

Efficiency | Honesty | Prudence | Innovation



Table of Contents

01

About Huatai Securities

Company Overview	8
Responsibility Principles	13

02

Social Responsibility Issues

Participation of the Stakeholders	16
Identification and Analysis of Substantive Issues	17

03

Regulated Governance to Ensure Shareholders' Satisfaction

Corporate Governance	20
Overall Risk Management	22
Compliance Management	23

04

Creating Value and Being Customer-trustworthy

Finance Underpinning the Industry	28
Investor Protection	31
High-quality Customer Services	33

05

Cherishing Talent, Growing Together

Caring about Our Employees	38
Training and Career Development	42

06

Giving Full Play to Financial Advantages and Promoting Social Progress

Programs for Public Welfare	48
Targeted Poverty Alleviation	50

07

Emphasize on Low-carbon Operation to Promote Sustainable Development

Development of Green Finance	56
Create a Beautiful Environment	59

Social Recognition	62
--------------------	----

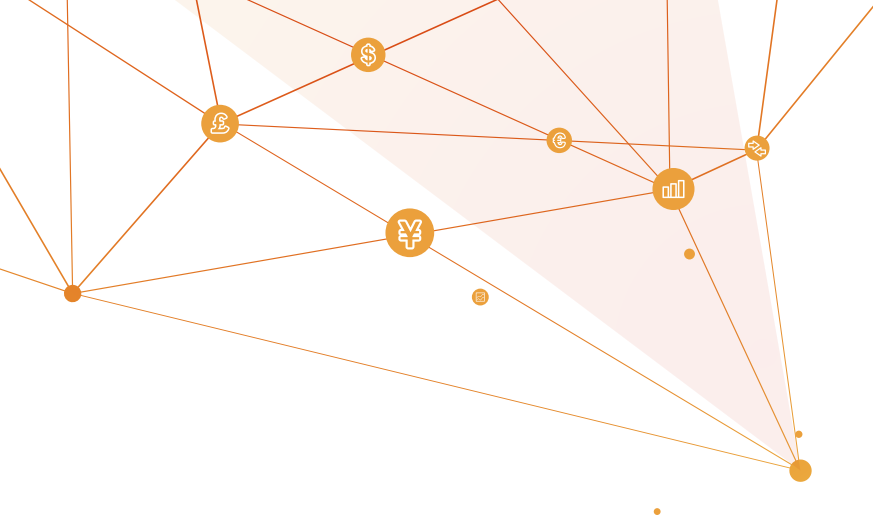
Awards	62
--------	----

Appendix	64
----------	----

Disclosure Recommendations of the Shanghai Stock Exchange Index	64
HKEX ESG Reporting Guide Index	65
Sustainability Reporting Guidelines (GRI G4) Index	68

About This Report	78
-------------------	----

Social Responsibility Vision	79
------------------------------	----



Preface

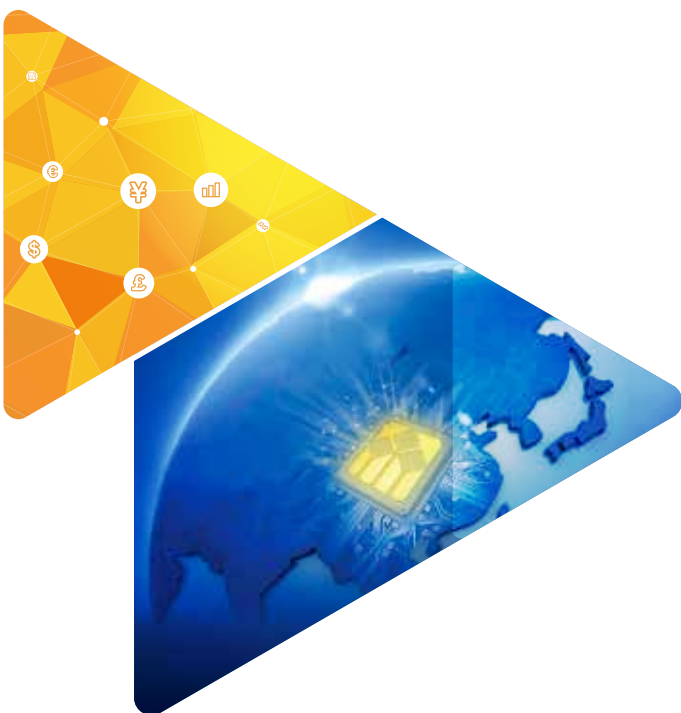
Back to the Origin, Advancing in Joint Hands

The successful conclusion of the 19th National Congress of the Chinese Communist Party in 2017 opened a new era of socialism with the Chinese characteristics, while the year 2017 was extraordinary enough as it witnessed China's financial regulatory authorities increase their efforts to curb various kinds of risks and reinforce the role of the finance sector in serving the real economy. At the same time, the Chinese government continued to promote the green financial system and increase its efforts in precisely-targeted poverty alleviation. In such a complicated and ever-changing regulatory and social environment, we have resolved to proceed with our reform and restructuring as a proactive stance against the tests and challenges, as a result of which our operating results realized a year-on-year growth, with the Company's overall strength ranking among the best in the industry.

As the Chinese government maintaining its harsh supervision, strict governance and tight risk control, we further optimized our comprehensive risk management system and carefully maintained strict compliance with the new regulations. The Company was rated Class AA under Category A by the CSRC (China Securities Regulatory Commission) in its categorized assessment of securities companies. While constantly consolidating our investor protection system and investor aptitude management capability, we continued to improve the customers' experience by launching our online intelligence service, as a result of which the number of monthly active users of the Company's mobile APP "ZhangLe Fortune Path" has been topping the list in the securities brokerage industry for three consecutive years.

The Report of the 19th National Congress of the CPC (Communist Party of China) stated that it will "deepen the reform of the financial system while enhancing the capability of financial sector to serve the real economy and increasing the percentage of direct financing so as to ensure the healthy development of a multi-level capital market". In 2017, we returned to our origin of serving the real economy and vigorously promoted our assets securitization business, helping our customers reduce their debts and leverage while constantly improving our comprehensive service system for the small and medium-sized enterprises to help them grow big and strong. We also vigorously implemented the instruction of President Xi Jinping of "Cut Overcapacity and Excess Inventory, Deleverage, Reduce Costs and Strengthen Points of Weakness" and provided a wide range of financial solutions to the state-owned enterprises in the steel, coal, mining and metallurgy industry, helping them achieve their transformation and upgrading in the "New Normal" stage.





Fighting poverty and controlling pollutions is the key to the accomplishment of building a Well-off Society in China in every aspect. Therefore, we heartily responded to the call of the Chinese government for fighting poverty and put into practice the guidelines of "Precise Poverty Alleviation". We fully exerted the Company's strengths in human resources, intelligence, resources and capital while we carried out our "One Company One County" Paired Supporting Initiative and the Targeted Supporting Program in Jiangsu Province. At the same time, in line with the State's policy on environment-friendly development, we constantly promoted our green finance projects, supporting the development of those environment-friendly, promising industries. The green bonds underwritten by the Company in 2017 amounted to over RMB10 billion, making us the vanguard and main force in underwriting and issuance of the green bonds in China.

The year of 2018 marks the 40th anniversary of China's Reform and Opening Up. It is also a crucial year for the Company's reform and restructuring as it has to conquer numerous obstacles and break old tough systems for innovation. We will adhere to our core values of being "Efficient, Honest, Prudent and Innovative" and focus on the changes and new trends of our customers' needs and requirements, building up a new service system and professional capabilities in preparation for the future. All that passes may be the prelude of a new chapter. The future has arrived, and the future is now! Let's join hands to conquer those obstacles and overcome those difficulties, unswervingly carry out our strategic transformation and optimize the process while striving to be a first-class comprehensive financial group armed with both local advantages and global perspectives, doing our best to make China a strong modernized country with socialist characters, i.e. prosperity, democracy, civilization, harmony and beauty.



01

About Huatai Securities

- ◆ Company Overview 8
- ◆ Responsibility Principles 13



Company Overview

1 Company Profile

Huatai Securities Co., Ltd. (the "Company") is a leading comprehensive securities group in China with a substantial customer base, an industry-leading internet-based platform and a flexible synergic comprehensive business chains system. The Company was established in April 1991, in the course of more than 20 years of its development, the Company took a good hold of the historic opportunities in innovation and reform of the capital market and securities industry in China, maintaining a rapid growth. The Company adheres to its business philosophy of "centered on customer service, guided by customer demand, striving for customer satisfaction", and is committed to becoming a first-class comprehensive financial group armed with both local advantages and global perspectives.

The Company recorded a revenue of

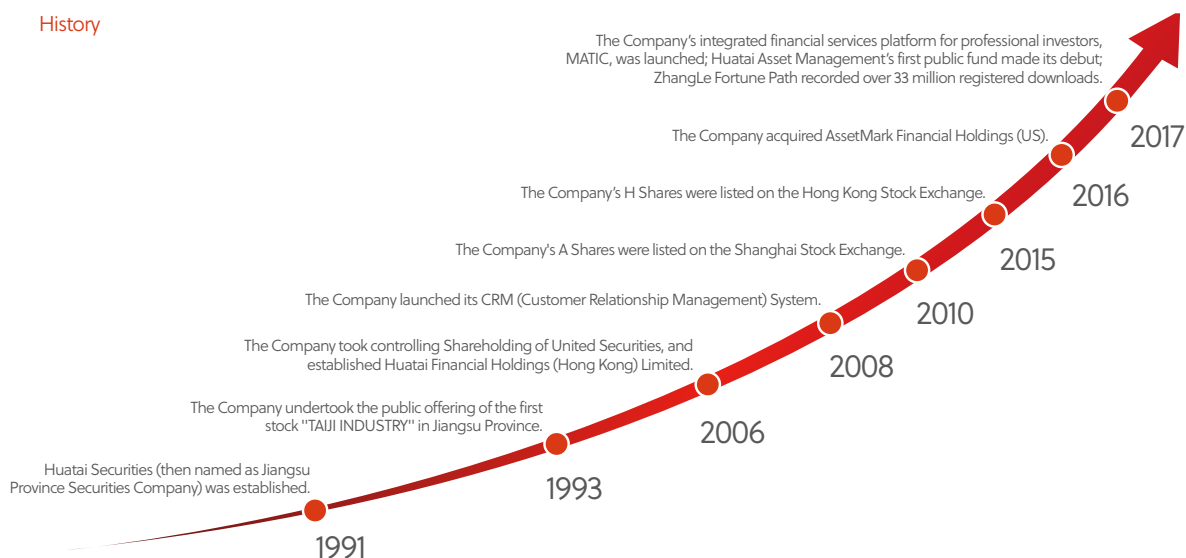
RMB 21,108,534,100

Total Assets of

RMB 381,482,539,800

Stock Type	A Share	H Share
Stock exchange	Shanghai Stock Exchange	Hong Kong Stock Exchange
Stock name (abbrev)	Huatai Securities	HTSC
Stock code	601688	6886
Date of listing	February 26, 2010	June 1, 2015

History





2 Business

The Company has set up a customer-oriented organizational mechanism to provide a full range of securities and financial services to individual and institutional customers through a combination of online and offline channels. The major businesses undertaken by the Company include wealth management, institutional services, investment management and international business. To date, the Company had five wholly-owned subsidiaries, three subsidiaries with holding interests, 29 branches and 242 sales outlets.

List of Our Major Subsidiaries



Note: Huatai International Financial Holdings Company Limited received the approval from the Securities and Futures Commission of Hong Kong on 4 December 2017, whereby it was approved to be a substantial shareholder of Huatai Financial Holdings (Hong Kong) Limited. Currently the restructuring of the HK subsidiary is in progress.

Business



Wealth Management Business

The Company's wealth management segment provides diversified wealth management services to all kinds of customers through coordinated online-offline and domestic-overseas channels, which include securities and futures brokerage, sales of financial products and capital-based intermediary business, leveraging on our mobile (ZhangLe Fortune Path) and desktop professional platform, branches, securities & futures sales outlets and our subsidiaries, i.e. Huatai Financial Holdings (Hong Kong) Limited and AssetMark Financial Holdings ("AssetMark") in the US.

Securities, futures and options brokerage business	mainly includes buying and selling stocks, funds, bonds, futures and options on behalf of clients and providing service to facilitate the transaction.
Financial products sales business	provides customers with a variety of financial products sales services and asset allocation services, and the related financial products are managed by the Company and other financial institutions.
Capital-based intermediary business	provides customers with margin financing and securities lending, stock pledged repurchase and other diversified financing services.



Institutional Services Business

Our institutional services business segment, guided by investment banking and linked to its customers with direct sales to institutions, integrates the Company's business resources e.g. investments and research to provide a full range of comprehensive financial services, including investment banking, research and institutional sales, investment trading and asset custody to various corporate clients and financial institutions.

Investment banking business	includes equity underwriting, bond underwriting, financial advisory and OTC business, etc.
Research and institutional sales business	provides specialized research services to clients, recommend and sell securities products and services to clients.
Investment and trading business	mainly includes equity securities investment and trading, fixed income investment and trading, OTC financial products and trading business.
Assets custody business	mainly includes the provision of asset custody and fund services for various types of asset management institutions, such as private funds and public funds.



Investment Management Business

Our investment management business segment accepts the clients' entrust with their funds, creates and offers various types of financial products and manages their assets, relying on our specialized investment and research platform as well as our substantial customer base, to meet our customers' investment and financing needs, including asset management for securities companies, management of private equity funds and asset management for fund companies.

Asset management for securities companies

The Company is engaged in the business of asset management for securities companies through Huatai Securities (Shanghai) Asset Management Co., Ltd., a wholly-owned subsidiary of the Company, which includes collective asset management, directional asset management, special asset management and public fund management.

Private equity fund business

The Company is engaged in the private equity fund business through its wholly-owned subsidiary Huatai Zijin Investment Co., Ltd..

Asset management for fund companies

The Company holds non-controlling interests in two public fund management companies, i.e. China Southern Asset Management and Huatai-PineBridge, through which it is engaged in the business of asset management for fund companies.



International Business

The Company is engaged in the international business through its wholly-owned subsidiary, Huatai Financial Holdings (Hong Kong) Limited, which includes investment banking, brokerage and wealth management, research and institutional sales, stock derivatives, fixed income sales and trading and asset management. The Company has also acquired AssetMark, a leading integrated asset management platform in the United States, to provide a full range of services to investment advisors such as investment strategies and asset portfolio management, customer relationship management and asset custody.

Investment Banking

The Company provides equity and bond underwriting services, cross-border M&A advisory services and financing solutions to the Chinese and foreign companies.

Brokerage and Wealth Management Business

The Company provides its customers with securities trading services in overseas markets, including Hong Kong stocks and US stocks, as well as overseas asset allocation and wealth management services.

Research and Institutional Sales

The Company provides its domestic and overseas customers with integrated research and institutional sales services, covering a wide range of industries.

Stock Derivatives Business

The Company conducts cross-border trading of derivatives, design and sales of derivatives and provides various types of equity capital intermediary services to its clients.

Fixed Income Sales and Trading Business

The Company provides its customers with comprehensive fixed income sales and trading services such as market making, cross-asset sales and structured products.

Asset Management Business

The Company provides portfolio and fund management services to institutional customers, high net worth and retail customers.

Number and Distribution of Sales Outlets in China

City, province or region	No. of outlets	City, province or region	No. of outlets	City, province or region	No. of outlets
Anhui Province	5	Hebei Province	1	Ningxia Hui Autonomous Region	1
Beijing City	7	Henan Province	3	Shandong Province	7
Chongqing City	1	Hubei Province	29	Shanxi Province	1
Fujian Province	4	Hunan Province	3	Shaanxi Province	2
Gansu Province	1	Jilin Province	3	Shanghai City	15
Guangdong Province	23	Jiangsu Province	93	Sichuan Province	7
Guangxi Zhuang Autonomous Region	2	Jiangxi Province	2	Tianjin City	4
Guizhou Province	1	Liaoning Province	7	Xinjiang Uygur Autonomous Region	1
Hainan Province	2	Inner Mongolia Autonomous Region	3	Zhejiang Province	8
Heilongjiang Province	5	Qinghai Province	1		



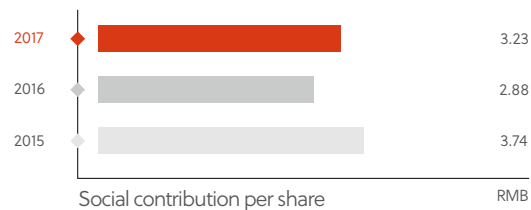
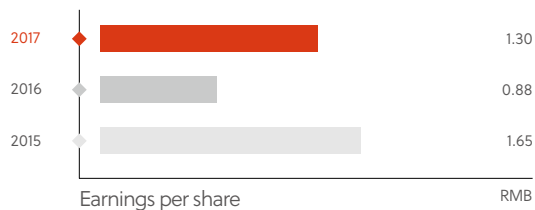
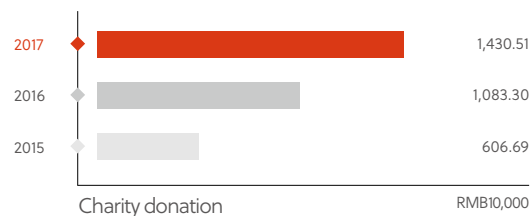
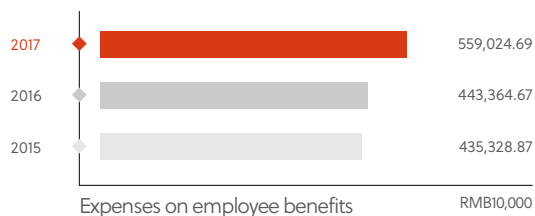
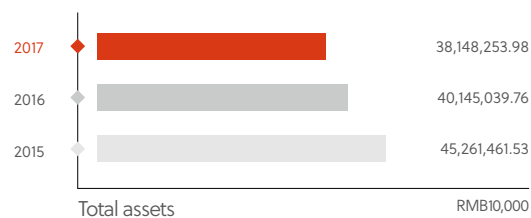
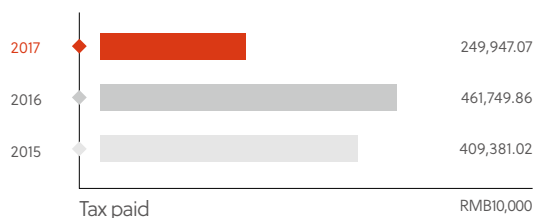
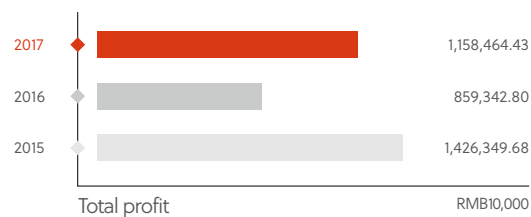
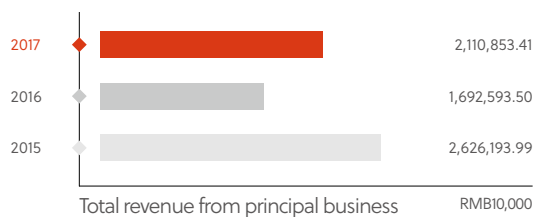
Huatai Financial Holdings (Hong Kong) Limited

The registered capital of Huatai Financial Holdings (Hong Kong) is HK\$8.8 billion, which is among the highest in the industry in Hong Kong. As a wholly-owned subsidiary of the Company, Huatai Financial Holdings (Hong Kong) will take advantage of Hong Kong's position as a global financial center to provide global capital market service to clients.



3 Operating Results

The Company proactively adapted to changes in regulatory policies and market environment, maintained compliance with laws and regulations while continuing innovation and development and unceasingly deepened its restructuring and transformation, resulting in its overall strength and position in the industry being further reinforced. In 2017, the Company recorded a net asset value per share attributable to shareholders of RMB12.19, earnings per share of RMB1.30, total assets of RMB381.483 billion, owner's equity attributable to shareholders of the listed company of RMB87.336 billion, a revenue of RMB21.109 billion and net profits attributable to shareholders of listed company of RMB9.277 billion.



Note: social contribution per share = (net profit of the Company + tax paid to the state during the year + salaries paid to employees + interest on borrowings paid to banks and other creditors + value created for other stakeholders, e.g. donations - other social costs due to environmental pollution) / total number of shares of the Company

Responsibility Principles

1 Social Responsibility Principles

Since its establishment, Huatai Securities has always been adhering to its core values of "efficiency, honesty, prudence, and innovation" and its business philosophy of "focusing on customer service, customer demand, and customer satisfaction", and striving to maintain harmony between its responsibilities for customers, shareholders, employees and society. The Company is committed to becoming a first-class comprehensive financial group armed with local advantages and global perspectives and a financial institution that is internationally competitive with a significant brand influence and systemic importance.



02

Social Responsibility Issues

- ◆ Participation of the Stakeholders 16
- ◆ Identification and Analysis of Substantive Issues 17







Participation of the Stakeholders

1 Identification of and Communication with the Stakeholders

Key stakeholders of Huatai Securities include its shareholders, customers, employees, the government and regulatory agencies, suppliers, partners and communities that have a significant influence on its sustainable development. Through establishing a normalized communication mechanism with its stakeholders, the Company can listen to the appeals, opinions, and suggestions from all the related parties, and place stakeholders and their concerns into the Company's operations and decision-making process, so as to generate good values for all of them.

Communication with and Response to the Stakeholder

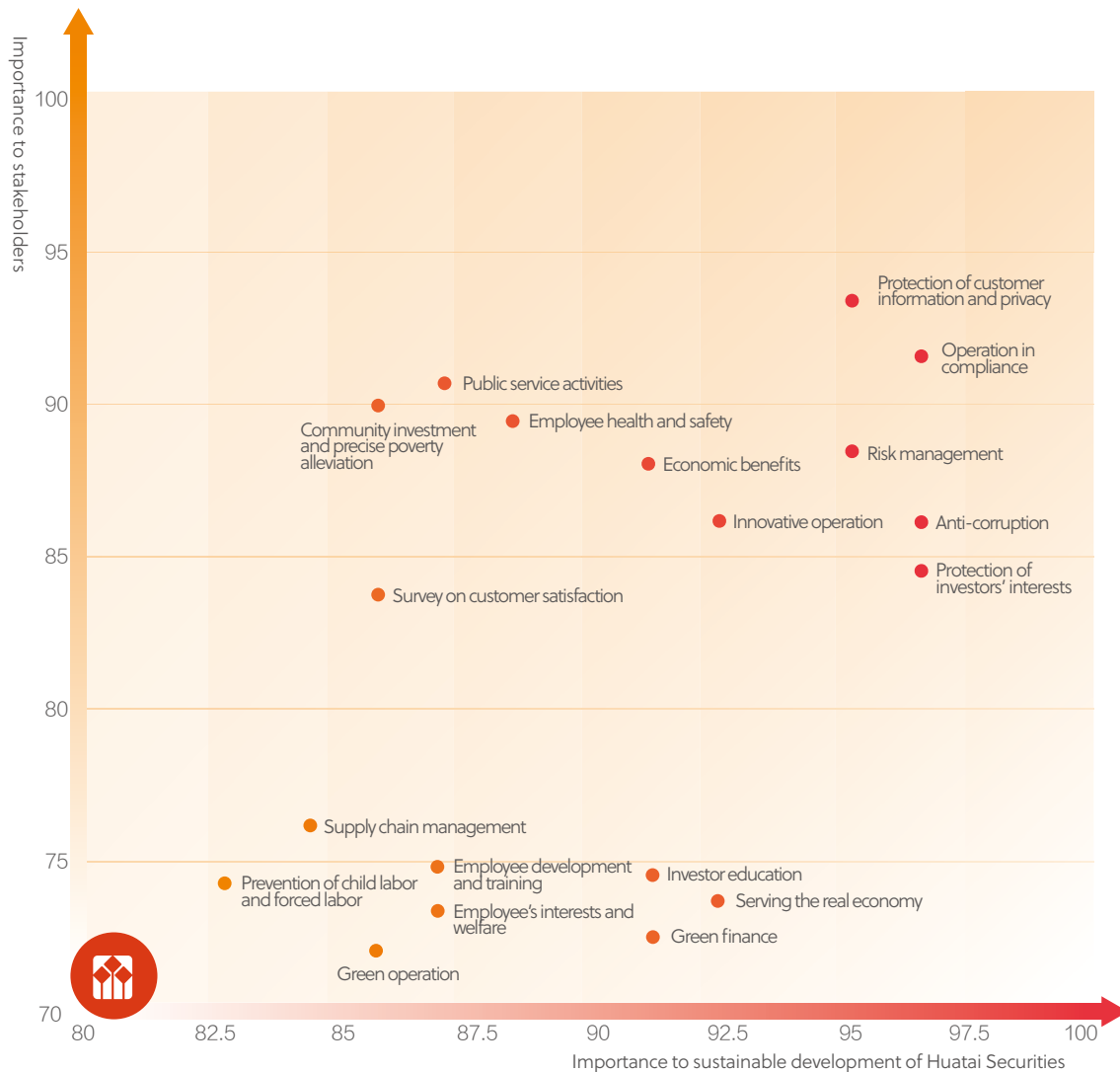
Key stakeholders	Concerns	Communication and response
Shareholders	Operation in compliance Protection of investors' interests Anti-corruption	Shareholders' meeting Regular information disclosure Investor communication meetings and survey Media such as the official website and WeChat official account
Customers	Operation in compliance Protection of customer privacy Protection of investors' interests	Customer survey Customer service and complaints Customer satisfaction survey ZhangLe Fortune Path Media such as the WeChat official account
Employees	Healthy and safety of employees Career development of and training for employees Equity interests and benefits of the staff	Trade Union activities Staff training Corporate OA platform Employee activities Media such as the WeChat official account
Government and Regulatory Authorities	Operation in compliance Anti-corruption	Cooperation with regulatory authorities in inspection and review Participation in government survey Policy implementation Information disclosure
Suppliers and Partners	Operation in compliance Supply chain management	Cooperation and communication Formulating procurement management methods Daily communication Bidding activities
Community	Investment in the community Public welfare activities Environment-friendly operation	Community activities Volunteers' activities Research and implementation for public welfare projects such as poverty alleviation and environmental protection Supporting real economy related business Promoting paperless operations Environment-friendly buildings Development of green finance



Identification and Analysis of Substantive Issues

In order for the Report to better cater for the appeals and expectations of its stakeholders, Huatai Securities has started to identify the material issues for its social responsibilities. Following the social trends and the characteristics of the financial industry, with the Company's strategy and operational priorities taken into account, the Company worked out a list of the material issues and carried out a survey on the internal and external stakeholders by means of questionnaires, through which it obtained a distribution map of importance of the major issues.

The Company managed and made specific disclosure in its social responsibility report of the selected issues based on their importance, such as compliance management, protection of investors' interests, protection of customer information and privacy, employees' career development, public welfare activities and community investment, so as to properly respond to the expectations and appeals of the stakeholders and enhance the communication effectiveness of its social responsibility report.



03

Regulated Governance to Ensure Shareholders' Satisfaction

- ◆ Corporate Governance 20
- ◆ Overall Risk Management 22
- ◆ Compliance Management 23







The Company has been constantly improving its corporate governance, actively rewarding its shareholders and improving its comprehensive risk management system under the guidelines of “including everyone, covering everything and penetrating down to the bottom”. At the same time, it has established a sound and well-organized structure of compliance management with clearly-defined responsibilities at all levels to achieve full compliance throughout the Company.

Corporate Governance

1 Optimizing Governance Mechanism

The Company operates in strict compliance with the laws, regulations, and normative documents in the jurisdictions where its shares are listed so as to continuously improve the effectiveness of its corporate governance. The shareholders' meeting, the board of directors, the board of supervisors, and the management of the Company are separated from each other to maintain restrictions on and balance with each other. Each of them performs its own duties and responsibilities independently so as to achieve order and efficiency in the operation and management of the Company. In the categorized evaluation of securities companies conducted by China Securities Regulatory Commission in 2017, the Company was rated Class AA under Category A.

In 2017, the Company revised and improved a series of guidelines and regulations such as the Articles of Association, the Working System for Independent Directors and Management System for Raised Funds, the Management System for Suspended and Waived Disclosure of Information and the Articles of Duties for the Special Committee of the Board of Directors in accordance with the laws and regulations binding on the listed companies in China and abroad, such as The Company Law of the People's Republic of China and The Securities Law of the People's Republic of China.

The convening and voting procedures of the shareholders' meetings, the meetings of the board of directors and the board of supervisors were standardized and legally valid. In 2017, a total of 33 meetings were held in the Company, including 1 annual general meeting, 1 extraordinary general meeting, 9 meetings of the board of directors, 18 meetings of the special committees under the board of directors and 4 meetings of the board of supervisors, during which a total of 133 proposals and reports were considered, reviewed, discussed or heard, ensuring the properness and regularity of major decision-making processes and the sustainable development of the Company, and effectively safeguarding the interests of the Company and its shareholders.



2 Underlining Information Disclosure

As a company with both of its A Shares and H shares listed, Huatai Securities formulates its rules and regulations in strict compliance with the laws and regulations, such as the Management Measures for Information Disclosure, the Internal Reporting System for Material Information and the Insider Registration, Management and Confidentiality System, aiming to clearly define the management process and specifications for the Company's information disclosure, ensure the truthfulness, accuracy, completeness and timeliness of information disclosure as well as the openness and transparency in its operation. In 2017, the Company disclosed a total of approximately 291 documents on the websites of the Shanghai Stock Exchange and the Hong Kong Exchanges and Clearing Limited, among which 130 documents were published on the website of the Shanghai Stock Exchange and 161 documents on the website of the Hong Kong Exchanges and Clearing Limited. There were no major accounting errors, omissions or information supplements, corrections of performance forecasts, nor were there any instances of omission, concealment, misstatement in such disclosure.

In a comprehensive assessment conducted by the Shanghai Stock Exchange, Huatai Securities was rated **Class A** among the listed companies for its outstanding information disclosure in 2016.



3 Enhancing Communication with Investors

The Company attaches great importance to the communication with its investors, and has requested the Office of the Board of Directors to promptly answer the inquiries of the investors through the "Investor Relations" column on the Company's website and the Electronic Interactive Platform on the website of the Shanghai Stock Exchange while carefully handling the phone calls from the investors and emails sent into the mailbox of the Board of Directors, ensuring effective responses to the investors' concerns.

In 2017, the Company actively participated in the planning and preparation of the press conference for the release of its annual results for 2016 and the telephone conference for the release of its interim results for 2017, aiming to strengthen communication and exchange of opinions with its investors. In 2017, the Company's headquarters received a total of 30 batches of on-site visits or phone call interviews with approximately 210 researchers and investment professionals from a number of domestic or foreign securities dealers and fund companies, while maintaining the investor's log and survey indices carefully, aiming to improve its investor communication mechanism constantly.

4 Actively Rewarding Shareholders

The Company also fully understands the importance of bringing reasonable investment returns to its investors and has formulated policies on continuous and stable profit distribution. The "Articles of Association" of the Company has clarified the Company's profit distribution policy and the decision-making process for the profit distribution scheme and the adjustments thereto. Since the listing, the Company has paid cash dividends for seven consecutive years, which is perfectly in line with the practice of the securities industry and the relevant provisions of the Company's "Articles of Association."

Overall Risk Management

1 Overall Risk Management System

The Company attaches great importance to its risk management efforts and has established and been constantly improving its comprehensive risk management systems under the guidelines of "including everyone, covering everything and penetrating down to the bottom" and in accordance with the latest regulatory requirements and the Company's business development.

The Company has established a three-dimensional risk management system that includes the board of directors, the management and the operational staff, which defines the goals, principles, organizational structure and authorization system for comprehensive risk management, and builds an index system that includes risk appetite, tolerance and limit at the Group's level, so as to integrate with its business development. The Company has established a comprehensive risk management organization structure consisting of the Board of Directors, the Compliance and Risk Management Committee, the Board of Supervisors, the President's Office, the Risk Control Committee, the Risk Management Department and various professional risk management units and other divisions, branches and subsidiaries, with their respective responsibilities and positions clearly defined.



The Company incorporated its subsidiaries into the Group's comprehensive risk management system to explore the way of building an effective risk management model for its subsidiaries. By formulating the "Risk Management Measures for Subsidiaries (Provisional)", the Company has set forth clear requirements on the establishment of a risk management system for its subsidiaries, the risk-related regulations and indicator systems, staffing for risk management and their assessment as well as risk reporting procedures, etc. At the same time, it has strengthened its standing in the centralized and unified management of professional risks, aiming to build a professional risk management and control system that meets the requirements for the Group's business development.

The Company advocates a prudent risk-control culture and continues to hold risk management training sessions and risk management cultural promotional activities that cover all its employees, aiming to enhance the risk management awareness and risk sensitivity of its employees. In 2017, the Company held a total of 18 risk management training sessions with 332 people participating in the training.

The Company understands the importance of an effective integration of risk management and information technology systems, and strives to further enhance its overall risk identification, quantitative assessment and control capabilities through the establishment of the Integration Platform for Transaction, Investment Portfolio and Risk Management and the Enterprise Risk Management Platform (ERMP). In 2017, it completed the first-stage system requirements integration, development configuration and testing of the outsourced part of the Integration Platform for Transaction, Investment Portfolio and Risk Management, as well as the overall framework of the ERMP and the online commissioning for the first stage.



Compliance Management

1 Compliance Management System

In 2017, the Company actively implemented the "Regulations for Compliance Management of Securities Companies and Securities Investment Funds Management Companies", a set of new regulations issued by the CSRC for compliance management while more clearly defining the rule-complying responsibilities of the Board of Directors, the Supervisory Committee, senior management, Director of Compliance, Heads of the Departments, Branches, affiliates and subsidiaries at various levels in the "Articles of Association" and other basic compliance management systems. With the Company's existing organizational structure for compliance management being sound and reliable and the responsibilities at various levels clearly defined, a landscape of full compliance throughout the Company has taken shape. At the same time, the Company optimized its compliance management system from a number of aspects including regulating system construction, compliance staffing, duty performance guarantee, compliance mechanism and group-based compliance management, aiming to expand the coverage of its compliance management.



The Company understands the importance of fostering a compliance-oriented culture, and has been actively exploring the methods to promote compliance by means of new media, with which a regular, multi-level and comprehensive compliance training system has been basically set up. In addition to the traditional guiding and publication methods such as on-the-spot centralized training and testing, compilation and publication of booklets of laws and regulations, the Company launched the official account "Vision of Compliance" on its internal mobile APP while making good use of its WeChat official account "Huatai Securities Training" to shoot videos of the training sessions in its Online Academy and push to all its employees the latest carefully-prepared training materials including the regulatory case study, new industrial regulations and resolutions of the regulatory meetings, so as to ensure the effectiveness and a good outcome of the training program. A total of 22 on-the-spot compliance training sessions were held in the Company throughout the year, which covered new employees, compliance managers from various departments and branches, heads of branch offices and frontline sales representatives, aiming to enhance compliance awareness among all its employees.

In 2017, the Company was rated **Class AA** under **Category A** by the CSRC in its categorized assessment of securities companies



Screenshots from "Passing Down the Family Morals, Applauding the Merits and Building Together the Chinese Dream"

Our Anti-corruption Public Service Ads Awarded
The Company took an active part in the advocacy of a clean corporate culture. In the voting for the best public service advertisements organized by the CPC's Commission for Discipline Inspection of Jiangsu Province, the Company's presentation entitled "Passing Down the Family Morals, Applauding the Merits and Building Together the Chinese Dream" was awarded the bronze prize under the category of Anti-corruption Public Service Advertisement Videos, and its "Fairness, Justice, Integrity and Cleaness" series was awarded the silver prize under the category of Printed Ads.

2 Processing of Employee Complaints & Reports

The Company actively implemented the regulations on handling complaints and reports about violations, with which violations that may exist inside and outside the Company can be reported to the Company through telephone, text message, the Company's website, WeChat official account and corporate email, and upon receipt of such complaints or reports, the responsible departments should verify them immediately through investigation according to the preset procedures. Also, the Company has formulated the Interim Measures for the Handling of Letters and Visits by Huatai Securities and the Administrative Measures for the Reception of Disciplinary Inspection Letters and Visits by Huatai Securities Co., Ltd., aiming to improve the communication mechanism and reinforce the responsibilities for the complaints and reports, and make the reporting of incompliance by letters and visits a regular and standard procedure.

3 Anti-money laundering

The Company actively implemented anti-money laundering related laws and regulations and actively fulfilled its responsibility as a financial institution for anti-money laundering. In 2017, the Company upgraded its suspicious transaction monitoring system, introduced the Thomson Reuters Anti-money Laundering Blacklist Database reconstructed suspicious transaction monitoring indicators, optimized the suspicious transaction screening & analysis procedures, which has effectively prevented money laundering and other criminal activities. The Company also revised a number of its internal rules and regulations such as the Internal Control System for Anti-money Laundering and the Measures for Management of Large-sum Transactions and Suspicious Transaction Reporting. It also organized and led a number of anti-money laundering special publicity and training activities to further expand the social influence of its anti-money laundering efforts and create an agreeable atmosphere for promoting anti-money laundering and anti-terrorist financing.

During the reporting period, the four sales outlets and relevant staff of the Company, including Liuyizhong Road Securities Sales Office in Fuzhou City, Fujian Province, received the "Letters of Decision on Administrative Penalty" from the local branches of the People's Bank of China for their misconducts such as failing to verify the ID of their customers in accordance with the relevant rules.

The Company paid great attention to those events and has formulated rectification plans and instructed its sales offices to carry out rectification work through properly maintaining their internal control systems for anti-money laundering, identifying customers' ID, classifying risks for money laundering and monitoring suspicious transactions while instantly prompting customers to complete their profiles, continuously identify or re-identify certain special customers, optimizing the graded risk management of money laundering and strengthening the analysis and screening of suspicious transactions, and has submitted the correction reports to the relevant regulatory agencies in a timely manner.

4 Anti-corruption

The Company continued to foster a clean and honest working style in accordance with the laws and regulations such as "The Principles on Integrity and Self-discipline by CPC Members". In 2017, the Company formulated and issued the "Key Points of Disciplinary Inspection and Supervision of Huatai Securities Co., Ltd. in 2017" to clarify the key tasks of the Company's disciplinary inspection and supervision throughout the year, and arranged for the CPC members and officials to sign the "Confirmation of Anti-corruption Responsibilities in 2017".

During the year, the Company strengthened its education on anti-corruption and discipline, and organized all the party members and management staff to study the Party's disciplines and regulations such as the "Internal Supervision Regulations of CPC" and "Accountability Regulations of CPC" at the Company's online academy. The Company also arranged for all the Party members and officials to watch the documentary film "Luan Ji Zhi Huo" online or offline, and organized the CPC organizations to host forums and discussions over their thoughts and opinions on the theme of "maintaining political qualities of being clean and honest and making meritorious contributions to the healthy and rapid development of the Company". In 2017, the Company held a total of 3 anti-corruption training sessions with approximately 5,000 attendees.



5 Protecting Intellectual Properties

The Company was very sincere in protecting its intellectual property rights, and has formulated the "Intellectual Property Management System of Huatai Securities Co., Ltd." in accordance with the relevant laws and regulations, such as "The Copyright Law of the People's Republic of China" and "The Trademark Law of the People's Republic of China", with the actual conditions of the Company taken into account. The System clarifies the organization of the types of intellectual property rights, the division of responsibilities in the intellectual property management and the management and protection of its trademarks, patents, copyrights, trade secrets, etc., aiming to regulate the management of its intellectual property rights and provide its employees with systematic grounds and basis for the management and protection of its intellectual properties.

6 Advertising and Publicity

The Company advertises according to the "Advertising Law of the PRC" and the relevant regulatory requirements of the country, exercising strict control over its advertising practice in accordance with the "Advertisement Management Measures of Hua Tai Securities Co., Ltd. (Provisional)" and the "Guidelines on Advertisement by Affiliates of HuaTai Securities Co., Ltd. (Trial)".

During the reporting period, the Company received on January 18, 2017 the "Decision on Ordering Corrective Action on Huatai Securities Co., Ltd." ([2017] No. 3) from the China Securities Regulatory Commission, due to its sales department and asset management subsidiary using the same official WeChat account and on the official website of the Company to publicly promote private equity management products to a number of unspecified individuals, which has violated the provisions of Article 39 of the Administrative Measures for Customer Asset Management Business Conducted by Securities Companies, Article 14 of the Interim Measures for the Supervision and Administration of Private Equity Investment Funds and Article 27 of the Regulations on the Supervision and Administration of Securities Companies.

In response to the decision of the regulatory authorities, the Company and its related subsidiaries have taken corresponding corrective measures as follows:

(1) In response to the issues regarding the public promotion of asset management products to unspecified targets by the Company's sales department via its official WeChat account, the Company has demanded all its branches and affiliates to carry out self-examination and rectification on the publicity of small portfolio products on WeChat, and requested them to strengthen their control over the We Media, re-emphasize the responsibilities of the heads of the branch offices and designate specific persons to examine the contents before they are published. For the sales departments involved in the misconduct, the Company has made a public denunciation and enforced internal accountability, demanding the relevant units to learn the lesson and do their best to prevent such accidents from happening again in the future.

(2) In response to the issues regarding the public promotion of the relevant asset management products to unspecified targets by the Company's asset management subsidiary on its official website, it has demanded the relevant subsidiary to carry out self-examination and rectification, who has already been leading and carrying out the renovation of the website and has set up an online survey application for specific targets, with which only those who has passed the test can have access to the information on the products. Regular special self-examination of the legal compliance status in the areas of website operation and information release was also demanded, so as to strengthen the inspection and spot check on the information published on the website or via WeChat. It will be included as a key task for inspection of compliance status in the future.

7 Supply Chain Management

The Company strictly followed the "Procurement Law of the People's Republic of China" and the "Tendering and Bidding Law of the People's Republic of China" etc. in enacting its own "Management Measures for Corporate Procurement" and regulating its centralized procurement of daily office supplies and decoration facilities. During the process, the Company paid special attention to the supplier's performance of their social responsibilities in environmental protection and labor, and will relentlessly cross out those unqualified suppliers.

Indicators	2015	2016	2017
Number of suppliers on the Mainland	131	128	120
Number of overseas suppliers (including Hong Kong, Macao and Taiwan)	0	0	0

04

Creating Value and Being Customer-trustworthy

- ◆ Finance Underpinning the Industry 28
- ◆ Investor Protection 31
- ◆ High-quality Customer Services 33





While closely following the development trend of the national economic strategy and taking advantage of its financial strength, the Company commits itself to supporting the real economy, stepping up transformation and upgrading of the enterprises and creating economic value. At the same time, it actively implements appropriate management, constantly improves its customer service system and provides customers with better experience and high-quality financial services.

Finance Underpinning the Industry

1 Asset-backed Securitization (ABS) to Boost Capital Liquidity

At present, as the real economy slows down its pace and the long-term destocking pressure builds up, China's structural reforms have entered into a crucial stage. Therefore, implementation of ABS is of great significance. It can boost capital liquidity, inject more financial "fresh water" into the real economy, improve the efficiency of capital utilization and contribute to effective match between supply and demand in the capital market while helping enterprises put to good use their stock assets, open up new channels for fund raising and reduce financing costs.

As of the end of 2017, **37** new ABS products have been issued with an aggregate amount of **RMB46.352** billion, among **top three** in the Company's ABS business.

Huatai Securities (Shanghai) Asset Management Co., Ltd. ("Huatai Asset Management") actively advances ABS business; its basic asset covers consumer finance, leasing, accounts receivable and other multiple types, and direct financing is employed to match risk segregation, realizing off-balance-sheet liabilities and effectively helping enterprises reduce liability and leverage. Among them, ABS business of note and factoring has greatly solved SMEs' plight of weak entities, difficulty in financing and high costs and has effectively supported the development of the real economy.

ABS Propelling the Circular Economy

Promoting circular economy is the basis of sustainable development. As plan manager, Huatai Asset Management has issued and established Huatai Asset Management-China Resource Reuse Corporation Special Plan for Supporting Fund Income Rights Asset from the Disposal of Waste Electrical and Electronic Products, which generates the first ABS product using as the source of repayment the subsidy fund arising from dismantling waste electrical and electronic products; this has established a good benchmark in finance supporting resource recycling and environmental protection. The product has created trust loan, set up a double-SPV structure and stabilized cash flow, becoming excellent basic asset; at the same time, according to the characteristics of the subsidy fund, it has designed a matched circular buying model and cashing scheme, which has maximally addressed the long-term financing demand and further promoted circular economy and green development.

ABS Propelling People's Well-being Construction Project

The construction of affordable housing is an important part of people's well-being construction program in China. Since 2010, the State Council and the National Development and Reform Commission have successively enacted policies supporting the building of affordable housing. Huatai Asset Management as plan manager, pioneered the use of trust loans, created trust usufruct as basic assets, issued and established a Special Plan for Supporting Trust Usufruct Asset of Affordable Housing of Yangzhou, setting an example to general-asset-backed securitization in the market such as in affordable housing, public rental housing, renovated shanties and settlement building. The project adopts a dual-SPV transaction structure design, which has triggered large-scale ABS assets worth over 10 billion yuan in the market and has provided powerful support for solving the funding gap in the construction of affordable housing.



2 Integrated Service Drives the Development of Medium, Small and Micro Enterprises

Medium, small and micro enterprises are important forces in China's speeding up transformation and upgrading and strengthening the internal impetus to growth, and also serve as vital forces in revitalizing the real economy. Huatai Securities' subsidiary, Huatai United Securities Co., Ltd. ("Huatai United Securities") has established an integrated service system for medium, small and micro enterprises with a view to effectively improving their overall service level. In 2016, Huatai United Securities established its growth enterprise financing department carrying out standardized restructuring, financial consulting, private equity financing, new three board recommended listing and other business with a focus on the medium, small and micro enterprises.

In 2017, under the premise of preventing and controlling risks, Huatai United Securities helped 3 recommended new three board companies enlisted, issued 19 private placements and raised funds reaching RMB800 million. In terms of financial advisory (FA) business, Huatai United Securities completed 9 private placement financing projects during the year, with an accumulated financing amount of RMB1.179 billion; and the consulting business provided in old share transfer of Fanli.com and Chinaums, realized a transaction value of RMB700 million, with the investors' network covering over 800 institutions involving the investors in industrial capital, listed companies, insurance, banking, professional PE, asset management channels and other mainstream investors, helping the growth of medium, small and micro enterprises and addressing their difficulty in financing.

Jiangsu Equity Exchange Co., Ltd. ("Jiangsu Equity Exchange"), a subsidiary of Huatai Securities, is committed to the growth and cultivation of medium, small and micro enterprises; it has set up "technological innovation board", "specialized, delicate, unique, innovative" board, and "Growth Enterprise Board" to actively guide technologically innovative companies and specialized, delicate, unique, innovative enterprises to enter the capital market and provide services such as financing, comprehensive public services and e-commerce services for different companies and industries, striving to bring together clusters of high-tech enterprises and specialized, delicate, unique and innovative enterprises and become an effective carrier integrating science, technology and finance.

Jiangsu Equity Exchange has conducted regular investment and financing matchmaking sessions and corporate special training activities in collaboration with Fortune Capital and Bank of Nanjing to provide support for the development of medium, small and micro enterprises. In 2017, 14 investment and financing matchmaking sessions were held, with a total financing of RMB509 million and serving 88 listed companies; and 17 corporate special trainings and member training were held, which were attended by nearly 800 participants.

Introduction to Different Boards of Jiangsu Equity Exchange

Technological Innovation Board 102 new enterprises were added in 2017

It was designed to guide scientific and technological innovation enterprises to achieve systematic docking with the capital arena, expand the corporate brand influence and market credibility, improve the success rate of equity financing, merger, acquisition and restructuring; it was also designed to channel social resources to together towards competitive emerging industries and innovative enterprises, foster new areas for economic growth and drive adjustment and upgrading of industrial structure.

SEUI (Specialty, Excellency, Uniqueness and Innovation) Board 162 new enterprises were added in 2017

It mainly serves special new and small giant enterprises certified by Commission of Economy and Information Technology at provincial and Municipal levels with a view to building itself into the enterprises' standardized counseling platform, financing and innovation platform, industrial integration platform and listing cultivation platform by integrating financial service resources and providing exclusive listing display, equity financing, debt financing, capital operation, financial consultancy and other comprehensive financial services.

Growth Enterprise Board 104 new enterprises were added in 2017

It was jointly established by Jiangsu Equity Exchange and Nanjing United Property Rights (Technology) Exchange in March 2017. The "Growth Enterprise Board" combines the service resources of two markets with as its core features product crowdfunding of "Suning Financial Services" and all sorts of policy-based guidance funds in Nanjing and provides comprehensive financial services for listed enterprises, building itself into a cultivation park and direct financing center serving high-quality medium, small and micro enterprises in Nanjing.



Special Training Session on SME Equity Incentives

A total of 120 leaders and staff members of the Reform and Development Office of the Jiangsu Province Commission of Economy and Informatization, the district and county levels in the province of the Commission of Economy and Informatization and persons-in-charge of more than 70 listed enterprises and media participated in the training on SMEs equity incentives.

On July 13, 2017, Jiangsu Equity Exchange held its 2017 Special Training Session on SME Equity Incentives at Jinfeng Huida Hotel (formerly Jiangsu Small Loan Core). The training, which was hosted by Jiangsu Equity Exchange under the guidance of Jiangsu economic and trade commission and co-sponsored by Taihu Jingu (Suzhou) Information Technology Co., Ltd. under the guidance of Jiangsu Economic and Information Technology Commission (JEITC), was mainly aimed at the enterprises listed in Jiangsu Equity Exchange "special and special new board"; the purpose was to make listed enterprises further familiar with the platform functions and rules of Jiangsu Equity Exchange, have a better understanding of the macro-economy to guide the strategic development of the enterprises and better learn to help enterprises retain talents by equity incentive means.



Australia Listing Exchange Forum was hosted to help enterprises go out

In response to the national "going out" strategy and in order to provide more financing channels and ways for medium, small and micro enterprises, Jiangsu Equity Exchange hosted the exchange forum for Chinese enterprises to be listed in Australia in December 2017. The activity was mainly open to the companies listed on the SEUI (Specialty, Excellency, Uniqueness and Innovation) Board. At the Forum, the experts in different fields interpreted Australia's investment policy, market situation as well as Chinese legal issues and financial requirements involved in the Chinese companies to be listed in Australia. Jiangsu Equity Exchange is devoted to carrying out more activities for medium, small and micro enterprises, expanding their vision and helping the enterprises become bigger and stronger by relying on the capital market.

3 Three-dimensional Plan Drives Supply-side Reform

Supply-side structural reform is an important strategic decision that China has made in response to the new normal of economic development with a purpose of making China's economy evolve to a stage of higher form with more optimized division of labor and more reasonable structure, while pressing ahead with supply-side reform does not go without adequate capital guarantee and high-quality financial services.

While following closely the national development strategy, the Company taps the market demand, gives full play to its expertise and technical advantages, makes suggestions on the adjustment of industrial structure, industrial planning, industrial merger, acquisition and restructuring, provides three-dimensional financial service scheme for steel, coal, mining and metallurgy and other state-owned enterprises, implements the spirit of "three removal, one reduction and one supplement" (reducing capacity, destocking, deleveraging, lowering costs and shoring up weak spots) so as to help enterprises realize transformation and upgrading of the "new normal state".



Selection of Projects Boosting Supply-side Reform in 2017

Service object	Shougang Group Co., Ltd. ("Shougang Group")	Xinyu Steel Limited Liability Company ("Xin Steel")	Minmetals Capital Holdings Co., Limited ("Minmetals Capital") Kingray New Materials Science & Technology Co., Ltd. ("* ST Kingray")
Description on service object	A large state-owned enterprise group specialized in steel industry and also operating in multiple business such as mineral resources industry, construction and real estate industries.	A large steel enterprise controlled by State-owned Assets Supervision and Administration Commission of Jiangxi Province with an annual steel output of 10 million tons.	A financial holding platform company under China Minmetals Group Corporation ("China Minmetals"); *ST Kingray: a subsidiary of Changsha Research Institute of Mining and Metallurgy, which is mainly engaged in battery materials, manganese and manganese-related products.
Service content	Assisting Shougang Group in non-public issuance of 2017 exchangeable corporate bonds with an aggregate of 6 billion yuan as the exclusive lead underwriter and bookkeeper	As a sponsor and lead underwriter, assisting Xin Steel in public issuance of A share with a total of 401,826,484 shares.	As the lead independent financial adviser and lead underwriter, assisting * ST King-ray in issuing shares and procuring 100% equity of Minmetals Capital and in completing asset restructuring.
Service results	The issuance of the bonds provided a stable financial guarantee for the construction of smart three-dimensional parking garage and other urban comprehensive service industry projects and effectively promoted the implementation of Shougang Group industrial transformation strategy while helping improve debt structure of Shougang Group, expand its financing channels and reduce financial pressure.	1.76 billion yuan was raised through the issuance, which was mainly used for investing in "gas comprehensive utilization and high-efficiency power generation project" and constructing high-efficiency generator units to realize the optimal allocation of enterprise re-sources, push forward the strategic adjustment of corporate energy structure, promote industrial upgrading and achieve green development.	It promoted the listing of China Minmetals financial assets, greatly enhanced the overall asset-backed securitization of China Minmetals, created business pattern of "financial license + industrial direct investment", formed financial a benign cycle of financial entities reinforcing each other, deepened the reform of state-owned enterprises and pressed ahead with SOE mixed ownership reform.

Investor Protection

1 Suitability Management

In 2017, the Company earnestly performed the core responsibility of "selling appropriate products to appropriate investors" in strict accordance with the Implementation Guidelines for the Suitability Management of Securities and Futures Investors (for Trial Implementation) and the Measures for the Suitability Management of Securities and Futures Investors. The Company formulated the Measures for the Suitability Management of Securities and Future Investors of Huatai Securities Co., Ltd., which gave specific provisions on business and services related to the sale of financial products on a commission basis and securities investment consultancy, so as to further strengthen suitability management.

The Company insisted on putting customer first, continuously improved its CRM (Customer Relationship Management) customer management system and fully understood customer credibility and risk bearing capacity through credit rating and comprehensively determined the customers' credit rating and credit line, and performed hierarchical service for customers on the basis of fully respecting customers' demand disparity. The Company informed the customers of product risk, suitability matching and other information in the course of sales, recorded the risk disclosure process and strengthened the investor protection system and investor suitability management capability. In the meantime, the Company revised the Return Visit System of Huatai Securities Co., Ltd. in accordance with the requirements of the Measures for the Suitability Management of Securities and Future Investors, and completed a total of 2.3387 million return visits in 2017.

In 2017, the Company implemented suitability management mainly from four aspects of institutional construction, process specification, system development and suitability training so as to protect the legitimate rights and interests of investors.



Screenshots of the Risk Warning Page popped out when the investors are trying to buy inappropriate products on mobile devices

Revising the Measures for the Suitability Management of Securities and Future Investors of Huatai Securities Co., Ltd., and adjusted a series of rules such as the catalog of major business risk levels, guidelines for the risk rating of various products and codes for the suitability management of major business lines.

Institutional Development



Sorting out and standardizing classification and transformation of new investors, special protection of ordinary investors, financial product sales and other processes to ensure selling appropriate products to appropriate investors.

Process Specification



Establishing the investor evaluation database, building a technical support system for investor classification and product/service classification, revising the business functions and product display rules of ZhangLe Fortune Path, put in place and applied the audio and video system and comprehensively sorted out the technical system.

System Development



Suitability Training

Organizing and carrying out the suitability training on relevant departments, branches and the staff, urged them to master the suitability requirements of relevant products and services; and conducting four trainings on new regulations on suitability and licensing examinations for a total of more than 10,000 persons.



2 Education on Investors



Investment and teaching activity
"Into Listed Companies"

In order to standardize the Company's education on investors and effectively improve the effectiveness in this regard, the Company formulated the Investor Education System of Huatai Securities Co., Ltd. in accordance with the relevant rules and regulations of the CSRC and the Securities Association of China and combined with the relevant requirements of stock exchanges and other regulatory agencies on investor education and customer transaction management. At the same time, the Company set up investor education bases, organized and carried out investment and teaching projects of multiple forms by many channels, which vigorously promoted investor education activities.

In 2017, the Company jointly carried out the "National Securities and Futures Investor Education Base" visit activities with Securities Association of Jiangsu Province and organized "Base Brand Visit" activities in colleges and universities and residential areas of many regions for wide investor education knowledge publicity. At the same time, the Company actively organized multiple special investor education and protection activities such as "March Fifteenth Investor Protection Publicity Month", "Aware of Risks and Understanding Rules", "Bond Investor Protection and Education", "December Fourth Legal Popularization", "Against Illegal Securities" and "Into Listed Companies", so as to advocate the concept of rational investment and protect the legitimate rights and interests of investors.



Investor Education Base

The investor education base of Huatai Securities is located in Nanjing Huatai Securities Building, covering a total area of 650 square meters, and is among the first national securities and futures investor education bases licensed by China Securities Regulatory Commission.

The investment and education base is divided into five major areas: historical review area, risk warning area, investment must-know area, interactive experience area and training& exchange area. The base highlights reflecting the planning idea of "review, warning, learning, experience and exchange", fully displays the development results of the capital market, and helps investors grasp the investment risk prevention measures, acquire financial knowledge and participate in investment activities in the capital market on the basis of "knowing the market, risks and business and grasping tools".

Since the investment and education base was put into operation, it has investor education base it has organized a number of activities such as "March Fifteenth Investor Protection Publicity Month", "Aware of Risks and Understanding Rules", "Bond Investor Protection and Education", "December Fourth Legal Popularization" and "Against Illegal Securities", becoming an important position of investor education.

In 2017, the Company's investor education base received about 6,035 visitors and held more than 22 events such as forums and seminars, effectively enhancing the Company's investment and brand influence.



High-quality Customer Services

1 Protecting the Safety of Transaction and Customer Information

The Company's information technology department took various measures to guarantee the trading system security and customers' information safety in accordance with industrial norms such as the Network Security Law of the People's Republic of China and the Measures for the Administration of Information Safety Protection in the Securities and Futures Industries.

The Company's centralized trading system (CTS) took into full account high performance, expandability, easy maintenance and high availability in terms of design and achieved the functions of centralized management, transaction, depository, liquidation and overall risk control, so as to protect the customers' trading behavior and information safety in many aspects. At the same time,

the Company continued to increase infrastructure investment, intensified the construction of CTS operating environment and network and established a standby trading system with comparable processing capacity to that of the main production system; the standby trading system could realize one-key switch in case of emergency, which effectively guaranteed the continuity of transactions. In addition, the Company also established a multi-layer operation and maintenance monitoring system through the combination of manual and automation for comprehensive monitoring of the operation of the trading system and ensure the safe operation of the trading system.

When it came to protecting the safety of customer information, the Company built 9 security functions and 38 security

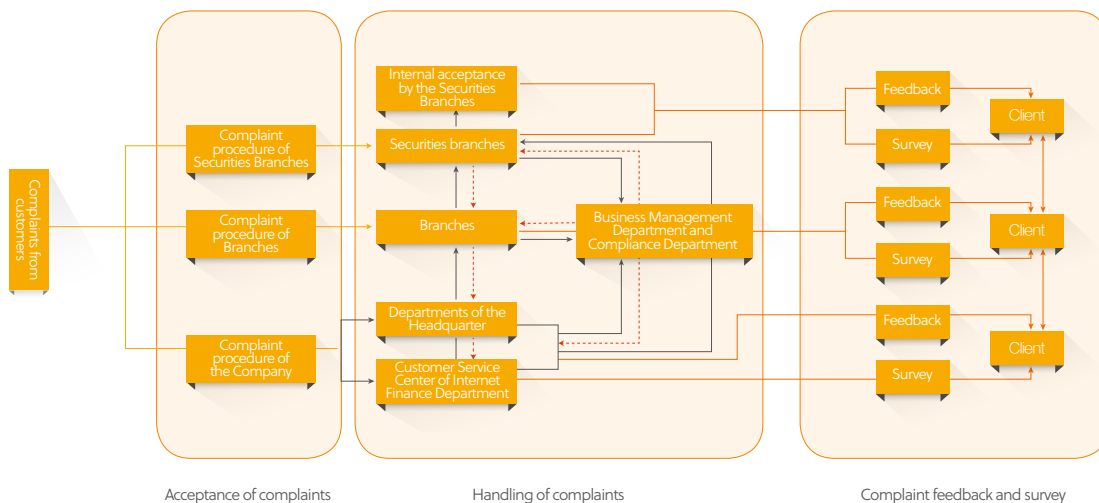
"Titan" platform guarantees security

In order to further ensure information security, the Company developed independently its security analysis platform Titan which combined commerce and open source threat intelligence data with its own asset base, traffic database and network protocol filtering rule base, establishing an enterprise-level threat intelligence base, thereby effectively guarding against latent security threats.

workflows to protect the safety of customer information security from several dimensions such as basic defense measure building, the ability of combat exercises detection, daily operation and emergency response, continuous analysis and visual intelligence prediction and guaranteeing business continuity. The Company implemented DevSecOps (development, security and operations) model, and by coordinating the relationship between business and safety ran security throughout each and every link of the entire business life cycle ranging from development to operation and maintenance, so as to achieve dead-loop management of security flaws and raise the overall efficiency of customers' safe operations.

2 Customer-centered Service Philosophy

Flowchart of Handling Customer Complaints



The Company, which persisted in the “customer-centered” service philosophy and took “zero complaints” as its goal, worked to improved the customer service management across the board. It developed the Codes for Customer Service of Huatai Securities to guide all its business outlets to realize standardized and unified customer service; besides, it also invited third-party institutions to conduct all-round evaluation on the overall online and offline service of the entire Company and diagnose the existing service shortcomings to improve its service quality. In 2017, the Company adjusted the organizational structure of “front desk + middle desk + back office” of the customer service center

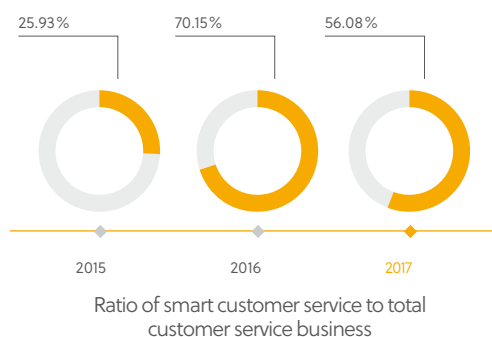
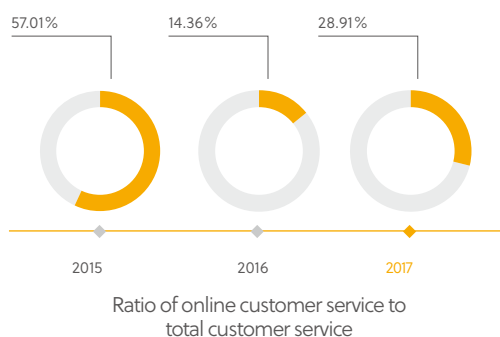
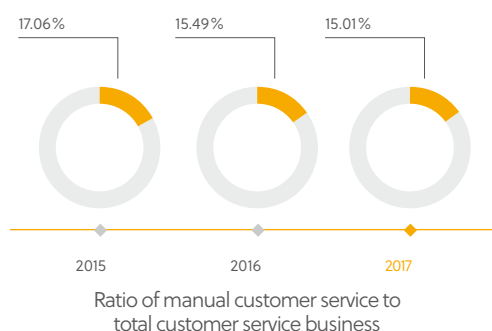
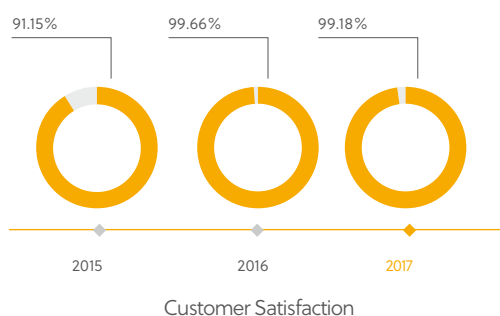
and launched a new hierarchical service measure of “tiered customers, customer services and service”, which greatly improved service efficiency.

The Company accepted customer consultation and complaints through various channels such as the official customer service hotline 95597, official website, and online customer service such as ZhangLe Fortune Path. What is more, the Company strictly implemented the Customer Complaint and Handling System of Huatai Securities Co., Ltd., standardized all aspects of complaint acceptance, handling and feedback as well as return visit in terms of enhancing customer satisfaction

and corporate brand connotation, clarified the division of responsibilities among various units, and improved the efficiency of complaint handling.

In 2017, the customer service center set up expert seats to deal with customer dissatisfaction, complaints and suggestions. During the reporting period, the expert seats handled a total of 2,957 complaints, suggestions and feedback from customers, of which there were only 44 substantive complaints. Customer satisfaction surveys were conducted 304,373 times in 2017, maintaining above 99% for two consecutive years.

Results of Customer Service Indicators



Note: Method of customer satisfaction survey

1. The service specialist triggers the evaluation function at the end of each service accessed via 95597 for manual service, and the customer can choose satisfied, general or dissatisfied.
2. The service specialist triggers the evaluation function at the end of each online service, and the customer can choose satisfied, general or dissatisfied.



3 Smart Service Provides Better Customer Experience

In terms of improving service efficiency and customer experience, the Company launched online customer service man-machine assistance, consulting hot-topic public opinion analysis and other technologies by using the artificial intelligence system and resorting to multi-level intelligent layout. As of the end of December 2017, the Company had provided 1.596 million intelligent services, accounting for 56.08 % of the total consulting services. At the same time, starting from demand for service mode, service data, experience optimization and business optimization, focused on intelligent transformation of the service platform to further improve the Company's intelligent system. In 2017, the Company's mobile wealth management terminal "ZhangLe Fortune Path" updated a total of 14 versions and completed 7 major upgrades of the platform. Cored with science and technology innovation in financial transactions and taking advantage of the science and technology strength, the Company constructed a specialized, intellectualized and scene-based financial service platform, unceasingly providing extremely intelligent financial services for the customer.

ZhangLe Fortune Path 5.0, Entertained you with Intelligence

As one of the brokers who laid out the mobile internet platform earlier, Huatai Securities launched the mobile wealth management terminal "ZhangLe Fortune Path" in 2014. ZhangLe Fortune Path had been digging deep into financial service capabilities, and based on technological intelligence, it launched a major upgraded version - ZhangLe Fortune Path 5.0, which was themed "entertaining you with intelligence and bringing a simpler professional world" and focused on building four core modules: ZhangLe Fortune Path intelligence family, panoramic market condition, strict selection of financial management and super accounts. The new version took as the strategy financial science and technology + big data, established the brand cognition of "specialization and intelligence" and mostly updated ten functions such as AI intelligent market monitoring, rise and fall analysis and change capture.



The Company was honored with the following awards in the 15th China Best Contract Center and Best Manager Awards:
China's Best Customer Contract Center, Award for the Best Service Experience in China's Contract Centers, and Award for the Best Smart Service Application in China's Contract Centers



As of the end of 2017, the total number of downloads of ZhangLe Fortune Path had topped 37 million. According to the statistics of Analysys, the number of active users of ZhangLe Fortune Path averaged 6,043,400 in December 2017, ranking first among brokers for three years in a row.

05

Cherishing Talent, Growing Together

- ◆ Caring about Our Employees 38
- ◆ Training and Career Development 42





Talent is the most valuable resource of the Company. Huatai Securities cherishes talented people, protects the basic rights and interests of its employees, aiming to build an optimistic corporate culture, a systematic and efficient training system and a sturdy career development platform for its employees, so that they will be happy to grow together with the Company.

Caring about Our Employees

1 Employees' Interests

The Company strictly complies with the "Labor Law", the "Labor Contract Law" and other laws and regulations and does its best to ensure that its employees enjoy equal employment opportunities and options, receive reasonable compensation, have leisure time and vacation, obtain safety and health protection, receive training to develop their vocational skills, and the rights to submit labor disputes to the arbitration authorities and other labor-related rights set forth by the law, so as to protect their rights and interests in every aspect.

The Company has established the "Attendance Record System of Huatai Securities Co., Ltd.", which clearly defines the working hours of its employees in accordance with the laws and regulations of this country, so as to ensure the rights of its employees to take leave and vacation. The system also clearly defines that "in addition to the national and public holidays, the employees of the Company are entitled to paid annual leave, marriage leave, maternity leave, sick leave and bereavement leave." The Company's policies on maternity leave and annual leave are in line with the national laws and regulations. The Company has established some other regulations and guiding systems such as the "Employee Management System" and the "Employee Management Measures", which stipulates the minimum academic qualifications required for its employees, so as to prevent child labor. The Company absolutely rejects any discrimination or differential treatment on race, color, gender, nationality, religion, age or social origin.

The Company provides competitive remuneration to its employees and has established a comprehensive welfare system. In addition to the contribution to the social insurance for all its employees as required by law, the Company also buy medical and other insurances for its employees, their spouses and children in case of critical illness and accidents, and ensure they have the labor union-related and holiday benefits; for retired employees, the Company provides supplementary medical insurance and annual medical examinations, aiming to alleviate their concerns on health care. In 2017, the Company introduced a corporate annuity scheme to protect its employees' post-retirement benefits.



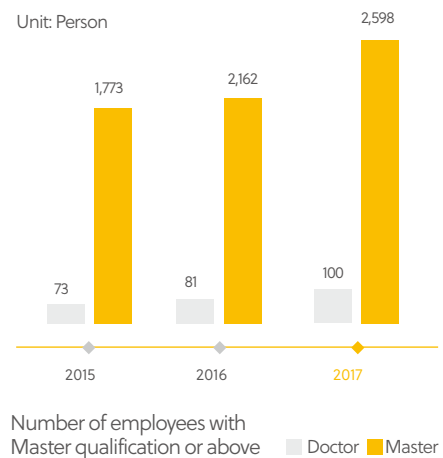
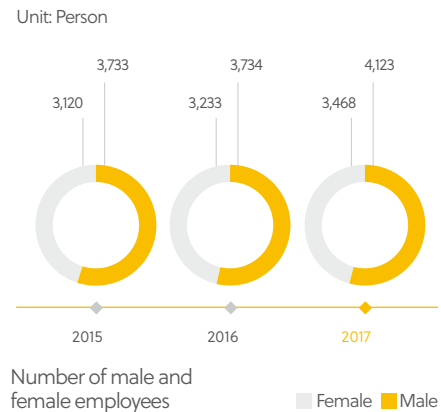
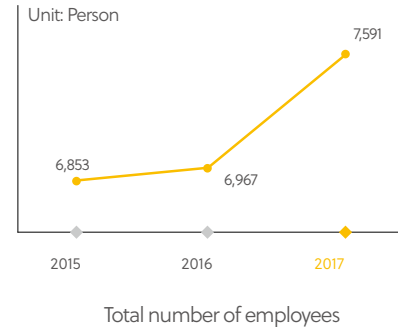


Employee Performance Indicators

Indicator		Unit	2015	2016	2017
Total number of employees		Person	6,853	6,967	7,591
By gender	Male	Person	3,733	3,734	4,123
	Female	Person	3,120	3,233	3,468
By age	>50	Person	210	218	252
	30-50	Person	4,386	4,455	4,941
	<30	Person	2,257	2,294	2,398
By region	Mainland China	Person	6,750	6,856	7,484
	Overseas (including HK, Macao and Taiwan)	Person	103	111	107
By education degree	Doctor	Person	73	81	100
	Master	Person	1,773	2,162	2,598
	College	Person	3,908	3,926	4,206
	Technical school and below	Person	1,099	798	687
Number of new employees		Person	903	1,024	1,270
By gender	Male	Person	352	469	505
	Female	Person	551	555	765
By age	>50	Person	3	3	2
	30-50	Person	310	305	473
	<30	Person	590	716	795
By region	Mainland China	Person	861	995	1,248
	Overseas (including HK, Macao and Taiwan)	Person	42	29	22
Graduates		Person	272	363	336
Minority ethnic group		Person	166	151	152
Handicapped		Person	3	2	2
Total male in the management		Person	97	96	120
Total female in the management		Person	28	33	33
Loss of staff		%	9.65	17.21	8.87
By gender	Male	%	10.89	19.46	9.23
	Female	%	8.42	14.99	8.48
By age	>50	%	9.96	18.54	11.7
	30-50	%	10.21	16.32	7.15
	<30	%	17.07	21.67	15.35
By region	Mainland China	%	9.65	17.21	8.87
	Overseas (including HK, Macao and Taiwan)	%	0	0	0

Note 1: the figures of loss of staff is for Huatai Securities, and the rest are for Huatai Securities, Huatai Financial Holdings (Hong Kong), Huatai United Securities, Huatai Zijin Investment, Huatai Futures, Huatai Asset Management and Jiangsu Equity Exchange.

Note 2: the figures above include the staff who have retired and were re-employed by the Company. Some dispatched workers were not included in the above table. Huatai Securities and its subsidiaries may hire a small number of dispatched workers in such positions as security, drivers and cleaners.



Employees Performance Indicators

Indicator	Unit	2015	2016	2017
Labor discrimination	Case	0	0	0
Percentage of labor contracts signed	%	100	100	100
Coverage of social insurance	%	100	100	100
Number of female employees actually				
Using the maternity leave	Person	122	166	199
Percentage of female employees				
Returning to work after maternity leave	%	100	100	100

Note 1: The above figures are for Huatai Securities, Huatai Financial Holdings (Hong Kong), Huatai United Securities, Huatai Zijin Investment, Huatai Futures, Huatai Asset Management and Jiangsu Equity Exchange.

2 Employee Care

Employees are valuable assets of the Company, for which it has always been trying to provide them with a healthy, comfortable and warm working environment.

The Company's renovation and refurbishment work is in strict compliance with the environmental protection standards, and has specific requirements in the contracts on the materials selected, for example, the suppliers of the decoration materials must provide corresponding inspection reports, with batch samples inspected on-site and only those meet the environmental protection standards are accepted.

The Company's Labor Union organizes medical examinations for its members every year, with a coverage of 100%. The Company has established a system of employee representatives' meeting to solicit opinions from its employees on major decisions or proposals concerning their welfare and safeguard their rights to participate in democratic decision-making, management and supervision. In 2017, the Company convened two employee representatives' meetings to solicit their opinions on the Employee Management Measures of Huatai Securities Co., Ltd. and the Corporate Annuity Scheme of Huatai Securities Co., Ltd.

The Company offers help to its employees in difficulty every year, visiting and comforting them and those who have donated blood while holding "Spring Festival Tea Parties for the Retired Staff". It shows great care to its female employees, organizes a series of activities on the Women's Day for them, such as rattan weaving, flower arrangement and hot spring bath, etc. The Company also launched an "Employee Caring Plan", aiming to further enhance their senses of belonging and the cohesiveness of the organization. In 2017, the Company's Labor Union visited a total of 89 CPC members and employees who were in difficulty, giving out a total of RMB184,000 for the relief of their difficulties.



"Employee Care" Plan

Carrying on the Company's employee care project known as "New Starting Point" for all its new employees, giving them employee's manuals and gift packages, sending thank-you letters to their families, so as to help them quickly blend into the Company

Carrying on its "Care with Heart" project for the existing employees, sending them good wishes and blessings on their anniversaries or birthdays

Innovating the way of celebrating the 10th and 20th Anniversary for its long-service employees, customizing and presenting to them commemorative manuals on the theme of "Thank You for Being With Us All Along", and organizing the anniversary celebrations

Customizing commemorative greeting cards for the retired employees on the theme of "Raising the Sails of Happiness and Starting the Golden Journey"

Organizing a series of activities on the "Employee Care Day", teaching them professional knowledge on mental health and methods of adjustment, and helping them maintain a good working mood



Indicators on Occupational Health and Safety

Indicator	Unit	2015	2016	2017
Number of employees who die at work	Person	0	0	0
Number of work-related accidents	N/A	2	4	0
Number of working days lost due to work-related injury	Day	240	360	0

Note 1: The above figures are for Huatai Securities, Huatai Financial Holdings (Hong Kong), Huatai United Securities, Huatai Zijin Investment, Huatai Futures, Huatai Asset Management and Jiangsu Equity Exchange.



3 Corporate Culture

The Company organizes a variety of cultural and sports activities and has set up various interest groups among its employees, such as basketball, football, table tennis, badminton, yoga and Tai Chi, etc., aiming to enhance their sense of well-being. In 2017, the Company planned and held a grand voting for "Our Huatai Styler", with the entry criteria covering work ability, personal talent and the experience of organization and participation in public services, which was open to the whole group. The idea met with warm welcome from its employees, with more than 170 female and 150 male employees from the Company's 13 headquarters departments, 29 branch offices, more than 100 sales offices and 5 subsidiaries signing for the contest enthusiastically. The Company's official WeChat account "Huatai Securities Channel" was also opened to accept votes for the candidates, collecting a total of 748,000 votes out of 844,000 visits. A total of 30 "Huatai Stylers" were selected as the winners, all being good models of the Company's upward and enthusiastic style and working spirits, and will help enhance the brand image of the Group.



Fortune Running Group

For the third consecutive year, Huatai Securities has been a co-organizer of Nanjing Marathon with a series of activities on the theme of "Fortune Marathon on ZhangLe Fortune Path". On 15 October 2017, Huatai Securities once again set up a 200-person Fortune Running Group consisting of its customers and employees, joining more than 20,000 other runners in the race of whole marathon, half marathon and mini fitness running.

Training and Career Development

1 Staff Career Development

The Company continued to improve its multi-level training system to enhance its staff's business capabilities. In order to adapt to the requirements of comprehensive financial services and wealth management transformation for Huatai, the Company, taking the overall human resources strategy as the outline, established our training system based on "corporate strategy, policy system, platform system, implementation system", supported by "trainers system, courses system, assessment system" and centered on "learning power" with international leading corporate university patterns. Through the introduction of international professional resources and training tools, deepening case study and competition study, further enriched the practical connotation of "case battle", "project battle" and "refining battle", stimulated trainees' learning motivation and enhanced training efficiency.

The Company developed a number of training programs, including "Huatai Star, BAL, Star Talent" as the representative of the general capacity program focused on staff's career development; "Overseas Advanced Courses, Investment Consultant Star, Huatai Forum" as the representative of business capability improvement program focused on staff's professional ability improvement; with multiple measures to set up global vision, making efforts to combine "go global" and "bring in", designed "overseas advanced courses" international topics series train and accelerated the pace of international personnel training.

Staff Trainings in 2017

During 2017, the Company completed 38 centralized trainings, 20 Huatai Forum, 180 off-site trainings, with approximately 3,675 participants on site and over 20,000 participants by the way of remote video or internet trainings. 98.6% of the participants completed the studies provided by the internet training school. In 2017, the Company's internal trainers provided 365 hours of lectures in total, and developed 144 courses.

March-October 2017 Staff Training

"Huatai Star" Program

Through in-depth advocacy of corporate strategy and culture to facilitate the Company's culture and value fall to the ground, while read the present from the future perspective, based on the staff's core capability to enhance most in need in the coming 1-3 years to design training content, thus make the "Huatai Star" truly as the high-quality staff brand program with Huatai DNA.



October 2017 Management Team Training

"BAL" Program

In respect of newly appointed department heads and branch backup cadres, conducted trainings such as wealth management transformation, management role awareness and leadership improvement, adopted mixed education program with "centralized training/discuss + leadership assessment + experiential practice + practice sharing", such that the management could make breakthroughs in core competence and leadership development.





March-December 2017 Investment Consultant Training

"Investment Consultant
Star" Program

Following the strategic points for wealth management transformation, combined brokerage and wealth management department and branches all over the country held 8 Star Program and 1 Golden Star program in Nanjing, Tianjin, Shenzhen, Shanghai, Wuhan and Hangzhou respectively, covering 29 branches and over 800 investment consultant cross the country, comprehensively improved business skills for investment consultant, focused on change of concept of investment consultant and inspiring, effectively stimulate investment consultant's work motivation.



March 2017 Overseas Topic Training

"Overseas Advanced
Courses" Program

Persisted to explore outstanding teaching personnel with international investment bank theoretical framework and practical experience outside of the Group, taken the overseas training in 2016 as the opportunity to introduce the topic course with the most practical contents according to the feedback of overseas training participants and best lecturer, organized the "Financial Technology and Internet Finance" topic trainings, which attracted more than 900 participants.



Whole year in 2017 Trainings on Business Topics

"Huatai Forum"
Program

Integrated on site centralized training with remote video training, organized 20 Huatai Forum, of which 15 for Research Institute "knowledge from practice" trainings and other 5 Huatai Forum were for topics of new regulations on private equity, Shanghai-Hong Kong Stock Connect, Fintech, block chain technology and interpretations of internet security laws, which were close to current affairs.



December 2017 Internal Trainers Training

"Star Talent" Program

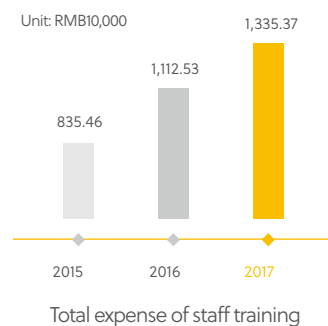
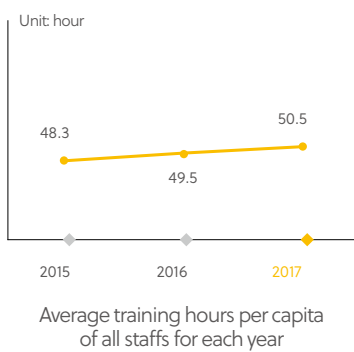
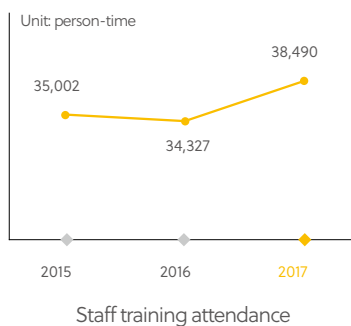
Through standardized capacity improvement and consolidation path with process of "standard definition—capacity assessment—course customization—practice test—on-the-job instructing—pass authentication" to conduct training and cultivate internal trainer team with course development and quality lecture and teaching.



Staff Training Performance Index

Index		Unit	2015	2016	2017
Staff training attendance		person-time	35,002	34,327	38,490
Total expense of staff training		RMB10,000	835.46	1,112.53	1,335.37
Coverage ratio of staff training		%	100	100	100
By gender	male	%	100	100	100
	female	%	100	100	100
By staff type	ordinary staff	%	100	100	100
	junior management	%	100	100	100
	senior and middle management	%	100	100	100
Average training hours per capita of all staffs for each year		hour	48.3	49.5	50.5
By gender	male	hour	48.1	49.3	50.2
	female	hour	48.6	49.8	50.8
By staff type	ordinary staff	hour	44.5	45.2	46.6
	junior management	hour	65	70	82
	senior and middle management	hour	115	118	122

Note: the above statistics are from Huatai Securities



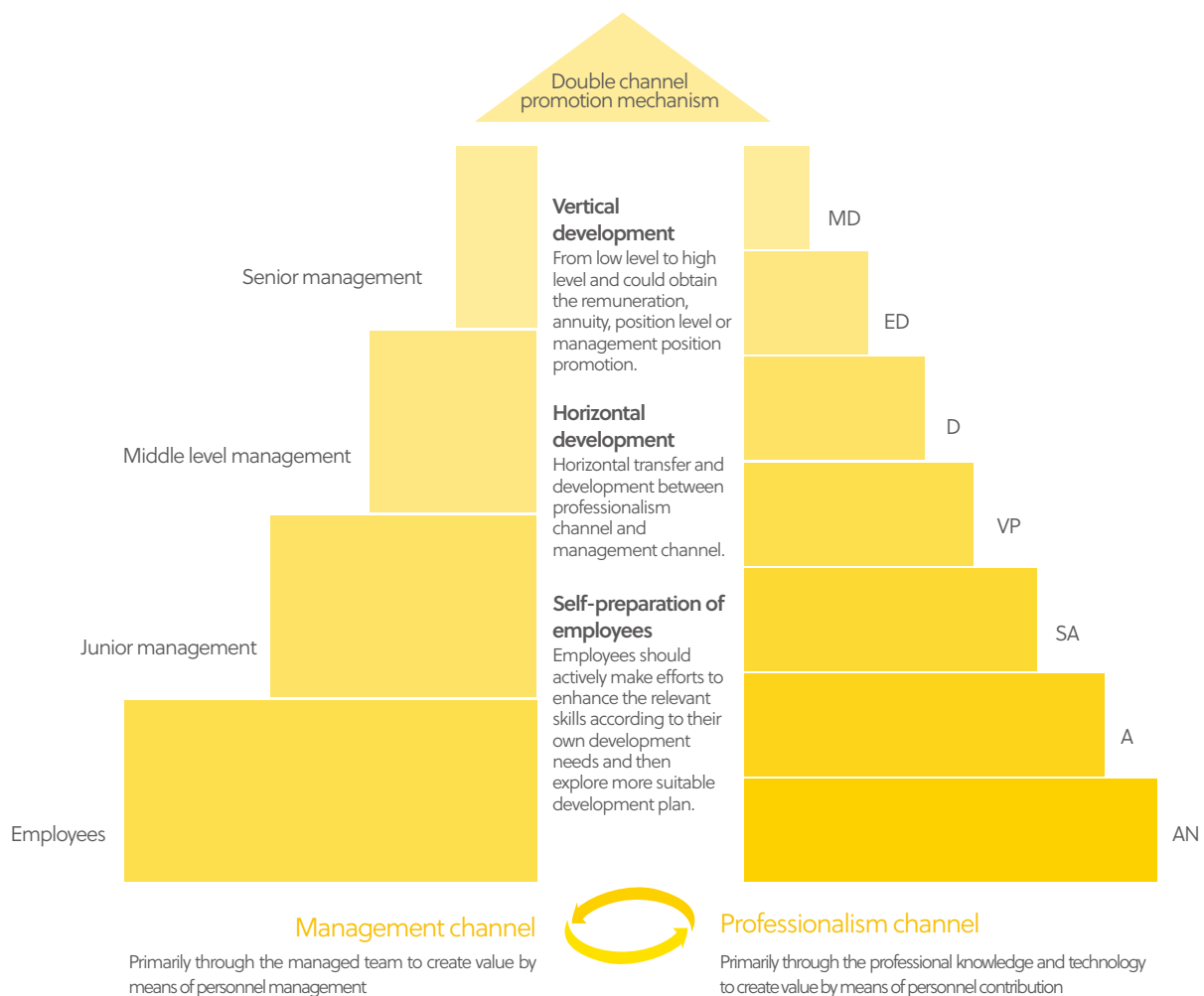


2 Employee Promotion System

The Company established a comprehensive and diversified employee promotion system and the establishment of double channel promotion mechanism could better meet different career development intentions of employees among management and professionalism, and achieve free transformation among the both.

In terms of management, the Company has built a project management talent echelon. On one hand, developed "Huangpu Program", regularly chose young talents from headquarters to take temporary trainings at basic management position, monitored and cultivated their potentials and management abilities in practices, and built headquarters management backup team. On the other hand, the Company conducted "Voyaging Program" and three-dimensional assessment, precisely chose backup cadres of branches and subsequently carried out targeted track and cultivation, then assisted the last step for promotion.

In terms of professionalism, the Company designed MD (Managing Director) position system according to international investment bank customary practice and the actual situation of the Company, which included 7 level, and each level has a number of small occupational annuity, and the Company regularly adjusted employees' position level or occupational annuity every year in accordance with appraisal results and competence assessment, to utilize the positive motivation effect of the position system and provide space, driver and security for the business development of the Company.



06

Giving Full Play to Financial Advantages and Promoting Social Progress

- ◆ Programs for Public Welfare 48
- ◆ Targeted Poverty Alleviation 50





The Company actively engages in programs for social public welfare and transmits the concept of public welfare by relying on the Commonwealth brand "the Commonwealth Heart of Huatai"; meanwhile, it also makes full use of the advantages of the financial industry and works on exploring new ways and new approaches according to the actual situations of the areas supported, gradually creating a mode of poverty alleviation with industrial characteristics and outstanding effects.

Programs for Public Welfare

Over the years, the Company has been committed to programs for social public welfare, advocating its staff to participate voluntary activities in all forms within their capabilities. At the same time, the Company has established long-term public welfare mechanism by shaping the Commonwealth brand "the Commonwealth Heart of Huatai" and carried out public welfare projects in education, health, disaster relief and so on, winning recognition from the society with its practical actions.

Commonweal brand of "the Commonwealth Heart of Huatai"

The Company launched a series of public welfare activities like "the Commonwealth Heart of Huatai" together with China Charity Federation "For tomorrow • Care for children" project, established "Homes of Our Children" and organized various forms of family care, quality education and other services, which benefited more than 8,000 children in total.

In 2017, the Company continued the public welfare project of "the Commonwealth Heart of Huatai", donated RMB500,000 to China Charity Federation "For tomorrow • Care for children" project, set up new "Homes of Our Children" in Shuanghe Junior Middle School in Jinzhai County, Anhui Province and Longma Ethnic School in Longfeng Town, Enshi, Hubei Province, respectively, established "the Commonwealth Heart of Huatai" growth scholarship in favor of needy students and helped 88 students from poor areas receive a good education.

The Company combined corporate cultural activities with "the Commonwealth Heart of Huatai" public welfare actions together; it also organized 14 "Huatai Faner" representatives from headquarters departments, branches and subsidiaries providing a total of 46 diverse voluntary service courses (including astronomical knowledge and safety education) for nearly 200 left-behind children in Yuexi, Anhui Province and Suqian, Jiangsu Province through family visits and voluntary services, which brought warmth to the children.

To attract more people to participate in and practice public welfare, the "For tomorrow • Care for children" project also received donations from enthusiastic netizens on the main page of Tencent's "WeChat campaign" donation steps. Netizens could converted charitable donations of Huatai Securities with steps there and donated it to "For tomorrow • Care for children" project to offer their love to the left-behind children.





Charitable donation helped rescue children with leukemia

On November 17, 2017, Huatai United Securities participated in the 2017 Ai You charity night "Love • door to miracle" which was organized by Ai You Foundation in collaboration with Ai You Future Foundation, Huaxia Alumni Association and SF Foundation, and donated RMB1,000,000 to "Ai You angel" - medical assistance project for solitary and poor children with leukemia.



The total commonweal expenses of Huatai Securities and its subsidiaries was RMB17,139,800, involving many aspects including targeted poverty alleviation, donation to charity funds, assistance to poor students and commonweal sponsorship.



1 Planning and Approaches of Poverty Alleviation

The main mission of the Company is to help targets of poverty alleviation and areas in poverty, proactively in developing industries with characteristics and advantages by integrating local resources, to enhance the development capability of such targets and areas with the help of the capital market and to continue to strengthen the internal momentum of economic development. The Company has taken the following ten protection measures to promote poverty alleviation to safeguard the effectiveness, being establishing poverty alleviation work stations, setting up branches, providing multi-layered capital market poverty alleviation services, providing industry poverty alleviation services, providing poverty alleviation services regarding consumption, providing poverty alleviation services regarding education, providing employment and poverty alleviation services, providing community services for poverty alleviation, actively introducing local characteristic resources and selecting staff to take temporary posts.

Utilized the advantages in talents and intelligence to provide the financial statistical data for areas in poverty

本期专题 | HIGHLIGHTS

● 中国书画函授大学肇庆分校

Utilized its own advantage as an intermediary agent for the two ends of investment and financing, so as to deep connection between financial business mode and poverty alleviation, help poor areas to "bring in and go out", as well as continue to strengthen the internal momentum of Jinzhai County.

Safeguarded the benefits of farmer families with financial measures, and initiated "Insurance + Futures" program, so as to provide protection against price decrease of agricultural products through risk hedging in futures market and help farmers to control price risk.

Utilized multi-channels to put the characteristic products and tourist resources of poor areas to market, so as to promote the development of characteristic industries like local agriculture and tourism.

50



2 Summary of Targeted Poverty Alleviation

The Company wholeheartedly serves the national strategy of poverty alleviation program by tapping into the industrial and professional advantages, fully used internal and external resources and conducted multi-layer and multi-form poverty alleviation programs and activities to replace "Input" with "Create". Under the leadership of the Company' Party Committee, the Company has actively conducted counterpart-

assistance in Jiangsu Province and "One Company One County" Assistance in Pair. Meanwhile, subsidiaries of Huatai Securities have also responded actively to the national poverty alleviation initiative by signing agreements with Jiang County in Sichuan Province and Yanchang County in Shaanxi Province and other regions to carry out poverty alleviation.

Counterpart-assistance in Jiangsu Province

Since 1994, the Company has been carrying out poverty alleviation work in Jiangsu Province for 23 consecutive years. In 2017, the Company increased the annual assistance fund to Feng County in Jiangsu Province from RMB450, 000 to RMB1,000,000 and put more efforts to assistance works.

The Company focused on the infrastructure construction of Honglou Village, Liangzhai Town, Feng County, pushed forward five livelihood related projects, namely public toilet construction, road widening, landscaping, sewer concealing and backfilling with a total investment of RMB550,000, hence significantly changed the village. The "repository for the preservation of 600

tons of fruit and vegetables" project, which was constructed by the Company for Honglou Village had been rented out successfully in 2017, hence increased the collective income of the village by RMB150,000, solved the employment issue of some farmer families with low-income, and driven the development of relevant industrial development such as packaging, transportation and maintenance.

With joint efforts, the collective economic income of Honglou village reached RMB230, 000 in 2017, and from 2016 to 2017, a total of 194 low-income people shook off poverty.



Poverty alleviation forum in Honglou Village



Road construction in Honglou Village

"One Company One County" Assistance in Pair

In 2016, the Company actively responded to the action of "One Company One County" published by the Securities Association of China to help the national poor counties in pairs, and reached twinning intentions with Jinzhai County, Anhui Province, and focused capitalizing on the resources and advantages of the Company to provide comprehensive financial services to Jinzhai County, Anhui Province.

In 2017, the "One Company One County" Assistance in Pair achieved further development: the Company utilized various channels to promote agricultural byproducts with Jinzhai

County's local characteristics to market and increased the farmers' income. The agricultural byproducts with Jinzhai County's local characteristics such as lucid ganoderma conidial powder and green and heath pork has launched on "Zhong Zheng Pu Hui" APP. At the same time, the Company actively promotes red educational resources in Jinzhai County and takes Jinzhai County as a fixed red education base, as well as realizes mutual promoting and development with Jinzhai County in poverty alleviation

Vigorously promoted the rich red education resources of Jinzhai

by positioning it as a red education base, and facilitated each other on the road of poverty alleviation program.

In 2017, Huatai United and Anhui Branch went to Jinzhai for targeted investigation several times, and key management of the Company led teams to Jinzhai to hold poverty alleviation forum with the county's finance office and around ten enterprises, so as to obtain a deep understanding of the local

corporate development status and financing requirements. Then specific poverty alleviation programs were proposed relating to equity and debt financing businesses, and discussions were held for the financing programs for two local enterprises to formulate financing proposal, hence laying a solid foundation for assisting Jinzhai to shake off poverty.

Jinzhai County

Jinzhai County belongs to Liu'an City in Anhui Province with a total area of 3,814 square kilometers. By 2017, the registered population of Jinzhai reached 682,100. Jinzhai owns the largest area and most populous among mountainous counties in Anhui Province.

Jinzhai County is rich in natural resources, with 4,400,000 mu forests with coverage of 74.29%, 177,000 mu tea plantations, 500,000 mu chestnut orchards, 242,000 mu moso bamboos, 220,000 mu oil tea camellia and 70,000 mu hickory.

As an old revolutionary base, Jinzhai is an important source place for China revolution and PLA. It has excellent ecological environment, and possesses various scenic spots such as national 5A level "Tian Tang Zhai".



Red education training in Jinzhai



Poverty alleviation forum in Jinzhai

Poverty Alleviation in Yanchang County

On 17 January 2017, Huatai Futures and Jiang County Government of Guangyuan City in Sichuan Province signed the strategic cooperation agreement relating to targeted poverty alleviation, pursuant to which, Huatai Futures would provide RMB1,000,000 to support road construction in Liuchang Village of Yaojia Town in Jiang County, transplantation of 300 mu ratten pepper seedlings, study assistance for poor students, cultural square construction and 60,000 mu oilseed rape insurances, etc.



Targeted Poverty Alleviation in Yanchang County

On 29 March 2017, Huatai Futures signed the targeted poverty alleviation understanding memorandum with Yanchang County of Shaanxi Province in respect of "One Company One Industry" "long-term corporation with futures", pursuant to which, Huatai Futures would provide targeted poverty alleviation industrial fund of RMB500,000 for free to help to develop the industrial project of 150 vegetable greenhouses for neighborhood office of Fujiaoyuan Village of Qili Town in Yanchang County and encourage its employees to purchase the characteristic ecological agricultural products from Yanchang County.





3 Performance of Targeted Poverty Alleviation

Statistical Table of Targeted Poverty Alleviation by the Company in 2017

Unit: Ten thousand Currency: RMB

Index	Number and implementation information
I. General information	
Including: 1. Fund	1,713.98
2. Number of poor people helped to be removed from administrative record for poverty registering (Persons)	334
II. Itemized input	
1. Poverty alleviation through industrial development, including:	423.77
Including: 1.1 Number of industrial poverty alleviation projects	7
1.2 Amount invested in industrial poverty alleviation projects	423.77
1.3 Number of poor people helped to be removed from administrative record for poverty registering (Persons)	334
2. Poverty alleviation through education	61.36
Including: 2.1 Amount invested in subsidizing poor students	11.36
2.2 Number of students receiving allowance (Persons)	135
2.3 Amount invested in improvement of education resources in poverty area	50
3. Social poverty alleviation	
Including: 3.1 Contributions to fixed-point poverty alleviation work	177.4
3.2 Poverty alleviation charity fund	751.45
4. Other projects	
Including: 4.1 Number of projects (Project)	1
4.2 Amount invested	300
4.3 Details of other projects	Charity sponsorships

4 Follow-up Targeted Alleviation Plan

Comprehensively Deepening "One Company One County" Assistance in Pair

Deepening industrial poverty alleviation. Assisting Jinzhai County to carry out promotional activities to attract enterprises and investments based on the local industry development condition. Actively promoting "One Company One County" assistance in pair to help local enterprises standardize governance and solve financing difficulties, which greatly enhances the village's own capabilities to build up capabilities and strengths.

Deepening charity poverty alleviation. On the basis of implementation of the "the Home of Our Children" project in Jinzhai, actively conducting caring activities.

Deepening "Party Building + Poverty Alleviation". The Company actively promotes the red tourism resources in Jinzhai County and expects to hold 4 rounds of party member education and training programs. Meanwhile, party building activities will be combined with poverty alleviation by organizing party members to go to Jinzhai to conduct public welfare activities and explore the mode of joint cooperation and construction.

Guiding branch offices and subsidiaries to do well in "One Company One County" Assistance in Pair, to support Jiangxi Branch to cooperate with Poyang County in Jiangxi Province to conduct poverty alleviation, support Huatai Futures to conduct assistance in pair with Jiange County in Sichuan Province and Yanchang County in Shaanxi Province. The "Insurance + Futures" program will be carried out to widen the benefited groups.

Proceed with the Counterpart-assistance to Poor Countries in Northern Jiangsu

Ensure fund guarantee in place, well perform the supporting duties, actively cooperate with the poverty alleviation work teams at provincial level, and appropriate the poverty alleviation fund at the first time.

Ensure sufficient personnel allocation, select politically qualified staff with high professional level and strong capability ability of organization and coordination to take temporary posts in poor areas to carry out targeted poverty alleviation.

Ensure precise selection of projects, accumulate poverty alleviation experiences, keep sound practices, combine local advantage of resources on basis of in-depth investigation and multi-party verification, fully respect the opinions of locals, well choose poverty alleviation projects, and locate the entry point of poverty alleviation as well.

07

Emphasize on Low-carbon Operation to Promote Sustainable Development

- ◆ Development of Green Finance 56
- ◆ Create a Beautiful Environment 59





Adhering to the philosophy of sustainable development, the Company has been constantly focusing on the environment during creating wealth. Through developing and implementing green finance projects, the Company has guided social capital to environment-friendly enterprises to perform its own environmental obligations. Meanwhile, the Company also pays attention to save resources and energy during operation, and integrates the energy saving and emission reduction concept into its daily operation, so as to minimize the influence of Company activities on the environment.

Development of Green Finance

1 Green Finance Bond

The reports of the 19th National Congress of the Communist Party of China expressly state to “accelerating the reform on the ecological civilization systems to build a beautiful China”, and consider the “development of Green finance” as an approach of “Committed to Green Development”. The Company has fully responded to the “Guidelines for Establishing the Green Financial System” issued by the seven ministries and commissions such as People’s Bank of China by strategically pushing forward green finance programs and implementing various national policy requirements concerning energy saving, emission reduction and green development, to support development of green, environment-friendly and quality industries.

In recent years, the Company has invested a lot of resources in green finance bonds, serving as the pioneer and leader of underwriting and issuing domestic green bonds. As the lead underwriter, the Company assisted SPD Bank to issues the first domestic green finance bonds in 2016, making the domestic green finance bonds from system framework to product issuance. In 2017, the Company remained devoted to green finance bond issuance, including RMB5 billion green corporate bonds of China Huadian Corporation, RMB2 billion green corporate bonds of China Datang Corporation Renewable Power, RMB2 billion green corporate bonds and RMB3 billion enterprise bonds of China Longyuan Power.



2016 SSE Green Enterprise Bond Contribution Award



2017 China Bond Excellent Underwriting Organization Award-Green Bond Indices Constituents
Issued by China Central Depository Clearing Co., Ltd.

Main Green Bonds Issuance Projects in 2017

Names of project	Issuing scale (RMB 100 Million)	Flow of major capital
17 Longyuan Green Debt 01	30	Mainly used for constructing and supplementary working capital of Jiangsu Jiangjiasha 300 MW Offshore Wind Farm Project and Shandong Zhanhua FengJia Phase I Wind Power Project
G17 Huadian 3	5	Mainly used for daily operation of Suofengying Hydropower Station, Goupitan Hydropower Station, Suzhou Straw Power Generation Project and for repaying debt capital of multiple hydropower station projects
G17 Huadian 2	10	
G17 Huadian 1	20	
17 Yunnan Water Green Debt	5.5	Mainly used for constructing and supplementary working capital of Yuxi Domestic Garbage Incineration Power Generation Project and Dali Sewage Plant Project
G17 Longyuan 1	20	Used for investment and construction of 11 wind power projects and early financing repayment of 3 wind power projects
17 Bank of Gansu Green Financial Debt	10	Used for reserving green industry projects (including clean transportation, clean energy, pollution prevention and control, resource conservation and recycling of green industry projects)
Total	100.5	

Yunnan Water Successfully Public Offering of Green Bonds

2017 was an important year for the "13th Five-Year Plan", during which the RPC Government deeply implemented the five development concepts of "innovation, coordination, green, openness, and sharing". Huatai United served as the lead underwriter and bookrunner to assist Yunnan Water Investment Co., Ltd. to issue 17 Yunnan Water Green Bonds with an issuance scale of RMB550 million, which has provided long-term, low-cost financial support for Yunnan Water and broadened its green industry financing channels.

Yunnan Water is mainly engaged in urban water supply, sewage treatment, reclaimed water reuse, solid waste treatment, etc. The issuance of 17 Yunnan Water Green Bonds is an active response to the national green development policy from Huatai United, a practice of the concept of green development, and a specific execution of accelerating the development of green industry financing channels.





2 Green Asset-Backed Securitization

Huatai Asset Management - Gezhouba Green Asset-Backed Special Plan of Hydropower Grid Toll Right

Best Trading of 2016 Corporate ABS

Hui Fu • Huatai Asset Management—Asset-Backed Special Plan of right to receive rewards of electronic waste recycling of China Recycling Resource

Pioneer Award of 2016 Corporate ABS

Green asset-backed securitization (ABS) plays an important role in building green financial system. The Company gives rein to its professional advantages and actively promotes the green ABS project to provide enterprises with rapid, long-term and stable financial support and match the characteristics of development of the green industry in a variety of ways to enhance credit. Huatai Asset Management has successively launched China's first green ABS in the hydropower industry, China's first green ABS in central enterprises and China's first environment-friendly ABS in the solid waste treatment industry; and it makes steady breakthrough in business and helps green environmental enterprises broaden channels for fund financing, put to good use stock assets, improve the debt structure and reduce financing costs. For "two highs and one over" (high pollution, high energy consumption and overcapacity) industry, Huatai Asset Management resolutely implements the requirements of classified supervision and allows no establishment and declaration of such projects, and supports the national policy on industrial structure adjustment and supply-side reform.

Huatai Asset Management - Gezhouba Green Asset-Backed Special Plan of Hydropower Grid Toll Right

Developing clean energy is an important task to improve China's energy structure, safeguard energy security and promote the development of ecological civilization. Taking as the basic assets network-based Charge Rights of the five hydropower generation companies affiliated with China Gezhouba Group within a specific period of time in the future, Huatai Asset Management as the plan manager initiated a special plan for supporting hydropower "green" assets with an aggregate of RMB800 million. The basic assets and the flow of funds to be raised meet the content defined in "5. Clean Energy" listed in the Green Bond Support Project Directory (2015 Edition), and the green certification report has been issued by an independent third-party green certification agency. Thanks to high-quality basic assets, the product has been fully recognized by banks, funds and other large financial institution investors; its weighted average annual interest rate of priority asset-backed securities is only 3.41%, which has effectively reduced the financing cost for developing the clean energy industry and serves as a good practice of finance underpinning sustainable development.

3 Serving Environmental Industry

Huatai United Securities responds to the national energy development strategy and provides comprehensive services for the business development, industrial upgrading, and strategic layout of energy enterprises, with a number of capital services such as IPO, refinancing, strategic investment, and industrial integration to help green finance.

Huatai United Securities has successively led and completed a

number of projects that have significant influence in the energy and new energy vehicle industry, including major asset restructuring of China Yangtze Power, non-public issuance of WENERGY CO., LTD., non-public issuance of Hubei Energy, non-public issuance of Kailuan Energy, Nanjing Public Resources acquisition of Towngas, major assets reorganization of Zotye Auto and other projects, all of which set up a benchmark for serving the green real economy.

Successfully Underwriting the listing of Hopewind Electric, A New Energy Enterprise

With the increasing attention to global warming, climate change and other issues, China proposes the development target of renewable energy. It is planned that the proportion of non-fossil energy in one-off energy consumption will reach 15% and 20% respectively in 2020 and 2030 to cope with the climate and environmental changing issues.

Hopewind Electric is a high-tech enterprise specializes in the research & development, manufacture, marketing and service of new energy & electric drive products. Huatai United Securities acted as the sponsor and lead underwriter, assisted Hopewind Electric successfully listed on the Main Board of the Shanghai Stock Exchange, and public offering 60 million shares, with total proceeds of RMB802 million. Such successful listing will enhance its capital strength and Hopewind Electric will increase investment in R&D, continuously improve the R&D conditions, introduce R&D equipment, optimize R&D management, and drive product innovation and upgrade with efficient R&D activities, so as to further develop new energy technology. Huatai United Securities systematically analyzed and demonstrated the corporate governance, financial norms, and industry layout of Hopewind Electric in a professional and rigorous manner, responding to the "13th Five-Year Plan—Wind Power Development", and making great efforts to the further development of China new energy and electric industry with efficient services.



Create a Beautiful Environment

1 Low-carbon Operation

The Company advocates low-carbon and environmentally-friendly operation methods and working methods, actively promotes energy conservation and environmental protection systems, and encourages employees to integrate energy conservation and environmental protection into work and living, maximally save social resources, protect the environment, reduce pollution, and create a healthy and comfortable environment for employees. The Company carefully analyzed the environmental factors involved in the operation of financial institutions and implemented effective energy-saving office management.

Low-carbon Workplace • Harmonious Environment

Promotion of paperless office

Encouraging employees to use electronic documents, providing online modification and finalization functions for approval documents, and reducing printing paper.

Promoting electronic business, enhancing the function of "ZhangLe Fortune Path" APP and encouraging customers to adopt paperless services.



In 2017, the Company consumed 4,600 packages of paper.

Promotion of telephone and video conferences

Using telephone and video conferences to optimize company overview communication mode, reducing the number of on-site meetings, and decreasing carbon emissions from business travel.



There were over 2,000 video conferences held in 2017 with total length of 4,000 hours.

Promotion online training

Utilizing cloud learning app and WeChat public platform to train employees to reduce travel and vehicle usages from training.



In 2017, there were more than 20,000 participants having been trained by remote video or internet.

Advocacy of green travel

The Company owns 45 vehicles and implements strict management on vehicles, encouraging peers to share cars, and public transportation such as subways to reduce the usage of the Company's vehicles.



In 2017, the total drive length of the Company's vehicles was 302,021km.

Low-carbon data center

In most areas of the data center equipment room, new and efficient energy-saving cold-aisle closure technologies are adopted to increase the cooling efficiency of the equipment and enhance the effectiveness of the cold-flow utilization.

Through virtualization technology to achieve server consolidation, thus greatly reduce server usage, and decrease energy consumption.



The total electricity consumption in data center was 9,850,601 kWh in 2017.

Solid waste and sewage treatment

Office waste is cleared by the property management center and cleaned up in time to create a beautiful environment.

Electronics waste, LED, toner, cartridges, and other hazardous wastes are entrusted to a qualified company for recycling and are disposed or reused by the recycler.

Wastewater is discharged into the municipal sewage pipeline and transported to the municipal wastewater treatment plant.



The Company recycled approximately 70 toners and 360 cartridges in 2017.



Energy-saving and Emission Reduction at Underground Garage Achieved Significant Improvement

Huatai Securities Plaza is equipped with a two-story underground garage with about 1,500 parking spaces. In order to provide sufficient lighting, 1,950 of lighting equipment is installed in underground garages, and the total amount of electricity consumption in a year would be 512,460 kw if all lightning equipment was put to use.

In order to take responsibility for environmental protection and practice low-carbon operations, the Company started an energy-saving lighting model, closing 1300 lights on business nights (22:00 to 7:00), saved 91,611 kw in 2017, and shutting down 1,300 lights throughout the weekend, saved 97,344 kw in 2017. A total of 188,955 kw of energy was saved in the year, with an energy saving ratio of about 37%, which can offset more than 147.5 tons of carbon dioxide, which is equivalent to reducing the greenhouse gas emissions of burning 589.3 tons of coal.

Key Environmental Indicators

Indicator	Unit	2015	2016	2017
Total greenhouse gas (GHG) emissions	ton	16,387	15,346	16,552
Total greenhouse gas (GHG) emissions per person	ton/person	14.6	10.9	9.8
Greenhouse gas (GHG) emissions per unit area	ton/m ²	0.09	0.07	0.08
Total water consumption	ton	67,366	88,139	69,445
Water consumption per person	ton/person	60.20	62.78	41.09
Greenhouse gas (GHG) emissions per unit area	ton/m ²	0.32	0.42	0.33
Total electricity consumption	kWh	23,134,560	21,643,898	23,433,535
Electricity consumption per person	kWh/person	20,674	15,416	138,66
Electricity consumption per unit area	kWh/m ²	110	103	112
Total natural gas consumption	m ³	748,005	1,075,998	888,205
Natural gas consumption per person	m ³ /person	668	766	526
Gas consumption per unit area	m ³ /m ²	3.56	5.12	4.23
Total paper consumption	package	3,800	4,100	4,600
Waste volume of electronics	unit	12900	13200	11400
Toner	unit	45	63	70
Cartridge	unit	295	320	360
Car oil consumption data	RMB10,000	27	28.9	16
Car mileage	Km	416,000	363,140	302,021

Note 1: The above data include the headquarter of Huatai Securities, excluding Renaissance Nanjing Olympic Centre Hotel.

Note 2: Since the office waste is cleared by the property management center, it is impossible to calculate the production volume

Note 3: The electronic waste volume is an estimated volume.

Note 4: Greenhouse gas emissions include direct greenhouse gas emissions from vehicle fuel consumption of the Company and indirect greenhouse gas emissions from purchased electricity. Reference is made to the average carbon dioxide emission factor of China's regional electricity grid released by the National Climate Strategy Center and the parameters set out in the appendix to HKEX ESG Reporting Guide are estimated.



2 Green Building

On May 2017, Huatai Securities Plaza obtained Golden Certification of LEED-NC issued by USGBC. Such Plaza is the headquarter of Huatai Securities and marks the Company's role in assuming the environmental responsibility.



Huatai Securities Plaza—Golden Certification of LEED-NC issued by USGBC

According to the results of the USGBC survey of multiple projects, the projects of which implementation of the LEED certification standards, the amount of sewage discharged decreased by about 40% and the carbon dioxide emissions reduced by 33%-39%.

According to 2-star certified in Green Building Design Label Certification, the energy saving ratio of block 1 to 3 of Huatai Securities Plaza reached to 65.53%.

Huatai Securities Plaza

With a total floor area of 240,000 square meters, including office buildings, business activity centers and securities trading center, it becomes a modern comprehensive financial service site which integrates office, management and business into one.

Utilizing renewable energy

- Equipped with solar photovoltaic power generation system, solar water heating system, sunlight induced lighting device system and ground source heat pump systems.
- Among them, the solar hot water system saved 4,116 cubic meters of water in 2017, and the ground source heat pump system and the cold water unit saved a total of 49,984°C electricity in 2017.

Adopting energy-saving technology

- Making full use of natural ventilation, natural lighting, landscape greening and other means to achieve energy conservation and utilization according to local conditions.
- The air conditioning system uses ice storage cold air technology, the under-floor air distribution system and the like.
- Setting energy-saving time control modules to control lighting.
- Equipped with energy management, building automation and other intelligent systems.

Adopting water-saving technology

- The rainwater recycling technology is used to realize that 600 cubic meters of rainwater is used for greening and irrigation within the square range.
- Using municipal water as the main source, encouraging employees to save water and use water-saving sanitaryware.

Using environmentally friendly materials

- Using low-volatile and environment-friendly green glue, paint, coating, carpet and so on.
- Adopting breathing double-tiered curtain wall and LOW-E glass.
- Adopting FSC-certified products.

Green decoration system

- All kinds of decoration materials suppliers must provide corresponding test reports; and on-site sampling inspection in batches is required to ensure test indicators are in line with green environmental protection standards before being put into use.



Huatai Securities Plaza

LEED- NC gold certification by U.S. Green Building Council
Two-star Green Building Design Labeling Project of Jiangsu Province
Renewable Energy Building Application Demonstration Project of Nanjing



Social Recognition

Awards

Honors and Awards of the Group

Social Responsibility	<p>The "2016 China's Social Responsibility Public Welfare Ceremony", hosted by Xinhua Net and Corporate Social Responsibility Research Center at Chinese Academy of Social Sciences:</p> <p>"2017 China's Social Responsibility Product Award"</p>
Risk Management	<p>The "10th Golden Cicada Award" hosted by China Times:</p> <p>"2016 Risk Management Securities Enterprise Award"</p>
Others	<p>The "2016 China Financial Market Awards for Listed Companies" hosted by China Financial Market, a financial magazine in Hong Kong:</p> <p>"Best Brand Value Award"</p> <p>The "Asia Capital Fund Area" hosted by 21st Century Business Herald:</p> <p>"Outstanding Securities Company of the Year"</p>





Main Honors and Awards of Business Segments

Wealth Management	<p>Analysts: "ZhangLe Fortune Path" ranked No. 1 among the brokers' APPs in terms of the average daily number of active users in 2017</p> <p>China Business Journal, Corporate Social Responsibility Research Center at Chinese Academy of Social Sciences: "2017 Outstanding Wealth Management Security Company" East Money: Huatai Futures — "Most Popular Future Company"</p>	<p>Wind Statics: continued to rank No. 1 in the securities industry in terms of equity fund trade volume</p> <p>"2017 Excellent Securities Firms' APP" hosted by Securities Firms in China of Securities Times "ZhangLe Fortune Path" won "Top Ten Brands", "Customers Satisfaction Award" and "Platinum Award Among Securities Firms' APP"</p>
Institutional Service	<p>The number of mergers and acquisitions in 2017 that had received the approval of Merger & Reorganization Committee ranked the second place and the transaction amount ranked the first.</p> <p>MergerMarket: In 2017, the number of mergers and acquisitions whose financial advisors were the employees of our company in Greater China ranked the Second. American authoritative financial magazine Institutional Investors and Caixin Media jointly held 2017 "Institutional Investors • Caixin • Best Analysts in Greater China" contest:</p> <p>The domestically funded institutions which have the most research strength, and ranked the 4th for best analyst team as well as the 5th for best sales team. Besides, our 9 industry direction analysts were on the list and won the prize for best analysts.</p> <p>"2017 Excellent Investment Bank Junding Prize in China" held by Securities Times: Huatai United Securities won "2017 All-round Investment Bank Junding Prize in China", "2017 Bond Investment Bank Junding Prize in China", "2017 Merger & Acquisition Investment Bank Junding Prize in China", "2017 Top 10 Innovative Projects Prizes: the privatization of Qihoo 360, BTG Hotels acquiring 100% equity project of Home Inns".</p>	<p>Top Ten Investment Bank Prizes held by New Fortune: Local best investment bank: 6th Best investment bank in overseas market capability: 3rd Best investment bank in equity underwriting: 4th Best investment bank in equity underwriting: 7th Best investment bank in mergers and acquisitions: 2nd Best investment bank in asset securitization: 5th Best investment bank in healthcare industry: 3rd Best investment bank in financial real estate industry: 5th Best investment bank in TMT: 2nd</p> <p>Best financial advisor project: Shunfeng Holdings merging with the shell company Dingtai New Material: 1st</p> <p>Best overseas projects: the privatization of Qihoo 360, 1st; BTG Hotels acquiring Home Inns, 3rd; Xiwang Food acquiring Kerr, 6th</p> <p>2017 Best Analysts contest held by New Fortune: Strategy research team won the 4th place Construction engineering research team took the 2nd place Macro research team and financial engineering team were candidates and won the 7th place</p>
Investment Management	<p>Shanghai Stock Exchange: "Asset Securitization Outstanding Product Innovation Award 2016" Annual Summit of "The 11th Annual China Investment Conference" by China Venture Group China's TOP10 Private Equity Investment Agencies with the Greatest Growth Potential 2016"</p> <p>"TOP10 Best Investment Agencies in Medical Service Field 2016" "China Asset Management Industry Forum 2017" hosted by National Business Daily and Asset Management Golden Tripod Award: "The Most Powerful Asset Management Broker", "The Best Constant Return Team", "The Best ABS Team", "The Best Broker Asset Management ABS Product - Financial Leasing Category"</p>	<p>The 3rd China Asset Securitization Forum: "ABS Outstanding Transaction Award" "Excellent Transaction Award" "Pioneer Award"</p> <p>China Securities Journal: China Southern Fund won the title of "2016 Golden Bull Fund Management Company" Huatai-PineBridge Fund won "Golden Bull Fund Company of Passive Investment"</p> <p>Shanghai Securities News: China Southern Fund won "Golden Fund TOP Company Award 2016" Huatai-Pinebridge Quantitative Wisdom Fund won "Golden Fund Annual Quantitative Fund 2016"</p>
International Business	<p>The paid-in capital of Huatai Financial Holdings (Hong Kong) reached up to HK\$8.8 billion, with its capital scale ranking among the top in the industry in Hong Kong.</p> <p>MergerMarket: Huatai Financial Holdings (Hong Kong) ranked second in terms of the Merger Number and Transaction Amount by Chinese Investment Banks in Hong Kong in 2016.</p>	<p>Cerulli Associates: As of the end of the third quarter of 2017, AssetMark's market share in the US TAMP industry was 9.5%, ranking third.</p>



Disclosure Recommendations of the Shanghai Stock Exchange Index

Shanghai Stock Exchange's Notice on Strengthening Listed Companies' Assumption of Social Responsibility and on Issuing the Guidelines on Listed Companies' Environmental Information Disclosure

Disclosure Advice	Section Index
Article 1	About Huatai Securities Social Responsibility Issues
Article 2	About Huatai Securities Social Responsibility Issues Regulated Governance to Ensure Shareholders' Satisfaction Creating Value and Being Customer-trustworthy Cherishing Talent, Growing Together Giving Full Play to Financial Advantages and Promoting Social Progress Emphasize on Low-carbon Operation to Promote Sustainable Development
Article 3	Satisfied
Article 4	About Huatai Securities
Article 5:(1)	Creating Value and Being Customer-trustworthy Cherishing Talent, Growing Together Giving Full Play to Financial Advantages and Promoting Social Progress
Article 5:(2)	Create a Beautiful Environment
Article 5:(3)	Creating Value and Being Customer-trustworthy Cherishing Talent, Growing Together Regulated Governance to Ensure Shareholders' Satisfaction
Article 6	Satisfied
Article 7	Satisfied



HKEX ESG Reporting Guide Index

Aspects, General Disclosures and KPIs	Description	Sections
Subject Area A. Environmental		
Aspect A1: Emissions		
General Disclosure A1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Create a Beautiful Environment
KPI A1.1	The types of emissions and respective emissions data	Create a Beautiful Environment
KPI A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Create a Beautiful Environment
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Create a Beautiful Environment
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Create a Beautiful Environment
KPI A1.5	Description of measures to mitigate emissions and results achieved	Create a Beautiful Environment
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Create a Beautiful Environment
Aspect A2: Use of Resources		
General Disclosure A2	Policies on the efficient use of resources, including energy, water and other raw materials	Create a Beautiful Environment
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Create a Beautiful Environment
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Create a Beautiful Environment
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Create a Beautiful Environment
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Create a Beautiful Environment
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced	N/A
Aspect A3: The Environment and Natural Resources		
General Disclosure A3	Policies on minimizing the issuer's significant impact on the environment and natural resources	Create a Beautiful Environment

KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Create a Beautiful Environment
Subject Area B. Social Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure B1	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Caring about Our Employees
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Caring about Our Employees
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Caring about Our Employees
Aspect B2: Health and Safety		
General Disclosure B2	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Caring about Our Employees
KPI B2.1	Number and rate of work-related fatalities	Caring about Our Employees
KPI B2.2	Lost days due to work injury	Caring about Our Employees
KPI B2.3	Description of occupation health and safety measures adopted , how they are implemented and monitored	Caring about Our Employees
Aspect B3: Development and Training		
General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Training and Career Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Training and Career Development
KPI B3.2	The average training hours completed per employee by gender and employee category	Training and Career Development
Aspect B4: Labour Standards		
General Disclosure B4	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Caring about Our Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Caring about Our Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered	Caring about Our Employees
Subject Area B. Social Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure B5	Policies on managing environmental and social risks of the supply chain	Compliance Management



KPI B5.1	Number of suppliers by geographical region	Compliance Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Compliance Management
Aspect B6: Product Responsibility		
General Disclosure B6	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress	High-quality Customer Services
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with	High-quality Customer Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Compliance Management
KPI B6.4	Description of quality assurance process and recall procedures	N/A
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	High-quality Customer Services
Aspect B7: Anti-corruption		
General Disclosure B7	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Compliance Management
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Compliance Management
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	Compliance Management
Aspect B8: Community Investment		
General Disclosure B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Programs for Public Welfare Targeted Poverty Alleviation
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Programs for Public Welfare Targeted Poverty Alleviation
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	Programs for Public Welfare Targeted Poverty Alleviation

Sustainability Reporting Guidelines (GRI G4) Index

Sustainability Reporting Guidelines Index		Location
No.	Description	Sections
Strategy and Analysis		
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	—
G4-2	Provide a description of key impacts, risks, and opportunities	Preface
Institutional Overview		
G4-3	Report the name of the organization	Company Overview
G4-4	Report the primary brands, products, and services	Company Overview
G4-5	Report the location of the organization's headquarters	Back cover
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	—
G4-7	Report the nature of ownership and legal form	—
G4-8	Report the markets served	Company Overview
G4-9	Report the scale of the organization	Company Overview
G4-10	a. Report the total number of employees by employment contract and gender	Caring about Our Employees
	b. Report the total number of permanent employees by employment type and gender	
	c. Report the total workforce by employees and supervised workers and by gender	
	d. Report the total workforce by region and gender	
	e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors	
	f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	
G4-11	Report the percentage of total employees covered by collective bargaining agreements	—
G4-12	Describe the organization's supply chain	Compliance Management
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure or ownership	Company Overview
Commitments to External Initiatives		
G4-14	a. Report whether and how the precautionary approach or principle is addressed by the organization	Corporate Governance Compliance Management



G4-15	a. List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	—
G4-16	a. List memberships of associations (such as industry associations) and national or international advocacy organizations	Social Recognition
Identified Material Aspects and Boundaries		
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	About This Report
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	About This Report
G4-19	a. List all the material Aspects identified in the process for defining report content.	Identification and Analysis of Substantive Issues
G4-20	a. For each material Aspect, report the Aspect Boundary within the organization	—
G4-21	a. For each material Aspect, report the Aspect Boundary outside the organization.	—
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	—
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	—
Stakeholder Engagement		
G4-24	Provide a list of stakeholder groups engaged by the organization	Participation of the Stakeholders
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	Participation of the Stakeholders
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Participation of the Stakeholders
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	Participation of the Stakeholders
Report Profile		
G4-28	Reporting period (such as fiscal or calendar year) for information provided	About This Report
G4-29	Date of most recent previous report (if any)	About This Report
G4-30	Reporting cycle (such as annual, biennial)	About This Report
G4-31	Provide the contact point for questions regarding the report or its contents	About This Report Back Cover
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	Index

G4-33	<p>a. Report the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</p> <p>c. Report the relationship between the organization and the assurance providers.</p> <p>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	—
Governance		
G4-34 to G4-55	Corporate Governance	Corporate Governance Compliance Management
Ethics and Integrity		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Responsibility Principles Compliance Management
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Compliance Management
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Compliance Management
Economic Indicators		
G4-DMA	Disclosures on Management Approach	Company Overview
G4-EC1	Direct economic value generated and distributed	Company Overview
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	—
G4-EC3	Coverage of the organization's defined benefit plan obligations	—
G4-EC4	Financial assistance received from government	—
Market Presence		
G4-DMA	Disclosures on Management Approach	Caring about Our Employees
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	—
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	—
Indirect Economic Impacts		
G4-DMA	Disclosures on Management Approach	Programs for Public Welfare Targeted Poverty Alleviation
G4-EC7	Development and impact of infrastructure investments and services supported	Programs for Public Welfare Targeted Poverty Alleviation
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Programs for Public Welfare Targeted Poverty Alleviation



Procurement Practices		
G4-DMA	Disclosures on Management Approach	Compliance Management Create a Beautiful Environment
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	—
Environmental		
Materials		
G4-DMA	Disclosures on Management Approach	Create a Beautiful Environment
G4-EN1	Materials used by weight or volume	—
G4-EN2	Percentage of materials used that are recycled input materials	—
Energy		
G4-DMA	Disclosures on Management Approach	Create a Beautiful Environment
G4-EN3	Energy consumption within the organization	Create a Beautiful Environment
G4-EN4	Energy consumption outside of the organization	—
G4-EN5	Energy intensity	Create a Beautiful Environment
G4-EN6	Reduction of energy consumption	Create a Beautiful Environment
G4-EN7	Reductions in energy requirements of products and services	Create a Beautiful Environment
Water		
G4-DMA	Disclosures on Management Approach	Create a Beautiful Environment
G4-EN8	Total water withdrawal by source	Create a Beautiful Environment
G4-EN9	Water sources significantly affected by withdrawal of water	—
G4-EN10	Percentage and total volume of water recycled and reused	—
Biodiversity		
G4-DMA	Disclosures on Management Approach	—
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	—
G4-EN13	Habitats protected or restored	—
G4-EN14	Report the total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk	—

Emissions		
G4-DMA	Disclosures on Management Approach	Create a Beautiful Environment
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	—
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Create a Beautiful Environment
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	—
G4-EN18	Greenhouse gas (GHG) emissions intensity	Create a Beautiful Environment
G4-EN19	reduction of greenhouse gas (GHG) emissions	Create a Beautiful Environment
G4-EN20	Emissions of ozone-depleting substances (ODS)	—
G4-EN21	NOx, SOx, and Other Significant Air Emissions	—
Effluents and Waste		
G4-DMA	Disclosures on Management Approach	—
G4-EN22	Total water discharge by quality and destination	—
G4-EN23	Total weight of waste by type and disposal method	—
G4-EN24	Total number and volume of significant spills	—
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention2 Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	—
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	—
Products and Services		
G4-DMA	Disclosures on Management Approach	Creating Value and Being Customer-trustworthy
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Create a Beautiful Environment
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	—
Compliance		
G4-DMA	Disclosures on Management Approach	Compliance Management
G4-EN29	Monetary value of significant fines and total number of nonmonetary sanctions for non-compliance with environmental laws and regulations	Compliance Management
Transport		
G4-DMA	Disclosures on Management Approach	—
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Create a Beautiful Environment



Overall		
G4-DMA	Disclosures on Management Approach	—
G4-EN31	Total environmental protection expenditures and investments by type	—
Supplier Environmental Assessment		
G4-DMA	Disclosures on Management Approach	Create a Beautiful Environment
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	—
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Create a Beautiful Environment
Environmental Grievance Mechanisms		
G4-DMA	Disclosures on Management Approach	—
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	—
Social KPI Indicators		
Labor Practices and Decent Work		
Employment		
G4-DMA	Disclosures on Management Approach	Caring about Our Employees
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Caring about Our Employees
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	—
G4-LA3	Return to work and retention rates after parental leave, by gender	Caring about Our Employees
Labor / Management Relations		
G4-DMA	Disclosures on Management Approach	—
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	—
Occupational Health and Safety		
G4-DMA	Disclosures on Management Approach	Caring about Our Employees
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	—
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Caring about Our Employees
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Caring about Our Employees
G4-LA8	Health and safety topics covered in formal agreements with trade unions	—

Training and Education		
G4-DMA	Disclosures on Management Approach	Training and Career Development
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Training and Career Development
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Training and Career Development
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	—
Diversity and Equal Opportunity		
G4-DMA	Disclosures on Management Approach	Caring about Our Employees
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Caring about Our Employees
Equal Remuneration for Women and Men		
G4-DMA	Disclosures on Management Approach	—
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	—
Supplier Assessment for Labor Practices		
G4-DMA	Disclosures on Management Approach	Compliance Management
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	—
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	—
Labor Practices Grievance Mechanisms		
G4-DMA	Disclosures on Management Approach	Caring about Our Employees
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Caring about Our Employees
Human Rights		
Investment		
G4-DMA	Disclosures on Management Approach	Caring about Our Employees
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	—
Non-discrimination		
G4-DMA	Disclosures on Management Approach	Caring about Our Employees



G4-HR3	Total number of incidents of discrimination and corrective actions taken	Caring about Our Employees
Freedom of Association and Collective Bargaining		
G4-DMA	Disclosures on Management Approach	Caring about Our Employees
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Compliance Management
Child Labor		
G4-DMA	Disclosures on Management Approach	Caring about Our Employees
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Compliance Management Caring about Our Employees
Forced or Compulsory Labor		
G4-DMA	Disclosures on Management Approach	Caring about Our Employees
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Caring about Our Employees Compliance Management
Security Practices		
G4-DMA	Disclosures on Management Approach	Caring about Our Employees
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	—
Indigenous Rights		
G4-DMA	Disclosures on Management Approach	—
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	—
Assessment		
G4-DMA	Disclosures on Management Approach	—
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	—
Supplier Human Rights Assessment		
G4-DMA	Disclosures on Management Approach	—
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	—
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	—

Human Rights Grievance Mechanisms		
G4-DMA	Disclosures on Management Approach	—
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	—
Society Indicators		
Local Communities		
G4-DMA	Disclosures on Management Approach	Targeted Poverty Alleviation
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	—
G4-SO2	Operations with significant actual and potential negative impacts on local communities	—
Anti-corruption		
G4-DMA	Disclosures on Management Approach	Compliance Management
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	Compliance Management
G4-SO4	Communication and training on anti-corruption policies and procedures	Compliance Management
G4-SO5	Confirmed incidents of corruption and actions taken	Compliance Management
Public Policy		
G4-DMA	Disclosures on Management Approach	—
G4-SO6	Total value of political contributions by country and recipient / beneficiary	—
Anti-competitive Behavior		
G4-DMA	Disclosures on Management Approach	—
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	—
Compliance		
G4-DMA	Disclosures on Management Approach	Compliance Management
G4-SO8	Monetary value of significant fines and total number of nonmonetary sanctions for non-compliance with laws and regulations	Compliance Management
Supplier Assessment for Impacts on Society		
G4-DMA	Disclosures on Management Approach	Compliance Management
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	—
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	—



Grievance Mechanisms for Impacts on Society		
G4-DMA	Disclosures on Management Approach	—
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	—
Product Responsibility		
Customer Health and Safety		
G4-DMA	Disclosures on Management Approach	—
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	—
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	—
Product and Service Labeling		
G4-DMA	Disclosures on Management Approach	High-quality Customer Services
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	High-quality Customer Services
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	High-quality Customer Services
G4-PR5	Results of surveys measuring customer satisfaction	High-quality Customer Services
Marketing Communications		
G4-DMA	Disclosures on Management Approach	Compliance Management
G4-PR6	Sale of banned or disputed products	Compliance Management
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Compliance Management
Customer Privacy		
G4-DMA	Disclosures on Management Approach	High-quality Customer Services
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	High-quality Customer Services
Compliance		
G4-DMA	Disclosures on Management Approach	Compliance Management
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	—

About This Report

Scope

Organization scope of the report: This report discloses activities and performance of Huatai Securities Co., Ltd. (hereinafter referred to as "Company", or "Huatai Securities") actively assuming economic, social and environmental responsibility. This Report is mainly about Huatai Securities Co., Ltd. and covers its wholly-owned subsidiaries and holding subsidiaries.

Reporting Period: from January 1, 2017 to December 31, 2017. Portions of the content are beyond this period.

Reporting Cycle: Annual.

Basis

The preparation of this report is in accordance with the Notice on Strengthening Assumption of Social Responsibility by Listed Companies and Issuing the "Guidelines of Environmental Information Disclosure by Companies Listed on Shanghai Stock Exchange" and the Notice on Further Improvement of Information Disclosure of Poverty Alleviation by Listed Companies issued by the Shanghai Stock Exchange and the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited, and also with reference to the Sustainability Reporting Guidelines (GRI G4) issued by the Global Reporting Initiative.

Data Source

The data and cases in the report are from the primary record of operation or financial reports of Huatai Securities and its subsidiaries. The unit of the financial information in this report is RMB. In case of any inconsistency with financial reports, the financial reports shall prevail. Huatai Securities and its subsidiaries mentioned in this report have been searched in the environment database of the Institute of Public Environment (IPE) and Shanghai Qingyue Environment Protection Center and there has been no negative environmental report in the reporting period.

Accesses

Shanghai Stock Exchange website (www.sse.com.cn)

HKEX news website (www.hkexnews.hk)

Huatai Securities Co., Ltd. website (www.htsc.com.cn)

A red kite with a long, flowing tail is flying in a bright blue sky filled with white, fluffy clouds. The sun is visible in the upper right, creating a lens flare effect. The kite is positioned in the upper left quadrant, with its tail extending towards the bottom left.

Social Responsibility Vision

If Huatai Securities is a thriving tree, then each of the stakeholders including our shareholders, customers, employees and the society will be the soil, air and water for its growth. Huatai Securities and each of them are closely bound up and complementary to each other, building a stable life system together. Trying our best to protect the interests of stakeholders is not only the philosophy, spirit and strength of the business development of the Company but also the social responsibility we shall assume, which has been incorporated into the Company's development strategy and into the Company's culture and root. In the future, the Company will continue to strive for a win-win situation for stakeholders while growing bigger and stronger, shape a social image of integrity and responsibility, strive to become an outstanding corporate citizen that customers trust, the society respects, shareholders are satisfied with and employees are proud of, and develop in a sustainable manner and build a bright future together.

This is the 8th social responsibility report the Company has issued since it issued Social Responsibility Report 2010 of Huatai Securities Co., Ltd. first in 2011. On the basis of inheritance, we have made corresponding changes to the contents and forms of presentation in this report in order to reflect more accurately the social responsibility assumed by the Company and accept public supervision. For the imperfections, the Company will continue to revise and improve in the future work, in order to better disclose the Company to fulfill social responsibility and protect the legitimate rights and interests of all stakeholders.



 Huatai Online: www.htsc.com

 Customer Service Hotline: **95597**

 HQ Address: No. 228 Middle Jiangdong Road, Nanjing, P. R. China

© HUATAI SECURITIES All Rights Reserved.
This report is printed on recyclable and environmentally friendly paper.

