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GF SECURITIES CO., LTD.

廣發証券股份有限公司

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

(Stock Code: 1776)

(1) COMPLETION OF PLACING OF NEW H SHARES UNDER GENERAL MANDATE; AND (2) COMPLETION OF CONCURRENT ISSUE OF ZERO COUPON CONVERTIBLE BONDS DUE 2027 UNDER GENERAL MANDATE

***Joint Overall Coordinators, Joint Global Coordinators,
Joint Lead Managers, Joint Bookrunners and Placing Agents***



**Goldman
Sachs**



(in alphabetical order)

We refer to the announcement of GF Securities Co., Ltd. (the “**Company**”) dated January 7, 2026 in respect of the proposed Placing and the concurrent proposed issue of the Bonds (the “**Announcement**”). Unless otherwise defined, all terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF THE PLACING UNDER GENERAL MANDATE

The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and the completion of the Placing took place on January 14, 2026. A total of 219,000,000 Placing Shares have been successfully placed by the Placing Agent to no less than six Placees at the Placing Price of HK\$18.15 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

COMPLETION OF THE CONCURRENT ISSUE OF THE BONDS UNDER GENERAL MANDATE

The Board is also pleased to announce that all the conditions precedent under the Subscription Agreement have been fulfilled and the issue of the Bonds in an aggregate principal amount of HK\$2,150 million was completed on January 14, 2026. The Bonds are convertible, in the circumstances as set out in the Terms and Conditions, into H Shares at an initial Conversion Price of HK\$19.82 per H Share (subject to adjustments), and assuming full conversion of the Bonds at the initial Conversion Price of HK\$19.82 per H Share, the Bonds will be convertible into approximately 108,476,287 H Shares.

LISTING

The Company has obtained the approval for the listing of, and permission to deal in, the Placing Shares and the Conversion Shares on the Hong Kong Stock Exchange, and the approval from Vienna MTF operated by the Vienna Stock Exchange for the listing of the Bonds.

CSRC FILINGS

The Company will subsequently comply with CSRC Rules and complete the CSRC Filings in connection with the issue of the Bonds and the Placing.

EFFECTS ON SHAREHOLDING STRUCTURE AS A RESULT OF (I) THE PLACING; AND (II) THE CONVERSION OF THE BONDS

As at the date of this announcement and immediately before the completion of the Placing, the number of the total issued Shares of the Company is 7,605,845,511 Shares, comprising 5,904,049,311 A Shares and 1,701,796,200 H Shares.

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement and immediately before the completion of the Placing; (ii) immediately after the completion of the Placing but before the conversion of the Bonds; (iii) immediately after the issue and allotment of the Conversion Shares assuming the Bonds are fully converted into H Shares at the initial Conversion Price of HK\$19.82 per H Share (subject to adjustments); and (iv) after the completion of the Placing and the issue and allotment of the Conversion Shares assuming the Bonds are fully converted into H Shares at the initial Conversion Price of HK\$19.82 per H Share (subject to adjustments), on the assumption that: (a) there will be no other change to the share capital of the Company between the date of this announcement and the completion of the Placing and the conversion of the Bonds in full save for the issue of the Placing Shares and the issue and allotment of the Conversion Shares as a result of the conversion of the Bonds in full; (b) the Placees do not and will not hold any Shares other than the Placing Shares; and (c) the Bondholders do not and will not hold any Shares other than the Conversion Shares as a result of the conversion of the Bonds in full.

Shareholder ^(Note 1)	Class of Shares	As at the date of this announcement and immediately before the completion of the Placing			Immediately after the completion of the Placing but before the conversion of the Bonds		Upon full conversion of the Bonds at the initial Conversion Price of HK\$19.82 per H Share		Immediately after the completion of the Placing and the issue and allotment of the Conversion Shares assuming the Bonds are fully converted into H Shares (subject to adjustments) at the initial Conversion Price of HK\$19.82 per H Share
		Approximate percentage of the total issued			Approximate percentage of the total issued		Approximate percentage of the total issued		Approximate percentage of the total issued
		Number of Shares	Shares (%) ^(Note 2)	Number of Shares	Shares (%) ^(Note 2)	Number of Shares	Shares (%) ^(Note 2)	Number of Shares	Shares (%) ^(Note 2)
Jilin Aodong Pharmaceutical Group Co., Ltd.	A Shares	1,252,768,767	16.47	1,252,768,767	16.01	1,252,768,767	16.24	1,252,768,767	15.79
	H Shares	277,143,000	3.64	277,143,000	3.54	277,143,000	3.59	277,143,000	3.49
Liaoning Cheng Da Co., Ltd.	A Shares	1,250,154,088	16.44	1,250,154,088	15.98	1,250,154,088	16.21	1,250,154,088	15.76
	H Shares	116,773,600	1.54	116,773,600	1.49	116,773,600	1.51	116,773,600	1.47
Zhongshan Public Utilities Group Co., Ltd.	A Shares	686,754,216	9.03	686,754,216	8.78	686,754,216	8.90	686,754,216	8.66
	H Shares	116,918,400	1.54	116,918,400	1.49	116,918,400	1.52	116,918,400	1.47
Placees	H Shares	–	–	219,000,000	2.80	–	–	219,000,000	2.76
Bondholders	H Shares	–	–	–	–	108,476,287	1.41	108,476,287	1.37
Public Shareholders of A Shares	A Shares	2,714,370,940	35.69	2,714,370,940	34.69	2,714,370,940	35.19	2,714,370,940	34.21
Public Shareholders of H Shares	H Shares	1,190,961,200	15.66	1,190,961,200	15.22	1,190,961,200	15.44	1,190,961,200	15.01
Total issued Shares		<u>7,605,845,511</u>	<u>100.00</u>	<u>7,824,845,511</u>	<u>100.00</u>	<u>7,714,321,798</u>	<u>100.00</u>	<u>7,933,321,798</u>	<u>100.00</u>

Notes:

1. According to the information provided by Jilin Aodong Pharmaceutical Group Co., Ltd., Liaoning Cheng Da Co., Ltd. and Zhongshan Public Utilities Group Co., Ltd., as of the date of this announcement and immediately before the Placing and the conversion of the Bonds, Jilin Aodong Pharmaceutical Group Co., Ltd. held 240,274,200 H Shares of the Company and held 36,868,800 H Shares of the Company through its wholly-owned subsidiary, Aodong International (Hong Kong) Industrials Co., Limited (敖東國際(香港)實業有限公司), a total of 277,143,000 H Shares, representing 3.64% of the total share capital of the Company; Liaoning Cheng Da Co., Ltd. held 115,300,000 H Shares of the Company and held 1,473,600 H Shares of the Company through Chengda Steel Hong Kong Co., Limited (成大鋼鐵香港有限公司), which is a wholly-owned subsidiary of Liaoning Chengda Steel Co., Ltd. (遼寧成大鋼鐵貿易有限公司) (a wholly-owned subsidiary of Liaoning Cheng Da Co., Ltd.), a total of 116,773,600 H Shares, representing 1.54% of the total share capital of the Company; Zhongshan Public Utilities Group Co., Ltd. held 116,918,400 H Shares of the Company through its wholly-owned subsidiary, Public Utilities International (Hong Kong) Investment Company Ltd. (公用國際(香港)投資有限公司), representing 1.54% of the total share capital of the Company. According to the information provided by Liaoning Cheng Da Co., Ltd., for the purpose of its exchangeable corporate bond issuance, a total of 205,000,000 A Shares of the Company have been transferred to the dedicated securities account for exchangeable corporate bond guarantee and trust opened by Liaoning Cheng Da Co., Ltd. and its exchangeable corporate bond trustee, CSC Financial Co., Ltd. (中信建投證券股份有限公司). As of the date of this announcement and immediately before the Placing and the conversion of the Bonds, the percentages of A Shares and H Shares of the Company held in aggregate by Jilin Aodong Pharmaceutical Group Co., Ltd. and its concert parties, Liaoning Cheng Da Co., Ltd. and its concert parties, and Zhongshan Public Utilities Group Co., Ltd. and its concert parties in the total share capital of the Company were 20.11%, 17.97% and 10.57%, respectively.
2. All percentages stated in this table are approximations and certain percentage figures included in this table have been subject to rounding adjustments.
3. Based on the information available to the Company and to the best knowledge of the Directors:
 - (a) the number of H Shares held in public hands immediately before completion of the Placing and immediately after completion of the Placing were approximately 15.66% and 18.02% of the total issued share capital and approximately 69.98% and 73.41% of the total issued H Share capital respectively, and the number of A Shares held in public hands were approximately 35.69% and 34.69% of the total issued share capital and approximately 45.97% and 45.97% of the total issued A Share capital respectively; and
 - (b) following the completion of the Placing and assuming full conversion of the Bonds at the initial Conversion Price of HK\$19.82 per H Share, the number of H Shares held in public hands are approximately 19.14% of the total issued share capital and approximately 74.83% of the total issued H Share capital respectively, and the number of A Shares held in public hands are approximately 34.21% of the total issued share capital and approximately 45.97% of the total issued A Share capital.

Accordingly, based on the information available to the Company and to the best knowledge of the Directors, the Company will maintain sufficient public float upon completion of the Placing and the full conversion of the Bonds.

USE OF PROCEEDS

The aggregate gross proceeds from the Placing are approximately HK\$3,975 million, and the aggregate net proceeds from the Placing (after deduction of the commissions and estimated expenses) are approximately HK\$3,959 million. The aggregate principal amount of the Bonds is HK\$2,150 million, and the aggregate net proceeds from the offering of the Bonds (after deduction of the commissions and estimated expenses) are approximately HK\$2,154 million. The Company intends to use its proceeds from the Placing and the issuance of the Bonds for capital injections into its offshore subsidiaries to support the Group's international business development, including but not limited to: supporting cross-border transactions and institutional businesses, and cross-border investment banking business of offshore subsidiaries, providing liquidity support to offshore subsidiaries, and supplementing the operating capital of offshore subsidiaries. Subject to the approval of the relevant regulatory authorities, the Company expects that the net proceeds from the Placing and the issuance of the Bonds will be used as capital injection into its offshore subsidiaries by December 31, 2027. These expectations are based on the information currently available to the Company and will be adjusted according to the Company's actual development. After capital injection in its offshore subsidiaries, the Company intends to use the net proceeds from the Placing and the issuance of the Bonds as follows:

Proposed Use of Net Proceeds	Allocation Ratio of Net Proceeds
1. Support the international business development of offshore subsidiaries, including cross-border transactions and institutional businesses and cross-border investment banking business, promote the development of the cross-border integrated service capabilities including diversified product innovation and the construction of connectivity channels;	70%
2. Provide liquidity support to offshore subsidiaries, repay part of the indebtedness of offshore subsidiaries, ensure liquidity safety and reduce financing costs; and	25%
3. Supplement the operating capital needs and general funding purposes of offshore subsidiaries.	5%

By Order of the Board
GF Securities Co., Ltd.
Lin Chuanhui
Chairman

Guangzhou, the PRC
January 14, 2026

As at the date of this announcement, the Board of the Company comprises Mr. Lin Chuanhui, Mr. Qin Li, Ms. Sun Xiaoyan and Mr. Xiao Xuesheng as executive Directors; Mr. Li Xiulin, Mr. Shang Shuzhi and Mr. Guo Jingyi as non-executive Directors; and Ms. Leung Shek Ling Olivia, Mr. Li Wenjing, Mr. Zhang Chuang and Mr. Wang Dashu as independent non-executive Directors.