority Shareholders, and duly performed the duties as an Independent Director.

This report is hereby given.

**Reporter: LAI Guanrong**

June 27, 2025

**2024 Work Report of Independent Non-executive Director  
(ZHANG Zheng)****I. GENERAL INFORMATION**

I, ZHANG Zheng, have been serving as an Independent Non-executive Director (the “Independent Director”) of CSC Financial Co., Ltd. (the “Company”) since September 2, 2022, and a member of the Risk Management Committee of the Board and a member of the Remuneration and Nomination Committee of the Board of the Company since September 27, 2022.

I have not held any position in the Company other than the Independent Director, and have no relationship with the Company and its substantial Shareholders that might hinder my independent and objective judgment. Therefore, my independence is in compliance with regulatory requirements. My work experience, professional background and part-time positions are as follows:

I currently serve as an independent director of the Company, a professor and deputy dean of Guanghua School of Management of Peking University, and an independent director of CCB Trust Co., Ltd. and an independent director of Poly Developments and Holdings Group Co., Ltd.. I currently also serve as the director of National Centre for Financial Research at Peking University. I served as an external supervisor of China Cinda Asset Management Co., Ltd. and an independent director of Harbin Bank Co., Ltd.. I obtained a bachelor’s degree and a master’s degree with a major in Applied Mathematics from Nankai University, and a doctor’s degree in Finance from Peking University.

**II. PERFORMANCE OF DUTIES**

In 2024, I, in accordance with the laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Independent Directors of Listed Companies, the Guidelines on the Duty Performance of Independent Directors of Listed Companies and the Guidelines No. 1 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Standardised Operation, and related requirements of the listing rules of the place where the Shares of the Company are listed and the Articles of Association, performed the following duties faithfully and diligently:

**(I) Attendance of the meeting and voting**

In 2024, I actively attended Shareholders’ general meetings, Board Meetings and meetings of the special committee of the Board, giving full play to my professional strengths, maintaining independent judgment and expressing professional opinions and advice on major decisions of the Company. Before the meeting, I carried out sufficient communication with the executive management, the working departments under the Board and the departments related to the matters under consideration with

regard to the matters proposed to the Board and the special committees of the Board for consideration, so as to acquire sufficient understanding and basis of judgement for the matters under consideration; at the meeting, I conducted discussion and analysis with other Directors to make prudent decisions. During the year, I voted in favour of all matters proposed by the Company to the Board and the special committees of the Board for consideration without objection or abstention. Details of my attendance of the meetings are set out in the following table. For details of the resolutions, please refer to the 2024 annual report of the Company.

Name	Shareholders'	Development		Risk		Remuneration
	General Meeting	Board	Strategy Committee	Management Committee	Audit Committee	and Nomination Committee
ZHANG Zheng	7/7	14/14	–	4/4	–	9/9

*Note:* The above table is in the form of “Actual attendance/Number of meetings requiring attendance”; “Actual attendance” includes on-site attendance and communication attendance. Among which, the shareholders’ general meetings include the annual general meeting, the extraordinary general meeting, and class general meeting.

## (II) Participation in training

In 2024, I focused on the learning of business and regulatory policies and the improvement of performance capabilities. During the non-conference period, I actively participated in various trainings arranged by the Board of the Company through on-site and telecommunication means, including (1) the 2024 first-phase subsequent training for independent directors of listed companies organised by the Shanghai Stock Exchange in January 2024, the training content of which included the reform of the independent director system and legal liabilities of independent directors of listed companies; (2) the training to convey “Top Ten Things to Know and Do for Independent Directors in Performing Duties” and “Listed Companies Regulatory Communication” organised by the Company in March 2024, to timely understand the requirements of securities regulatory authorities for independent directors’ performance of duties and cash dividend-related work; (3) the training for directors and supervisors organised by the Listed Companies Association of Beijing in October 2024, the training content of which included the ESG and sustainability, the building of a culture of integrity, the new “Nine Guidelines of the State Council” and the “1+N” policy system; (4) the training for directors and supervisors organised by the Listed Companies Association of Beijing in November 2024, the training content of which included the policy interpretation of the “Answers to Relevant Questions on Handling Criminal Cases of Financial Fraud”; and (5) the special training on “Key Points and Suggestions on Anti-Fraud Duties of Independent Directors of Listed Companies” organised by the Shanghai Stock Exchange in December 2024, which effectively enhanced anti-fraud duty performance capabilities.

**(III) Research inspections and interviews**

In 2024, the executive management of the Company continuously maintained effective communication mechanism with the Independent Directors to safeguard the information rights of the Independent Directors and provide necessary conditions and support for the due performance of the Independent Directors. During the year, I reviewed the Company's operation reports on a monthly basis to regularly keep myself informed of the Company's operation and development; focusing on the national development strategies and the core business of the Company, I participated in special research and inspection activities in relation to the Company's efforts to advance the specialised work of "Five Major Areas" in Finance, the development of fund business operations and the establishment of third-tier branch offices.

During the audit of the annual financial report, I reviewed the reports submitted by the executive management regarding the Company's operations, financial situation, investment and financing activities and other material matters in the previous year before the annual report was prepared. Before the entry of the annual audit accountants, after the issuance of the preliminary examination results and prior to the Board's deliberation, I maintained good communication with the executive management and the annual audit accountants, and fully communicated with the annual audit accountants in respect of auditors' arrangement, audit plan, audit method and audit focus.

**III. MAJOR CONCERNS RAISED**

In 2024, according to the duties authorized by laws and regulations as well as the Articles of Association, as an Independent Director, I focused on profit distribution, internal control evaluation, related party/connected transactions, guarantee, re-appointment of accounting firms, nomination of Directors, appointment of senior management personnel and other matters of the Company, together with other Independent Directors of the Company, details of which are as follows:

1. Profit distribution plan: the profit distribution plan to be implemented by the Company during the reporting period complies with the relevant requirements of relevant laws and regulations, normative documents as well as the Articles of Association and other internal systems, is in line with the actual situation of the Company, is in the interests of the Shareholders as a whole and long-term, and is conducive to the long-term development of the Company, and there is no circumstance which is detrimental to the rights and interests of minority Shareholders.



2. Internal control evaluation: the Company has established and effectively implemented an internal control system for each business and management matters included in the scope of internal control assessment, which has achieved the objectives of the Company's internal control, and the internal control evaluation report of the Company is in compliance with the relevant requirements of laws and regulations as well as the Company's internal governance system, which is complete and true.
3. Related party/connected transactions: the relevant transactions involved in the daily related party transactions/continuing connected transactions of the Company shall be priced according to the market price, and the pricing principle shall be reasonable and fair and there is no damage to the interests of the non-related/connected Shareholders of the Company. The Company and the related/connected party are equal and mutually beneficial, and there is no damage to the interests of the Company. Relevant transactions do not affect the Company's independence, and the Company's main business does not become dependent on the related/connected party as a result of related party/connected transactions.
4. Guarantee: the Company has complied with the requirements of laws and regulations, normative documents and the Articles of Association regarding guarantee, and has strictly fulfilled its decision-making procedures and information disclosure obligations and controlled guarantee-related risks effectively. There is no non-compliance with guarantees. There is no circumstance beyond the authority of the Shareholders' general meeting, and there is no circumstance which is detrimental to the lawful rights and interests of the Company and Shareholders.
5. Re-appointment of accounting firms: after a comprehensive evaluation on the proposed entity, the proposed entity is in compliance with the regulatory requirements in terms of professional competence, investor protection competence, independence and integrity, and the approval procedure of such re-appointment is in compliance with the relevant requirements of relevant laws and regulations as well as the Articles of Association.
6. Nomination of Directors: the Director candidates nominated during the reporting period meet the requirements of laws and regulations as well as the listing rules of the stock exchanges in the places where the Company's Shares are listed for the appointment of directors of listed securities companies, and the nomination procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.

7. Appointment of senior management personnel: the senior management personnel appointed during the reporting period meet the qualification criteria for senior management of listed securities companies, are conducive to the optimisation of corporate governance and meet the needs of operation and management, and the appointment procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.

In addition, besides actively performing the duties as an independent director, I paid continuous attention to the construction of the Company's risk prevention and control system as well as the implementation and effectiveness of risk mitigation actions, so as to further boost greater effectiveness of the Company's risk management. Meanwhile, based on my teaching and research experience in the financial sector and leveraging on my professional strengths, I focused on the development of the Company's business and provided guidance and support on business research based on the Company's needs, with the aim to empower the Company to achieve healthy and steady development in a complex and ever-changing market environment.

#### IV. ASSESSMENT ON PERFORMANCE OF DUTIES

In 2024, in strict compliance with the requirements of laws and regulations as well as the Articles of Association, I devoted sufficient time and energy to perform my duties as an Independent Director. In particular, I worked on site for more than 15 days, which is in compliance with regulatory requirements, including but not limited to participation in Board Meetings, meetings of special committees of the Board, communication meetings for Board resolutions, special meetings and surveys of Directors, trainings for Directors and etc.; gave full play to my professional strengths, provided independent and objective advice, acted in good faith and with diligence, played the role of decision-making, supervising balance and professional advisory in the Board, and continuously paid attention to the matters related to the minority Shareholders. I effectively safeguarded the interests of the Company as a whole and the lawful rights and interests of the Shareholders, in particular the minority Shareholders, and duly performed the duties as an Independent Director.

This report is hereby given.

**Reporter: ZHANG Zheng**

June 27, 2025

**2024 Work Report of Independent Non-executive Director  
(WU Xi)****I. GENERAL INFORMATION**

I, WU Xi, have been serving as an Independent Non-executive Director (the “Independent Director”) of CSC Financial Co., Ltd. (the “Company”) since September 2, 2022, and the chairman of the Audit Committee of the Board and a member of the Remuneration and Nomination Committee of the Board of the Company since September 27, 2022.

I have not held any position in the Company other than the Independent Director, and have no relationship with the Company and its substantial Shareholders that might hinder my independent and objective judgment. Therefore, my independence is in compliance with regulatory requirements. My work experience, professional background and part-time positions are as follows:

I currently serve as an Independent Director of the Company, a professor and dean of the School of Accountancy of Central University of Finance and Economics, as well as an independent director of Dajia Insurance Group Co., Ltd., and an external supervisor of Trust Mutual Life Insurance Company. I currently also serve as a member of the Industrial Talent Working Committee of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會行業人才工作委員會), and an executive director of the Council of the China Audit Society. I served as the assistant dean and deputy dean of the School of Accountancy of Central University of Finance and Economics, an independent director of China Publishing & Media Co., Ltd. and an independent director of Henan Zhongfu Industrial Co., Ltd.. I obtained a bachelor’s degree with a major in Accounting from Zhejiang Institute of Finance and Economics (currently known as Zhejiang University of Finance & Economics), and a master’s degree and a doctor’s degree with a major in Accounting from Central University of Finance and Economics.

**II. PERFORMANCE OF DUTIES**

In 2024, I, in accordance with the laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Independent Directors of Listed Companies, the Guidelines on the Duty Performance of Independent Directors of Listed Companies and the Guidelines No. 1 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Standardised Operation, and related requirements of the listing rules of the place where the Shares of the Company are listed and the Articles of Association, performed the following duties faithfully and diligently:

**(I) Attendance of the meeting and voting**

In 2024, I actively attended Shareholders’ general meetings, Board Meetings and meetings of the special committee of the Board, giving full play to my professional strengths, maintaining independent judgment and expressing professional opinions and advice on major decisions of the Company. Before the meeting, I carried out

sufficient communication with the executive management, the working departments under the Board and the departments related to the matters under consideration with regard to the matters proposed to the Board and the special committees of the Board for consideration, so as to acquire sufficient understanding and basis of judgement for the matters under consideration; at the meeting, I conducted discussion and analysis with other Directors to make prudent decisions. During the year, I voted in favour of all matters proposed by the Company to the Board and the special committees of the Board for consideration without objection or abstention. Details of my attendance of the meetings are set out in the following table. For details of the resolutions, please refer to the 2024 annual report of the Company.

Name	Shareholders' General Meeting	Board	Development Strategy Committee	Risk Management Committee	Remuneration and	
					Audit Committee	Nomination Committee
WU Xi	7/7	14/14	–	–	9/9	9/9

*Note:* The above table is in the form of “Actual attendance/Number of meetings requiring attendance”; “Actual attendance” includes on-site attendance and communication attendance. Among which, the shareholders’ general meetings include the annual general meeting, the extraordinary general meeting, and class general meeting.

## (II) Participation in training

In 2024, I focused on the learning of business and regulatory policies and the improvement of performance capabilities. During the non-conference period, I actively participated in various trainings arranged by the Board of the Company through on-site and telecommunication means, including (1) the 2024 first-phase subsequent training for independent directors of listed companies organised by the Shanghai Stock Exchange in January 2024, the training content of which included the reform of the independent director system and legal liabilities of independent directors of listed companies; (2) the training to convey “Top Ten Things to Know and Do for Independent Directors in Performing Duties” and “Listed Companies Regulatory Communication” organised by the Company in March 2024, to timely understand the requirements of securities regulatory authorities for independent directors’ performance of duties and cash dividend-related work; (3) the training for directors and supervisors organised by the Listed Companies Association of Beijing in November 2024, the training content of which included the interpretation of the reform of the independent director system, the building of a culture of integrity and policy interpretation of the “Answers to Relevant Questions on Handling Criminal Cases of Financial Fraud”; and (4) the special training on “Key Points and Suggestions on Anti-Fraud Duties of Independent Directors of Listed Companies” organised by the Shanghai Stock Exchange in December 2024, which effectively enhanced anti-fraud duty performance capabilities.

**(III) Research inspections and interviews**

In 2024, the executive management of the Company continuously maintained effective communication mechanism with the Independent Directors to safeguard the information rights of the Independent Directors and provide necessary conditions and support for the due performance of the Independent Directors. During the year, I reviewed the Company's operation reports on a monthly basis to regularly keep myself informed of the Company's operation and development; focusing on the national development strategies and the core business of the Company, I participated in special research and inspection activities in relation to the Company's efforts to advance the specialised work of "Five Major Areas" in Finance, the development of fund business operations and the establishment of third-tier branch offices.

During the audit of the annual financial report, I reviewed the reports submitted by the executive management regarding the Company's operations, financial situation, investment and financing activities and other material matters in the previous year before the annual report was prepared. Before the entry of the annual audit accountants, after the issuance of the preliminary examination results and prior to the Board's deliberation, I maintained good communication with the executive management and the annual audit accountants, and fully communicated with the annual audit accountants in respect of auditors' arrangement, audit plan, audit method and audit focus.

**III. MAJOR CONCERNS RAISED**

In 2024, according to the duties authorized by laws and regulations as well as the Articles of Association, as an Independent Director, I focused on profit distribution, internal control evaluation, related party/connected transactions, guarantee, re-appointment of accounting firms, nomination of Directors, appointment of senior management personnel and other matters of the Company, together with other Independent Directors of the Company, details of which are as follows:

1. Profit distribution plan: the profit distribution plan to be implemented by the Company during the reporting period complies with the relevant requirements of relevant laws and regulations, normative documents as well as the Articles of Association and other internal systems, is in line with the actual situation of the Company, is in the interests of the Shareholders as a whole and long-term, and is conducive to the long-term development of the Company, and there is no circumstance which is detrimental to the rights and interests of minority Shareholders.

2. Internal control evaluation: the Company has established and effectively implemented an internal control system for each business and management matters included in the scope of internal control assessment, which has achieved the objectives of the Company's internal control, and the internal control evaluation report of the Company is in compliance with the relevant requirements of laws and regulations as well as the Company's internal governance system, which is complete and true.
3. Related party/connected transactions: the relevant transactions involved in the daily related party transactions/continuing connected transactions of the Company shall be priced according to the market price, and the pricing principle shall be reasonable and fair and there is no damage to the interests of the non-related/connected Shareholders of the Company. The Company and the related/connected party are equal and mutually beneficial, and there is no damage to the interests of the Company. Relevant transactions do not affect the Company's independence, and the Company's main business does not become dependent on the related/connected party as a result of related party/connected transactions.
4. Guarantee: the Company has complied with the requirements of laws and regulations, normative documents and the Articles of Association regarding guarantee, and has strictly fulfilled its decision-making procedures and information disclosure obligations and controlled guarantee-related risks effectively. There is no non-compliance with guarantees. There is no circumstance beyond the authority of the Shareholders' general meeting, and there is no circumstance which is detrimental to the lawful rights and interests of the Company and Shareholders.
5. Re-appointment of accounting firms: after a comprehensive evaluation on the proposed entity, the proposed entity is in compliance with the regulatory requirements in terms of professional competence, investor protection competence, independence and integrity, and the approval procedure of such re-appointment is in compliance with the relevant requirements of relevant laws and regulations as well as the Articles of Association.
6. Nomination of Directors: the Director candidates nominated during the reporting period meet the requirements of laws and regulations as well as the listing rules of the stock exchanges in the places where the Company's Shares are listed for the appointment of directors of listed securities companies, and the nomination procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.

7. Appointment of senior management personnel: the senior management personnel appointed during the reporting period meet the qualification criteria for senior management of listed securities companies, are conducive to the optimisation of corporate governance and meet the needs of operation and management, and the appointment procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.

In addition, the Audit Committee of the Board, of which I acted as the convener, focused on supervising the processes and results of internal audit and external audit, and reviewed financial information and disclosures. In 2024, I, being the chairman of the Audit Committee of the Board, gave full play to my professional strengths and working experience, maintained smooth communication with accounting firms for the annual audit of the Company, and promoted the orderly implementation of external audit. During the reporting period, I also strengthened the communication between the Audit Committee of the Board and internal audit department, promoted the communication between internal audit and external audit, and was committed to advancing the construction of sound internal control system of the Company.

#### IV. ASSESSMENT ON PERFORMANCE OF DUTIES

In 2024, in strict compliance with the requirements of laws and regulations as well as the Articles of Association, I devoted sufficient time and energy to perform my duties as an Independent Director. In particular, I worked on site for more than 15 days, which is in compliance with regulatory requirements, including but not limited to participation in Board Meetings, meetings of special committees of the Board, communication meetings for Board resolutions, special meetings and surveys of Directors, trainings for Directors and etc.; gave full play to my professional strengths, provided independent and objective advice, acted in good faith and with diligence, played the role of decision-making, supervising balance and professional advisory in the Board, and continuously paid attention to the matters related to the minority Shareholders, and strengthened communication with minority Shareholders through multiple channels. I effectively safeguarded the interests of the Company as a whole and the lawful rights and interests of the Shareholders, in particular the minority Shareholders, and duly performed the duties as an Independent Director.

This report is hereby given.

**Reporter: WU Xi**

June 27, 2025



**2024 Work Report of Independent Non-executive Director  
(ZHENG Wei)****I. GENERAL INFORMATION**

I, ZHENG Wei, have been serving as an Independent Non-executive Director (the “Independent Director”) of CSC Financial Co., Ltd. (the “Company”) since October 10, 2023, and a member of the Risk Management Committee of the Board and a member of the Audit Committee of the Board of the Company since October 26, 2023.

I have not held any position in the Company other than the Independent Director, and have no relationship with the Company and its substantial Shareholders that might hinder my independent and objective judgment. Therefore, my independence is in compliance with regulatory requirements. My work experience, professional background and part-time positions are as follows:

I currently serve as an Independent Director of the Company, a professor and director of the department of risk management and insurance of School of Economics of Peking University, director of the China Center for Insurance and Social Security Research, Peking University, and concurrently serve as an independent director of Schroder Fund Management (China) Company Limited and an external supervisor of PICC Reinsurance Co., Ltd. I served as an assistant director and associate director of the department of risk management and insurance of School of Economics of Peking University, an independent director of New China Life Insurance Company Ltd. and an external supervisor of China CITIC Bank Corporation Limited. I obtained a bachelor’s degree, a master’s degree and a doctor’s degree in Economics from the School of Economics of Peking University.

**II. PERFORMANCE OF DUTIES**

In 2024, I, in accordance with the laws and regulations such as the Company Law, the Securities Law, the Administrative Measures for Independent Directors of Listed Companies, the Guidelines on the Duty Performance of Independent Directors of Listed Companies and the Guidelines No. 1 for the Self-Regulatory Supervision of Listed Companies on the Shanghai Stock Exchange – Standardised Operation, and related requirements of the listing rules of the place where the Shares of the Company are listed and the Articles of Association, performed the following duties faithfully and diligently:

**(I) Attendance of the meeting and voting**

In 2024, I actively attended Shareholders’ general meetings, Board Meetings and meetings of the special committee of the Board, giving full play to my professional strengths, maintaining independent judgment and expressing professional opinions and advice on major decisions of the Company. Before the meeting, I carried out sufficient communication with the executive management, the working departments under the Board and the departments related to the matters under consideration with



regard to the matters proposed to the Board and the special committees of the Board for consideration, so as to acquire sufficient understanding and basis of judgement for the matters under consideration; at the meeting, I conducted discussion and analysis with other Directors to make prudent decisions. During the year, I voted in favour of all matters proposed by the Company to the Board and the special committees of the Board for consideration without objection or abstention. Details of my attendance of the meetings are set out in the following table. For details of the resolutions, please refer to the 2024 annual report of the Company.

Name	Shareholders'	Development	Risk	Remuneration and	
	General Meeting			Audit	Nomination
	Board	Strategy Committee	Management Committee	Committee	Committee
ZHENG Wei	7/7	14/14	–	4/4	9/9

*Note:* The above table is in the form of “Actual attendance/Number of meetings requiring attendance”; “Actual attendance” includes on-site attendance and communication attendance. Among which, the shareholders’ general meetings include the annual general meeting, the extraordinary general meeting, and class general meeting.

## (II) Participation in training

In 2024, I focused on the learning of business and regulatory policies and the improvement of performance capabilities. During the non-conference period, I actively participated in various trainings arranged by the Board of the Company through on-site and telecommunication means, including (1) the 2024 first-phase subsequent training for independent directors of listed companies organised by the Shanghai Stock Exchange in January 2024, the training content of which included the reform of the independent director system and legal liabilities of independent directors of listed companies; (2) the training to convey “Top Ten Things to Know and Do for Independent Directors in Performing Duties” and “Listed Companies Regulatory Communication” organised by the Company in March 2024, to timely understand the requirements of securities regulatory authorities for independent directors’ performance of duties and cash dividend-related work; (3) the training for directors and supervisors organised by the Listed Companies Association of Beijing in September 2024, the training content of which included the new “Nine Guidelines of the State Council” and the “1+N” policy system; (4) the training for directors and supervisors organised by the Listed Companies Association of Beijing in October 2024, the training content of which included the interpretation of the reform of the independent director system and information disclosure; (5) the training for directors and supervisors organised by the Listed Companies Association of Beijing in November 2024, the training content of which mainly included the policy interpretation of the “Answers to Relevant Questions on Handling Criminal Cases of Financial Fraud”; and (6) the special training on “Key Points and Suggestions on Anti-Fraud Duties of Independent Directors of Listed Companies” organised by the Shanghai Stock Exchange in December 2024, which effectively enhanced anti-fraud duty performance capabilities.

**(III) Research inspections and interviews**

In 2024, the executive management of the Company continuously maintained effective communication mechanism with the Independent Directors to safeguard the information rights of the Independent Directors and provide necessary conditions and support for the due performance of the Independent Directors. During the year, I reviewed the Company's operation reports on a monthly basis to regularly keep myself informed of the Company's operation and development; focusing on the national development strategies and the core business of the Company, I participated in special research and inspection activities in relation to the Company's efforts to advance the specialised work of "Five Major Areas" in Finance, the development of fund business operations and the establishment of third-tier branch offices

During the audit of the annual financial report, I reviewed the reports submitted by the executive management regarding the Company's operations, financial situation, investment and financing activities and other material matters in the previous year before the annual report was prepared. Before the entry of the annual audit accountants, after the issuance of the preliminary examination results and prior to the Board's deliberation, I maintained good communication with the executive management and the annual audit accountants, and fully communicated with the annual audit accountants in respect of auditors' arrangement, audit plan, audit method and audit focus.

**III. MAJOR CONCERNS RAISED**

In 2024, according to the duties authorized by laws and regulations as well as Articles of Association, as an Independent Director, I focused on profit distribution, internal control evaluation, related party/connected transactions, guarantee, re-appointment of accounting firms, nomination of Directors, appointment of senior management personnel and other matters of the Company, together with other Independent Directors of the Company, details of which are as follows:

1. Profit distribution plan: the profit distribution plan to be implemented by the Company during the reporting period complies with the relevant requirements of relevant laws and regulations, normative documents as well as the Articles of Association and other internal systems, is in line with the actual situation of the Company, is in the interests of the Shareholders as a whole and long-term, and is conducive to the long-term development of the Company, and there is no circumstance which is detrimental to the rights and interests of minority Shareholders.

2. Internal control evaluation: the Company has established and effectively implemented an internal control system for each business and management matters included in the scope of internal control assessment, which has achieved the objectives of the Company's internal control, and the internal control evaluation report of the Company is in compliance with the relevant requirements of laws and regulations as well as the Company's internal governance system, which is complete and true.
3. Related party/connected transactions: the relevant transactions involved in the daily related party transactions/continuing connected transactions of the Company shall be priced according to the market price, and the pricing principle shall be reasonable and fair and there is no damage to the interests of the non-related/connected Shareholders of the Company. The Company and the related/connected party are equal and mutually beneficial, and there is no damage to the interests of the Company. Relevant transactions do not affect the Company's independence, and the Company's main business does not become dependent on the related/connected party as a result of related party/connected transactions.
4. Guarantee: the Company has complied with the requirements of laws and regulations, normative documents and the Articles of Association regarding guarantee, and has strictly fulfilled its decision-making procedures and information disclosure obligations and controlled guarantee-related risks effectively. There is no non-compliance with guarantees. There is no circumstance beyond the authority of the Shareholders' general meeting, and there is no circumstance which is detrimental to the lawful rights and interests of the Company and Shareholders.
5. Re-appointment of accounting firms: after a comprehensive evaluation on the proposed entity, the proposed entity is in compliance with the regulatory requirements in terms of professional competence, investor protection competence, independence and integrity, and the approval procedure of such re-appointment is in compliance with the relevant requirements of relevant laws and regulations as well as the Articles of Association.
6. Nomination of Directors: the Director candidates nominated during the reporting period meet the requirements of laws and regulations as well as the listing rules of the stock exchanges in the places where the Company's Shares are listed for the appointment of directors of listed securities companies, and the nomination procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.

7. Appointment of senior management personnel: the senior management personnel appointed during the reporting period meet the qualification criteria for senior management of listed securities companies, are conducive to the optimisation of corporate governance and meet the needs of operation and management, and the appointment procedures are adequate and in compliance with the requirements of laws and regulations as well as the Articles of Association.

In addition, as a member of the Risk Management Committee of the Board and a member of the Audit Committee of the Board, I attached great importance to the risk control measures of the Company to prevent credit risk, operational risk, compliance risk, legal risk and reputational risk as well as the related risk factors, risk mitigations and follow-up rectifications, with the aim to enable the Company to strengthen the foundation of internal controls.

#### IV. ASSESSMENT ON PERFORMANCE OF DUTIES

In 2024, in strict compliance with the requirements of laws and regulations as well as the Articles of Association, I devoted sufficient time and energy to perform my duties as an Independent Director. In particular, I worked on site for more than 15 days, which is in compliance with regulatory requirements, including but not limited to participation in Board Meetings, meetings of special committees of the Board, communication meetings for Board resolutions, special meetings and surveys of Directors, trainings for Directors and etc.; gave full play to my professional strengths, provided independent and objective advice, acted in good faith and with diligence, played the role of decision-making, supervising balance and professional advisory in the Board, and continuously paid attention to the matters related to the minority Shareholders. I effectively safeguarded the interests of the Company as a whole and the lawful rights and interests of the Shareholders, in particular the minority Shareholders, and duly performed the duties as an Independent Director.

This report is hereby given.

**Reporter: ZHENG Wei**

June 27, 2025

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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# 中信建投証券股份有限公司 CSC FINANCIAL CO., LTD.

*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 6066)

## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2024 Annual General Meeting (the “AGM”) of CSC Financial Co., Ltd. (the “**Company**”) will be held at 2:30 p.m. on Friday, June 27, 2025 at the Conference Room, 13/F, Taikang Group Tower, Building 1, Courtyard 16, Jinghui Street, Chaoyang District, Beijing, the PRC, to consider and, if thought fit, approve the following resolutions. Unless otherwise specified, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated May 29, 2025. Please refer to the circular for details of the resolutions.

### AS ORDINARY RESOLUTIONS

1. To consider and approve the 2024 Work Report of the Board of Directors of the Company.
2. To consider and approve the 2024 Work Report of the Supervisory Committee of the Company.
3. To consider and approve the 2024 Final Financial Accounts Plan of the Company.
4. To consider and approve the Profit Distribution Plan of the Company in 2024.
5. To consider and approve the 2024 annual report of the Company.
6. To consider and approve the 2024 work reports of Independent Non-executive Directors of the Company.
7. To consider and approve the cap on investment amount for proprietary business of the Company in 2025.
8. To consider and approve the expected daily related party transactions/continuing connected transactions of the Company in 2025.
- 8.01 To consider and approve the expected daily related party transactions/continuing connected transactions of the Company with Beijing Financial Holdings Group Limited and its acting-in-concert persons/subsidiaries in 2025;

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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- 8.02 To consider and approve the expected daily related party transactions of the Company with Beijing Jincai Fund Management Co., Ltd. (北京金財基金管理有限公司) in 2025;
- 8.03 To consider and approve the expected daily related party transactions of the Company with China Jianyin Investment Limited in 2025;
- 8.04 To consider and approve the expected daily related party transactions of the Company with JIC Trust Co., Ltd. in 2025;
- 8.05 To consider and approve the expected daily related party transactions of the Company with Jiantou Holding Co., Ltd. (建投控股有限責任公司) in 2025;
- 8.06 To consider and approve the expected daily related party transactions of the Company with CITIC Urban Development & Operation Co., Ltd. in 2025;
- 8.07 To consider and approve the expected daily related party transactions of the Company with China CITIC Bank Corporation Limited in 2025;
- 8.08 To consider and approve the expected daily related party transactions of the Company with China CITIC Bank International Limited in 2025.
9. To consider and approve the reappointment of 2025 accounting firms of the Company.

The above resolutions and reports were considered and approved by the Board/Supervisory Committee on March 27, 2025 and April 29, 2025. It is now submitted to Shareholders for consideration and approval at the AGM.

By order of the Board  
**CSC Financial Co., Ltd.**  
**Liu Cheng**  
Chairman

Beijing, the PRC  
May 29, 2025

*As at the date of this notice, the Executive Directors of the Company are Mr. LIU Cheng and Mr. JIN Jianhua; the Non-executive Directors of the Company are Mr. LI Min, Mr. YAN Xiaolei, Mr. LIU Yanming, Mr. YANG Dong, Ms. HUA Shurui and Ms. WANG Hua; and the Independent Non-executive Directors of the Company are Mr. PO Wai Kwong, Mr. LAI Guanrong, Mr. ZHANG Zheng, Mr. WU Xi and Mr. ZHENG Wei.*

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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*Notes:*

### 1. ELIGIBILITY FOR ATTENDING THE SHAREHOLDERS' GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the list of Shareholders who are entitled to attend the AGM, the register of members of the Company will be closed from Tuesday, June 24, 2025 to Friday, June 27, 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to attend the AGM, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) not later than 4:30 p.m. on Monday, June 23, 2025 to complete registration. Holders of H Shares who are registered with Computershare Hong Kong Investor Services Limited or the Board Office of the Company (if applicable) at the close of business on the aforementioned date are entitled to attend the AGM.

Where there are joint holders of any Shares, the one whose name stands first on the register of members shall be entitled to attend and vote at the AGM in respect of such Shares.

### 2. 2024 CASH DIVIDEND

The Board recommended the distribution of cash dividend for the year ended December 31, 2024 of RMB1.65 per ten Shares (tax inclusive) ("**2024 Cash Dividend**") and, if such dividend is declared by the Shareholders through an ordinary resolution, it is expected to be paid on or around Thursday, August 21, 2025 to the Shareholders whose names appear on the register of members of the Company at the close of business on Thursday, July 10, 2025. In order to be entitled to the receipt of cash dividend to be distributed which will be approved in the AGM, the register of members of the Company will be closed from Saturday, July 5, 2025 to Thursday, July 10, 2025 (both days inclusive), during which period no transfer of Shares will be registered. The H Shareholders should ensure that all transfer documents together with relevant share certificates, are lodged with the Company's Hong Kong Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, July 4, 2025.

### 3. PROXY

- (1) Any Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote at the meeting on his or her behalf. A proxy need not be a Shareholder.
- (2) The instrument appointing a proxy must be in writing by the appointor or his/her attorney duly authorized in writing.

If the appointor is a legal entity, either under seal or signed by its director or a duly authorized attorney. To be valid, the proxy form together with the notarized power of attorney or other documents of authorization, if any, must be completed and delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders), not later than 24 hours before the time fixed for the AGM (i.e. 2:30 p.m. on Thursday, June 26, 2025) or 24 hours before the time of any adjournment thereof. The proxy form for the AGM is enclosed herewith.

Completion and return of the proxy form will not preclude the Shareholders from attending and voting at the AGM or at any adjourned meeting if they so wish.

### 4. REGISTRATION PROCEDURES FOR ATTENDING THE AGM

Shareholder or his/her proxy shall produce proof of identity (original) when attending the AGM:

- (1) Legal representatives of legal person Shareholders who attend the meeting shall produce their own identity cards and effective proof of their capacity as legal representatives. Proxies of legal person Shareholders shall produce their own identity cards.
- (2) Individual Shareholders who attend the meeting in person shall produce their identity cards or other effective document or proof of identity. Proxies of individual Shareholders shall produce effective proof of identity and form of proxy.

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## NOTICE OF THE 2024 ANNUAL GENERAL MEETING

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### 5. VOTING BY POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of Shareholders at a Shareholders' general meeting must be taken by poll. Accordingly, the resolutions to be proposed at the AGM will be voted by poll. Results of the poll voting will be posted on the website of the Company at [www.csc108.com](http://www.csc108.com) and on the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) upon the conclusion of the AGM.

### 6. MISCELLANEOUS

(1) The duration of the AGM is expected not to exceed half a day. Shareholders who attend the AGM shall arrange for their own transportation and accommodation at their own expenses.

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

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the submission of transfer documents)

17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the submission of proxy form)

Telephone: +852 2862 8555

Fax: +852 2865 0990

For the matters relating to the attendance of the AGM by A Shareholders, please refer to the notice of meeting and other relevant documents published by the Company on website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).