



(A joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name 华泰证券股份有限公司 and carrying on business in Hong Kong as HTSC)



2024 CSR
HUATAI SECURITIES
SOCIAL RESPONSIBILITY REPORT

HUATAI SECURITIES

Striving to Become a First-Class Integrated Investment Bank
with both Domestic Advantages and Global Influence



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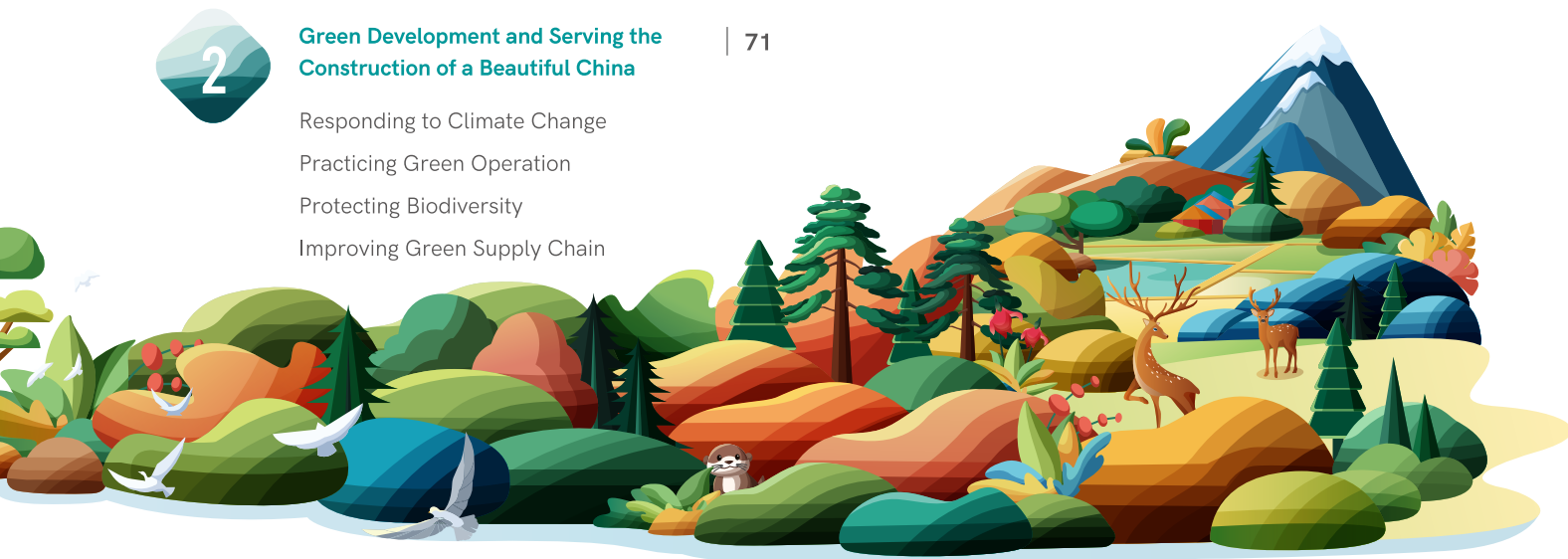
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About This Report

This report is the Social Responsibility Report issued by Huatai Securities Co., Ltd. ("Huatai Securities", the "Group" or the "Company"), aiming to disclose to all stakeholders the Company's environmental, social and corporate governance initiatives and accomplishments.

◆ Scope

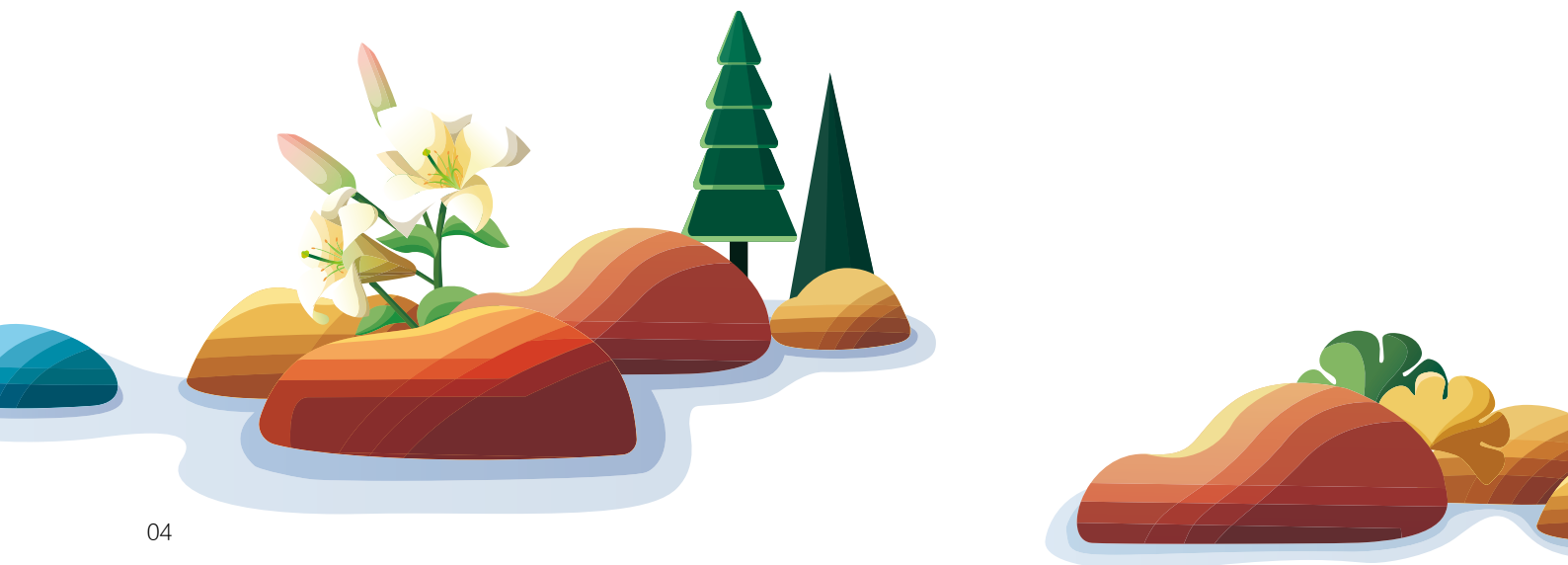
Organization Scope: The scope of this report is consistent with the scope of the Company's annual consolidated financial statements, including Huatai Securities Co., Ltd., Huatai United Securities Co., Ltd., Huatai Securities (Shanghai) Asset Management Co., Ltd., Huatai International Financial Holdings Company Limited, Huatai Purple Gold Investment Co., Ltd., Huatai Innovative Investment Co., Ltd. and Huatai Futures Co., Ltd.

Reporting Period: from January 1, 2024 to December 31, 2024.

Reporting Cycle: Annual. The last report is 2023 CSR report.

◆ Basis

The preparation of this report is in accordance with the Standards for Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 2 – Contents and Formats of Annual Report (Revised in 2021) (《公開發行證券的公司信息披露內容與格式準則第 2 號——年度報告的內容與格式(2021 年修訂)》) (Chapter 5 Environment and Social Responsibility) issued by the China Securities Regulatory Commission, the Guidelines No. 1 for Self-Regulation of Listed Companies—Standardized Operation (《上市公司自律監管指引第 1 號 - 規範運作》) issued by the Shanghai Stock Exchange, and the Environmental, Social and Governance Reporting Guide set out in Appendix C2 to the Main Board Listing Rules (《主板上市規則》附錄 C2《環境、社會及管治報告指引》) issued by the Hong Kong Stock Exchange. Meanwhile, this report refers to the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) (《上市公司自律監管指引第 14 號 - 可持續發展報告(試行)》) issued by the Shanghai Stock Exchange, the Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework (《環境、社會及管治框架下氣候信息披露的實施指引》) issued by the Hong Kong Stock Exchange, the Sustainability Reporting Standards 2021 (《可持續發展報告標準》) issued by Global Reporting Initiative (GRI), and the International Financial Reporting Sustainability Disclosure Standards 1—General Requirements for Disclosure of Sustainability-related Financial



Information (《國際財務報告可持續披露準則第 1 號——可持續相關財務信息披露一般要求》) (IFRS S1) and the International Financial Reporting Sustainability Disclosure Standards 2—Climate-related Disclosures (《國際財務報告可持續披露準則第 2 號——氣候相關披露》) (IFRS S2) issued by the International Sustainability Standards Board (ISSB).

◆ Principles

This report is prepared in accordance with the reporting principles under the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, which include:

Materiality

This report identifies materiality topics required for key response through a materiality analysis and mainly reports on environmental, social and corporate governance matters that may have a significant impact on investors and other stakeholders. In addition, this report discloses climate-related risks and opportunities that could reasonably be expected to affect the Company's cash flows, access to finance and cost of capital over the short, medium or long term.

Quantitative

This report discloses key quantitative performance indicators and sets targets to reduce particular impacts, and explains the meaning of the indicators, the basis for their calculation and the assumptions made, in order to evaluate and validate the effectiveness of ESG policies and management systems.

Balance

The content of this report provides an unbiased picture of objective facts, discloses information and performance, whether positive or negative, and avoids impact on decisions or judgments of report readers due to omission or inappropriate reporting format.

Consistency

This report clearly describes the statistical methodology and statistical caliber of the disclosed ESG Key quantitative performance indicators, and tries to ensure the consistency of indicators and calculation methods in different reporting periods, and the comparability of the ESG data.

◆ Data Explanation

The data and cases in this report are from the primary record of operation or financial reports of Huatai Securities and its subsidiaries. Unless otherwise specified, the unit of the financial data in this report is RMB. In case of any inconsistency with financial reports, the financial reports shall prevail.

◆ Accesses

The electronic version of this report can be found and downloaded at Shanghai Stock Exchange website, Hong Kong Stock Exchange (HKEX) website, London Stock Exchange website and Huatai Securities Co., Ltd. website.



Environmental, Social and Corporate Governance (ESG) Management Statement by the Board

2024 marked a critical year for advancing China's "14th Five-Year Plan" and a pivotal juncture in the new journey toward fully building a modern socialist country. Upholding its commitment to serving the nation through finance, Huatai Securities deeply implemented the spirit of the 20th National Congress of the Communist Party of China, the Second and Third Plenary Sessions of the 20th Central Committee, and the Central Financial Work Conference. Driven by innovation, the company has steadfastly promoted high-quality development, consistently contributing to supporting the real economy and new productive forces, deepening FinTech empowerment, advancing ecological civilization, and aiding public welfare and rural revitalization. Through these efforts, Huatai Securities has solidly progressed toward its vision of becoming "a leading investment bank with both domestic strengths and global influence." In 2024, Huatai Securities' MSCI ESG rating advanced from AA to AAA, achieving two consecutive upgrades and reaching the highest rating in the global investment banking industry.

I. Solidly Advance the Five Major Areas of Finance to Enhance High-Quality Development Efficiency

Huatai Securities deeply understands the political and people-centered nature of financial work, fostering a strong sense of overall responsibility. The company focuses on advancing the Five Major Areas of Finance: technology finance, green finance, inclusive finance, pension finance, and digital finance. It targets key areas aligned with modern industrial development, providing high-quality financial support for new technologies, industries, and business models. The company continuously enriches green financial products and services, leveraging financial power to promote harmonious coexistence between humanity and nature. It also intensifies financial support for private and small-and-medium-sized enterprises, effectively deepening the reach, expanding the coverage, and enhancing the effectiveness of inclusive finance. Actively participating in the construction of the pension finance system, Huatai Securities continuously improves the development and introduction of pension products and service systems. Through

comprehensive digital transformation, the company's core platforms deeply empower business growth, leveraging digital finance to expand the advantages of the digital economy and enhance the efficiency of high-quality development.

II. Strengthen ESG Governance Framework to Lay a Solid Foundation for Sustainable Development

As an active practitioner and steadfast promoter of ESG principles, Huatai Securities places significant emphasis on building an ESG management system, integrating ESG practices deeply into its corporate development strategy to comprehensively elevate ESG governance. At the corporate governance level, the Board of Directors plays a central leadership role, fully discharging its responsibilities in decision-making and oversight of ESG matters, rigorously reviewing ESG-related board resolutions, and effectively supervising the implementation and execution of ESG initiatives. The management team is responsible for formulating ESG policies and strategies, optimizing the company's ESG management system, and actively promoting the steady implementation of ESG-related work. In 2024, the company closely monitored ESG performance indicators in environmental, social, and governance domains, explored and advanced the organic integration of ESG principles into corporate culture, and established ESG as a core element of its organizational ethos. The Board of Directors and the ESG Committee reviewed and approved a series of ESG initiatives and declarations, strongly driving the comprehensive implementation of ESG governance and laying a solid foundation for the company's sustainable development. Additionally, taking the release and implementation of the Shanghai Stock Exchange's Sustainable Development Report Guidelines as an opportunity, the company conducted in-depth research and implementation to further systematically enhance its ESG governance framework.

III. Fulfill the Mission of Serving the Real Economy and Ignite Momentum for New Productive Forces

The company remains committed to its core responsibility of serving the real economy. With profound insights into corporate assets, it accumulates capabilities and allocates resources to help real enterprises accelerate growth through capital markets. In 2024, Huatai Securities' equity underwriting scale ranked second in the industry, and its bond underwriting scale secured the third position. It led the industry in the number of newly disclosed M&A and restructuring projects, ranked first in the number of enterprise ABS manager issuance projects, and second in issuance scale. The company also topped the industry in both the actual winning amount and the number of regions for local government bonds. Meanwhile, it continued to deepen its focus on strategic emerging sectors. In 2024, it ranked first in the underwriting amount of IPOs on the Science and Technology Innovation Board (STAR Market) and the Growth Enterprise Market (GEM). It also underwrote a total of 136 science and technology innovation bonds, totaling RMB35.013 billion. Among the new investment projects of Huatai Purple Gold Investment, 19 enterprises obtained certifications as technology-based enterprises, and 18 were recognized as high-tech enterprises.

IV. Respond to the "Dual Carbon" Strategy and Expand Green Development Opportunities

Huatai Securities continues to expand its green finance service capabilities. In 2024, it assisted five new energy and energy-saving enterprises in completing equity financing and issued 59 green bonds with an underwriting scale of RMB15.698 billion. The company actively participated in the construction and development of national and regional carbon markets, successfully engaging in the first-day trading of the national voluntary greenhouse gas emission reduction trading market. With annual new carbon investment transactions reaching RMB34.6795 million, it strives to provide financial support for energy conservation and carbon reduction efforts across various industries and market entities. Proactively addressing the challenges of climate change, the company integrates environmental and climate factors into its business processes to effectively manage climate risks. In biodiversity conservation, the company has long invested in the "One Commonwealth Heart of Huatai One Yangtze River" ecological protection public welfare project, collaborating with society to safeguard biodiversity in the Yangtze River Basin and guide capital toward sustainable and responsible practices.

V. Deepen Engagement in Education and Public Welfare to Build a Long-Term Service System for Rural Revitalization

Huatai Securities remains fully dedicated to the national rural revitalization strategy, focusing on key areas such as village-enterprise partnerships, industrial support, consumption-driven assistance, and public welfare. By aligning with the practical needs of supported regions and efficiently integrating the group's superior resources, the company provides comprehensive, high-quality financial services. In 2024, it ranked among the top in the industry in both the number and scale of rural revitalization bonds (or asset securitization products) underwritten or managed. Through the "Yixin Huatai" series of public welfare projects, the company continues to increase investment in rural education and other public welfare fields. These projects have benefited 146,116 children, 13,990 teachers, and provided financial aid to 1,355 children in need, significantly promoting educational equity and contributing to rural revitalization.

In the new era, Huatai Securities will remain aligned with national strategic deployments, adhere to its functional positioning, irrigate the real economy with financial resources, fulfill its corporate citizenship responsibilities, support the nation's "Dual Carbon" goals, and contribute to building a Beautiful China. Driven by innovation and anchored in responsibility, the company will play a pivotal role in constructing a more prosperous, efficient, and sustainable financial ecosystem.

March 2025



About Huatai Securities

◆ Company Profile

The Group, as a leading technology-driven securities group in the industry, has a highly collaborative full business chain model, an industry-leading digital platform and an extensive and engaging customer base. Our principle businesses comprise wealth management business, institutional services business, investment management business and international business. The Group constructs a client-based organizational mechanism, provides comprehensive securities and financial services for domestic and foreign individual and institutional clients through a platform-based, integrated and international operation, and aims to become a leading investment bank with strong domestic advantages and global influence.

◆ Basic Information of the Company

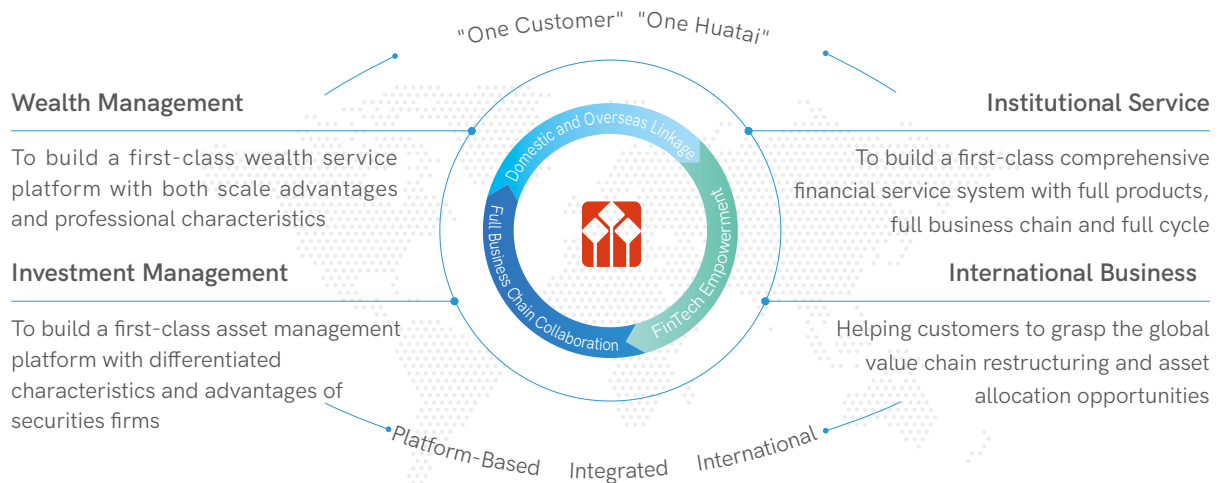
Chinese name	华泰证券股份有限公司
English name	HUATAI SECURITIES CO., LTD.
Principal businesses	Wealth management business, institutional services business, investment management business and international business
Major subsidiaries	Huatai United Securities, Huatai Asset Management, Huatai International, Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures
Domestic branches	248 securities branches and 27 branches in total
Overseas operating entities	Huatai International and its affiliate Huatai Financial Holdings (Hong Kong), Huatai Securities (USA) and the Singapore Subsidiary with the business covering various countries and regions including Hong Kong, the United States and Singapore.
Total assets	RMB814,270 million (as of the end of 2024)
Operating income	RMB41,466 million (as of the end of 2024)

◆ Overview of the Company's Shares/Depository Receipts

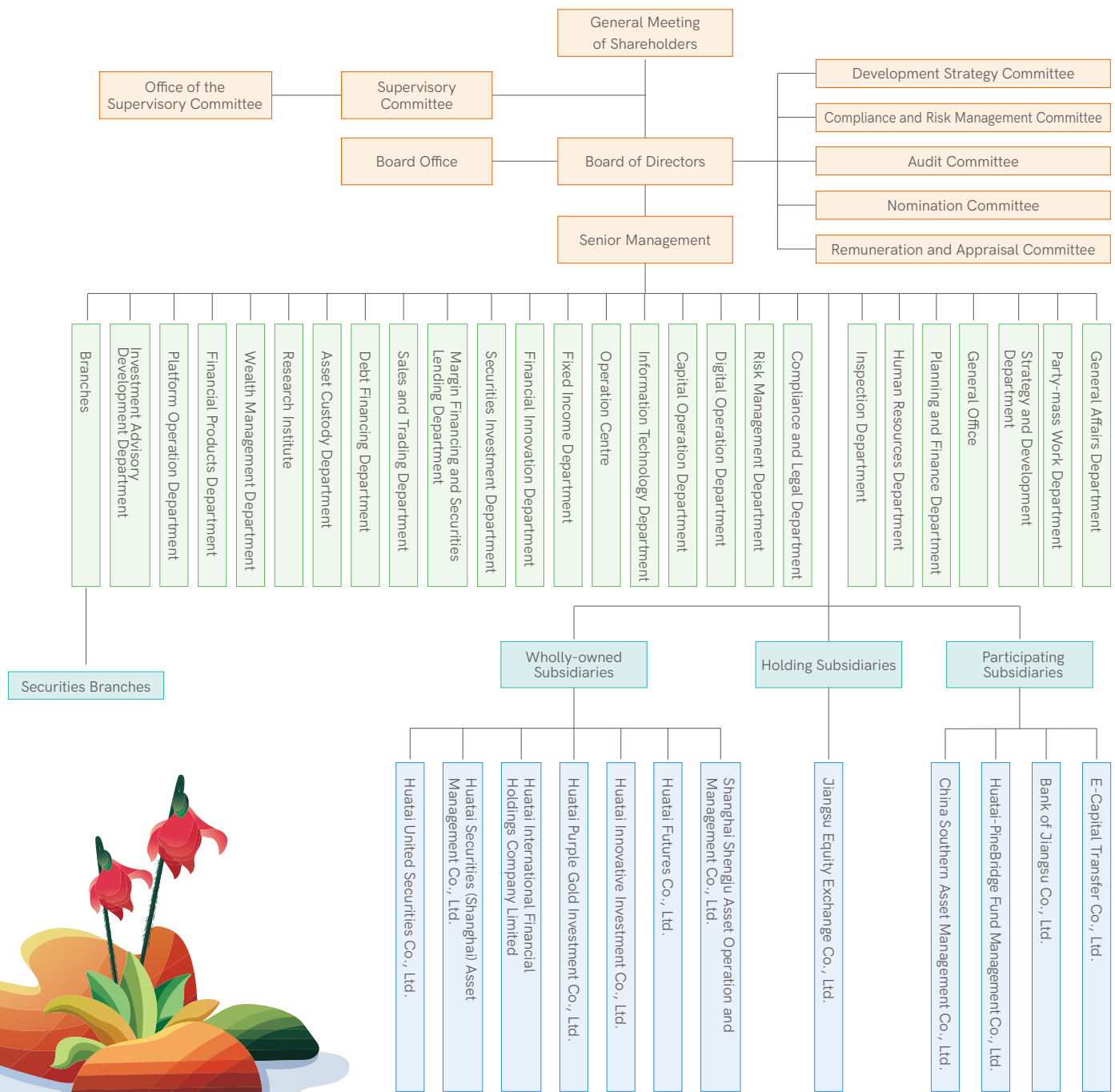
Type of share/depository receipt	A Share	H Share	GDR
Listing Exchange	Shanghai Stock Exchange	Hong Kong Stock Exchange	London Stock Exchange
Abbreviated name of securities	华泰证券	HTSC	Huatai Securities Co., Ltd.
Stock code	601688	6886	HTSC

◆ Strategic Orientation

Guided by the development philosophy of serving the country and people through finance and adhering to the customer-centric approach, Huatai Securities focuses on its principal business of capital market services. It adheres to the right path and seeks for innovation, pursuing advancement in the course of revolution, and devoting efforts to creating a brand-new business model of two-pronged, cross-border linkage and ecological interaction of wealth management and institutional services with technology empowerment; it works to enhance its platform-based, integrated and international development level by implementing a differentiated competitive tactic of "investment banking gene + full business chain" to build core competitiveness of future-oriented and cycle-spanning digital and intelligent development; it develops significant leading edge and brand influence in key customer groups, key industries and key regions with an commitment to being a pioneer in industry transformation and innovation, as well as a driving force for sustainable development. Huatai Securities strives to maintain high-quality development standards at the forefront of the industry, better fulfill the strategic responsibilities of serving the real economy and advancing high-quality development of the financial sector, facilitating the construction of a modern industrial system, and creating professional social value.







◆ Organizational Structure



Note: In January 2025, Jiangsu Equity Exchange completed the industrial and commercial registration modification for change in equity interests. The Company's current shareholding in Jiangsu Equity Exchange stands at 32%, and Jiangsu Equity Exchange is a participating subsidiary of the Company.

Response to the United Nations Sustainable Development Goals (SDGs)

Huatai Securities has always regarded the fulfillment of social responsibility and the practice of environmental, social and corporate governance (ESG) concept as an important core of its sustainable development strategy. The Company takes the Sustainable Development Goals (SDGs) of the United Nations as a key guideline for business development, integrates the SDGs into the whole process of the Company's operation and management, strengthens communication with stakeholders, creates economic value for clients, shareholders, employees, society and other stakeholders, while taking into account the social and environmental benefits, and endeavors to make contributions to the process of sustainable development for all mankind.

United Nations SDGs	Our Actions	Section Index
	<ul style="list-style-type: none"> · Always giving priority to rural revitalization to serve the national rural revitalization strategy and facilitate agricultural development with financial strength. · Deepening the "One Commonweal Heart of Huatai One Tomorrow (益心华泰 一个明天)" project by paying attention to left-behind children, leveraging education to create new ways of delivering education assistance and financial public welfare to further slow down the pace of poverty passing down from one generation to the next. 	<p>1.5 Serving Rural Revitalization</p> <p>4.4 Public Welfare under "One Commonweal Heart of Huatai (益心华泰)"</p>
	<ul style="list-style-type: none"> · Giving earnest attention to employees' physical and mental health, implementing the (T.AI 爱 Health) health care welfare program and constructing a three-pillar medical security system composed of "basic medical insurance + supplementary medical insurance + employee optional insurances" and purchasing commercial supplementary medical insurances for spouse and minor children of employees. 	<p>4.1 Protecting the Rights and Interests of Employees</p> <p>4.3 Listening to Employees' Voice</p>
	<ul style="list-style-type: none"> · Constantly optimizing the talent training system, guiding employees' development with the cultivation program of "Pilot Plan, Sailing Plan, Voyage Plan and Leading Plan" (适航计划、启航计划、远航计划、领航计划), and constructing the HTalent training system across the entire career and business chain to support employees and the enterprise to grow together. 	<p>4.2 Empowering the Development of Employees</p> <p>4.4 Public Welfare under "One Commonweal Heart of Huatai (益心华泰)"</p>
	<ul style="list-style-type: none"> · Deepening the diversity employment policy and eliminating sexist behaviors in recruitment and workplace. · Organizing events such as Women's Day and Women's Summits in an orderly manner to protect the legitimate rights and interests of female employees. 	<p>4.1 Protecting the Rights and Interests of Employees</p> <p>4.3 Listening to Employees' Voice</p>

United Nations SDGs	Our Actions	Section Index
	<ul style="list-style-type: none"> Strengthening water use management, exploring "water balance testing" and improving water conservation efficiency to realize scientific water management, rational water usage and guidance for water conservation. 	2.2 Practicing Green Operation
	<ul style="list-style-type: none"> Supporting new energy enterprises to go public, innovating green financial services and contributing to the green transformation of the economy. Efficiently using clean energy, equipping offices and parks with photovoltaic power generation systems, making full use of sunlight-induced lighting devices, air-conditioning ice storage system, ground air supply system, etc. to enrich ways in use of clean energy. 	<p>Theme I: 2.3 Practice of Responsible Investment</p> <p>Theme II: 2. Empowering Green Finance</p>
	<ul style="list-style-type: none"> Implementing the international talent development strategy and providing employees with a sound security mechanism, comprehensive cultivation program, scientific promotion channels and reasonable incentives. Integrating and building the entire business chain of "research, investment banking, investment and asset management" to enhance the comprehensive financial service capability across the business chain and facilitate the high-quality development of the real economy. 	<p>4.1 Protecting the Rights and Interests of Employees</p> <p>4.2 Empowering the Development of Employees</p> <p>Theme II: Serving the Real Economy by Focusing on Five Major Areas of Finance</p> <p>Chapter I Responsibility First and Promoting High-Quality Development</p>
	<ul style="list-style-type: none"> Focusing on and supporting the development of strategic and emerging industries and infrastructure construction, and promoting industrial transformation and upgrading. Continuously strengthening data security and user privacy protection. 	<p>Theme II: Serving the Real Economy by Focusing on Five Major Areas of Finance</p> <p>Chapter I Responsibility First and Promoting High-Quality Development</p> <p>3.2 Safeguarding Information Security and Privacy</p>

United Nations SDGs	Our Actions	Section Index
	<ul style="list-style-type: none"> · Issuing the Procurement Management Measures of the Company and the Motor Vehicle Management Regulations of the Company to regulate procurement behavior and give priority to the procurement of energy-saving and environmentally friendly products and new energy vehicles. · Establishing a sound internal control system for the management of financial product advertising and marketing, and deepening responsible marketing practices. 	<p>2.4 Improving Green Supply Chain</p> <p>3.3 Optimizing Products and Services</p> <p>5.3 Adhering to Compliance Operation</p>
	<ul style="list-style-type: none"> · Promoting green operations, advocating low-carbon actions such as green travel and paperless offices, and organizing low-carbon environmental protection activities to reduce the carbon footprint of the Company's operations. · Actively responding to climate change, carrying out identification, assessment and management of climate risks and opportunities, and establishing a top-down climate risk management mechanism. 	<p>2.1 Responding to Climate Change</p> <p>2.2 Practicing Green Operation</p>
	<ul style="list-style-type: none"> · Deepening the biodiversity conservation practices, steadily promoting the "One Commonweal Heart of Huatai One Yangtze River (益心華泰 一個長江)" ecological protection public welfare project, and joining hands with public welfare organizations, university research institutes and the public to pursue innovation in ecological environmental protection actions. · Jointly releasing Potential OECMs Cases in China to help realize the United Nations' "30x30 Target" on biodiversity. 	<p>2.3 Protecting Biodiversity</p>
	<ul style="list-style-type: none"> · Optimizing the modern corporate organization system and operation mechanism to help improve the Company's sustainable governance. · Maintaining and improving ESG governance structure and enhancing the building of ESG risk management. · Strengthening the construction of business ethics, carrying out anti-corruption and integrity training, deepening the prevention and control of integrity risks, and practicing a culture of "compliance, integrity, professionalism and stability" in the securities industry. 	<p>Theme I: 2 Improving ESG Governance</p> <p>5.2 Improving Corporate Governance</p> <p>5.3 Adhering to Compliance Operation</p> <p>5.4 Strengthening Risk Management</p>

Honors and Recognitions

In 2024, the Company continued to deepen its sustainable development practices and enhance its ESG governance, and gained further recognition from domestic and overseas authoritative institutions and the capital market in areas such as responding to climate change, innovating sustainable investment and financing, practicing responsible investment, inclusive finance and development of human capital, etc., and its scope of influence continued to expand.

◆ Awards and Honors

Awarding institution	Corporate performance
China Association for Public Companies	"Best Practice Case of Board of Directors of Public Companies in 2024" "Best Practice Case of Office of Board of Directors of Public Companies in 2024" "5A Secretaries of Board of Directors of Public Companies in 2024" "Typical Case of Digital Transformation of Public Companies in China"
China Media Group	Ranked on the "Top 30 ESG Listed Companies in China's Financial Industry" list (2024)
China Securities Journal	Awarded the "Golden Bull Award" for FinTech
National Business Daily	Awarded the "Golden Tripod Award" for Being a Typical Case for the Best Rural Revitalization in 2024
Wind	Selected among the "Top 100 Best ESG Practice of Listed Companies in China by Wind" in 2024
Shanghai Environment and Energy Exchange	Awarded the "Carbon Finance Practice Award of 2023"
Hubei Carbon Emission Exchange	Awarded the "Market Pioneer Award"

◆ ESG Rating and Recognition



Rating and recognition	Corporate performance
MSCI ESG Rating 	Grade AAA
Wind ESG Rating 	Grade AA
SSI ESG Rating 	Grade AA

Theme I: Consolidating Sustainable Governance through ESG Integration

With the goal of becoming a "promoter of sustainable development in the securities industry", Huatai Securities continued to integrate ESG concept into its strategy, operation management and business practices, actively built a sustainable governance system, strengthened its ESG governance capability, and continuously promoted the process of its own sustainable development practices.



Key Topics

- ✓ Responsible investment
- ✓ Sustainable finance
- ✓ Risk management (including sustainability risk management)
- ✓ Communications with the stakeholders
- ✓ Compliance operation
- ✓ Due diligence

1. Deepening the ESG Concept

The Company continues to strengthen its functional positioning, upholding the service concept of "One Customer" internally and "One Huatai" externally, and contributing Huatai power to the high-quality economic and social development with a high sense of mission and responsibility.



Trust of Customers

The Company always places its customers at the center and strives to create value for its customers, so as to win their trust with high quality financial services.



Satisfaction of Shareholders

The Company standardizes its corporate governance structure and attaches great importance to risk management and compliance operation, aiming to achieve a stable increase in asset value and ensure sustainable returns to its shareholders.



Responsibility Principles of Huatai Securities

Pride of Employees

The Company values people that are both talented and morally respectable, for whom it has built a systematic and all-round career development platform and fostered an optimistic corporate culture, so as to achieve common growth with its employees.

Respect of Society

The Company values the harmonious development of the financial system and the society, gives full play to its professional strengths to facilitate social advances. It also actively participates in social welfare promotion and green development, fulfilling its responsibilities as a corporate citizen.

2.Improving ESG Governance

The Company regards ESG as a driving force for its sustainable development, and ensures the smooth promotion of ESG work by consolidating the ESG governance structure and improving the ESG management system.

2.1 ESG Management Structure

The Company has integrated ESG factors into its development strategy, set up an ESG Committee under the direct leadership and management of the Board of Directors and Senior Management of the Company, continued to optimize its ESG management structure, constructed a highly efficient and collaborative ESG management mechanism with the linkage between upper and lower levels, and comprehensively enhanced the systematicness and effectiveness of its ESG management, so as to better adapt to the requirements for high-quality development of the financial industries in the new era.

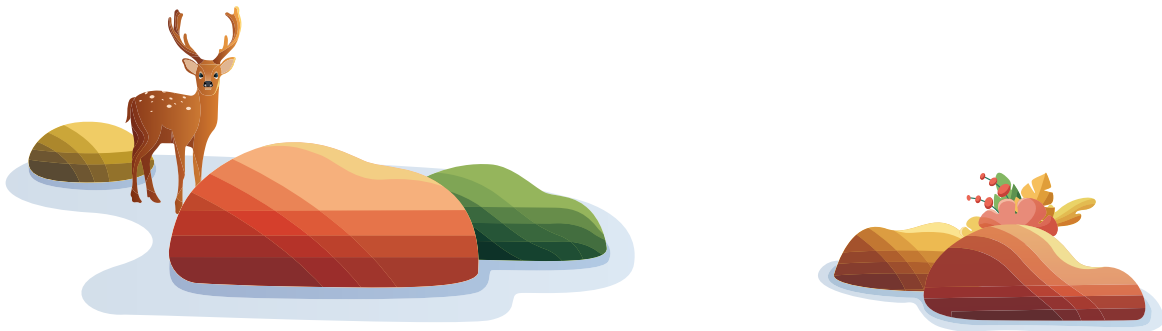
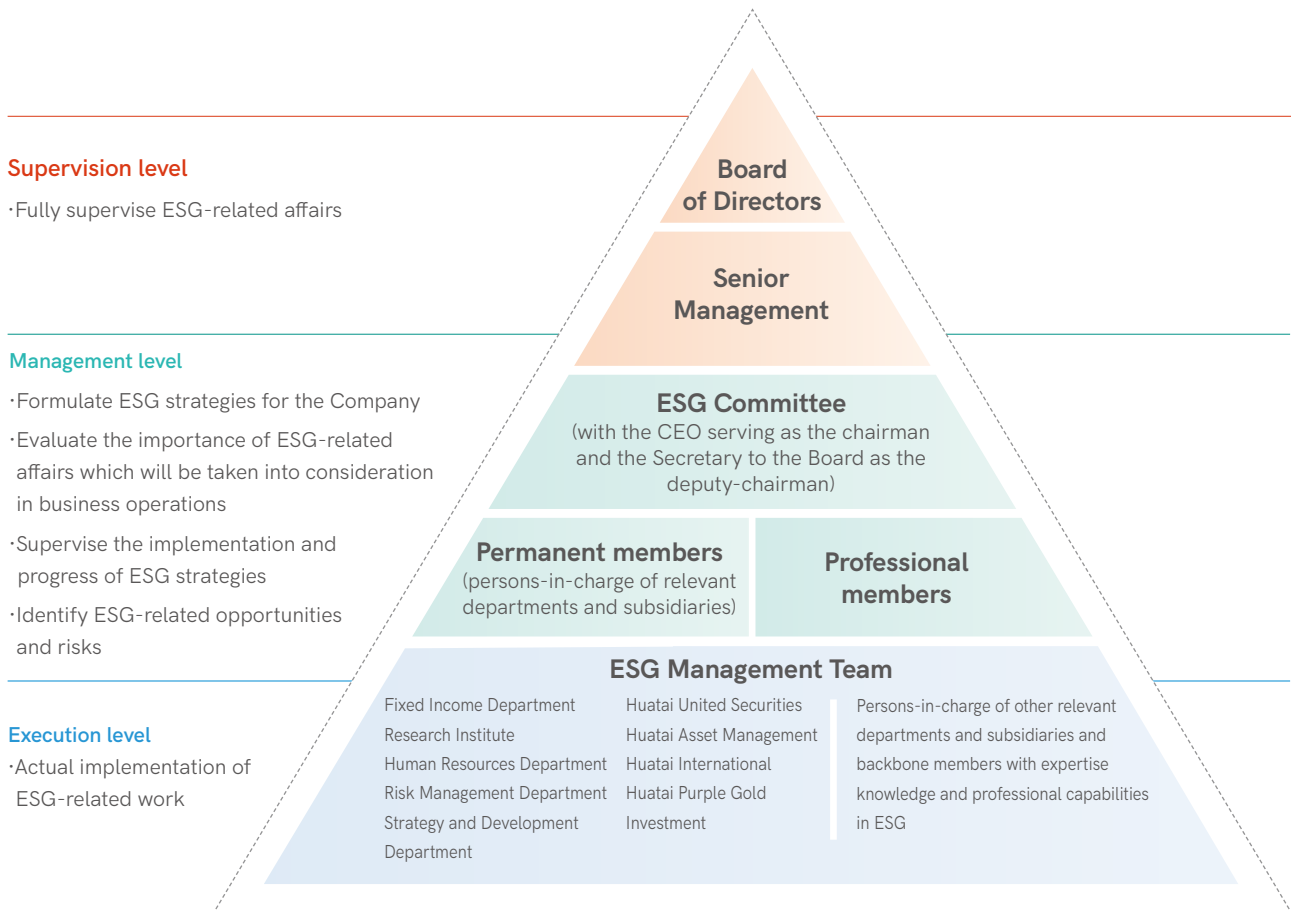
The Board of Directors and Senior Management of the Company are responsible for the overall supervision of ESG matters. The Board of Directors takes the responsibility of reviewing and approving of ESG management guidelines, policies and other work results; while the Senior Management is responsible for formulating ESG guidelines and policies, ensuring that the Company has put in place an effective ESG management system and a sound organization structure, and continuously promotes the implementation of the Company's ESG-related works.

With the CEO and executive director serving as the chairman and the Secretary to the Board serving as the deputy-chairman, the ESG Committee of the Company assists and supports the Board of Directors and Senior Management of the Company in performing their duties and responsibilities, and is responsible for the implementation of various work in the field of sustainable development by the Company.

The Company established a professional ESG management team under the ESG Committee and arranged ESG working officers in relevant departments of the headquarters and in subsidiaries to be responsible for the actual implementation of ESG-related works, thereby forming an ESG management system with clear division, clear responsibilities and efficient operations to ensure the solid promotion and effective implementation of ESG works.

The Company has incorporated social responsibility and sustainable development principles into the performance evaluation system for professional managers. This assessment framework primarily examines whether executives comply with laws and regulations in a standardized manner, properly balance corporate interests with social benefits, support cultural development and public welfare initiatives, and actively fulfill social responsibilities, which serves to effectively regulate the conduct of professional managers while promoting the integration of ESG principles into corporate governance practices.

ESG Management Structure of Huatai Securities



2.2 ESG Management Systems

The Company continued to improve its ESG management system and made commitments in terms of safeguarding employees' rights and interests, improving employee ethics, supplier management, data and information protection, and responsible investment, etc. In 2024, with reference to relevant national environmental protection laws and regulations, the Company compiled and issued the Sustainable Investment and Financing Policy for Environment-Sensitive Industries of Huatai Securities Co., Ltd. (《华泰证券股份有限公司环境敏感型行业可持续发展投融资理念》), which elaborates the Company's principles of sustainable investment and financing in environment-sensitive industries, such as agriculture, forestry and mining, and reflects the Company's concrete actions to integrate the ESG concept into its investment and financing business.

Relevant ESG Management Systems of Huatai Securities

Status	Systems and Policies	ESG topics
Newly added in 2024	Sustainable Investment and Financing Policy for Environment-Sensitive Industries of Huatai Securities Co., Ltd. (《华泰证券股份有限公司环境敏感型行业可持续发展投融资理念》)	Responsible Investment Sustainable Finance Environmental Impact of Financing
	Statements on Privacy & Data Security of Huatai Securities Co., Ltd. (《华泰证券股份有限公司数据及信息保护声明》)	Data Security and Privacy Protection
	Whistleblowing and Whistleblower Protection Policy of Huatai Securities Co., Ltd. (《华泰证券股份有限公司检举及检举者保护相关制度》)	Compliance Operation
Stay in force	Statement on Employees' Rights and Benefits of Huatai Securities Co., Ltd. (《华泰证券股份有限公司员工权益及福利声明》)	Employees Development of Human Capital
	Code of Conduct on Suppliers of Huatai Securities Co., Ltd. (《华泰证券股份有限公司供应商行为准则》)	Risk Management (including sustainability risk management)
	Policy and Guidelines for Proxy Voting of Huatai Securities Co., Ltd. (《华泰证券股份有限公司对外行使投票表决权声明》)	Compliance Operation

Status	Systems and Policies	ESG topics
Stay in force	Responsible Investment Statement of Huatai Securities Co., Ltd. (2021 Revision)(《华泰证券股份有限公司責任投資聲明（2021年修訂）》)	Responsible Investment
	Environmental and Social Management Statement of Huatai Securities Co., Ltd. (2021 Revision) (《华泰证券股份有限公司環境和社會管理聲明（2021年修訂）》)	Responsible Investment Sustainable Finance Climate change tackling Contributions to the society Employees Safety and Quality of Products and Services Risk Management (including sustainability risk management) Anti-Commercial Bribery and Anti-Corruption
	Provisions on Anti-Corruption, Anti-Bribery and Integrity Practice of Huatai Securities Co., Ltd. (《华泰证券股份有限公司反腐敗和廉潔從業相關規定》)	Compliance Operation Anti-Commercial Bribery and Anti-Corruption

In 2024, the Company organized and convened 2 meetings of the ESG Committee, which considered, approved and released 2 resolutions, namely the 2023 Social Responsibility Report and the Sustainable Investment and Financing Policy for Environment-Sensitive Industries. The Board of Directors of the Company fully discharged responsibilities for consideration, decision-making and supervision of ESG-related affairs. The Board of Directors considers the annual social responsibility report, the annual report and the interim report of the Company on an annual basis, as well as matters on corporate governance, information disclosure, risk management, compliance management and social welfare, which include the ESG governance guidelines and strategies and relevant targets on energy consumption and greenhouse gas emissions of the Company.

Major ESG-Related Affairs Considered by the Board of Directors in 2024

ESG topics concerned	Contents considered
Corporate governance	<ul style="list-style-type: none"> Considered and approved the Articles of Association (Revised in 2024) of the Company (《章程（2024年修訂）》), the Regulation on the Registration, Management and Confidentiality of Insider Information Disclosers (Revised in 2024) (《內幕信息知情人登記管理及保密制度（2024年修訂）》), the Proposal on the Ordinary Transactions with Related Parties for 2024 (《2024年度日常關聯交易的預案》), the 2024 Action Plan of "Corporate Value and Return Enhancement" (《2024年度「提質增效重回報」行動方案》), the Administrative System regarding the Shares of the Company Held by Directors, Supervisors and Senior Management (Revised in 2024) (《董事、監事和高級管理人員所持本公司股份管理制度（2024年修訂）》) and other relevant systems on corporate governance.

ESG topics concerned	Contents considered
Information disclosure	<ul style="list-style-type: none"> Considered and approved the 2023 Social Responsibility Report, the 2023 Annual Report and the 2024 Interim Report, including data on the Company's carbon emissions and various energy consumption, as well as policies and initiatives on climate risk management.
Risk management	<ul style="list-style-type: none"> Considered and approved the 2023 Risk Management Report (《2023 年度風險管理報告》) and supervised the construction, implementation and operation of risk management mechanisms.
Compliance management	<ul style="list-style-type: none"> Considered and approved the 2023 Compliance Report (《2023 年度合規報告》), the Basic System for Anti-Money Laundering and Anti-Terrorism Financing (《反洗錢和反恐怖融資基本制度》) and listened to the Work Report on Anti-Money Laundering for 2023 (《2023 年度反洗錢工作報告》).
Internal control	<ul style="list-style-type: none"> Considered and approved the 2023 Internal Control Evaluation Report (《2023 年度內部控制評價報告》), the Internal Audit Management System (《內部審計管理制度》) and listened to the Report on Internal Audit for 2023 (《2023 年度內部審計工作情況報告》).

Major ESG-Related Affairs Considered by the Development Strategy Committee of the Board of Directors in 2024

ESG topics concerned	Contents considered
Corporate governance	<ul style="list-style-type: none"> Considered and approved the 2023 Annual Report on Cultural Construction Practice of the Company (《文化建設實踐 2023 年度報告》) and other relevant contents on corporate governance.

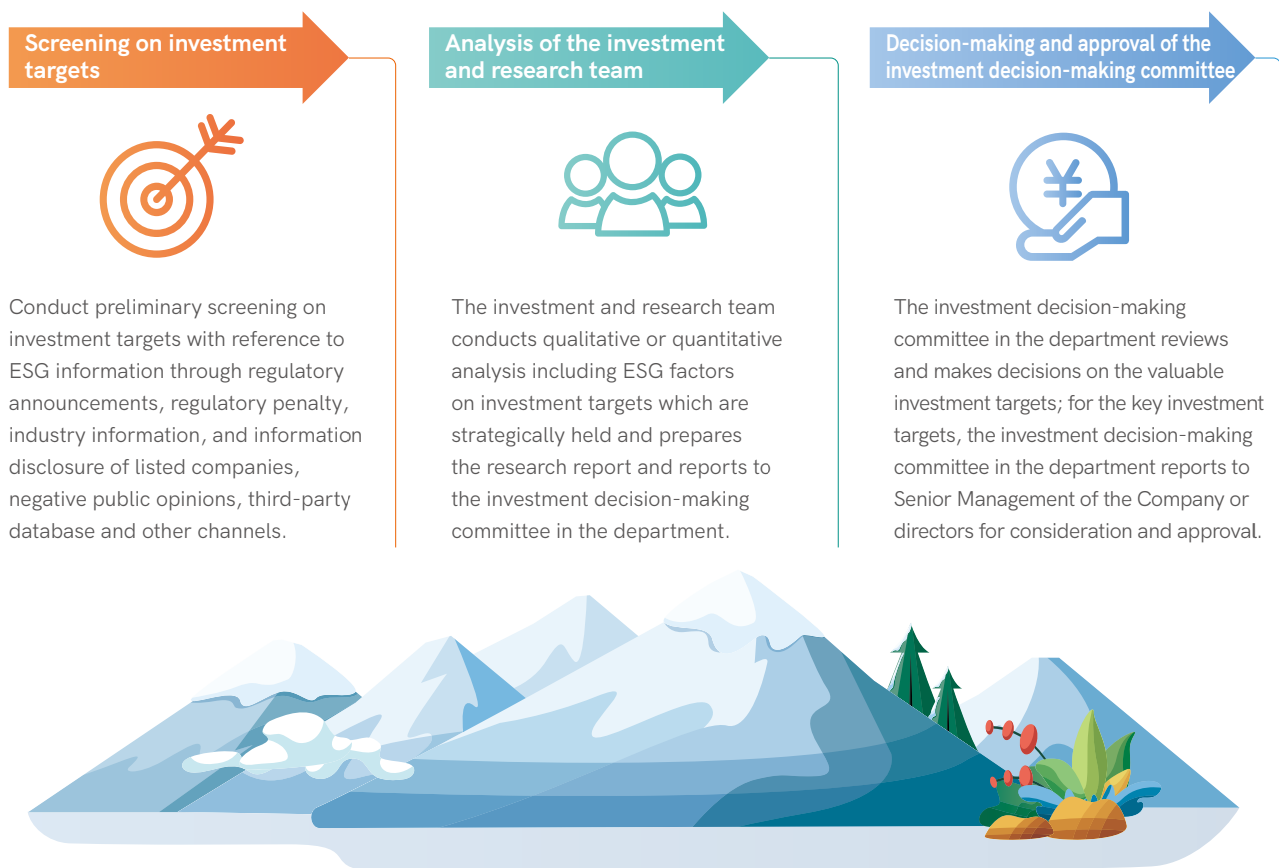
2.3 Practice of Responsible Investment

The Company has integrated the ESG concept into its long-term development strategy, and is committed to promoting the in-depth integration of ESG and the principles of responsible investment to facilitate the orderly development of the Company's sustainable investment and financing business.

◆ System of Responsible Investment

The Company improved the organizational structure and management of responsible investment, established the ESG Committee and an ESG management team and arranged ESG working officers in relevant departments of the headquarters and in subsidiaries to actively practice the overall deployment of responsible investment and promote the effective implementation of the concept of responsible investment. In the process of investment, the Company has included ESG factors in screening on investment targets, analysis of the investment and research team, approval and decision-making of the investment decision-making committee, and continuously improved the investment decision-making mechanism with ESG considerations integrated.

Implementation Process of Inclusion of ESG Factors in Investment Decision-Making



The Company clearly requires relevant business units to incorporate ESG factors into the full process of group-wide equity investment business, fixed-income investment business, private equity investment and equity investment in alternative investment business. It embeds three important factors, namely environmental responsibility, social responsibility and corporate governance, as restrictive indexes, into regular investment decision-making.

Guiding Tools for ESG Investment

Document tools	Explanation
Sustainable Investment and Financing Policy for Environment-Sensitive Industries of Huatai Securities Co., Ltd.	The Company adheres to sustainable principles and conducts in-depth assessments before engaging in investment and external financing activities in the environment-sensitive industries, with focus given to environment-sensitive industries such as agriculture (agricultural commodities and biodiversity), forestry, energy (electricity - coal-fired power generation, electricity - new energy, oil and natural gas), mining (coal mining and iron ore smelting), and transportation, etc. While mitigating risks, it focuses on enhancing the environmental and social benefits of its financing and investment business, thereby facilitating a comprehensive green transformation in economic and social development.
Responsible Investment Statement of Huatai Securities Co., Ltd. (2021 Revision)	The Company integrates the ESG concept into each business and gradually builds a responsible investment framework system, which covers three aspects including the organizational structure and management, research and communication, as well as investment strategy and application of the Company's responsible investment, and further promotes the spread and practice of the concept of responsible investment within the Company. It also clarifies the implementation process of inclusion of ESG factors in investment decision-making, the particulars of incorporating ESG factors into various investment businesses, the table of responsible investment strategies and application and other contents.
Guidelines for Due Diligence on Clients' Environmental, Social and Corporate Governance (ESG) of Huatai Securities Co., Ltd. (《华泰证券股份有限公司客户环境、社会及公司治理（ESG）尽职调查工作指引》)	The document specifies that investment banking, financing and private equity investment related businesses and units that perform ESG due diligence on clients shall include clients' ESG factors into the whole process of due diligence, decision-making and approval, follow-up management, etc..
Reference Index of Policy Documents on Industries with High Environmental Risks, Biodiversity and Climate Change of Huatai Securities Co., Ltd. (Revised in 2024) (《华泰证券股份有限公司高环境风险行业及生物多样性、气候变化领域政策文件索引（2024年修订）》)	As a supporting tool for performing ESG due diligence on clients, the document involves industries and sectors with high environmental risks, such as agriculture, energy use, forestry, mining, oil and natural gas, transport, raw materials, etc.. It specifies that the Company shall refer to the information in the lists of encouraged/restricted/to be eliminated in the Industrial Structure Adjustment Guidance Catalogue (《产业结构调整指导目录》) released by the National Development and Reform Commission as well as relevant policies in biodiversity, climate change and other sectors.

Responsible Investment Framework System of Securities Investment Business

Internal consensus	Reach consensus from the top to the bottom and ensure the consistency of ESG strategies with the Company's missions, visions and enterprise spirit.
Guidance of principles	Review investment principles, amend investment policies and use them as guidance on investment decision-making.
Review and integration	Integrate ESG factors into the process of strategic asset allocation and scenario analysis when reviewing existing assets and planning asset allocation, such as considering ESG factors in forward-looking judgments or stress tests.
Inspection and implementation	Require selecting specific ESG investment strategies when establishing investment portfolios based on asset allocation plans and focus on reviewing and evaluating investment managers' capability in integrating ESG factors in the establishment of investment portfolios and investment decision-making.
Evaluation and reporting	Supervise and regularly report its own ESG investment activities, including investment managers' review on the interpretation and implementation of their investment concepts and policies, investment results ascription of ESG factors and analysis of environmental and social effects on ESG investments, to prevent the conversion of investment targets' ESG risks into the Company's potential investment risks.



Under the overall framework of responsible investment, the Company actively constructs and improves the responsible investment strategy system, and applies core strategies such as positive screening, negative screening, ESG factors integration, sustainability themed investment and impact investment, to the whole process of investment business. Through systematic investment analysis and decision-making process, it has precisely identified high-quality investment targets that are in line with the concept of sustainable development, and enhanced the quality and efficiency of responsible investment by relying on the CAMS (Intelligent Credit Investment and Research Platform leveraging Big Data, 大數據智能信用投研平台) system.

Application of Positive Screening Investment Strategy in Investment

In March 2024, CAMS rated an energy enterprise. The enterprise's predecessor defaulted on its bonds due to aggressive expansion, and its de facto controller was subsequently changed to a new group introduced. With the help of the new controller, the enterprise has improved its corporate governance structure, steadily expanded its business in clean energy such as photovoltaic power generation, wind power, hydropower, etc., and continued to improve its revenue and profitability. The enterprise has leveraged on its restructuring and adhered to green development to achieve high-quality development. Considering the enterprise's strength and ESG performance, CAMS raised its entity rating to 5-3 (weak credit rating).

Application of Negative Screening Investment Strategy in Investment

In July 2024, CAMS rated an iron and steel enterprise. The CAMS-ESG module warned that there were a number of negative defects, including industry issues, environmental and accidental-safety incidents, etc., and in particular, fatalities in safety incidents. Considering the corporate's strength and ESG defects, CAMS downgraded the enterprise's entity rating to 6-1 (high yield) and no regular bond investment is allowed.

◆ Fulfilling Responsible Investment Practices

In July 2021, Huatai Asset Management officially joined the United Nations Principles for Responsible Investment (UNPRI). Under the guidance of the six responsible investment principles of the UNPRI, Huatai Asset Management has continued to implement the concept of responsible investment in its asset investment business, actively built an ESG investment and research framework, incorporated ESG factors into its investment process, carried out the integration practice of ESG into investment systems, and enhanced its research and training and communication activities in the field of responsible investment. In July 2024, it successfully completed the UNPRI 2024 Signatory Report and continued to deepen various responsible investment practices of the Company. In terms of ESG product innovation, Huatai Asset Management actively innovated ESG and green asset management products from the perspective of two-way empowerment of investment and financing.



Responsible Investment Practices by Huatai Asset Management



Make full use of the ESG evaluation to evaluate the negative information on investment targets besides the financial statements

- For enterprises proposed to be invested in agriculture, biodiversity, energy utilization, forestry, mining, petroleum and natural gas, transportation, raw materials, chemical engineering and other industries, it particularly evaluates and tracks if they meet the standards of ESG evaluation.
- It regularly updates and interprets the ESG status of industries and investment targets, identifies important ESG factors and combines ESG factors for valuation, stock selection and portfolio construction. It also adopts investment strategies such as negative screening to improve the risk management and control system.



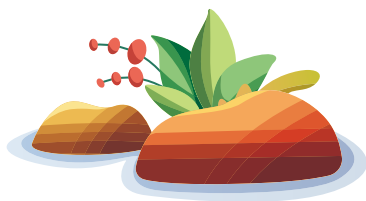
Continuously make use of ESG module under the CAMS system to avoid ESG risks

- It makes full use of relevant ESG information of enterprises in the ESG module under the CAMS system. For enterprises with ESG risks, it alarms the ESG risks of clients or investment targets to the rating, investment and other relevant staff.



Consider the comprehensive ESG rating and the scoring factors of all modules as reference for important investment decisions

- For bond investment in agriculture, biodiversity, energy use, forestry, mining, petroleum and natural gas, transportation, raw materials and other industries with high environmental risks, it pays more attention to the scoring of factors in the environment and accident module and adjust the internal rating results when appropriate.



3. ESG Risk Management

The Company strengthened ESG risk management construction, formulated and implemented the evaluation system of ESG due diligence system for clients. The Guidelines for Due Diligence on Clients' Environmental, Social and Corporate Governance (ESG) (the "Clients' ESG Due Diligence Guidelines") set up evaluation indicators and scoring rules with operability on environmental, social and governance aspects, specified the identification, tracking and escalation mechanism for clients' ESG risks in financing, private equity investment and investment banking businesses, effectively identified, analyzed and managed possible ESG risks of clients and prevented the conversion of clients' ESG risks into the credit risk of the Company.

The Company initiated ESG due diligence on a client from the energy industry. The client has identified the strategic goal of pursuing high-quality development in the energy industry, maintaining a secure and stable energy supply, and contributing to the realization of the "carbon peak and carbon neutrality" targets. After assessment, it is not a client with high ESG risks.

3.1 ESG Due Diligence on Clients

On the basis of the Clients' ESG Due Diligence Guidelines and supporting implementation solutions and tools, the Company continued to perform ESG due diligence on clients. The Evaluation Form for Due Diligence on Clients' ESG Risks (《客戶 ESG 風險盡職調查評價表》) attached to the Guidelines for Due Diligence on Clients' ESG has included the module of "environmental protection and sustainable development", which is specifically subdivided into indicators such as "energy saving, emission reduction and climate change", "hazardous waste and pollutant management", "biodiversity", etc. to examine clients' performance in reducing resource consumption, pollutants and greenhouse gas emissions.

Case

The Company's ESG Due Diligence Practices on Clients

The Company initiated ESG due diligence on a client from the metal industry, paying attention to its control over industrial pollution and promotion of ecological management. The client aimed to improve the quality of the atmospheric environment, insisted on source management and planning first, and established an energy-saving management team to strengthen the management of energy consumption. After assessment, it is not a client with high ESG risks.

3.2 Technology on ESG Risk

The Company continues to optimize the ESG key functional module of the CAMS system. Serving as a supplement to traditional credit analysis, ESG-related factors have been incorporated into the CAMS credit analysis framework. By leveraging big data and natural language processing (NLP) technologies, big models and manual rules, CAMS has established a multi-dimensional early warning system covering public opinions, announcements and self-built characteristic data, through which CAMS has constructed a linkage mechanism with negative ESG-related public opinions and credit qualification scores. The triggering of ESG alarming signals will finally affect the entity's credit qualification scores and the investment access judgment based on scores.

In 2024, on top of the five established dimensions of industry, finance, environment and accident, general violation of laws and regulations and corporate governance, the CAMS intelligent rating system continued to be updated. It tracked and monitored the ESG risk exposures and ESG risk responses of listed companies and debt issuers based on underlying industry classification data, public opinion data and featured alternative indicators, such as the "tons of energy consumption of steel (for the iron and steel industry)", the "fatality rate of million tons (for coal mining)" and other indicators.

Case

Application of ESG Module under the CAMS to the Entity Credit Rating of a Private Papermaking Company

A large private papermaking listed company in an eastern province maintains a high level of financial flexibility and a relatively low gearing ratio. In May 2024, the company was fined nearly RMB250,000 by the local Ecology and Environment Bureau for exceeding the discharge standard for water pollutants.

According to the ESG monitoring framework under CAMS, the company triggered negative alarms on industrial

issues as well as environment and accident dimensions. Based on the analysis of public opinions and big data, CAMS identified and monitored ESG-related negative public opinions in real time, successfully and intelligently correlated and alarmed the public opinions of such listed company, and highlighted the information in the system's intelligent report and corresponding functional module, which helped analysts and investors to pay attention to the ESG risk matters of this subject. CAMS gave the entity a relatively low credit qualification score of 6-1 (high yield) after comprehensively evaluating the company's ESG performance, suggesting that position exposures should be reduced to avoid potential ESG risks.

3.3 Trainings on ESG Risk

The Company increased its investments in trainings on ESG risk management, improved training contents on ESG risk and enriched methods for ESG risk training to gradually enhance its ESG risk management capacity building.

Trainings on ESG Due Diligence on Clients



Training coverage

- Personnel who need to perform ESG due diligence and management for clients from the financing, private equity investment and investment banking business lines of the relevant departments at the headquarters and relevant subsidiaries.
- Continued conducting trainings for new employees recruited from the society or campus of the relevant entities (business lines conducting the ESG due diligence on clients).
- Encouraged and advised employees of other business lines of the Company to participate in trainings.



Training contents

- Based on the Guidelines for Due Diligence on Clients' ESG, the training included multiple perspectives: the implementation and management processes of ESG due diligence on clients, the application methods of the attached due diligence evaluation form and the trigger conditions of high-risk projects, etc.
- Enhanced the promotion of ESG risk management policy on clients.



Training methods

- Carried out online training on guidelines for ESG due diligence on clients through HTSC Cloud Academy (華泰雲端學院) . As of the end of 2024, a total of over 1,800 employees had completed their training on guidelines for ESG due diligence.
- In 2024, an article entitled "Entry-level Q&A on the New Requirements of ESG Information Disclosure of the Three Stock Exchanges (《三交易所 ESG 信息披露新規入門版 問答》)" was posted to all employees of the Company through the internal official account "Risk Steward" to promote ESG risk management policy on clients.

In 2024, the Company introduced new climate change and risk management related training courses for all employees by launching five climate training courses at HTSC Cloud Academy, including "Climate Change and Financial Risk", "Singapore Climate Disclosure Requirements", "US SEC Climate Disclosure Requirements" and climate scenario-related topics, which enhanced the Company's employees' awareness on ESG and climate risks.



4. Communications with the Stakeholders

The Company pays close attention to the concerns of seven key stakeholders including shareholders and creditors, government and regulatory authorities, customers, employees, suppliers and partners, communities, and peers, on sustainable development. Through establishing regular and multi-layer communication channels, the Company has integrated the concerns of all stakeholders into the operation and decision-making pivot of the Company to facilitate channels for effective communication with stakeholders.

Communication with and Response to the Stakeholders of Huatai Securities

Key stakeholders	Concerns	Communication and response
Shareholders and Creditors	Compliance operation Risk management (including sustainability risk management) Anti-commercial bribery and anti-corruption Due diligence Communications with the stakeholders	General meeting Regular information disclosure on websites of stock exchanges Investor communication meetings and surveys Telephone, email and SSE interactive E-platform Media such as the Company's official website and WeChat official account
Government and Regulatory Authorities	Risk management (including sustainability risk management) Compliance operation Serving the real economy Anti-commercial bribery and anti-corruption Industry cultural construction Sustainable Finance Availability of financing Equal treatment to SMEs (small and medium-sized enterprises) Ethics of science and technology Employees Environmental compliance management Rural revitalization	Implementing Party building Cooperation with regulatory authorities in inspection and review Participation in government surveys Policy implementation Information disclosure Alignment with the goal of "building China into a financial powerhouse"
Customers	Safety and quality of products and services Data security and privacy protection Responsible marketing Innovation-driven Responsible investment	Customer surveys Customer services and complaints Customer satisfaction surveys ZhangLe Fortune Path 「漲樂財富通」 Media such as the Company's WeChat official account "Xing Zhi" 「行知」 service platform for institutional clients

Key stakeholders	Concerns	Communication and response
Employees	Employees Development of human capital	Trade Union activities Staff training Corporate office automation (OA) platform Employee activities Media such as the Company's WeChat official account
Suppliers and Partners	Compliance operation Supply chain security Equal treatment to SMEs	Cooperation and communication Formulating procurement management methods Daily communication Bidding activities
Communities	Rural revitalization Contributions to the society Energy usage Usage of water resources Pollutant discharge Waste disposal Environmental compliance management Climate change tackling Ecosystem and biodiversity protection Environmental Impact of Financing Circular economy Responsible investment	Community activities Volunteers' activities Research and implementation of public welfare projects such as rural revitalization and environmental protection Serving the real economy Promoting paperless office Green buildings Development of public welfare projects on biological protection Development of green finance Practicing responsible investment concept
Peers	Industry cultural construction Anti-unfair competition	Participating in industrial associations and relevant meetings Offering opinions on industrial development Abiding by industrial standards and rules

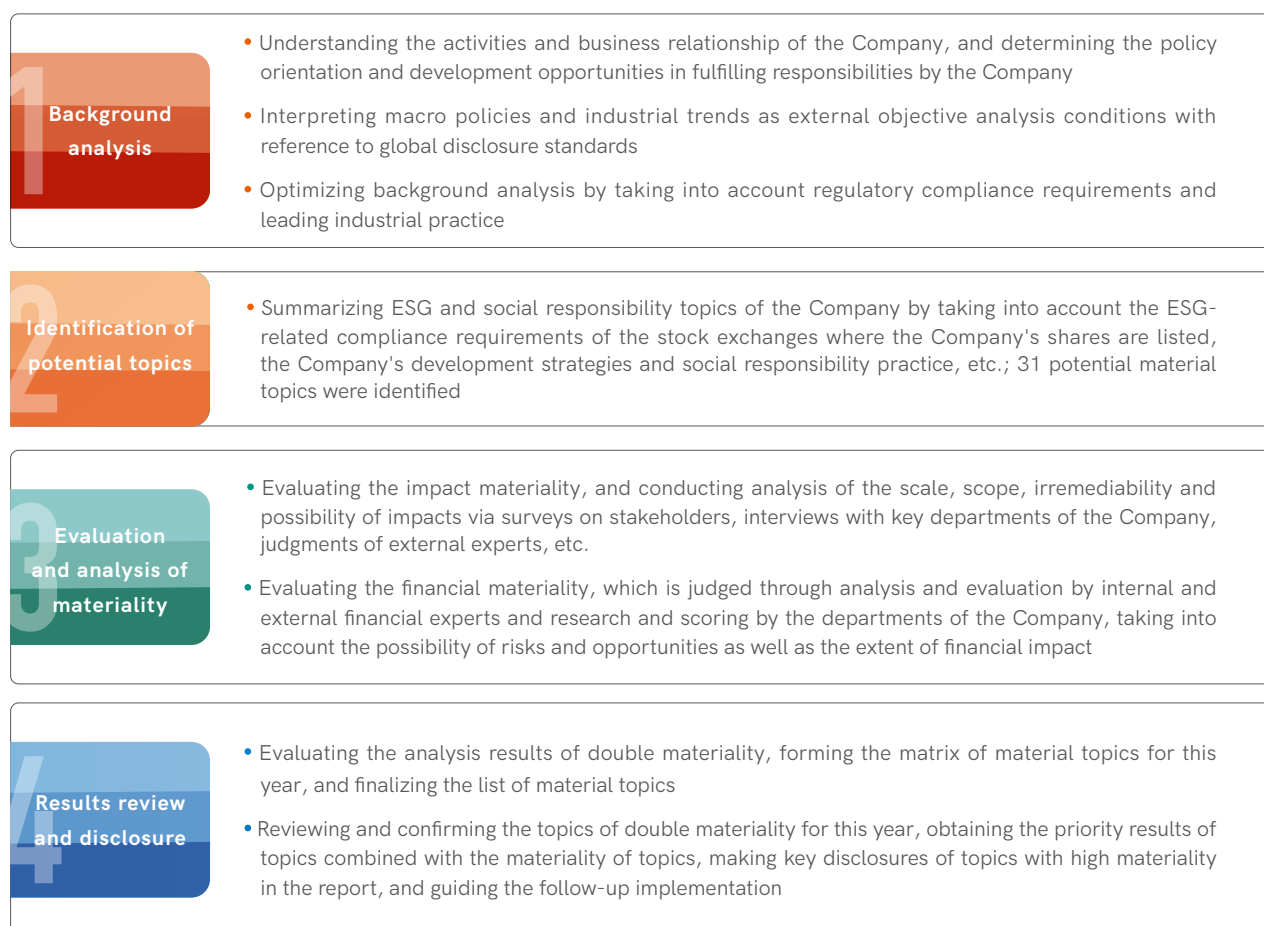
5. Identification and Analysis of Material Topics

Huatai Securities attaches great importance to and strengthens management on material topics of the year. Through comprehensive identification and evaluation, the Company incorporates material topics into the management and decision-making, business and daily operation of the Company, and responds to stakeholders' needs in time, improving ESG management level and practice.

5.1 Materiality Evaluation Process

The Company conducts comprehensive evaluation and analysis of material topics each year. In 2024, in addition to the materiality evaluation criteria of previous years, the Company newly applied the Corporate Sustainability Disclosure Standards – Basic Standards (Trial) (《企業可持續披露準則——基本準則（試行）》) issued by nine departments including the Ministry of Finance of the PRC, the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) issued by the Shanghai Stock Exchange, the International Financial Reporting Sustainability Disclosure Standards No. 1 – General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1) and the International Financial Reporting Sustainability Disclosure Standards 2—Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB) and other new international disclosure standards to update the evaluation on material topics, seeking to develop a double materiality evaluation and analysis system.

Analysis Process of Material Topics of Huatai Securities



5.2 Identification of Potential Material Topics

In 2024, as a securities group with "A+H+GDR" listings across three stock exchanges, the Company carried out materiality assessment and analysis and identified 31 potential material topics in accordance with the latest requirements on ESG of the stock exchanges in Shanghai and Hong Kong and new regulations in relation to ESG, with reference to international ESG disclosure standards and ESG capital market rating recommendations, as well as taking into account the Company's development strategies and leading practice of peers.

Potential Material Topics of ESG for 2024

Aspect	Topic	Comparison with 2023
Environmental	Climate change tackling Energy usage Environmental impact of financing Usage of water resources Sustainable finance Pollutant discharge Ecosystem and biodiversity protection Waste disposal Circular economy Environmental compliance management	<ul style="list-style-type: none"> Dividing "environment-friendly operation" into six topics including "circular economy" and "Energy usage" to align with new guidelines and requirements of ESG policies Adding "sustainable finance" to follow the guidelines and requirements for green finance under the Five Major Areas of Finance
Social	Serving the real economy Responsible investment Data security and privacy protection Development of human capital Innovation-driven Rural revitalization Employees Availability of financing Safety and quality of products and services Equal treatment to SMEs Contributions to the society Ethics of science and technology	<ul style="list-style-type: none"> Adding "innovation-driven" and "Ethics of science and technology" to empower the development of the Company with technologies Altering "talent retention and development" to "development of human capital" to broaden the implication of the topic Altering "improving products and services" to "safety and quality of products and services" to align with new requirements of policies and broaden the implication of the topic Altering "community investment" to "Contributions to the society" to reflect the Company's initiatives and practices in serving the society
Sustainability-related governance	Risk management (including sustainability risk management) Supply chain security Compliance operation Responsible marketing Anti-commercial bribery and anti-corruption Communications with the stakeholders Industry cultural construction Anti-unfair competition Due diligence	<ul style="list-style-type: none"> Dividing "corporate governance" into two topics of "anti-commercial bribery and anti-corruption" and "anti-unfair competition" to implement new guidelines and requirements of ESG policies Adding "due diligence" to closely follow the new policy requirements and broaden the implication of the topic

5.2.1 Evaluation of Topics with Impact Materiality

Judgment on the type of impact

- Judging the positive and negative environmental, social and economic impacts of the Company's practice under each topic.
- Taking into account the surveys on stakeholders, the interviews with key departments of the Company and the judgment of external experts.

Evaluation of the extent of impact

- Evaluating the extent of impact of ESG topics from various perspectives including the scale and scope of impact, the possibility of potential impact and the irremediability of negative impact.
- Evaluating the extent of impact of each topic by internal and external experts.

Setting thresholds for impact materiality

- Setting thresholds based on the evaluation to analyze the materiality of actual and potential impact. Determining the priorities according to the materiality of impact and further analyzing the prioritizing results.

Results of impact materiality

- Based on the surveys on stakeholders and the evaluation results from experts, assessing and analyzing the scores and thresholds of impact materiality of each topic to generate the results of impact materiality of topics.



ESG topics with relatively high impact materiality	
Compliance operation	Anti-commercial bribery and anti-corruption
Risk management (including sustainability risk management)	Anti-unfair competition
Communications with the stakeholders	Safety and quality of products and services
Serving the real economy	Employees
Innovation-driven	Data security and privacy protection

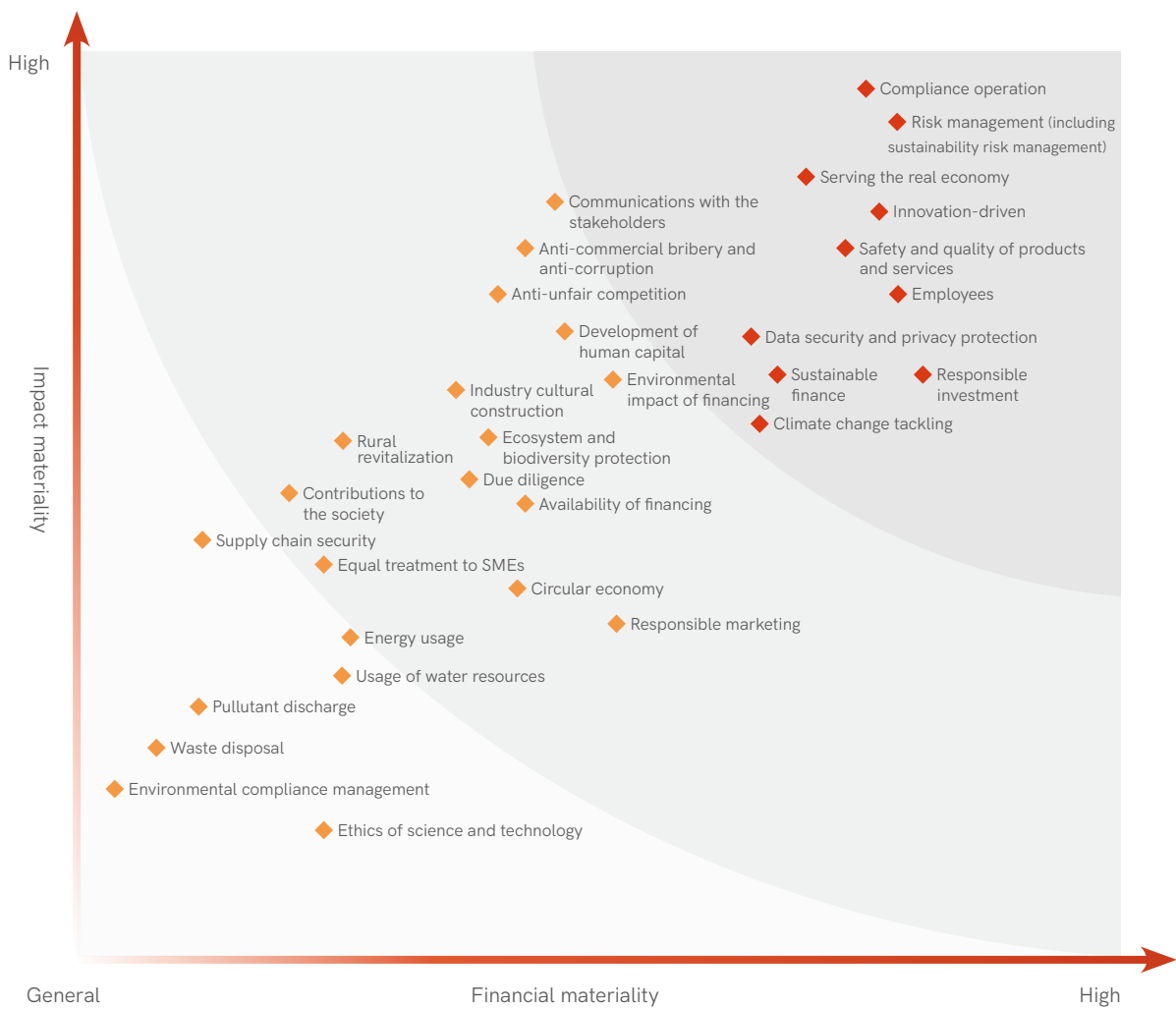
5.2.2 Evaluation of Topics with Financial Materiality

Judgment on the type of financial impact	<ul style="list-style-type: none"> Judging and evaluating topics through inviting internal and external financial experts of the Company and interviewing key departments and by taking into account the surveys on stakeholders, so as to identify risks and opportunities that have or may have impact on the business operation, financial condition, operation results, cash flow and other aspects of the Company in the short, medium and long term.
Evaluation of the extent of impact	<ul style="list-style-type: none"> Evaluating the financial materiality of each topic based on "continuity of resource securing and usage" and "reliance on ongoing production and operation relations with investors, value chain and customers".
Setting thresholds for financial materiality	<ul style="list-style-type: none"> Setting thresholds to evaluate the materiality of financial impact to determine the topics with high financial materiality.
Results of financial materiality	<ul style="list-style-type: none"> Reviewing and confirming the results of financial materiality of topics, and responding to key prioritized topics by the Company.

ESG topics with financial materiality	
Responsible investment	Safety and quality of products and services
Risk management (including sustainability risk management)	Serving the real economy
Employees	Sustainable finance
Compliance operation	Data security and privacy protection
Innovation-driven	Climate change tackling

5.2.3 Results of Material Topics

After the aforementioned evaluation, Huatai Securities conducted assessment and analysis of the results of impact materiality and financial materiality, and identified a total of 31 material topics, of which 10 topics had both impact materiality and financial materiality. Matrix for material topics is set out below.



◆ Topics having both financial materiality and impact materiality

◆ Topics having impact materiality

Results of Materiality Evaluation of ESG Topics

Double materiality	Material topics	Stakeholders involved						
		Shareholders and creditors	Government and regulatory authorities	Customers	Employees	Suppliers and partners	Community	Peers
Having both financial materiality and impact materiality	Risk management (including sustainability risk management)	◆	◆		◆	◆		
	Compliance operation	◆	◆	◆	◆	◆		
	Innovation-driven	◆	◆	◆	◆			
	Serving the real economy	◆	◆	◆	◆	◆	◆	
	Employees			◆	◆	◆		
	Safety and quality of products and services		◆	◆		◆		
	Data security and privacy protection		◆	◆	◆	◆		
	Climate change tackling	◆	◆	◆			◆	
	Sustainable finance			◆	◆			◆
	Responding to climate change	◆	◆	◆	◆	◆	◆	◆
Having impact materiality	Environmental impact of financing	◆		◆		◆		
	Development of human capital	◆			◆			
	Communications with the stakeholders	◆	◆	◆	◆	◆	◆	◆
	Anti-commercial bribery and anti-corruption	◆	◆	◆	◆	◆		
	Anti-unfair competition							◆
	Availability of financing			◆				
	Industry cultural construction	◆	◆					◆
	Ecosystem and biodiversity protection				◆	◆		
	Due diligence	◆	◆	◆		◆		
	Rural revitalization		◆		◆	◆	◆	

Double materiality	Material topics	Stakeholders involved						
		Shareholders and creditors	Government and regulatory authorities	Customers	Employees	Suppliers and partners	Community	Peers
Having impact materiality	Circular economy						◆	
	Responsible marketing				◆	◆		
	Contributions to the society						◆	
	Energy usage				◆	◆	◆	
	Supply chain security			◆	◆	◆		
	Usage of water resources				◆	◆	◆	
	Equal treatment to SMEs		◆	◆				
	Ethics of science and technology	◆	◆	◆	◆			
	Pollutant discharge		◆	◆			◆	
	Waste disposal		◆	◆			◆	
	Environmental compliance management						◆	

5.3 Management Practice on Material Topics

With reference to new domestic and international standards for sustainable development and ESG disclosure, Huatai Securities explored to carry out assessment and analysis of double materiality, which was conducted based on the extent of impact, type of impact, risks and opportunities, and stakeholders involved. The Company mainly focused on topics with high materiality, and continued to strengthen the management on topics from four perspectives of "governance – strategies – impact, risks and opportunities – indicators and goals", so as to improve the management level of sustainable development. In 2024, based on the materiality evaluation, a total of 10 ESG topics having both financial materiality and impact materiality were identified.

5.3.1 Governance on Material Topics

The Company deepens the top-level design of ESG governance by establishing the ESG Committee, which is directly led and managed by the Company's Board of Directors and Senior Management, with an aim to continuously optimize the Company's ESG governance structure in a comprehensive and multi-layered manner, and to ensure that ESG philosophy is implemented and integrated into all aspects of corporate governance.

The Board of Directors and Senior Management of the Company are responsible for overseeing all ESG-related matters and facilitating the effective implementation of tasks related to material ESG topics by regularly reviewing and formulating management approaches, policies and other documents related to material ESG topics. The ESG Committee has a dedicated

professional ESG management team and ESG officers, responsible for advancing the concrete implementation of tasks related to material ESG topics.

To further practice on topics such as "responsible investment", "risk management", "employees", "compliance operation", "innovation-driven", "safety and quality of products and services", "data security and privacy protection", "Climate change tackling", etc., the Company has supplemented and improved its ESG management system to get closer to its goals. For the details of specific material topics, please refer to the section headed "2. Improving ESG Governance" in "Theme I: Consolidating Sustainable Governance through ESG Integration".

5.3.2 Establishment of Strategies for Topics with Financial Materiality

The Company values the implementation progress of its sustainability strategies and formulates strategies, methods and plans in response to topics with high materiality, which, subject to the review by the Board of Directors of the Company, will translate into action plans and optimize resource allocation. Regular supervision and evaluation are conducted to ensure such strategies are effectively implemented, so as to address future challenges and promote sustainable development.

In 2024, with reference to domestic and international guidelines and requirements on ESG disclosure, the Company identified and assessed sustainable development-related risks and opportunities, as well as the timeframes during which these risks and opportunities would have a significant impact on the Company. The expected timeframes of the impact of topics with financial materiality are classified into 1 year (short-term), 1-5 years (medium-term) and over 5 years (long-term). This classification will be continuously updated and adjusted in line with the development of the Company's strategies.

Basic Process of Strategy Formulation

I: Identification of "risks and opportunities"



II: Strategies, methods and plans in response to "risks and opportunities"



III: Evaluation of current and expected financial impact

The Company's classification of timeframe

Time span	Specific time	Cycle
Short term	2025	Within one year after the end of the Reporting Period
Medium term	2026-2030	1-5 years after the end of the Reporting Period
Long term	After 2030	Over 5 years after the end of the Reporting Period

Analysis of Materiality Assessment of ESG Topics

Material topics	Scope of impact				Potential financial impact		Time span	Impact on environment, society and economy	Strategies and initiatives
	Upstream along the value chain	Corporate operation	Downstream along the value chain	Community	Risks	Opportunities			
Responsible investment	◆	◆	◆	◆	As the market supply and demand structure changes, the Company and its customers may be unable to meet market demand due to investment targets that do not comply with the concept of responsible investment, thereby affecting valuation, which would have a negative impact on operating income and profits.	Investment products and services that follow the principle and philosophy of responsible investment would be conducive to creating new growth potential for the Company. Although the Company's operating costs increased, operating income increased, and the value of the investment portfolio increased, which will have a positive impact on profits.	Medium term Long term	Reducing economic, environmental, and social issues while minimizing energy and resource consumption, enhancing the environmental resilience of the overall economic system	<ul style="list-style-type: none"> Integrating ESG philosophy into the investment and financing strategies of the Company
Risk management (including sustainability risk management)	◆	◆	◆		A lag-behind risk management system may affect investment decisions and give rise to compliance issues, resulting in increased credit risk, compliance risk and operating costs to the Company, which would have a negative impact on cash flows.	Improving the risk management system and enhancing the Company's risk control capabilities can help reduce the credit risk and default rate of the investment portfolio, and enhance operational risk resilience, which will benefit financial conditions and cash flows.	Short term Medium term Long term	Contributing to a robust economy, fair society and sustainable environment	<ul style="list-style-type: none"> Optimizing ESG due diligence system
Employees		◆			Employees' legal rights and interests may be infringed upon, leading to an increase in the Company's reputational risk, and potential economic compensation, which would have a negative impact on cash flows; Insufficient employee training and development would be detrimental to the construction of the Company's talent pool, which in turn would affect the competitiveness of the Company, and have a negative impact on operating income and profits.	A diversified talent recruitment and training system would be beneficial for talent retention and strengthening the sense of belonging of employees; The improvement of employees' innovation capabilities facilitates the development of innovative financial products and services, optimizes business models, contributes to increased Company revenue, and elevates market valuation.	Short term Medium term Long term	Promoting the stable and harmonious development of society in a robust employment environment	<ul style="list-style-type: none"> Improving the training and development mechanisms Optimizing the employee incentive and fairness mechanisms

Material topics	Scope of impact				Potential financial impact		Time span	Impact on environment, society and economy	Strategies and initiatives
	Upstream along the value chain	Corporate operation	Downstream along the value chain	Community	Risks	Opportunities			
Compliance operation	◆	◆	◆		If the compliance system is incomplete, the Company may be exposed to regulatory penalties due to non-compliance incidents, leading to increased operating costs and loss of business reputation, which would have a negative impact on operating income.	Strengthening compliance operation systems would enhance the Company's reputation and attract high-quality customers and business partners, which will help increase the Company's operating income and market valuation.	Short term Medium term Long term	Creating a fair, just, harmonious and trustworthy social atmosphere	<ul style="list-style-type: none"> Strengthening the Company's compliance management system Strengthening the construction of a clean and ethical risk prevention and control system
Innovation-driven	◆	◆	◆		The rapid development of digital technology may lead to a stricter financial regulatory environment. The Company would face risks of penalties from relevant authorities or public opinion incidents due to non-compliance with FinTech-related policies and regulations, which would have a negative impact on operating income, cash flows and market valuation.	Driven by the "technology finance" and "digital finance" policies, customers' demand for digitally innovative financial services may increase. The Company provides innovative financial services to customers in the technology and digital-related industry chains, which will help the Company open up new space for growth, leading to increased operating income and profit growth.	Medium term Long term	Promoting digital and information-based construction to promote the development of new quality productive forces and advance high-quality social and economic development	<ul style="list-style-type: none"> Upholding the "innovation-driven" strategy to improve the Company's digital level and innovation capabilities Enriching and improving products and services related to "technology finance", "digital finance" and innovation
Safety and quality of products and services	◆	◆	◆	◆	If there are product and service quality issues, the Company may be exposed to lawsuit compensation for its products and services, and public opinion risks will be increased, which would have a negative impact on cash flows and market valuation.	High-quality products and services can help effectively retain customers, and win new customers and business growth opportunities, ensuring steady cash flows and increased operating income.	Short term	Diversified products and a sound service environment would contribute to social stability and promote sustainable economic development	<ul style="list-style-type: none"> Building customer communication channels Improving products and services through financial technologies
Serving the real economy	◆	◆	◆	◆	Poor operation of real enterprises as a result of macroeconomic fluctuations may lead to asset impairment, price reductions, and other situations for the Company and its customers' investment targets, resulting in an increase in the Company's credit risk and a decline in the value of its investment portfolio.	The introduction of supportive policies related to serving the real economy is beneficial for opening up new space for growth for the Company; Serving high-quality real enterprises can reduce credit risk, increase the value of the Company's investment	Long term	Fostering new economic growth points and contributing to social equity and environment-friendly development	<ul style="list-style-type: none"> Serving the real economy with high-quality development and expanding the breadth and depth of services across the business chain

Material topics	Scope of impact				Potential financial impact		Time span	Impact on environment, society and economy	Strategies and initiatives
	Upstream along the value chain	Corporate operation	Downstream along the value chain	Community	Risks	Opportunities			
Sustainable finance		◆	◆	◆	Currently, domestic and foreign standards for sustainable financial products are not fully unified. Ambiguous business definitions may lead to an increased risk of "green-washing" in the Company or its customers' investment targets with green attributes, which may expose them to external challenges and increased opinion risks while the Company may be subject to impaired credit, increased operating costs, a decline in the value of the investment portfolio, and a negative impact	The policies on "green finance" and "comprehensive green transformation of economic and social development" contain opportunities. As investors pay more attention to green, low-carbon and ESG factors, the sustainable investment and relevant markets are gradually expanding, which will lead to higher market valuations for such investment targets of the Company or its customers and an increase in operating income.	Medium term Long term	Reducing economic, environmental, and social issues while minimizing energy and resource consumption, enhancing the environmental resilience of the overall economic system	· Giving priority to "sustainable finance" in future investing and expanding the development and services of green, low-carbon and ESG-related financial products
Data security and privacy protection	◆	◆	◆	◆	Given the evolving digital technologies and the frequent occurrence of cybersecurity issues, data security and customer privacy leakage events may give rise to a crisis in public trust, and increased public opinion risks, which in turn affect business operation; and the tightening external regulatory requirements also bring increased compliance risks, rising operating costs, and a negative impact on profits.	Attaching great importance to data security and privacy protection, and continuous improvement of internal information security management system and incident response processes can effectively prevent negative events such as information leakage and data security, stabilize business development, and help reduce the Company's compliance risks and maintain stable cash flows.	Medium term Long term	Protecting data security and personal privacy helps safeguard the rights and interests of customers, prevent criminal behavior, and promote social trust and harmonious development	· Attaching great importance to data security and personal information protection, continuously strengthening data security and personal information protection, and regulating data and personal information processing activities
Climate change tackling	◆	◆	◆	◆	Please refer to the section under "2.1 Responding to Climate Change" for details				

5.3.3 Management of Impact, Risks and Opportunities



Material topics	Management documents
Responsible investment	Sustainable Investment and Financing Policy for Environment-Sensitive Industries of Huatai Securities Co., Ltd., Responsible Investment Statement of Huatai Securities Co., Ltd. (2021 Revision)
Risk management (including sustainability risk management)	Guidelines for Due Diligence on Clients' Environmental, Social and Corporate Governance (ESG) of Huatai Securities Co., Ltd., Reference Index of Policy Documents on Industries with High Environmental Risks, Biodiversity and Climate Change of Huatai Securities Co., Ltd. (Revised in 2024), Environmental and Social Management Statement of Huatai Securities Co., Ltd. (2021 Revision) and Code of Conduct on Suppliers of Huatai Securities Co., Ltd., etc.
Employees	Statement on Employees' Rights and Benefits of Huatai Securities Co., Ltd., Remuneration Management System of Huatai Securities Co., Ltd. (《华泰证券股份有限公司薪酬管理制度》), Administration Measures on Employee Performance of Huatai Securities Co., Ltd (《华泰证券股份有限公司員工績效管理辦法》), Implementation Rules of Huatai Securities Co., Ltd. on Special Examination of Knowledge that Fund Practitioners should Know and Understand (《华泰证券股份有限公司基金從業人員應知應會知識專項考核實施細則》), etc.
Compliance operation	Policy and Guidelines for Proxy Voting of Huatai Securities Co., Ltd., Provisions on Anti-Corruption, Anti-Bribery and Integrity Practice of Huatai Securities Co., Ltd., Basic System for Anti-Money Laundering and Anti-Terrorism Financing of Huatai Securities Co., Ltd. (《华泰证券股份有限公司反洗錢和反恐怖融資基本制度》), etc.

Material topics	Management documents
Innovation-driven	Statements on Privacy & Data Security of Huatai Securities Co., Ltd., etc.
Safety and quality of products and services	Investor Education Working System of Huatai Securities Co., Ltd. (《华泰证券股份有限公司投资者教育工作制度》) and Huatai Securities Customer Service Specification (《华泰证券股份有限公司客户服务规范》), etc.
Serving the real economy	2024 Action Plan of "Corporate Value and Return Enhancement" of Huatai Securities Co., Ltd. (《华泰证券股份有限公司 2024 年度「提质增效重回报」行动方案》), etc.
Sustainable finance	Environmental and Social Management Statement of Huatai Securities Co., Ltd. (2021 Revision), Sustainable Investment and Financing Policy for Environment-Sensitive Industries of Huatai Securities Co., Ltd.
Data security and privacy protection	Statements on Privacy & Data Security of Huatai Securities Co., Ltd., Administration Measures on Data Security of Huatai Securities Co., Ltd. (《华泰证券股份有限公司数据安全管理办法》), Regulations on Data Lifecycle Security Management of Huatai Securities Co., Ltd. (《华泰证券股份有限公司数据全生命周期安全管理规范》), Implementation Rules of Intranet Data Extraction of Huatai Securities Co., Ltd. (《华泰证券股份有限公司内网数据提取实施细则》), Rules of Procedure of Information Technology Governance Committee (《信息技术治理委员会议事规则》), etc.
Climate change tackling	Please refer to the section under "2.1 Responding to Climate Change" for details

5.3.4 Metrics and Targets

In accordance with the requirements of relevant laws and regulations on various topics, the Company actively set metrics and targets related to sustainable development, and continuously tracked and assessed the progress of the implementation of the targets in order to monitor and review the progress of achieving the targets.

Material topics	Target direction	Progress and initiatives
Responsible investment	Follow the six principles for responsible investment under UNPRI, and continue to incorporate the concept of responsible investment into asset investment business	<ul style="list-style-type: none"> Strengthened ESG due diligence and leveraged the Group's strengths in investment and financing business to steer capital towards the good, the green and the better Enhanced research and communications in the field of responsible investment
Risk management (including sustainability risk management)	Build a robust risk control system, improve the capability foundation of "data + pricing, risk + profit or loss", and strengthen forward-looking risk management capability of the Company	<ul style="list-style-type: none"> Attached great importance to risk management and formed a multi-level, interlinked, effective checks and balances working mechanism Strengthened ESG risk management construction, formulated and implemented the evaluation system of ESG due diligence system for clients

Material topics	Target direction	Progress and initiatives
Employees	Strengthen the employer brand, build an incentive mechanism and talent development program covering all employees, and increase the retention rate of outstanding employees	<ul style="list-style-type: none"> ·Steadily promoted the Company's "4+2" campus recruitment system, and deeply tapped into the full lifecycle of campus recruitment projects ·Continued to build the "HTalent" talent development system
Compliance operation	Improve the corporate governance system, consolidate the decision-making and deliberation process of the Board of Directors, broaden the scope of anti-corruption and anti-money laundering training, adhere to the bottom line of compliance, and safeguard financial development	<ul style="list-style-type: none"> ·Promoted the construction of Huatai Digital Compliance System 3.0 ·Developed an intelligent compliance and due diligence system of "Mingbian (明辨)", a new-generation isolation wall system, a list control center, and an anti-money laundering toolkit, etc.
Innovation-driven	Enable robust innovation through technologies, broaden FinTech business areas and launch comprehensive digital transformation	<ul style="list-style-type: none"> ·Strengthened the application of digital technology in finance, promoted the organic integration of business philosophy and digital transformation, and improved the measurement system for digital transformation ·Deepened the construction of a multi-level cultivation system for digital talents, and disseminated popular digital tools and concepts to all employees
Safety and quality of products and services	Ensure product quality and safety, improve service quality throughout the entire process, and continuously enhance customer satisfaction	<ul style="list-style-type: none"> ·Adhered to being customer-oriented, advanced the organizational upgrade of "one customer" internally and "one Huatai" externally, and built a comprehensive customer service system linking the entire business chain
Serving the real economy	Optimize financial service models, dig deep into the needs of real enterprises, allocate resources precisely, and assist in the high-quality development of real economies	<ul style="list-style-type: none"> ·Aimed to build a strong financial country, made significant efforts in Five Major Areas of Finance, focused on main responsibilities and main business, and built a solid bridge between the real economy and the capital market
Sustainable finance	Establish a green financial framework, deepen ESG assessment and investment strategies, expand sustainable projects and green investment and financing product systems, and drive the green transformation of finance	<ul style="list-style-type: none"> ·Gave full play to the comprehensive service capabilities in investment banking, investment trading, product creation risk management, etc., responded to the green financial needs of real enterprises, actively expanded the carbon finance business, and served the construction and development of China's carbon market
Data security and privacy protection	Improve information security local area network and information security training system to effectively ensure data security and customers' privacy	<ul style="list-style-type: none"> ·Attached great importance to data information security and customer privacy protection, strengthened data governance, privacy protection and cybersecurity prevention, transaction security safeguard and other initiatives, and improved information security and privacy protection mechanisms
Climate change tackling	Please refer to the section under "2.1 Responding to Climate Change" for details	

Theme II: Serving the Real Economy by Focusing on Five Major Areas of Finance

Huatai Securities proactively responds to the goal of building a strong financial country, and makes significant efforts in the Five Major Areas of Finance, namely technology finance, green finance, inclusive finance, pension finance and digital finance. Technology finance continually accelerated the development of new quality productive forces; green finance supports the Beautiful China Initiative; inclusive finance empowers specialized, sophisticated, distinctive, and innovative enterprises; pension finance strengthens the three-pillar pension system; and digital finance elevates the securities industry's digital transformation.

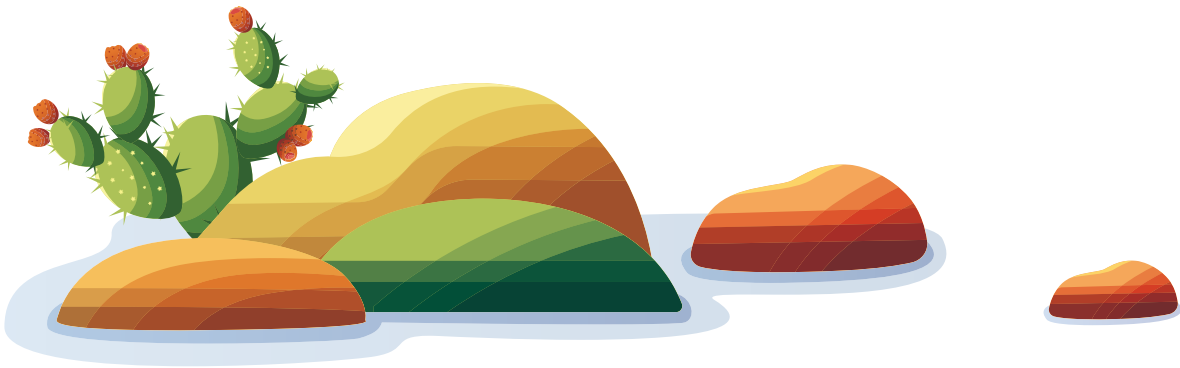


Key Topics

- ✓ Serving the real economy
- ✓ Sustainable finance
- ✓ Availability of financing
- ✓ Environmental impact of financing
- ✓ Equal treatment to SMEs
- ✓ Responsible investment

1. Deepening Technology Finance

The Company serves the accelerated development of new quality productive forces with its financial professional capabilities, focuses on national strategic emerging industries, and further taps into the fields of new-generation information technology, high-end equipment, new materials, new energy, energy conservation and environmental protection, and biomedicine. It coordinates and mobilizes its research, investment banking, private equity investment, asset management and other full business chain resources to promote the formation of innovative capital, better serve enterprises with core technologies to enhance their value and achieve transformation and upgrading through the capital market, and further smooth the virtuous cycle of "Technology-Industry-Finance".





Performance Highlights in 2024:

Huatai United Securities sponsored the listing of 7 enterprises on the STAR Market and the ChiNext in 2024

5.806 billion
[Based on the statistics on the issuance date]
Underwriting amount

Underwrote 136 technological innovation bonds

35.013 billion
Underwriting scale

Huatai Asset Management issued a total of 1 ABS product in serving technological innovation in 2024

127 million
Issuing scale

Issued 1 REITs product in technological innovation

1.022 billion
Issuing scale

Huatai Purple Gold Investment focused on the deployment of hard technology, advanced manufacturing, healthcare and other technological innovation industries. In 2024, out of the new investment projects of Huatai Purple Gold Investment, 19 enterprises obtained relevant accreditations for technology-based enterprises

18
High-tech enterprises

6
National "Little Giant" specialized and sophisticated enterprises

6
Specialized, sophisticated , distinctive, and innovative SMEs

In 2024, Huatai Innovative Investment continued to manage 21 invested FinTech enterprises through direct investment.

1.1 Concentrate on Technological Innovation Industries

Case Huatai United Securities Served Chengdu Sino to Contribute to the High-Quality Development of the Special Integrated Circuits Industry

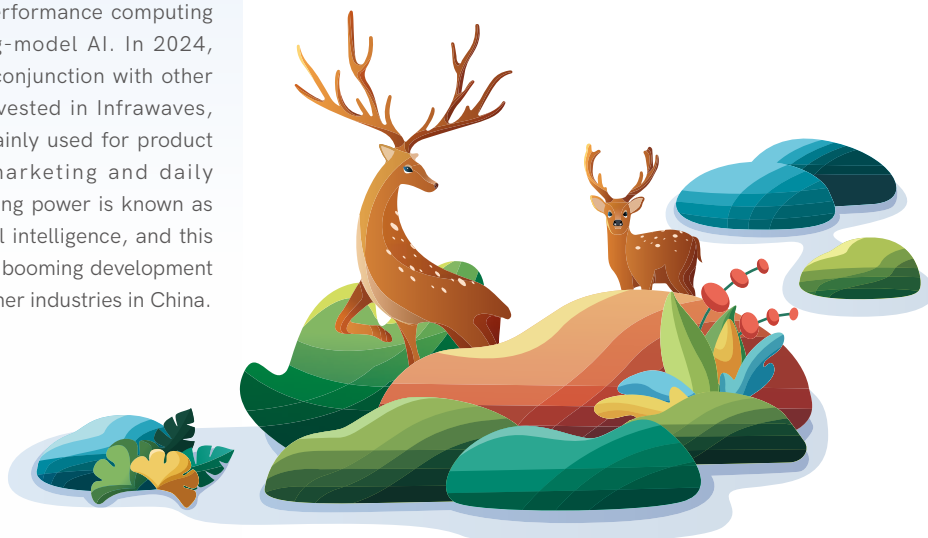
Chengdu Sino Microelectronics Technology Co., Ltd. ("Chengdu Sino") as a core supplier of integrated circuit products for the special industry, is committed to becoming a leading enterprise in the field of special integrated circuits in China. Based on its rich capital market experience and deep understanding of the special integrated circuits industry, Huatai United Securities fully explored Chengdu Sino's competitive advantages and corporate value. In February 2024, acting as the exclusive sponsor and lead underwriter of the company, Huatai United Securities successfully assisted Chengdu Sino in listing on the STAR Market, raising RMB1.5 billion and further promoting the high-quality development of the special integrated circuits industry in China.

Case Huatai Innovative Investment Invested in Infrawaves to Contribute to the Booming Development of the AI Industry

Beijing Infrawaves Co., Ltd. ("Infrawaves") as a provider specializing in computing power networks, is committed to building a fundamental high-performance computing power network in the era of big-model AI. In 2024, Huatai Innovative Investment, in conjunction with other investment institutions, jointly invested in Infrawaves, and the funds raised would be mainly used for product research and development, marketing and daily operations of Infrawaves. Computing power is known as the "engine" in the field of artificial intelligence, and this investment would contribute to the booming development of AI, embodied intelligence and other industries in China.

Case Huatai International Contributed to Black Sesame to Serve the Development of Specialized and Sophisticated Enterprises

Black Sesame International Holding Limited ("Black Sesame") is a national high-tech enterprise and a specialized and sophisticated enterprise that produces new and unique products in Hubei Province, specializing in automotive-grade computing SoC and serving as a SoC-based intelligent vehicle solution provider. In August 2024, acting as a joint sponsor-overall coordinator, joint global coordinator, joint bookrunner and joint lead manager, Huatai International facilitated the successful listing of Black Sesame on the Main Board of the Hong Kong Stock Exchange, which became the first 18C specialized technology company to complete the filing with the International Department, and became the first listed company out of 18C commercialized enterprises. The successful issuance of Black Sesame highlighted the full-cycle service capability in the TMT sector and the strengths in capital operation of Huatai International.



1.2 Enhance Technological Exchange Events

Case

Technology and Financial Innovation Forum Featuring "Discussing on New Trends in Intelligence" at 2024 World Artificial Intelligence Conference

In July 2024, Huatai Securities successfully organized the Technology and Financial Innovation Forum Featuring "Discussing on New Trends in Intelligence" (「論道智能新趨勢」科技金融創新論壇) at 2024 World Artificial Intelligence Conference. This forum was the fourth year of in-depth cooperation between Huatai Securities and the World Artificial Intelligence Conference. The forum brought together a group of technology ecosystem partners from various companies, including representatives of enterprises and industry experts from different segments, to explore the development trends of cutting-edge fields, such as AI + healthcare, embodied Artificial Intelligence, and AI computing power network.

At the conference, the Company shared its views on the accelerated integration of three new systems of artificial intelligence as a new production tool, data as a new production factor and computing power as a new infrastructure with the industry, giving rise to emerging fields, and looked forward to jointly exploring the cutting-edge areas of AI and increasing the commercial value of AI with the industry.

Case

HKEX Future Tech Summit



◆ HKEX Future Tech Summit 2024

In July 2024, the Future Tech Summit 2024 (未來科技峰會) was successfully held by the Hong Kong Stock Exchange in Shenzhen. Under the theme of "Investing in Innovation, Unleashing New Productive Forces (投資科創，釋放新質生產力)", the summit brought together over 500 experts from technology enterprises, investment institutions and innovative industries to explore the latest developments and opportunities in the technological innovation industry. At the summit, Huatai Securities discussed the opportunities and challenges in the application of technological innovation in the healthcare sector, and shared its market insights.

Case

Huatai Purple Gold Investment was Awarded the "Best Investment Institution in China's Healthcare Field", "Best Investment Institution in China's Biomedical Field" and "Excellent Investment Institution in China's Advanced Manufacturing Field" and Other Recognitions

In July 2024, the 2024 China Bridge (10th) Industrial Investment Summit was grandly held in Beijing. With good management performance and market reputation, Huatai Purple Gold Investment was awarded the "Best Investment Institution in China's Healthcare Field (中國醫療健康領域最佳投資機構)", "Best Investment Institution in China's Biomedical Field (中國生物醫藥領域最佳投資機構)" and "Excellent Investment Institution in China's Advanced Manufacturing Field (中國先進製造領域卓越投資機構)" and other recognitions for 2023-2024 by Chinese Venture, which reflected the leading edge of Huatai Purple Gold Investment in equity investment and demonstrated the influence of Huatai Purple Gold Investment in healthcare, TMT and high-end manufacturing and other segments, and continuously injected momentum for the Company to support the development of enterprises in real economies.



◆ Industrial investments related awards of "China Bridge" for 2023-2024

2. Empowering Green Finance

The Company focuses on serving the national "dual carbon" goal and makes great efforts in green finance. The Company focuses on giving full play to its comprehensive service capabilities in investment banking, investment trading, product creation, risk management, etc., responding to the green financial needs of real enterprises, actively expanding its carbon finance business, serving the construction and development of China's carbon market, empowering the market to carry out green and low-carbon technological innovations with higher efficiency and lower cost, assisting in the green and low-carbon transformation of the economy and society, and serving the Beautiful China Initiative.



Performance Highlights in 2024:

In 2024, Huatai Securities proactively participated in the construction and development of national and regional carbon markets

34.6795 million
New carbon investment trading scale

1.18 million tons
Trading volume

New carbon emission quota buy-out repo

26.92 million
Trading scale

652.6%
Year-on-year increase

1,028.8%
Year-on-year increase

1.02 million tons
Trading volume

In 2024, Huatai Securities was awarded the 2023 **"Carbon Finance Practice Award"** by Shanghai Environment and Energy Exchange and the **"Market Pioneer Award"** by Hubei Carbon Emission Exchange

In 2024, Huatai United Securities served **5 new energy, energy conservation and environmental protection related** enterprises to complete equity financing

4.048 billion
Green equity underwriting scale

Being the vanguard and main force of green bond underwriting and issuance in China

59
Number of green bonds issued

15.698 billion
Underwriting scale

In 2024, Huatai Asset Management deeply tapped into **"Carbon Neutrality"** and **green asset securitization**, issuing the country's first electricity exchange infrastructure ABS, the first industrial and commercial distributed photovoltaic and energy storage quasi-REITs (the first quasi-REITs successfully issued in China by a Hong Kong enterprise), the first renewable ABS in the energy industry (including new energy) on the Shenzhen Stock Exchange, etc. In terms of serving green finance,

7
Number of products issued

8.0 billion
Issuance scale exceeded

2.1 Supporting Green Industry Development

Case Huatai International Facilitated a New Energy Enterprise on H-share Full Circulation

Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. ("Sino-Synergy") is a leading technology-based company in China focusing on research, development, production and sales of hydrogen fuel cell stacks and hydrogen fuel cell systems, and is committed to contributing to the transformation of the hydrogen fuel cell industry as well as the innovative development and commercialization of the hydrogen energy technologies in China. The company made independent innovation in product research and development, localized procurement and production of core raw materials and production equipment, and high-quality mass production, leading the development of China's hydrogen fuel cell industry. Following the exclusive sponsorship of Sino-Synergy's listing on the Main Board of the Hong Kong Stock Exchange in December 2023, Huatai International, acting as the financial advisor, facilitated the completion of its H-share full circulation in April 2024. This initiative further boosted the liquidity of H-shares, providing robust support for the growth and expansion of China's new energy enterprises.

Case Huatai International Gave SDHG a Leg up on its Acquisition of SHNE

Shandong Hi-Speed Holdings Group Limited ("SDHG") focuses on new energy, new infrastructure and other strategic emerging industries, and Shandong Hi-Speed New Energy Group Limited ("SHNE") mainly engages in the businesses of photovoltaic power generation, wind power generation and clean heat supply. In November 2024, SDHG increased its shareholding by approximately 13.52% of the total issued share capital of SHNE by way of agreement transfer at a total consideration of approximately

HKD 541 million. Huatai International acted as the financial advisor to SDHG and structured the transaction. Upon completion of the transaction, SDHG further strengthened its control over SHNE, supported its construction of an independently controlled energy complex of "source, network, load and storage integration", pushed the green and low-carbon transformation of energy-intensive data center operations and promoted industrial integration and synergy in new quality productive forces such as new energy.

2.2 Strengthening Investment in Green Bonds

Case Huatai Securities Elected as a Member Unit of the Second Session of the CGBSC and Committed to Serving Green Bond Business Development

Under the guidance of competent authorities including the People's Bank of China and the CSRC, China Green Bond Standard Committee ("CGBSC") successfully convened the Leadership Transition and Results Release Conference (换届暨成果發佈會) in Beijing. Huatai Securities has been elected as a member unit of the second session of the CGBSC, where it will continue to play a significant role in refining green bond standards, enriching product portfolios, and regulating the conduct of intermediary institutions. By participating in the formulation of market standards and promoting the implementation of green bond initiatives, Huatai Securities aims to enhance the international influence of the green bond market and contribute to the development of China's green bond market, collectively writing a new chapter for green finance.

Case Huatai United Securities Facilitated the Issuance of China's First Green Rural Revitalization (Rise of Central China) Bond

In September 2024, Haoji Railway Co., Ltd.'s 2024 Non-public Issuance of Green Rural Revitalization Corporate Bonds (Tranche 2) (Rise of Central China) to Professional Investors (浩吉鐵路股份有限公司 2024 年面向專業投資者非公開發行綠色鄉村振興公司債券 (第二期) (中部崛起)) (the "Bonds") was successfully issued. Huatai United Securities acted as the lead underwriter for the Bonds, facilitating Haoji Railway Co., Ltd. ("Haoji Railway") in issuing China's first green rural revitalization (rise of central China) bond. With an issuance size of RMB2 billion and tenure of 2+1 years, the successful issuance of the Bonds has provided funding support for major industrial projects and technological innovation in the central region of China, which has not only promoted local economic growth and technological advancement, but also boosted the central region to achieve higher quality development and opening up by enhancing industrial competitiveness and international market influence.

This issuance marked the first tranche under the RMB5 billion registration of the "Smart Zero Carbon Phases 1-10 Assets Support Program (零碳智慧 1-10 期資產支持專項計劃)", with an issuance size of RMB515 million. The bond was labeled as "Green" and "Carbon Neutral" type, with proceeds continuously allocated to renewable energy projects. This initiative has injected vitality into the green industry and contributed to building a zero-carbon future through collaborative efforts.

Case Huatai United Securities Facilitated the Successful Issuance of China's First Battery Swapping Infrastructure ABS



◇ Geely-E-Energie Phase 1 Green Asset-Backed Special Scheme

In May 2024, the Geely-E-Energie Phase 1 Green Asset-Backed Special Scheme (吉利-易易互聯 1 期綠色資產支持專項計劃) (the "Scheme") was successfully established on the Shenzhen Stock Exchange, which has been successfully issued with the help from Huatai United Securities acting as the sole financial advisor and Huatai Asset Management acting as the scheme manager. Leveraging its in-depth research and understanding of the new energy vehicle (NEV) industry chain, Huatai United Securities had fully capitalized on the leading advantages of Geely Holding Group and E-Energie in the NEV industry chain and battery swapping and replenishment sector, and thus it facilitated the creation of China's first battery swapping infrastructure ABS, injecting financial vitality into the NEV industry chain and contributing financial power to green mobility and sustainable development.

2.3 Innovating Green Financial Services

Case Huatai Asset Management Facilitated the Successful Issuance of the First Solar-Storage Carbon Neutral REITs among Hong Kong-Funded Enterprises

In December 2024, Huatai Asset Management, acting as the manager of the special asset-backed plan, facilitated Towngas Smart Energy Company Limited ("Towngas Smart Energy") in successfully issuing the "Smart Zero Carbon Phase 1 Green Asset Support Program (零碳智慧 1 期綠色資產支持專項計劃)" on the Shenzhen Stock Exchange. It is the first REIT of its kind issued by a Hong Kong-funded enterprise in the PRC and the first industrial and commercial distributed photovoltaic and energy storage REITs product across the market.

Case Huatai United Securities Facilitated the Successful Issuance of SSE's First Sustainable ABS in the Energy Sector

In May 2024, with Huatai United Securities acting as the overall coordinator and the independent financial advisor and Huatai Asset Management acting as the scheme manager, the "Huatai - Xinhua Hydropower Renewable Energy Electricity Price Additional Subsidy Phase 1 Carbon Neutrality Green Asset-backed Special Scheme (Sustainable) (华泰-新华发电可再生能源电价附加补助1期碳中和绿色资产支持专项计划(可续发型))" (the "Project") was successfully established by Xinhua Hydropower Company Limited ("Xinhua Hydropower"). The Project is the first sustainable ABS in the energy sector (including new energy) on the Shenzhen Stock Exchange, marking an important innovation in the domestic ABS product market. The underlying assets consisted of renewable energy tariff subsidy receivables from 19 ground-mounted photovoltaic power stations and 4 wind power stations operated by subsidiaries of Xinhua Hydropower, which satisfied the standards under the Green Bond Endorsed Projects Catalogue (2021 Edition) (《绿色债券支持项目目录(2021年版)》) and met the carbon neutrality

project standards. The Project is expected to generate environmental benefits, including annual savings of 4.37 tons of standard coal, annual reductions of 11.34 tons of carbon dioxide emissions, 12.49 tons of sulfur dioxide emissions and 34.34 tons of nitrogen oxide emissions, demonstrating strong environmental, and social-economic benefits.



◆ Huatai - Xinhua Hydropower Renewable Energy Electricity Price Additional Subsidy Phase 1 Carbon Neutrality Green Asset-backed Special Scheme (Sustainable)



2.4 Serving Carbon Market Development

The Company actively participates in the construction and development of national and regional carbon markets, building carbon financial products and trading service capabilities for both domestic and international markets, to enhance carbon market liquidity and efficiency and support the green and high-quality development of the real economy. In 2024, the Company engaged in trading of carbon emission allowances and China Certified Emission Reduction (CCER) in regional carbon markets in Guangdong, Shanghai, Beijing, Shenzhen, Hubei, etc., with a new carbon investment trading volume of RMB34.6795 million, representing a year-on-year increase of 652.6%; and with a trading volume of 1.18 million tons, up by 1,028.8% year-on-year. Notably, the trading scale of new carbon emission allowance buyout repurchase transactions was RMB26.92 million, with a trading volume of 1.02 million tons.

Progress in Serving Carbon Market Construction in 2024

(1) Participating in the national CCER market and regional pilot carbon allowance markets, and enhancing market liquidity through trading services to help enterprises required for emission control in fulfilling their carbon emission compliance obligations	In January, on the inaugural day of the national voluntary greenhouse gas emission reduction trading market, the Company entered into a verified CCER transaction relating to forest carbon sinks with a key emitting central government-owned enterprise to support the settlement and performance of real enterprises in the national carbon market.
(2) Advancing carbon financial services including carbon repo and carbon lending transactions to support low-carbon transition of real economy enterprises	<p>In February, the Company participated in the first batch of carbon allowance repo transactions in Shanghai's carbon market.</p> <p>In May, the Company implemented the first carbon allowance repo transaction by a state-controlled listed company in Hubei's carbon market, establishing a model for cooperation between securities firms and state-owned listed companies in the carbon finance sector.</p> <p>In October, the Company participated in the implementation of 2 of the first 5 carbon lending transactions in Hubei's carbon market, expanding the dual-service model of financing in funds and carbon to serve real enterprises to revitalize their carbon assets.</p>
(3) Realizing the expansion from carbon spot to carbon derivatives trading	In July, with the strong support of Shanghai Clearing House and Shanghai Environment and Energy Exchange, the Company reached a forward intertemporal portfolio transaction of carbon allowances in Shanghai, providing liquidity for the market and improving the price discovery function of the carbon market.

2.5 Strengthening Research and Communications

In 2024, the Company continued its relevant research on green finance and focused on the new energy sector. It released 16 research reports on "Carbon Peaking and Carbon Neutrality", "sustainable development", "new energy", "environmental protection and low carbon", "energy transition" and other topics. The Company also actively participated in domestic and international exchanges and organized forums and conferences on new energy and environmental protection.

Time	Name
March 2024	Participated in the "Green Energy Industry Development and Cooperation Forum (綠色能源產業發展與合作論壇)" held by Jiangsu Yannan Industrial Office and Jiangsu Huanghai Financial Holding Group
March 2024	Participated in the "Implement the Dual Carbon Strategy with Green Energy Layout (踐行雙碳戰略，綠色能源佈局)" conference held by Yunnan Energy Investment Group
March 2024	Participated in the "Electric Vehicles, Intelligent Driving, and Low-Altitude Economy Development Layout (電動汽車、智能駕駛、低空經濟發展佈局)" conference held by Sichuan Tianfu New District New Economic Bureau
April 2024	Participated in the "Cross-Regional Innovation and Collaboration Exchange Seminar under the Qinghe Plan (青禾計劃跨區域創新協同交流研討會)" held by the Science and Technology Department of Shaanxi Province
May 2024	Participated in Sichuan Energy Investment Group's seminar on hydrogen industry (四川能源投資集團氫能產業研討會)
May 2024	Attended the China Listed Companies Association's "Renewed Development - Coal Industry Investor Exchange Meeting (煥新發展—煤炭行業投資者交流會)"
June 2024	Organized and held the 2024 interim strategy meeting on "Reform, Change and New Opportunities" (「改革 變局 新機」2024 年中期策略會) and set up the "Energy Transition Forum (能源轉型論壇)"
July 2024	Participated in the ESG special meeting held by CSG Group (南方電網集團)
July 2024	Organized and hosted the "Thematic Exchange Meeting of Companies along the Sodium Battery Industry Chain (納電產業鏈公司專題交流會)"
October 2024	Participated in the "Quarterly Training Meeting themed Carbon Neutrality (碳中和主題季度培訓會議)" held by Ningbo Equity Exchange
November 2024	Organized and convened the 2025 Investment Summit themed "Understanding the Situation, Planning for Change and Charting a New Course (識局 謀變 圖新)" and established a dedicated forum on "Energy Transition at Home and Abroad: New Systems, New Trends, New Momentum (海內外能源轉型：新系統，新趨勢，新動能)"

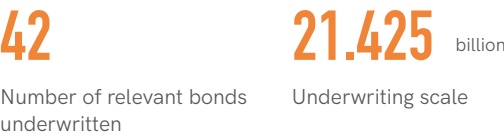
3. Enlightening Inclusive Finance

The Company actively responds to the "Implementation Opinions on Promoting High-Quality Development of Inclusive Finance (《關於推進普惠金融高質量發展的實施意見》)", and focuses on the goal of "facilitating financing for business entities" in its business operations to develop inclusive finance. It strives to be a pioneer in carrying out inclusive finance, strengthens support for private enterprises and treats small and medium-sized enterprises equally in helping address financing challenges, and provides comprehensive financial services throughout the entire lifecycle over the industrial chain.



Performance Highlights in 2024:

Huatai United Securities supported SME development by facilitating the issuance of SME financing ABS, special financial bonds, and SME support bonds. In 2024, Huatai United Securities underwrote:



In 2024, Huatai Asset Management



As of the end of 2024, the public fund scale of Huatai Asset Management



3.1 Serving People's Livelihood Improvement

Case

Public REITs for Government-Subsidized Rental Housing to Support People's Livelihood Improvement

In 2024, under the strong support of a package of policies, the hire-purchase housing system was further implemented, and the "market + government-subsidized" housing system continued to improve. Infrastructure assets of high-quality government-subsidized rental housing were developed to alleviate housing tension in urban areas by providing more cost-effective living conditions for young talents, multi-child families, and disadvantaged groups, and offering affordable housing options for low-income urban families. Using REITs as a bridge, Huatai Securities achieved deep integration of finance and people's livelihood in 2024 by participating in investments such as the Red Land Shenzhen Affordable Rental Housing REIT (紅土深圳安居保租房 REIT).

the coordination of "government-securities-enterprise" resources, it aims to assist private enterprises in benefiting from the capital markets, thereby comprehensively improving the quality and efficiency of inclusive finance development.

3.2 Supporting Private Enterprises

Case

Huatai Purple Gold Investment Established Industrial Funds to Build a System for Cultivating High-Quality Private Enterprises

In 2023-2024, Huatai Purple Gold Investment actively strengthened regional capital market cultivation and built a system for cultivating high-quality private enterprises through strategic cooperation with local governments and the establishment of industrial funds. It has successively set up several regional funds in Nanjing, Suqian, Nantong and Suzhou. Moving forward, Huatai Purple Gold Investment will leverage these regional funds as a key tool to deeply integrate into local industrial development and major project support, and utilize its professional expertise to support regional real economy development. By enhancing

Case

Leveraging Equity Investment to Enhance Support for Private Enterprises

Huatai Purple Gold Investment provided value-added services to private enterprises through capital investment, financing facilitation, industrial resource integration and business development guidance, supporting their entry into capital markets. Adhering to the strategy of "investing in small entities with excellent technology at their early stage", the company effectively served the SME sector by investing in and empowering innovative SMEs with strong research capabilities and high growth potential. Among its early-stage investments, several developed into high-quality unicorn enterprises, such as magAssist in the healthcare industry. MagAssist, founded by a young returnee team, with its self-developed in vitro full magnetic levitation artificial heart officially approved for marketing in April 2024 and its minimally invasive interventional artificial heart granted the "Breakthrough Device" by FDA and an innovative medical device by the National Medical Products Administration, successively, had earned a spot on Jiangsu Province's list of potential unicorn enterprises.



3.3 Escorting SMEs

Case

Action on Chain Integration, Chain Consolidation and Chain Building of SMEs - General Aviation Industry Chain Matchmaking Event

In October 2024, Huatai United Securities participated in the "Action on Chain Integration, Chain Consolidation and Chain Building of SMEs - General Aviation Industry Chain Matchmaking Event (中小企業融鏈固鏈建鏈常態化行動—通用航空產業鏈專場對接會)" jointly hosted by the SME Development Promotion Centre of the Ministry of Industry and Information Technology and Qingdao Municipal People's Government. The event brought together over 40 enterprises from various sectors, including aircraft manufacturing (complete aircraft manufacturing, aero-engine manufacturing, component manufacturing, etc.), operation services, aviation maintenance and general aviation services.



Case

Launching the Resident Health Consumption Index to Support the Healthy China Strategy

To support the Healthy China strategy, Huatai Securities supported Health Communication Institute of Fudan University and HealthInsight in the joint research and formulation of the resident health consumption index, providing reference to the improvement of the health of all residents and the benign development of relevant industries. This project has continued for three years with its indicator system refined constantly, and introduced a number of partners from data, academic and corporate sectors, forming an extensive health consumption industry ecosystem.

In November 2024, during the series of conferences and events at the 7th China International Import Expo (第七屆中國國際進口博覽會), Huatai Securities, in partnership with Yicai Media and HealthInsight, hosted the Sustainable Innovation Forum on Medical and Health Industry (醫健產業可持續創新論壇), in which the 2024 Q3 Resident Health Consumption Index Report was officially released. The event gathered participants from government, industry and academic sectors, receiving widespread social recognition and positive feedback.



◆ The 2024 Q3 Resident Health Consumption Index Report was officially released on the Sustainable Innovation Forum on Medical and Health Industry

4. Jointly Building Pension Finance

Developing pension finance is a crucial measure to address population aging, which will help enhance the sustainability of the pension system and effectively meet the consumption demands of the elderly. In 2024, Huatai Securities actively participated in the pension finance system construction, continuously improving the development and introduction of pension products and service systems and expanding the selection and coverage of public pension funds. Furthermore, the Company has long prioritized the healthcare industry as a key focus area, leveraging its long-term capital advantages through investments in the "silver economy" sector to facilitate the solid implementation of pension finance.



Number of pension funds Huatai Securities introduced

244
Pension funds

Huatai Asset Management issued the public pension FOF product, namely "Huatai Purple Gold Steady Pension Target - One-year Holding Hybrid Initiating Fund of Funds (华泰紫金稳健养老目标一年持有期混合型发起式基金中基金, FOF)" to build the pension brand of Huatai

Case

Huatai Purple Gold Investment Expanded into the Elderly Care Sector to Promote the High-Quality Development of the Industry

Huatai Purple Gold Investment strategically focused on the healthcare industry, investing in areas closely related to elderly life, such as dental restoration materials, joint replacement materials, continuous glucose monitoring devices, and key raw materials for weight-loss drugs. The company effectively implemented pension finance by practical operations, contributing to improving the quality of life and health of the elderly. Meanwhile, the healthcare sector is advancing towards intelligence and automation, with medical materials, devices, equipment, etc., deeply integrated with smart manufacturing, forming new quality productive forces with automated production as the core. In the post-investment phase, Huatai Purple Gold Investment will continue to empower its portfolio companies, supporting the high-quality development of the elderly care industry.

Case

Huatai Asset Management Issued the Public Pension FOF to Build the Pension Brand of Huatai

Huatai Asset Management has strategically positioned itself in the pension business to seize the opportunities presented by favorable personal pension policies. The company intended to build its pension brand with a conservative pension FOF product as its inaugural offering, and successfully introduced the "Huatai Purple Gold Steady Pension Target - One-Year Holding Hybrid Initiating Fund of Funds (FOF)". As a relatively conservative pension target product, it employs a "Position-Style-Person (PSP)" investment framework. This product, primarily guided by risk control, is designed to meet investors' pension management needs.

Case

The Elderly-Friendly Transformation of the "ZhangLe Fortune Path" App Helped the Elderly to Overcome the "Digital Barrier"

The "ZhangLe Fortune Path" App thoroughly considered the needs of elderly users by the following measures: setting up prominent entrances for switching to the care mode, simplifying the information hierarchy, optimizing the homepage and trading pages to reduce cognitive load, defaulting larger fonts, enlarging icons, improving color contrast to make interface information clearer and easier to identify, expanding the operating area,

increasing feedback time, and adding voice inquiries and voice reading functions to improve the convenience and accuracy of operations.

In terms of business scenarios, the App supports various formats such as live streaming, short videos and voice search for market information. It provides content customization, a night mode for eye protection, and online customer service with voice support, thus meeting elderly users' needs for efficient, convenient, and barrier-free information access and operation, thereby comprehensively optimizing the user experience.

5. Establishing Digital Finance

Digital finance represents a financial ecosystem that integrates finance with digitalization, where financial and technological innovations are mutually reinforcing. Huatai Securities continues to drive the development of digital finance and keeps an eye on cutting-edge fields such as artificial intelligence. By persistently enhancing the capacity building of various platforms, the Company infuses digital thinking and elements into each of its businesses, thereby creating an interactive and empowering new ecosystem for financial development.



Performance Highlights in 2024:

Huatai Securities' self-developed **"CAMS Big Data Intelligent Credit Investment and Research Platform"** and the **"Jianfu (简富)"** project, an investment banking digital due diligence workstation, were both awarded **the Second Prize in the 2023 Financial Technology Development Award by the People's Bank of China**

The Company's formulated Specifications for Mobile Financial Client Applications (《移動金融客戶端應用規範》) and Management Specifications for Mobile Financial Client Application Software Development (《移動金融客戶端應用軟件開發管理規範》) have been recognized with **the prestigious "Enterprise Standards Pioneer" award by the Securities Association of China**

The Company actively participated in the pilot program for FinTech innovation in the capital markets. Among the first batch of FinTech innovation pilots, it spearheaded **five projects** that were approved for launch, making it the leading applicant with **the most projects selected**

5.1 Supporting the Integrated Development of Digital and the Real Economy

Case Huatai Purple Gold Investment Implemented the Strategy of Integrating the Digital and the Real Economy to Support the Development of Industries Related to Digital Finance

Huatai Purple Gold Investment placed equal emphasis on the digitalization of industries and the industrialization of digital technologies. Through equity investments, it supported the high-quality development of companies along the digital finance-related industrial chains, such as big data, cloud computing, artificial intelligence, blockchain and integrated circuits. It took digital-related industry projects as its key reserve projects like new types of storage, Chiplet, optical communications, satellite internet, industrial software, AI agents and embodied intelligence. By the end of 2024, Huatai Purple Gold Investment had successfully invested in machine vision, and a leading power semiconductor company, to promote the construction of digital finance infrastructure; invested in relevant companies in the integrated circuits sector to lay out the development of computing power and facilitate the intelligent development of digital finance; invested to deploy into digital interaction interface enterprises in automobile cockpits, which would facilitate the application of intelligent products in automobile scenarios; and invested to deploy into a smart glasses enterprise to capture new AI terminal portals, and thus further exploring data potential in new production and consumption scenarios. Moving forward, Huatai Purple Gold Investment will continue to implement national policies on the integration of digital and the real economy, contributing more to the construction of a digital China.

Case Huatai Innovative Investment Supports DaoCloud to Boost Digital Industry Development

Shanghai DaoCloud Network Technology Co., Ltd. ("DaoCloud") is a technology provider engaging in software, technical services and product ecosystem business in relation to cloud native platforms. The company participated in and promoted the construction of several regional computing power hub centers, providing stable and efficient computing power support to various industries. Since 2018, Huatai Innovative Investment has progressively increased its investment in DaoCloud, with cumulative investments reaching approximately RMB131 million by the end of 2024. In addition to financial support, Huatai Innovative Investment has provided post-investment assistance under the concept of "patient capital". This approach has continuously injected financial resources into high-tech enterprises under development stages, fostering industry transformation and the development of the digital economy.

Case Huatai Securities was Approved by the CSRC to Pilot Blockchain-Based Digital Identity Infrastructure Project

In March 2024, Huatai Securities led the "Distributed Digital Identity Infrastructure Project for the Financial Industry Based on Blockchain Technology (基於區塊鏈技術的金融行業分佈式數字身份基礎設施項目)" to formally commence the pilot work. This initiative aimed to leverage blockchain technology to establish a distributed digital identity infrastructure for the financial sector to enhance identity authentication and data security. The project sought to promote the application of data elements in key areas of the capital market.

5.2 Innovating Digital Financial Services

Case

Huatai Asset Management Drove Innovation in Asset Management Business Models Through Digital Transformation

Huatai Asset Management, by adhering to its platform-based strategy for its entire business chain and leveraging its unique strengths as a broker in asset management, integrated full business scenarios and both internal and external resources into its platform to create a comprehensive asset management ecosystem. Focusing on the two major business areas of investment asset management and investment banking asset management, the company accelerated the construction of its "Asset Management Cloud Platform (資管雲平台)" in the fields of investment research, investment management and risk control. Notably, its investment banking asset management platform, the "ATOMS" (「資鑒」) system which is centered around the entire business process of ABS business, has built the industry's first integrated platform for investment banking asset management business, realizing comprehensive online management of business undertaking, execution, underwriting and ongoing operations. Huatai Asset Management has also independently developed an ABS quantitative model engine, which can flexibly adapt to various ABS transaction structures and mainstream asset types in China, and complete professional and multi-scenario quantitative analysis of ABS products.

5.3 Strengthening External Exchange Activities

Case

Hosting the "Navigating Cycles: Digital Finance Driving High-Quality Development Forum (穿越週期，數字金融驅動高質量發展論壇)"

In December 2024, Huatai Securities hosted the "Navigating Cycles: Digital Finance Driving High-Quality Development Forum" in Shanghai, where economists, industry experts, enterprises, institutional investors and others were invited to share insights and practices on high-quality development in the new economic landscape. During the forum, taking advantage of the fifth anniversary of the launch of its institutional client service brand (「行知」), the Company **highlighted its commitment to upgrading digital services tailored to client needs. By leveraging technologies such as digital signatures and artificial intelligence, Huatai Securities showcased its digital advantages to enhance service experiences.** The Company also emphasized its efforts to integrate online and offline resources, connecting diverse forces to support the real economy. Through these initiatives, Huatai Securities aimed to provide more professional and client-centric digital institutional services, accompanying clients in navigating economic cycles and fostering mutual growth, thereby contributing to the high-quality development of the real economy with the power of digital finance.



◆ Navigating Cycles: Digital Finance Driving High-Quality Development Forum

Responsibility First and Promoting High-Quality Development

Huatai Securities practices the political and people-oriented nature of financial work, puts functionality in the first place, focuses on its main responsibilities and businesses, and acts as the "service provider" for direct financing, the "gatekeeper" for the capital market, and the "manager" of social wealth, building a solid bridge between the real economy and the capital market. In key areas such as promoting synergy and common development across regions, supporting high-standard opening up, and steadily advancing rural revitalization, Huatai Securities effectively harnesses the value of being the main force in serving the real economy and the ballast for maintaining financial stability.



Key Topics

- ☒ Serving the real economy
- ☒ Rural revitalization
- ☒ Safety and quality of products and services



Performance Highlights in 2024:

In 2024, Huatai United Securities served **22 equity clients**
(excluding capital increase through asset subscription)

28.147 billion
Financing scale

Served **432 bond clients**
(excluding local government bonds and financial bonds)

1,102.269 billion
Financing scale

In 2024, Huatai Purple Gold Investment filed and established **4 funds** in the Yangtze River Delta region, dedicated to supporting the sound economic development of the Yangtze River Delta region

3.220 billion
Total scale

In 2024, Huatai United Securities assisted in underwriting **two "Belt and Road" bonds**, contributing to the development of the "Belt and Road" initiative

1.9 billion
Financing scale

In 2024, Huatai Securities collaborated with **10 futures risk management subsidiaries to serve over 100 customers**, achieving a total cross-border futures return swap trading volume of

30.664 billion

Trading volume

44 Items

Trading varieties

In 2024, Huatai United Securities was awarded the **"Best Investment Bank in Practicing ESG"** award in the selection of the **"17th New Fortune Best Investment Banks"** organized by New Fortune

1.1 Assisting Integrated Development of the Yangtze River Delta

The integrated development of the Yangtze River Delta holds a pivotal strategic position in the process of leading high-quality development, improving the spatial layout of reform and opening up, and creating robust and dynamic growth in China. As a securities company deeply rooted in the Yangtze River Delta, the Company fully leverages its professional financial advantages, actively meets the financing needs of enterprises in the Yangtze River Delta region, participates in the construction of major regional projects, facilitates the efficient circulation of regional financial resources, and drives the high-quality development of the Yangtze River Delta region.

Case

Huatai United Securities Assisted in the Successful Listing of Zhongrui on the ChiNext Board of the Shenzhen Stock Exchange

Changzhou Wujin Zhongrui Electronic Technology Co., Ltd. ("Zhongrui") is a high-tech enterprise integrating research and development and production of lithium battery precision structural component series products, and located in Changzhou City, Jiangsu Province, with the Yangtze River to the north and the Lake Tai to the south. In April 2024, Huatai United Securities, acting as the sole sponsor and lead underwriter, based on its extensive experience in the capital market and deep understanding of the new energy lithium battery industry,

fully identified Zhongrui's technological highlights and corporate value, and accompanied Zhongrui throughout its growth journey and successful listing on the ChiNext Board of the Shenzhen Stock Exchange, with funds raised amounting to RMB800 million. This helped Zhongrui further empower the development of innovative applications in "electrification + intelligence" of the new energy industry, contributing to the construction of Changzhou as the "Capital of New Energy" and escorting China's journey for "new energy going global".

Case Huatai Asset Management Assisted in the Successful Listing of Nanjing Jianye REITs

In December 2024, Huatai Purple Gold Nanjing Jianye Industrial Park Closed-End REITs (華泰紫金南京建邺產業園封閉式基礎設施證券投資基金) ("Huatai Nanjing Jianye REITs") were officially listed on the Shanghai Stock Exchange as **Nanjing's first industrial park REITs**. Huatai Asset Management acted as the fund manager and asset-backed securities manager of this project. The project of Huatai Nanjing Jianye REITs raised RMB1.022 billion. As Nanjing's first industrial park REITs, this project created a new model for sustainable investment and financing in the regional infrastructure sector, and contributed to realizing the construction of a new "strong, rich, beautiful and high standard" Jiangsu with financial power.



◇ Official Listing of Huatai Nanjing Jianye REITs

Case Huatai United Securities Assisted in the Issuance of the First Credit Bond on the Beijing Stock Exchange

In January 2024, with Huatai United Securities acting as the lead underwriter, the Corporate Bonds of Beijing State-Owned Assets Management Co., Ltd. ("Beijing State-Owned Assets") publicly issued to professional investors (First Tranche) were successfully issued.

As the **first** enterprise **approved by and issued credit bonds on the Beijing Stock Exchange**, Beijing State-Owned Assets fully demonstrated its extensive influence and high recognition in the capital market during this issuance, which effectively manifested the leading and demonstration role of Beijing State-Owned Assets in supporting the bond market to realize high-quality development, and provided strong support for the enterprise to strengthen its core competitiveness.

Case Qinghe Program (Beijing-Tianjin-Hebei) Innovation and Integration Activities

In October 2024, Huatai International together with Huatai United Securities, partnered with Shaanxi Qinchuangyuan to prepare for the Qinghe Program (Beijing-Tianjin-Hebei) Innovation and Integration Activities (陝西秦創原籌備青禾計劃(京津冀)創新互融行活動), with an aim to carry out face-to-face in-depth exchanges and business discussions on technological innovation, industry development, construction of capital ecosystem and other aspects, which effectively promoted the integration and innovation of industrial and financial resources between Shaanxi Province and the Beijing-Tianjin-Hebei region.

1.2 Supporting Coordinated Development of the Beijing-Tianjin-Hebei Region

The Company further implements the strategy of coordinated regional development, actively promotes the development of innovative industries in the Beijing-Tianjin-Hebei region, supports enterprises to join forces across regions, and promotes cross-regional cooperation in the capital market.

1.3 Facilitating Construction of Guangdong-Hong Kong-Macao Greater Bay Area

The Company actively seizes opportunities presented by the construction and development of the Guangdong-Hong Kong-Macao Greater Bay Area, deepens the cross-border integrated linkage strategy and optimizes the cross-border comprehensive financial service platform system. Leveraging the integrated system covering full-business chain, the Company continues to contribute to promoting the interconnection of financial markets in the Greater Bay Area and the integrated economic development between Mainland China and Hong Kong and Macao, facilitating the high-quality development of the real economy in the Greater Bay Area with high-quality financial services.

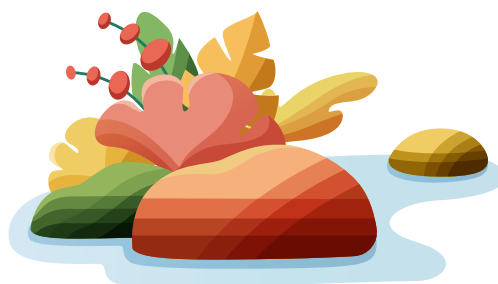
Case Huatai Futures Successfully Won the Typical Excellent Case in "Serving Social and People's Livelihood"

In November 2024, the First Press Conference on Providing Financial Support for Integrated Development of Guangdong and Macao and Typical Cases for Hengqin Development (金融支持粵澳融合發展暨橫琴建設典型案例發佈會) was held in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin. The collection of cases was hosted by the Guangdong Branch of the People's Bank of China, with participants covering a total of over 50 financial institutions and enterprises from banks, securities, funds, futures, insurance, and non-bank payment institutions. Huatai Futures was the only representative of futures companies selected, and its applied case **"Price Guarantee + Basis" Forward Orders Help Stabilize Prices and Production for Pig Farming Enterprises Supplying Macao** (「保價+基差」遠期訂單助力供澳生豬養殖企業穩價穩產) was successfully shortlisted among the Typical Excellent Cases in "Serving Social and People's Livelihood".

Case Huatai Securities was one of the First Batch of Shortlisted Pilots for the "Cross-Boundary Wealth Management Connect" to Serve the Diversified Wealth Management Needs in the Greater Bay Area

In November 2024, Huatai Securities became **one of the first batch of securities companies to participate in the pilots for the "Cross-Boundary Wealth Management Connect (跨境理財通)"**. The **"Cross-Boundary Wealth Management Connect"**, as an important program of the interconnection mechanism between the Mainland China and Hong Kong-Macao capital markets, is of great significance for serving the wealth management of residents in the Guangdong-Hong Kong-Macao Greater Bay Area.

Huatai Securities deeply integrated the "Cross-Boundary Wealth Management Connect" business with its ongoingly deepened cross-boundary integrated linkage strategy, and continuously optimized the cross-boundary comprehensive financial service platform system. Huatai Securities had completed the construction of "Cross-boundary Wealth Management Connect 2.0". It focused on the full-process user experience in product design, and performed adaptation and optimization on multiple pages to ensure the smooth development of the "Northbound" and "Southbound" businesses of the Cross-Boundary Wealth Management Connect, and to serve the diversified wealth management needs of residents in the Greater Bay Area under "One Huatai".



1.4 Promoting High-Standard Opening up

The Company deepens its international layout, innovates business models, enhances professional service capabilities, and steadily increases its influence and discourse power in international financial markets. With profound insights into both domestic and foreign capital markets, the Company precisely meets the overseas financing needs of domestic enterprises. By offering a cross-border integrated comprehensive service system, the Company actively helps Chinese customers to "go global" and overseas customers to "come to China", effectively responding to the nation's strategic deployment of high-standard opening up.

1.4.1 Cross-Border Integrated Comprehensive Services

The Company fully leverages the Group's experience in "A+H+GDR" listings across three stock exchanges and its full-business chain advantages, and comprehensively engages in the interconnection of domestic and foreign capital markets. By fully utilizing professional financial instruments and products from both domestic and foreign capital markets, the Company meets the diversified needs of domestic and foreign customers and strives to build a first-class investment bank with both domestic advantages and global influence.

Case

Huatai International Assisted in the IPO of S.F. Holding on the Main Board in Hong Kong

In November 2024, Huatai International, acting as a joint sponsor, overall coordinator, joint global coordinator, joint bookrunner and joint lead manager for the offering, successfully assisted S.F. Holding Co., Ltd. ("S.F. Holding") in its listing on the Main Board of the Hong Kong Stock Exchange. The IPO of S.F. Holding in Hong Kong was **the largest logistics industry IPO project in Hong Kong in the past three years, the third-largest IPO project in Hong Kong in 2024**, and another "A+H" benchmarking

project this year. With this listing, S.F. Holding became the first company listed on both the A-share and H-share markets in the logistics industry. The listing of S.F. Holding in Hong Kong successfully introduced the company to the international capital markets, helped Chinese enterprises further enter the vision of international investors and brought more anticipating investment opportunities to the market.

Since S.F. Holding's official listing on the Shenzhen Stock Exchange in 2017, Huatai has always maintained a close strategic partnership with S.F., providing S.F. a full range of capital market services across markets and accompanying S.F. to become a benchmark in the logistics industry both in China and even globally, marking another successful practice of assisting a domestic enterprise in "going global".

Case

Huatai United Securities Assisted Develop in Acquiring HME Technologies, an OEM Manufacturer for Oil and Gas Industry Equipment in Singapore

Nanjing Develop Advanced Manufacturing Co., Ltd. ("Develop") is a globally renowned component manufacturer for oil and gas equipment, with products widely used in deep-sea drilling, shale gas fracturing and other oil and gas equipment in major oil and gas exploitation areas around the world. HME Technologies is an OEM contract manufacturer for oil and gas industry equipment in Singapore, providing long-term services to large international oil and gas equipment companies.

In October 2024, Develop completed the acquisition of 100% equity interest in HME Technologies. Huatai United Securities acted as the sole financial advisor to the purchaser in this project. Against the backdrop of advancing high-standard opening up and making greater efforts to attract and utilize foreign investment, this transaction fully demonstrated the strong strength of China's manufacturing and drove China's manufacturing to establish a broader influence and competitiveness globally. It is also an important step in achieving the new journey of collective pursuit of high-quality development under the "Belt and Road" Initiative.

1.4.2 Development of International Business Overseas

The Company steadfastly implements its international development philosophy, and continuously enhances its participation in mainstream international markets. By issuing H-shares and GDRs, the Company has successfully entered the Hong Kong and London markets. Additionally, it has established subsidiaries in the United States and Singapore, deeply integrating into the international financial markets, to further strengthen its cross-border capital operations and continuously enhance its international influence.

Case The Ninth "Belt and Road" Summit

In September 2024, Huatai International, in collaboration with various business lines, participated in the Ninth "Belt and Road" Summit (第九屆「一帶一路」高峰論壇) jointly hosted by the Hong Kong Special Administrative Region Government and the Hong Kong Trade Development Council, and made exchanges and sharing with 6,000 figures, political and business leaders from over 70 countries and regions worldwide. Huatai International participated in the "Energy, Natural Resources and Public Utilities Investment Project Introduction (能源、自然資源及公共事業投資項目介紹)", where it made exchanges and sharing, assisting Chinese enterprises in expanding into overseas markets and collective pursuit of high-quality development under the "Belt and Road" initiative.



◇ The Ninth "Belt and Road" Summit

Case The 17th Asian Financial Forum

In January 2024, the Hong Kong Special Administrative Region Government and the Hong Kong Trade Development Council hosted the 17th Asian Financial Forum (第17屆亞洲金融論壇) under the theme "Multilateral Cooperation for a Shared Tomorrow (多邊合作 共譜新篇)". The forum attracted over 3,000 financial and business professionals from around the world to jointly analyze global economic trends in the new year and explore sustainable economic development and multilateral cooperation opportunities.

As an innovative financial partner of this forum, Huatai International was invited to participate in this grand event and at the closed-door roundtable meeting titled "Hong Kong - ASEAN: Fundraising (「香港—東盟：資金籌集」閉門圓桌會議)", Huatai International, together with representatives from Hong Kong financial and legal sectors, shared insights on the advantages of Hong Kong's financial market with outstanding business representatives from ASEAN countries.



◇ Exhibition Area of Huatai International at the 17th Asian Financial Forum

1.5 Serving Rural Revitalization

The Company takes serving rural revitalization as a major development task and a major people's livelihood task, wholeheartedly serves the national strategy of rural revitalization, improves the long-term mechanism to promote rural revitalization comprehensively, and integrates the Group's advantageous strengths to orderly advance the five key areas of rural revitalization, including industry, talent, culture, ecology and organization, in order to serve the national goal of building a strong agricultural country, and provide strong support for the comprehensive building of a modern socialist country.



1.5.1 Organizational Mechanism for Rural Revitalization

Establishing strong
organizational
leadership

- Major leaders personally carry on research, subordinate leaders give specific guidance, and specially-assigned personnel of functional departments take charge.
- Insisting on the selection of young backbone staff with good political quality, strong working ability, commitment and responsibility as the assistance team members and serving as the "first secretary" in the village.

1.5.2 Finance Empowerment for Rural Revitalization

Based on the actual needs of assistance areas, the Company integrated all business lines, including wealth management, investment banking, asset management and funds, into the work of serving rural revitalization. By integrating the Group's advantageous strengths, it provided a full range of comprehensive financial services to assistance areas

Support rural industry development. Huatai United Securities, through Huatai Foundation, invested in the "Smart Agriculture – Agricultural Drone (智慧農業 - 農業無人機)" project in Feng County, Xuzhou City, effectively improving the production efficiency of the agricultural industry and promoting the mechanization and intelligent development of local agriculture.

Support the construction of factories for local agriculture. Huatai United Securities provided special funding to support the construction of Jiangxi Shicheng White Lotus Processing Factory, which established fresh lotus processing production lines and provided jobs for local residents.

Establish agricultural risk coverage. Huatai Futures actively played the role of "insurance + futures" to establish price risk coverage for rural households. In 2024, the Company ranked the sixth in the rural revitalization work assessment by the China Futures Association, **with its "insurance + futures" business ranking the fourth in the industry.**

Launch the "Stabilize Enterprises and Secure Agriculture to Safeguard the Real Economy (「穩企安農 護航實體」)" initiative. Huatai Futures conducted research on the white sugar industry in Guangxi, bringing closer relationship between institutions and agricultural product industry chains, and providing strong support for the development of the real economy.

Serve risk management for agricultural products. Huatai Futures jointly held an oil and oilseeds conference with Dalian Commodity Exchange to serve risk management for the agricultural product industry chain.

Serve rural livelihood foundation. Huatai Securities has been carrying out a long-term project in Nangqian County, Yushu Tibetan Autonomous Prefecture, Qinghai Province. In response to the phenomenon of falling into poverty or returning to poverty due to illnesses caused by serious health issues of residents and high incidence of infectious diseases and major illnesses in the Tibetan area, it provided strong support for the development of local healthcare sector, renovated the dialysis ward of Nangqian County People's Hospital, built Children's Homes at local schools, and provides material aid and nature education support for children in difficulty.

Implement a consumption assistance program. Huatai Securities and its subsidiaries actively purchased and sold agricultural and sideline products from poverty-stricken areas and other underdeveloped areas, with a cumulative purchase amount of RMB9.2314 million.

Case Xuzhou Feng County "Smart Agriculture - Agricultural Drone" Project to Support Local Industry Development

In December 2023, Huatai United Securities, through Huatai Foundation, invested in the "Smart Agriculture - Agricultural Drone (智慧農業—農業無人機)" project in Feng County, Xuzhou City. The project was launched in March 2024. Once completed, it will significantly alleviate the physical labor burden on local farmers during production, helping reduce labor costs in processes such as agricultural planting and pesticide spraying. Each drone invested in the project will directly or indirectly benefit 20 households, effectively improving the production efficiency of the agricultural industry and promoting the mechanization and intelligent development of local agriculture.



◇ "Smart Agriculture - Agricultural Drone" Project Implemented by Huatai United Securities in Feng County

Case Research on the White Sugar Industry in Guangxi with the Theme of "Stabilize Enterprises and Secure Agriculture to Safeguard the Real Economy" Supported the Development of the Real Economy

Research on the White Sugar Industry in Guangxi with the Theme of "Stabilize Enterprises and Secure Agriculture to Safeguard the Real Economy (穩企安農護航實體)" is an important research brand activity of Huatai Futures. Since 2017, Huatai Futures has continued to track the main white sugar producing areas in Guangxi at fixed points and on a regular basis. By visiting the main white sugar producing areas in Guangxi, it has built a communication platform between the futures market

and the real industry. The research team covers market entities such as growers, sugar companies, traders and financial investment institutions. The research activities went deep into the fields and intuitively displayed the planting and growth of sugarcane through on-site scientific measurements. The report formed by the research deeply analyzes the situation of the white sugar industry chain, and accordingly analyzes and predicts the production, sales and prices of white sugar, providing an effective reference for white sugar companies to manage production and operation price risks.

Case Continuously Exerting Professional Advantages of Futures to Support Rural Revitalization

Huatai Futures continuously exerted professional advantages of futures to support rural revitalization. In 2024, Huatai Futures carried out over thirty professional knowledge training sessions for village and town government officials, village and town enterprise cooperatives and professional agricultural technicians in dozens of regions including Yan Chang County in Shaanxi, Lancang County in Yunnan, Zhuanglang County in Gansu, Nangqian County in Qinghai and Yuping County in Guizhou. Huatai Futures also provided consumption assistance of over RMB1 million and for two consecutive years organized representatives from members of the Communist Party and the Communist Youth League to go to its binding assistance primary schools to carry out volunteer activities, providing public welfare courses to over 800 students. In addition, Huatai Futures donated nearly RMB100,000 to students from poor families and outstanding students.



◇ Huatai Futures Carried out Volunteer Activities at Menglang Town Central Primary School in Lancang County in Yunnan

Case

Exploring Rural Ecological Revitalization and Strengthening the Livelihood Foundation for Rural Ecological Revitalization

Under the national strategy of Great Protection of Yangtze River and the policy initiative of deepening East-West Collaboration, Huatai Securities actively participated in Jiangsu's targeted assistance efforts to Qinghai. Huatai Foundation proactively engaged in providing binding assistance by social organizations from eastern provinces (municipalities) to national rural revitalization key assistance counties by binding with Nangqian County in Qinghai Province, to explore innovative paths for rural ecological and technological revitalization in Nangqian County.

In recent years, with increasing efforts in ecological protection, continuous improvement of environment and growing wildlife populations, the issue of human-bear conflicts in Nangqian County has gained more attention. To effectively protect personal and property safety of shepherds with no harm to brown bears and with protection to local ecological environment poses a new challenge to improving rural construction level.

Huatai Foundation assisted Shan Shui Conservation Center in further understanding the habits of wildlife in the local area and formulating targeted protection strategies. It partnered with Shanghai Stock Exchange Foundation to launch a bear prevention pilot project in Nangqian County, reinforced houses for over 200 shepherds and built an AI-based brown bear warning system. To date, the bear prevention system has issued a total of more than 2,000 alerts, with an accuracy rate of 94%, accumulating valuable experience in addressing human-wildlife conflicts.



◇ Houses with Doors and Windows Reinforced with Iron Sheet Installed




◇ Updated and Upgraded Brown Bear Identification Model and Warning Platform



Green Development and Serving the Construction of a Beautiful China

The year 2024 represented a crucial year in achieving the goals and tasks under the 14th Five-Year Plan. The State Council published the Opinions on Accelerating the Comprehensive Green Transition of Economic and Social Development (《關於加快經濟社會發展全面綠色轉型的意見》), making deployment to promote the comprehensive green transition of the economy and society, comprehensively promoting the construction of a Beautiful China, and accelerating the modernization process featuring harmonious coexistence between man and nature. Huatai Securities adheres to the concept of sustainable development, strengthens climate risk management and control, innovates green operation practices, endeavors to protect biodiversity, creates a green supply chain, and promotes green and low-carbon economic and social development.



Key Topics

- ✓ Climate change tackling
- ✓ Ecosystem and biodiversity protection
- ✓ Circular economy
- ✓ Waste disposal
- ✓ Energy usage
- ✓ Usage of water resources
- ✓ Environmental compliance management
- ✓ Supply chain Security



Performance Highlights in 2024:

Greenhouse gas (GHG) emissions per unit area (Scope 1 and Scope 2)

0.09 tons
CO₂ equivalent/m²

The photovoltaic power generation systems at headquarter office

89,841 kWh
Power generation capacity

Headquarter square received **the LEED-NC Gold Certification** issued by the United States Green Building Council (USGBC)

The **"One Commonweal Heart of Huatai One Yangtze River"** ecological environment protection program won the honors of 2024 Annual Green Innovation Case by Southern Weekly (《南方週末》2024 年度綠色創變案例) and Excellent Project of the Year at the 2024 Charity Ceremony of Chinese philanthropists (「凝心聚益」中國慈善家 2024 年度慈善盛典年度優秀項目)

2.1 Responding to Climate Change

In response to the global issue of climate change, the Company has actively addressed the challenges and opportunities posed by climate change, attached importance to climate risk governance, and promoted the construction of a response mechanism in an orderly manner. With reference to the Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework issued by HKEX and the International Financial Reporting Sustainability Disclosure Standards 2—Climate-related Disclosures (IFRS S2) issued by the International Sustainability Standards Board (ISSB), and the recommendation framework of the former Task Force on Climate-related Financial Disclosure (TCFD), the Company has identified its relevant climate risks and opportunities, promoted the management of climate-related risks and opportunities, and ensured the orderly implementation of climate actions.

2.1.1 Climate Change Management System

◆ Valuing Climate Risk Governance

The Company endeavors to enhance the level of climate governance and exercises the voting right and states its concerns about resolutions on climate change, including but not limited to carbon neutrality goals, actions on carbon emission reduction and response to climate related physical and transition risks, approves relevant resolutions in principle and continuously incorporates relevant regulatory policies on climate change, relevant systems of the Company on climate change, the impacts of climate change risks on the operation and finance of the Company as well as the measures of the Company on identifying and responding to risks into consideration.

Level	Working mechanism
Board of Directors	<p>The Board of Directors of the Company is responsible for comprehensively supervising climate risk</p> <ul style="list-style-type: none">• Taking charge of the overall supervision of ESG matters with a focus on climate change-related issues, including supervising, directing and reviewing climate change-related management approaches, policies, strategies, objectives, action plans, risks and opportunities and other major decisions and their implementation;• Assuming overall responsibility for the Company's climate risk management, regularly formulating and reviewing climate risk management strategies, objectives, risks and opportunities, action plans and other major decisions and paying particular attention to resolutions on climate change.
ESG Committee	<p>The ESG Committee is the decision-making and deliberative body for ESG work</p> <ul style="list-style-type: none">• Responsible for formulating and reviewing strategies, goals and other major decisions related to environmental protection, climate change and other sustainable development issues;• Responsible for determining the importance of climate change issues, and identifying risks and opportunities of climate and other important tasks;• Responsible for the construction and management of climate-related mechanism, and coordination of the overall implementation of climate change strategies.

Level	Working mechanism
ESG management team	<p>The ESG management team is accountable to the ESG Committee and responsible for the implementation and promotion of environmental and climate change-related policies</p> <ul style="list-style-type: none"> • The implementation of climate risk management strategy, statistics of energy and resource consumption, and the accounting of greenhouse gas emissions.
ESG implementation team	<p>All business departments and subsidiaries jointly promote the implementation of climate change actions</p> <ul style="list-style-type: none"> • Explicitly responsible for the specific implementation of the work related to climate change issues, so as to ensure the solid progress and effective implementation of the work on climate change actions.

◆ Climate Risk Strategies and Actions

The Company has elevated the management of climate change to a strategic level, and has actively carried out the identification, assessment and analysis of climate-related risks and opportunities, determined the climate-related risks and opportunities that have a substantial impact on the Company's business and operation, and gradually improved the top-level design for the management of climate-related risks and opportunities.

◆ Climate Risk Management

Based on its business and strategy, and taking into account expert opinions, the Company evaluates climate-related risks and opportunities. The Company has constructed a climate-related risk and opportunity matrix based on the assessment results, and identified the materiality of the risks and opportunities based on their probability and degree of impact, while also improving the mechanism for climate-related risks and opportunities on an on-going basis. See 2.1.2 Analysis of Climate-Related Risks and Opportunities for details.

◆ Indicators and Targets

As a financial enterprise, the Company consumes energy and discharges carbon mainly for daily office work in the course of operations, involving energy such as electricity, natural gas, petrol used for company owned vehicles and diesel used for diesel generators. The Company implements various energy conservation and emission reduction measures such as adopting sustainable energy sources, promoting recycling, reducing paper consumption and advocating green and low carbon travel, so as to reduce energy consumption and carbon emissions. The Company conducts statistics and analysis of total carbon emissions and energy consumption and intensity to assess the management on climate change issue and accordingly formulate improvement scheme to promote energy conservation and emission reduction. Taking 2021 as the base year, the Company has set carbon emission and energy management targets, and will track and report on the progress of such targets on an annual basis.

Indicator		Monitoring indicator	Target	Progress
Carbon emissions management	GHG emissions per unit area	Total GHG emissions Scope 1 GHG emissions Scope 2 GHG emissions Total emissions per unit area	Based on the Company's goal set in 2021, taking 2021 as the base year, to reduce GHG emissions per unit area by 2% in 2025	The Company's GHG per unit area (including Scope 1 and Scope 2) was 0.09 ton CO ₂ equivalent/m ² in 2024, a decrease of 18% from 2021
Energy management	Electricity consumption per unit area	Total electricity consumption Total consumption per unit area	Based on the Company's goal set in 2021, taking 2021 as the base year, to reduce the electricity consumption per unit area by 2% in 2025	The Company's electricity consumption per unit area was 149.18 KWh/m ² in 2024, a decrease of 15% from 2021
Water resources management	Water withdrawal per unit area	Total water withdrawal Total withdrawal per unit area	Based on the Company's goal set in 2021, taking 2021 as the base year, to reduce water withdrawal per unit area by 7% in 2025	The Company's water withdrawal per unit area was 0.56 ton/m ² in 2024, a decrease of 8% from 2021
Waste management	Waste production volume	Waste volume of electronics Toner cartridge Drum unit Discarded fluorescent tube Total paper consumption	Based on the Company's goal set in 2021, the Company will gradually improve its waste statistics to maintain a relatively low amount of hazardous and non-hazardous waste generated	The total number of the Company's hazardous waste in 2024 was 11,117, a decrease of 11% from 2021

For details of actions and results, see Chapter 2.2 Practicing Green Operation and contents in Key Quantitative Performance Indicators.

2.1.2 Analysis of Climate-Related Risks and Opportunities

The Company has comprehensively considered the direction of macro policies and conducted peer benchmarking to gain insights into industry dynamics and trends. Taking into account internal and external expert opinions, the Company has actively identified various climate risks and opportunities related to its operation, investment and financing business, and evaluated their potential financial impacts, so as to provide forward-looking insights for the Company's strategic decisions.

◆ Management Approach of Climate-Related Risks and Opportunities



- According to the unified climate change-related information disclosure framework developed by the former Task Force on Climate-Related Financial Disclosures (TCFD), 6 climate-related risks and 5 climate-related opportunities were identified



- Based on the Company's business and strategy, taking into account expert opinions to evaluate climate-related risks and opportunities

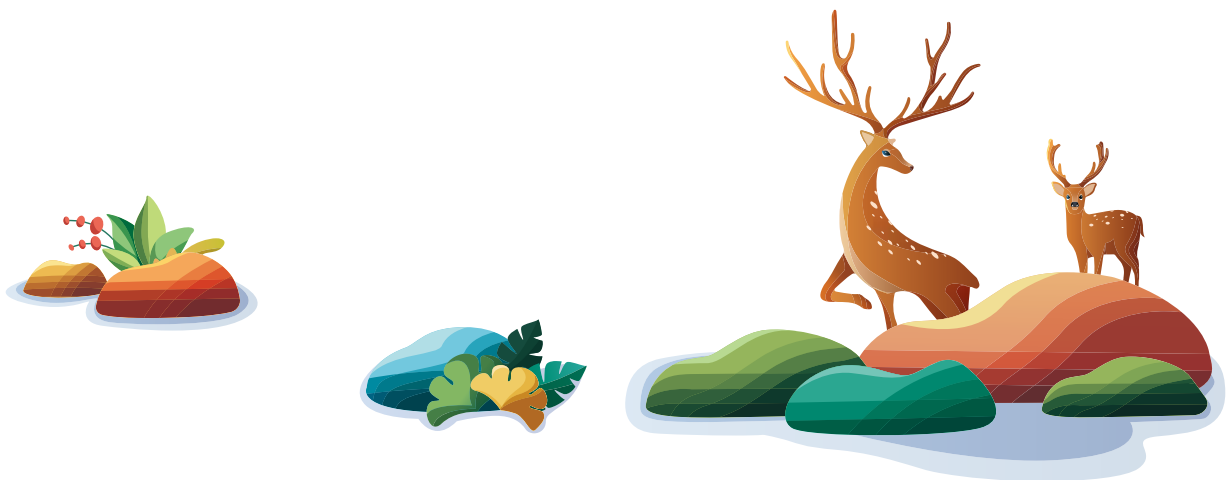


- Construct a climate-related risk and opportunity matrix based on the assessment results, analyze relevant risk factors and manage them with implementing corresponding measures

◆ Climate-Related Risk Management Measures

The Company has incorporated relevant factors on climate change into relevant business management and control processes. It set the indicator of "energy saving, emission reduction and climate change" in the "environmental protection and sustainable development" module of the ESG due diligence on clients and considers clients' actions in reducing resources consumption, pollutants and the emission of greenhouse gas to understand possible risks of clients on climate change. Moreover, it revised the Reference Index of Policy Documents on Industries with High Environmental Risks, Biodiversity and Climate Change of Huatai Securities Co., Ltd. (Revised in 2024), which involves national key industrial and environmental protection policies that need to be complied with, including those of agriculture, energy use, forestry, mining, oil and natural gas, transportation, raw materials and other industries, as well as biodiversity, climate change and other areas, to provide a reference for relevant business departments to carry out ESG due diligence on clients and strengthen climate risk management.

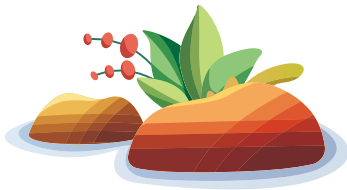
◆ Climate-Related Risks and Opportunities Analysis Matrix



◆ Analysis of Potential Financial Impact of Climate-Related Risks

Type of climate-related risk	Specific description	Time span	Stakeholders affected	Potential financial impact	Type of risk involved
Market risk	As the supply and demand structure of the market changes, there is a greater preference for climate-friendly products and services. The Company's customers/investment targets may be exposed to business risks such as lower product prices, raising raw material prices and failure to meet market demand in terms of products, which may impact their solvency or market valuation. Therefore, the Company may be exposed to credit risk and the risk of devaluation of investment portfolio.	Short term Medium term Long term	Shareholders and Creditors Customers Employees Suppliers and Partners Peers	Operating income ↓ Portfolio value ↓	Credit risk Market risk
Acute physical risk	Severe climate changes such as typhoons and floods will produce extreme weather or natural disasters, which may impact the normal operations of the Company's business department, thereby affecting the Company's business to carry out. On the other hand, the Company's customers/investment targets may be impacted by disasters and unable to maintain normal operations, resulting in reduced solvency or lower market valuation.	Short term	Community	Operating income ↓ Portfolio value ↓ Fixed asset value ↓	Credit risk Market risk Operational risk
Chronic physical risk	Long-term natural pattern changes such as sea level rise and persistent high temperature may impact the Company's normal operations. On the other hand, with increasing climatic degeneration, the probability of climate disasters increases, which may impact the market valuation of certain customers/investment targets (such as agriculture, forestry, livestock and fisheries).	Medium term Long term	Shareholders and Creditors Customers Employees Suppliers and Partners	Operating cost ↑ Portfolio value ↓	Market risk
Policy and legal risk	The continued introduction of environmental policies and tightening of regulations will impact the normal operations of the Company's customers/investment targets. For example, the carbon-intensive industries may be exposed to cessation of business, resulting in reduced solvency and lower market valuation. The Company and its customers may be held accountable for not complying with climate-related policies or laws in accordance with the law, and suffer from regulatory measures, disciplinary actions, property losses or business reputation risks.	Short term Medium term Long term	Shareholders and Creditors Government and Regulatory Authorities Customers	Operating income ↓ Portfolio value ↓	Credit risk Market risk

Type of climate-related risk	Specific description	Time span	Stakeholders affected	Potential financial impact	Type of risk involved
Reputational risk	<p>The public is paying more and more attention to green operation and green building. If the Company fails to meet the expectations of stakeholders, it may bring reputational risks to the Company's operations.</p> <p>On the other hand, the Company's customers/ investment targets may suffer reputational damage and lower market valuation due to failure of timely response to stakeholder expectations, which may result in higher credit risk and lower portfolio value for the Company.</p>	<p>Medium term</p> <p>Long term</p>	<p>Shareholders and Creditors</p> <p>Government and Regulatory Authorities</p> <p>Customers</p> <p>Employees</p>	<p>Operating income ↓</p> <p>Portfolio value ↓</p> <p>Operating cost ↑</p>	<p>Reputational risk</p> <p>Credit risk</p> <p>Market risk</p>
Technology risk	<p>In the process of low-carbon technology transformation, there are opportunities to make significant breakthroughs in energy-saving and environment-friendly technologies such as renewable energy and new energy, and thus gradually to phase out traditional energy/ production technologies, which may have impact on solvency and market valuation of certain customers/investment targets that are unable to update their technologies in a timely manner.</p>	<p>Short term</p> <p>Medium term</p> <p>Long term</p>	<p>Customers</p> <p>Employees</p>	<p>Operating income ↓</p> <p>Portfolio value ↓</p>	<p>Credit risk</p> <p>Market risk</p>



◆ Analysis of Potential Financial Impact of Climate-related Opportunities

Type of climate-related opportunities	Specific description	Time span	Stakeholders affected	Potential financial impact
Market opportunities	The introduction of related policies related to carbon neutrality and climate change investment and financing have a guiding effect on green finance business and the market. Focusing on climate-friendly products and services to develop business is conducive to opening up new growth space for the Company, thereby also possibly an increase in the market valuation of the Company's investment targets.	Short term Medium term Long term	Customers Employees Suppliers and Partners	Operating income ↑ Portfolio value ↑
Products and services	The Company researches and innovates climate-friendly products, or provides financial services to customers in green industries such as environmental protection, energy saving, and clean energy, which is conducive to opening up new growth space for the Company, thereby also an increase in the market valuation of the Company's investment targets.	Short term Medium term Long term	Customers Suppliers and Partners	Operating income ↑ Portfolio value ↑
Resource efficiency	By building green data centers, the Company promotes energy conservation and emission reduction through improving resource and energy use efficiency, etc., which is conducive to reducing operating costs.	Medium term Long term	Employees Community	Operating cost ↓
Energy sources	The use of clean energy and low-carbon energy to replace traditional high carbon energy will help reduce the Company's energy expenditure in the future.	Medium term Long term	Employees Suppliers and Partners Community	Operating cost ↓
Resilience	It is difficult for the Company to manage climate risks individually due to few historical data, complex structure and transmission processes on climate risk. Therefore, it is conducive to mitigate the climate risks through improving the Company's resilience to risks.	Long term	Shareholders and Creditors Employees	Operating income ↑ Operating cost ↓

2.2 Practicing Green Operation

In compliance with the laws and regulations and policy requirements such as the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Circular Economy Promotion Law of the People's Republic of China (《中華人民共和國循環經濟促進法》), the Water Law of the People's Republic of China (《中華人民共和國水法》), the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》) and the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), the Company formulated and implemented the Environmental and Social Management Statement of Huatai Securities Co., Ltd., vigorously practicing green operation in order to reduce environmental burdens of its operation activities and innovate a new model of circular economy. In 2024, the Company was not involved in any major violations related to environmental protection.

2.2.1 Green Office

The Company adheres to the concept of sustainable development, advocates green and low-carbon office, and reduces the carbon footprint of the Company's operations by strengthening energy and water resources management, waste disposal and other measures, taking practical actions to respond to the national call on "carbon peak and carbon neutrality" targets.

◆ Enhancing Emissions Management

As a financial enterprise, the Company's energy consumption and carbon emissions in the course of its operations mainly come from electricity, natural gas, petrol, diesel and other energy sources generated in the course of office work. The Company has integrated the concept of green and low carbon into its daily operation and launched energy saving, emission reduction and carbon reduction work from the perspectives of green office, green building, green procurement and green travelling. In 2024, the Company continued to promote the statistics and analysis of the total amount and density of energy consumption, assessed the level of carbon emission management, and solidified the management progress of energy saving and carbon reduction.

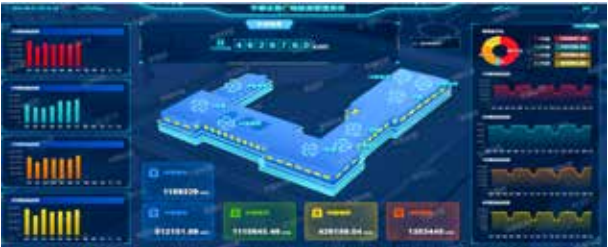
Carbon Emission and Energy Management Measures

Major aspects	Specific measures
Adopting clean energy	<ul style="list-style-type: none">• A sunlight-induced lighting device system was adopted at office areas to realize the use of clean energy.• Headquarters are equipped with photovoltaic power generation systems, generating 89,841 KWh of electricity in 2024 with photovoltaic power generation systems.

Major aspects	Specific measures
Promoting energy saving and emission reduction	<ul style="list-style-type: none"> Optimized and upgraded the energy management system, regularly analyzed energy consumption and enhanced control over energy consumption. Continuously carried out energy-saving renovation. At present, there are more than 40 air conditioners in the data center room, of which five precision air conditioners with relatively large cooling capacity decline have been modified by frequency conversion and fans installation, reducing energy consumption by approximately 22%. For some overheated areas, renovation was made to their return airflow to optimize the return airflow and improve the efficiency of cooling capacity utilization. The air conditioning system used ice storage cold air, the underfloor air distribution system and other technologies, which gave full play to the energy conservation efficiency of low-temperature air distribution. Universally applied low-energy LED lighting in office lighting to achieve greater savings in electricity consumption for daily office lighting. Used video meeting systems to reduce the number of on-site meetings and carbon emissions from business travel. Practiced the concept of garden office, expanded the area of greenery planting, adopted new construction materials and followed the concept of green, novelty and environmental protection. Transferred assets to recycle office supplies such as computers.
Advocating green travel	<ul style="list-style-type: none"> Formulated relevant documents such as the Administrative Rules for Motor Vehicles and gave priority to purchasing new energy vehicles. Installed new energy charging piles for new energy vehicles and electric vehicles in underground garages of office parks to encourage green modes of travel.
Green data center	<ul style="list-style-type: none"> Built a low-carbon data center through measures such as improving the heat dissipation efficiency of equipment and renovating air-conditioning rooms for light and heat insulation. With the goal of creating a green data center, Huatai Securities Square Data Center continued to take various measures to improve energy efficiency from pre-construction to post-operation. In terms of resource deployment, the Company continued to promote cloud-based business, with approximately 440 physical servers offloaded in 2024.
Green office building	<ul style="list-style-type: none"> Huatai Securities Square received the LEED-NC Gold Certification issued by the United States Green Building Council (USGBC), demonstrating the recognition for its resource and energy use efficiency. In 2024, Huatai Securities consistently implemented energy saving and emission reduction policies, with the newly built R&D center targeting at China Green Building Three Stars and sponge city, whose comprehensive energy-conservation building standard is $\geq 65\%$.
Strengthening emergency management	<ul style="list-style-type: none"> Established complete emergency management measures, implemented a 24-hour duty and accident information reporting system for security personnel, and put in place emergency equipment to effectively prevent and control the impact of extreme weather on company operations.

◆ Optimizing Energy Management System

The Company has established and continues to optimize its energy management system, using the digital platform to provide targeted guidance for the commencement of energy conservation work. At present, the energy management system carries out statistical analysis of the electricity consumption of all electrical equipment in Huatai Securities Square by area, function (air-conditioners, elevators, lighting, kitchen electricity, etc.) and time (year-on-year, month-on-month comparison), automatically generates statistical data charts and realizes the visualization of the trend of energy consumption, which makes it easier to determine the peaks and valleys of electricity consumption, improve the level of energy-saving operation and management, enhance the efficiency of management and the efficiency of energy utilization, and provide effective guidance for the implementation of the energy saving and emission reduction plan.



◇ Energy Management System Interface Analysis Diagram

◆ Improving Efficient Use of Resources

The Company has set targets for water resources management and waste management, attaches great importance to the recycling of water resources and the effective management of waste to improve the efficient utilization of resources and reduce wastewater and waste discharge. Progress toward these targets is tracked and reported annually.

As a financial enterprise, Company consumes water mainly for office work during the course of daily operations. With adopting municipal water as the main source, the Company has no problem in sourcing water. In 2024, it actively implemented water saving measures and strove to realize its water saving target.

Water Resources Management Measures

Major aspects	Specific measures
Advocating water saving	<ul style="list-style-type: none">Publicized the concept of water saving by posting water saving posters in prominent office areas and playing water saving publicity videos on a loop in elevator lobbies.
Practicing scientific water use	<ul style="list-style-type: none">Launched a "water balance test" to ascertain the current status of water supply and water consumption, improve the efficiency of water conservation, and realize scientific water management, rational water consumption and guidance on water conservation.Adopted water-saving sanitary ware to reduce water consumption.Made full use of the rainwater recovery system to maximize the usage of water resources by collecting rainwater in the rainy season, and irrigating plants in the dry season.Conducted regular maintenance on water equipment to prevent evaporating, emitting, dripping, and leaking.

Resources consumption of the Company mainly includes paper consumption by contracts, bills, documents and other paper materials during office work and the waste generated mainly consists of hazardous waste such as electronic waste, toner cartridge and drum unit, as well as non-hazardous waste such as office rubbish, etc. In 2024, the Company took active measures to optimize waste emissions management and strive to reduce the impact of waste on the environment.

Waste Management Measures

Major aspects	Specific measures
Promoting paperless office	<ul style="list-style-type: none"> • Promoted paperless office based on the OA system, the electronic signature platform, intelligent business travelling and other platforms, and used environmental-friendly paper for business card production and report printing. • Advanced online procurement, with multiple systems for procurement, contract and payment operating in parallel to fully realize the whole process of online and standardized procurement of office supplies and promotional items, significantly reducing the use of paper materials in the whole process.
Waste utilization management	<ul style="list-style-type: none"> • Disposed waste by upholding the concept of "waste recycling and value innovation", encouraged reuse and entrusted qualified units for the recycling and treatment of non-hazardous and hazardous wastes and wastewater. <ul style="list-style-type: none"> ◦ Discharged office wastewater into the municipal sewage pipeline to be disposed of by the municipal wastewater treatment plant ◦ Required the property management center to clear and transport office waste ◦ Electronic waste, light tubes, toner cartridge and drum unit and other hazardous waste entrusted to qualified units for recycling, disposal or reuse by the recycling party • Optimized the allocation of fixed asset resources and improved the utilization rate of existing assets to avoid idle waste. <ul style="list-style-type: none"> ◦ Used the original finishes of offices as much as possible to reduce non-necessary depletion and consumption ◦ Transferred idle physical assets to other units in need for use through the physical asset system, so as to enhance the efficiency of asset utilization. During the year, a total of 1,899 equipment was transferred
Waste sorting management	<ul style="list-style-type: none"> • Arranged areas for waste sorting on each floor of office areas in response to the Administrative Regulations of Nanjing on Household Waste (《南京市生活垃圾管理条例》). • Publicized the concept and practice of waste sorting to employees by posting posters of waste sorting and playing waste sorting videos on a loop in elevator lobbies to create an atmosphere of "everyone participating in waste sorting".

Case Huatai United Securities' Volunteer Service on the "Tree Planting Day"

In March 2024, Huatai United Securities organized over 180 volunteers to participate in voluntary tree planting in Beijing, Nanjing, Shanghai and Shenzhen, strengthening the awareness of "Volunteer Service +" and enhancing the sense of responsibility of the employees towards the ecological civilization. In this spring, rows of seeds of hope were planted to add color to the ecological environment.



◇ Huatai United Securities' "Tree Planting Day" Voluntary Tree Planting Activity

2.3 Protecting Biodiversity

The Company actively responds to the requirements of the China's National Biodiversity Conservation Strategy and Action Plan (2023-2030) (《中國生物多樣性保護戰略與行動計劃 (2023—2030 年) 》) of the Ministry of Ecology and Environment of the PRC, bearing in mind the harmonious coexistence between mankind and nature. Taking advantage of the "One Commonweal Heart of Huatai One Yangtze River" ecological environment protection program, it continues to carry out work in relation to biodiversity conservation, stays committed to protecting the biodiversity of the Yangtze River Basin and contributes to the achievement of the national strategic goal of biodiversity protection for the new era.

2.3.1 Mainstreaming Biodiversity Process

In 2022, the "Independent Commitments by Non-State Actors" of the Company with the theme of "One Yangtze River One World" was officially included in the database of the United Nations CBD "Action Agenda". Over the past two years, the Company has joined hands with various parties to carry out biodiversity protection, responded to the "Kunming-Montreal Global Biodiversity Framework" reached at the 15th meeting of the UN Conference of the Parties to the Convention on Biological Diversity (CBD COP15) and led employees, customers, partners, the public and other groups to widely understand and participate in the protection of biodiversity to facilitate the progress of biodiversity into the mainstream.

Independent Commitments by Non-State Actors

- Continuously conducting dialogues with NGOs on environmental protection, academic institutions, securities regulatory authorities and financial enterprises
- Promoting the incorporation of biodiversity evaluation indicators into the ESG rating and investment evaluation system in more effective manners
- Providing long-term and stable capital support to NGO partners
- Launching asset management products with the theme of charity and funding biodiversity protection programs with the management fees of certain products

spotless tree toad, Bekko Tombo, and Chinese horseshoe crab, which has fully demonstrated China's giving further play to its leadership in the field of global biodiversity governance and uniting the diverse efforts contributed by all sectors of society.



◇ Potential OECMs in China Cases Collection Campaign held by Huatai Securities

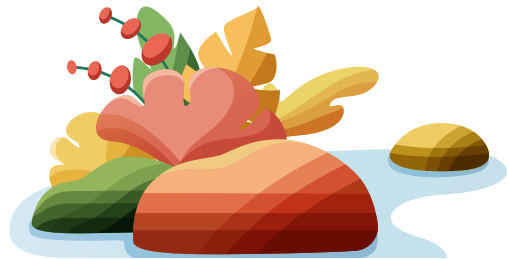
Case

Jointly Released the Potential OECMs in China to Support the United Nations "30x30 Target" on Biodiversity

In October 2024, the 16th meeting of the UN Conference of the Parties to the Convention on Biological Diversity (CBD COP16) was held in Colombia, and the "Kunming-Montreal Global Biodiversity Framework Potential OECMs in China" jointly developed by Huatai Securities and Shan Shui Conservation Center was released at the side event, showcasing to the international community the diverse explorations and practices of all sectors in China in promoting the balanced development of ecological protection and economic and social development.

Since August, the initiative has collected a total of 90 potential cases of OECM from all walks of life in China. These cases were submitted by non-governmental organizations, enterprises, higher institutions, farmer co-operatives, etc., covering ecosystems such as forests, wetlands, oceans, towns and farmlands, and supporting the conservation of many rare and endangered species such as the Siberian tiger, giant panda, Yunnan snub-nosed monkey, Chinese pangolin, Baer's pochard,

In 2024, the Company revised the Reference Index of Policy Documents on Industries with High Environmental Risks, Biodiversity and Climate Change of Huatai Securities Co., Ltd. (Revised in 2024) to add the China's National Biodiversity Conservation Strategy and Action Plan (2023-2030) issued by the Ministry of Ecology and Environment of the PRC in 2024 into the index for relevant units to refer to the national biodiversity conservation master plan in carrying out ESG due diligence on clients.



2.3.2 Deepening the Practice of Ecological Environment Protection

The Company took the initiative to serve the national strategy of "Great Protection of Yangtze River" and the policy initiative of deepening "East-West Collaboration". It launched the "One Commonweal Heart of Huatai One Yangtze River" ecological environment protection project at the source of the Yangtze River. Over the past six years, the project has extended its main coverage from the source of the Yangtze River to the middle and lower reaches of the river, and its content has been extended from key species protection and community development to a wider range of areas such as youth talent development and public education, with ESG as the bond to promote biodiversity into the mainstream, which has delivered significant social benefits.

◆ Ecological Protection of the Yangtze River

The "One Yangtze River" ecological environment protection project promotes the protection of the ecological diversity of the Yangtze River Basin, starting from the source of the Yangtze River. The project advocates social concern for endangered species such as the Yangtze finless porpoise, helps to restore its wild species through a series of public welfare actions such as the restoration of the Yangtze River ecosystem and scientific let loose, and strengthens popularization of science and education, so as to continue to expand the social influence and appeal.

Case

Initiated the "Breathe to Live · Finless Porpoise Protection Program"

In September 2024, Huatai Asset Management, together with the "One Yangtze River" ecological environment protection project and the Nanjing Finless Porpoise and Aquatic Life Conservation Association, jointly launched the "Breathe to Live · Finless Porpoise Protection Program (生呼吸·江豚守護計劃)", held the first public welfare activity of breeding and releasing rare fish, through which mullet, *Leiocassis longirostris* and other fish species under key protection were released into the Nanjing section of the Yangtze River to help maintain the ecological balance of the Yangtze River Basin.



◇ The "Breathe to Live · Finless Porpoise Protection Program" Welfare Activity

◆ Coastal Wetlands Conservation

In 2024, the "One Yangtze River" project further extended its coverage to Tiaozini Wetland of Jiangsu. It endeavored to lead key stakeholders to build a demonstration model for coastal wetland conservation in the Yangtze River Delta region, and launched a pilot project based on wetland conservation and management, which has enhanced the effectiveness of conservation and management. Through public education and publicity activities, the conservation awareness among the neighboring communities, especially the youth groups, was further enhanced, contributing to the realization of the 2030 Sustainable Development Goals.

Case

Initiated the Jiangsu Coastal Wetland Conservation Demonstration Project

On the 53rd World Environment Day in June 2024, the Jiangsu Coastal Wetland Conservation Demonstration Project under the "One Yangtze River" was officially launched. Through rigorous field monitoring, the project gained a full understanding of the distribution of waterbirds in the important beach wetlands of Tiaozini, and proposed key points for habitat management, which has provided important references for an in-depth understanding of the dynamic changes of local waterbird species, and offered a valuable basis for the protection of endangered species and scientific research.



◇ Kick-off Ceremony of the Jiangsu Coastal Wetland Conservation Demonstration Project

Case

"One Yangtze River" Coastal Wetlands Conservation Volunteer Activity in Tiaozini Wetland

In August 2024, Huatai Securities organized a coastal wetland conservation volunteer activity in Tiaozini Wetland. For the common goal of exploring and protecting coastal wetlands, 25 volunteers under the "One Yangtze River" project from all over the country gathered in Tiaozini, Yancheng, Jiangsu, to learn about courses on energy transition, wetland carbon sinks, biodiversity and climate change, and to carry out coastal bird monitoring practices to promote the conservation of coastal wetlands.



◇ Coastal Wetlands Conservation Volunteer Activity in Tiaozini Wetland

Case

Released the Documentary Film "Tiaozini: the Migration Miracle of Spoon-billed Sandpiper"

In December 2024, Huatai Securities released the Documentary Film "Tiaozini: the Migration Miracle of Spoon-billed Sandpiper (《条子泥：勺嘴鹬的迁徙奇迹》)". Through public education and publicity activities, it has raised the conservation awareness among the neighboring communities, especially the youth groups, and greatly promoted public participation in the conservation practice of biodiversity.



◇ Promotional Poster of "Tiaozini: the Migration Miracle of Spoon-billed Sandpiper"

2.4 Improving Green Supply Chain

The Company continues to build a green supply chain, adhering to the principles of sunshine procurement, responsible procurement and green procurement. Taking into account of ESG factors and risks in the process of supplier admission and supervision, it has iteratively updated the supplier assessment and admission mechanism, formulated the Procurement Management Measures of Huatai Securities Co., Ltd., (《华泰证券股份有限公司採購管理辦法》) and issued the Code of Conduct on Suppliers of Huatai Securities Co., Ltd. and the Provisions on Anti-Corruption, Anti-Bribery and Integrity Practice of Huatai Securities Co., Ltd., actively advocating the ESG sustainable development concepts of anti-corruption, non-discrimination and diversity, and constructing a mutually beneficial, win-win and sustainable ecosystem featuring good cooperation.

2.4.1 Supplier Management

The Company strictly complies with the laws and regulations such as the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》) and the Government Procurement Law of the People's Republic of China (《中華人民共和國政府採購法》), and has formulated rules and policies such as the Procurement Management Measures of Huatai Securities Co., Ltd. and the Code of Conduct on Suppliers of Huatai Securities Co., Ltd., which put forward clear requirements for suppliers in terms of **compliance and ethics standards, anti-corruption, environmental protection and employees' interests**. It improves the regulatory framework for supply chain management of the supply chain to regularize and standardize the procurement process.

Key Tasks for Supplier Management

Precise management

- Managing suppliers by categorizing them into strategic suppliers, key suppliers and ordinary suppliers and implementing differentiated management based on the classification results and provisions of contracts.

Admission requirements

- It is necessary to meet the requirements of having a good business reputation and a sound financial accounting system;
- Having the necessary equipment and professional and technical capabilities to perform the contract, and a good record of paying taxes and social security funds in accordance with the law;
- Satisfying the requirement that there is no major violation of laws and adverse records in business activities in the three years prior to participating in the procurement activities.

Substantive verification

- Checking supplier's credit report and "Credit China" enquiry report for creditworthiness in the course of procurement activities;
- Adding the substantive verification on suppliers for key projects and establishing an inspection group comprising relevant departments to conduct on-site verification on suppliers to prevent risks;

- Connecting the supplier management system with the National Enterprise Credit Information Publicity System to reflect the abnormalities of industry and commerce information of suppliers in a real-time manner;
- Making dynamic assessment on suppliers with a project-by-project basis through the supplier management system and comprehensively rating suppliers via the annual supplier satisfaction survey.

Punishment degree

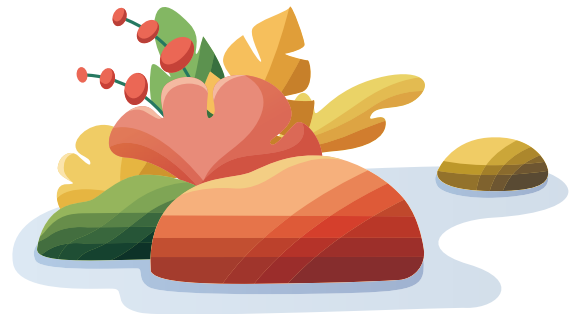
- Boosting punishment efforts on misconducts such as falsification, bid-rigging and bidding collusion by suppliers and increasing the cost of default by suppliers;
- Extending the exclusion period of eliminated suppliers from one year to three years and adjusting the exclusion period of delisted suppliers from five years to permanence;
- Delisting suppliers with low assessment ranking and misconduct or adopting other measures.

2.4.2 Strengthening Suppliers' Anti-Corruption Management

The Company attaches great importance to supply chain management and pays attention to the performance of suppliers in terms of environmental protection, labor and other social responsibilities, and will not consider suppliers that do not meet the requirements. The Company updates and improves the supplier assessment and admission mechanism, giving priority to suppliers with good ESG and social responsibility performance.

The Company pays strict attention to the anti-corruption issue of suppliers, and has formulated the Anti-commercial Bribery Clauses (《反商業賄賂條款》) and made it a mandatory clause in the procurement contract, and developed the Provisions on Anti-Corruption, Anti-Bribery and Integrity Practice of Huatai Securities Co., Ltd. which requires that all employees shall not, directly or indirectly, confer improper benefits to others or seek improper benefits. Suppliers of the Company shall formulate corresponding anti-corruption policies, abide by the corresponding rules and provisions, expressly prohibit employees and suppliers from actively or passively engaging in acts of bribery, and require the Company's management staff to

sign the Commitment on Practice with Integrity (《廉潔從業承諾書》) and project managers to sign the Integrity Commitment Letter (《廉潔承諾函》). They shall actively coordinate with the Company's audit work and endeavor to raise their staff's awareness of anti-commercial bribery.



2.4.3 Responding to Supplier ESG Risks

The Company has strengthened its ability to address supplier risks by means of financial technology. By fully using the "Mingbian (明辨)" intelligent compliance due diligence system, it conducts due diligence investigations on suppliers and embeds due diligence reports in all aspects of supplier admission. The Company conducts comprehensive risk screening of suppliers and communicates with suppliers in detail on respective risk identified, requesting them to issue letters of explanation and adding risk prevention clauses to the contract terms when necessary. Suppliers identified with critical compliance deficiencies will be disqualified from the assessment and onboarding phases of vendor qualification.

2.4.4 Enhancing Green Procurement Construction

The Company is concerned about the performance of suppliers in terms of environmental protection, labor and other social responsibilities. In the Code of Conduct on Suppliers of Huatai Securities Co., Ltd., it is clearly stated that the Company's suppliers shall consciously abide by relevant laws and regulations on environment, track, manage and reduce the impacts of business on environment so far as it is reasonably


practicable, and are encouraged to strengthen the management of areas such as energy consumption, greenhouse gas emissions, water resource consumption and wastes. The practice of green procurement is required during office procurement process, and it is clearly stipulated in the Procurement Management Measures of Huatai Securities Co., Ltd. that "the Company shall give priority to purchasing energy saving and environmental protection products in procurement".

In 2024, the Company adopted new construction materials in decoration and renovation to achieve the integration of environmental protection and buildings. For curtain walls, interior furnishings and landscapes, it followed green, innovative and environmental concepts. It significantly reduced the use of paint and other decoration materials and adopted environmental and paint-free materials instead. Panel furniture was widely adopted for office and it generally eliminated the use of paint furniture. Greater efforts were made in aerial detection and governance after decoration. During the year, furniture panels newly purchased by the head office and branches were selected on a random basis and sent for examining whether the furniture panels complied with the national environmental protection standards and the environmental protection requirements stipulated in the contracts, and the suppliers were urged to strictly implement the quality and environmental friendliness of the furniture, in order to effectively protect the health of the employees.



Being Innovation-Driven and Upholding Product Service Responsibility

Huatai Securities has consistently strengthened its innovation-driven strategy by proactively applying digital thinking and tools to comprehensively overhaul its business and management model, ensuring that digital operational practices take root across front, middle, and back-office functions. Concurrently, the Company has built an open ecosystem in collaboration with multiple stakeholders to develop industry-leading FinTech platforms and products. Through transformative initiatives and accumulated expertise, technology has emerged as a differentiated development feature enabling the Company to lead the digital finance revolution in the sector, while also serving as a core driver for enhancing value creation capabilities and market competitiveness.



Key Topics

✓ Innovation-driven

✓ Responsible marketing

✓ Safety and quality of products and services

✓ Ethics of science and technology

✓ Data security and privacy protection



Performance Highlights in 2024:

Independently developed **Global Trading Platform (GTP)** has been officially put into operation

Number of training sessions on information technology security and customer privacy protection conducted

19

Number of drills of information system, network and infrastructure conducted

6,726

11

Number of scientific and technological patents obtained

11

Number of training sessions on protecting customer rights, interests and privacy conducted

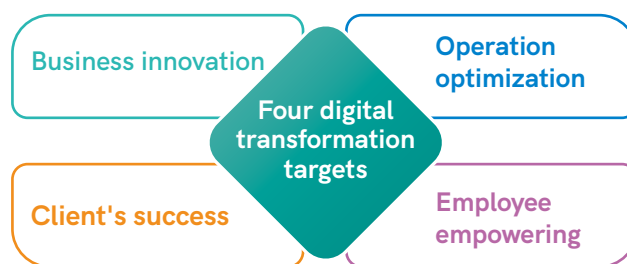
43,377 person-times

Number of employees trained

3.1 Releasing the Value of Digital Innovation

Focusing on the overall vision of "building technology as the core competency of the Company", the Company thoroughly deepens the role of science and technology in supporting business development. It focuses on the digital transformation targets, namely, to achieve "client's success, business innovation, operation optimization and employee empowering", advances the intelligent enhancement of its business platform in an orderly manner, emphasizes on empowering the high-quality expansion of its international business, and promotes the comprehensive digitalization to a new level.

Focusing on cutting-edge technology, the Company has conducted in-depth exploration into technologies such as artificial intelligence, cloud computing and big data, making every effort to build **digital financial services, a digital platform and digital infrastructure** to comprehensively enhance the digital technology capabilities across the entire business chain.



3.1.1 Deepening the Digital Transformation Path

In 2024, the Company deepened the role of science and technology in supporting business development, focused on the four targets of digital transformation and deepened the path of digital transformation to continue to unleash the integration value of "business + technology". Following the two main lines of internationalization and intelligence, the Company speeds up the construction of digital capabilities for international business, works on enhancing the intelligent level of key platforms, and drives continuous iterative optimization of business platforms while reinforcing the resilience of digital infrastructure, so as to push forward the digital transformation with high quality.

Accomplishing customers

- "ZhangLe Fortune Path" continues to build a financial capability platform, empowering professional service capabilities around investment research, content, marketing, and operation. Based on AI capabilities, it improved content operation efficiency in short video production and live streaming by digital characters;
- The one-stop institutional customer service platform "Xing Zhi" released version 5.0, focusing on the core demands of four types of key customer groups, and continuing to create intelligent, self-service and personalized platform experience;
- The institutional customer Onboarding platform is available for the whole process of due diligence, contract signing and account opening, which has achieved full coverage of the business lines of headquarter and overseas institutions.

Business innovation

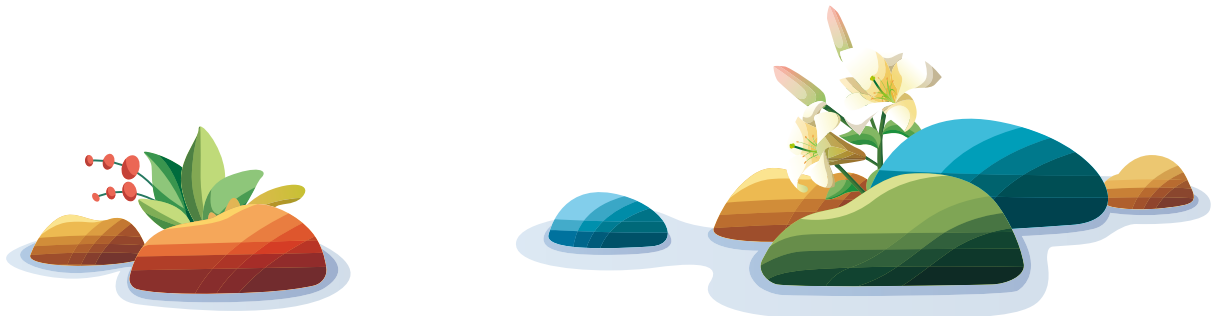
- Focusing on customer value and market trends, the cross-border prime brokerage platform has created a cross-boundary prime brokerage system that integrates trading, securities financing and risk control capabilities to meet the diversified trading demands of domestic and overseas institutional customers in an all-round way;
- The FICC trading platform has completed the construction of market-making and customer service capacity with high quality, and preliminarily built a global trading system.

Operation
optimization

- The intelligent investment research platform was upgraded with an intelligent research report system through the big model, which has empowered the whole chain of investment research to improve quality and efficiency;
- The investment banking cloud platform (投行雲) was reshaped with a core system, enabling the Group to be the first securities company with a self-developed core system in the investment banking sector; The Group upgraded intelligent audit, intelligent Q&A and other AI applications to empower business to improve quality and reduce risk;
- For the risk management platform, it deepened professional risk quantitative research and management capacity building to improve platform-based support for international business risk management.

Employee
empowering

- "AORTA (聊 TA)", the intelligent investment consulting platform, focused on building a classified and stratified customer base operation system and established a supporting team and platform capability base to improve service quality and coverage;
- "Qing Cloud (青雲)", the sales management platform for institutional customers, deepened client and employee profiles and continued to promote integrated sales operations at home and abroad with data as the driving force.



Case

The FICC Elephant Trading Platform Project

Since 2020, the Company has launched its in-house developed Elephant FICC multi-asset real-time pricing, market making and risk hedge platform(FICC 大象交易平台, the "Platform"), which supports traders, investment managers and institutional clients to carry out cross-asset pricing, domestic and overseas, on- and off-market electronic trading and market making business, empowers the digital development of the market making business across the board, and drives the FICC electronic trading capability to be on par with the international advanced level, thus supporting the Group in growing the market making business scale and providing high-quality quoting and trading services to relevant participants in the capital market. In 2024, the "Elephant FICC multi-asset real-time pricing, market making and risk hedge platform" project of Huatai Securities was awarded the only first prize in the securities companies in the "FinTech Development Award" in 2022 jointly organized by the People's Bank of China and the CSRC. This reflects the high recognition of the platform by the regulator and the market.

Case

The CAMS Big Data Intelligent Credit Investment and Research Platform Project

CAMS is an intelligent credit research and pricing platform for domestic buyers based on big data and artificial intelligence. With the in-depth integration of Huatai's technological capabilities and buyer credit investment and research experience, CAMS has established a systematic solution covering credit risk early warning, entity research and evaluation, and quantitative pricing. At present, the Group's primary and secondary credit bond businesses have all been incorporated into the CAMS platform for integrated management and control, guarding the Company's credit risk bottom line. The platform has achieved results in the practical application of the business and has been recognized by industry regulators. In 2024, the Company's **CAMS Big Data Intelligent Credit Investment and Research Platform Project** was awarded the second prize in the selection projects of 2023 FinTech Development Award released by the People's Bank of China.



3.1.2 Continuously Creating an Innovative Environment

The Company firmly forged independent R&D capability and improved product innovation capability to realize leapfrog development in business. In 2024, the Company practiced the innovation-driven development strategy, improved the innovation ecology, stimulated the innovation vitality, created the innovation synergy, and continuously improved the Company's innovation level.

Innovation of technology layout

Relying on the five key laboratories of financial intelligence, big data, and trading technology, the Company has formed the layout of cutting-edge technologies, achieved breakthroughs in the application of key technologies, and promoted the implementation of a number of innovative projects.

Innovation of cultural atmosphere

The 2024 HUATECH Innovation and Creativity Competition was held to fully stimulate the creativity of AI application and promote the integration of technology and industry, which has set up a stage for all employees of the Group to "stimulate innovation vitality and display innovation achievements", and promote the high-quality landing of innovation achievements. The submission "AuditSync: Collaborative Work Platform (Lingji) Based on Audit Digital Intelligence Co-constructed by the Headquarter and Branched (AuditSync: 總分共建基於審計數智化的協同工作平台 (靈稽))" won the first prize in the Creativity Competition.

Innovation of ecological construction

The Company cooperated with head technology companies, venture capital enterprises and other partners to carry out innovation verification and build a more diversified and sustainable innovation ecology.

3.1.3 Empowering Cultivation of Digital Talents

In 2024, the Company deepened the construction of a multi-level training system for digital talents and carried out a number of training programs to help further deepen digital transformation and deliver hot digital tools and concepts to all employees.



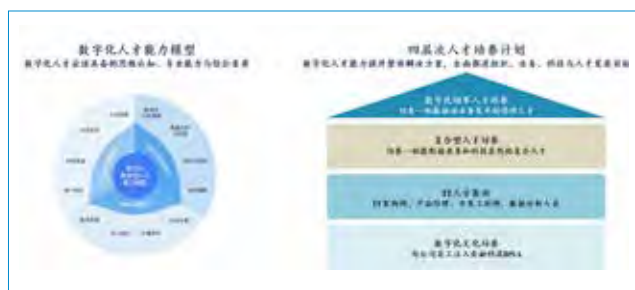
For data analysis talents, the Company **launched a data analyst training camp program**, with more than 1,000 participants and 21 research results were produced to enhance the Company's platform-based digital intelligence capabilities.



For employees in the technology line, the Company **held spring training for all employee in this line, international talent training camp for managers, FinTech lectures and other technology and industry integration trainings**, totaling 33 sessions, and perfected the trinity training system of "new employees, professionals and managers" in the technology line.



For all employees, the Company **established the "UP Workplace Fuel Station" (UP 職場加油站), a training camp designed to improve versatile workplace capability**, which started with AI Efficient Practical Training Camp for Staff (《職場人必修的 AI 高效實戰訓練營》) as the first training topic. This has enhanced AI proficiency and improved work efficiency through courses, practice, interactive learning and other means.



◇ The Company's Multi-level Training System for Digital Talents



◇ 2024 Data Analyst Program

3.1.4 Propelling Industry Financial Technology Construction

In 2024, the Company actively participated in the activities carried out by industry organizations such as the FinTech Committee of the China Society for Finance and Banking (member), the Beijing FinTech Industry Alliance (director unit), the China Finance Standardization Technical Committee Securities Sub-Committee (member), and the China Capital Market Institute (cooperation unit), contributing to the development of industry standards, industry application cases, and industry empowerment. The Company also participated in the preparation of the following: Capital Market FinTech Development Report (2024) (《資本市場金融科技發展報告》(2024)); the group standard Guidelines on the Maturity of Digital Capabilities of Securities Firms (《證券公司數字化能力成熟度指引》) issued by the Securities Association of China; the Annual Report on FinTech Development in China (2024) (《中國金融科技發展報告(2024)》) (Blue Book Series of the Social Science Academic Press) organized by the Beijing FinTech Industry Alliance; the Report on the Development of Blockchain Financial Industry Applications (《區塊鏈金融行業應用發展報告》) organized by the Beijing FinTech Industry Alliance; the Report on the Development of Database Innovation in the Financial Industry (2024) (《金融業數據庫創新發展報告(2024)》) organized by the FinTech Committee of the China Society for Finance and Banking. The Company shared best practices and cases at external conferences such as GOPS Conference, System Architect Conference China, FCon (全球金融科技大會), and CIFS (中國數智金融年會), to jointly promote the progress of FinTech applications.

FinTech Awards and Recognitions in 2024

Date of Award	Organizer	Project	Award
July 2024	Securities Association of China	Financial Mobile Application Software Development Management Specification	Corporate Standard "Forerunner"
July 2024	Securities Association of China	Application Specification for Financial Mobile Applications	Corporate Standard "Forerunner"
August 2024	Shenzhen Stock Exchange	Research and Practice on Intelligent Traceability Comparison of Working Papers of Investment Banks	Second Prize of 2023 Excellent Project by Securities and Futures Industry FinTech Research and Development Center (Shenzhen)
August 2024	Shenzhen Stock Exchange	Research and Practice of Mobile R&D Performance Enhancement in Securities App Based on End-to-Cloud Integration	Second Prize of 2023 Excellent Project by Securities and Futures Industry FinTech Research and Development Center (Shenzhen)
August 2024	Shenzhen Stock Exchange	Real-time Streaming Analytics Platform Based on Financial Engineering and AI Fusion Algorithms	Third Prize of 2023 Excellent Project by Securities and Futures Industry FinTech Research and Development Center (Shenzhen)
August 2024	Shenzhen Stock Exchange	Data Marts Empower Digital Transformation of Investment Banking Business	Third Prize of 2023 Excellent Project by Securities and Futures Industry FinTech Research and Development Center (Shenzhen)
November 2024	Shanghai Stock Exchange	Construction of Database Automation Change Framework for Cloud-Native CICD Pipelines	Second Prize of 2023 Industry Collaborative Research Topic Review by Securities Information Technology Research and Development Center (Shanghai)
November 2024	People's Bank of China	CAMS Platform	Second Prize of the 2023 Financial Technology Development Award
November 2024	People's Bank of China	Jianfu Platform	Second Prize of the 2023 Financial Technology Development Award
November 2024	China Securities Journal	Huatai Securities Co., Ltd.	Golden Bull Award for FinTech
December 2024	Beijing FinTech Industry Alliance	Report on the Development of Blockchain Financial Industry Applications	2024 Top Ten Topics of Excellence

3.2 Safeguarding Information Security and Privacy

Under the background of its digital transformation strategy, the Company has always attached great importance to data information security and customer privacy protection, strictly abided by the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Information Technology Management Measures for Securities and Fund Operators (《證券基金經營機構信息技術管理辦法》), the Measures for the Administration of Cybersecurity and Information Security in the Securities and Futures Industries (《證券期貨業網絡和信息安全管理辦法》), the Guidance for Data Security Management and Protection of the Securities and Futures Industry (《證券期貨業數據安全管理與保護指引》), the Data Classification and Grading Guidelines for Securities and Futures Industry (《證券期貨業數據分類分級指引》), the Security Specification for Mobile Internet Application of the Securities and Futures Industry (《證券期貨業移動互聯網應用程序安全規範》), the Personal Financial Information Protection Technical Specification (《個人金融信息保護技術規範》), the Financial Mobile Application Software Security Management Specification (《移動金融客戶端應用軟件安全管理規範》) and other laws, regulations and regulatory requirements, formulated the Administration Measures on Data Security of Huatai Securities Co., Ltd. the Measures for the Administration of Data Classification of Huatai Securities Co., Ltd. (《华泰证券股份有限公司數據分類分級管理辦法》), the Implementation Rules for Data Destruction Security of Huatai Securities Co., Ltd. (《华泰证券股份有限公司數據銷毀安全實施細則》), the Regulations on Data Lifecycle Security Management of Huatai Securities Co., Ltd., the Implementation Rules of Intranet Data Extraction of Huatai Securities Co., Ltd. and other rules and regulations and issued the Statements on Privacy & Data Security of Huatai Securities Co., Ltd. according to the above systems. The Company has built a more robust information security and privacy protection mechanism by strengthening data governance, privacy protection and cybersecurity prevention and control, and transaction security protection, etc. In 2024, the Company did not experience any data security and customer privacy leakage incidents.

3.2.1 Enhancing Data Governance

The Company has established the **Data Governance Committee** as the leading organization and decision-making body for data security and personal information protection, and has designated the person in charge of data security and personal information protection. The Data Governance Committee is chaired by the Company's executive director and CEO, with the Chief Information Officer serving as the vice-chairman.

The Company issued the Rules of Procedure of Information Technology Governance Committee and established the Data Security and Personal Information Protection Working Group under the Data Governance Committee as the executive body responsible for carrying out, organizing, coordinating, promoting, supervising, and checking the Company's work related to data security and personal information protection. The Data Security and Personal Information Protection Working Group is jointly participated by all units, and the division of responsibilities, mutual supervision and mutual constraints of each unit are clearly defined in accordance with the Measures for the Administration Measures on Data Security of Huatai Securities Co., Ltd.

The Company actively promoted the release of data value, improved institutional norms, mechanisms and processes in the field of data governance such as data assets, standards and quality management, and promoted the implementation of relevant requirements, actively promoted the construction of a data culture, and enhanced the data thinking and capabilities of employees across the Group.

3.2.2 Strengthening System Building

The Company recognizes the importance of information and data security and is committed to data security and personal information protection. In order to continuously strengthen data security and personal information protection and standardize data and personal information handling activities, the Company continuously updates and improves data security and privacy protection related systems and documents to provide guidelines for the standardization of related work of all departments, branches and subsidiaries of the Group.



Data and Information Security Management System

Administration Measures on Data Security of Huatai Securities Co., Ltd.
Measures for the Administration of Data Classification of Huatai Securities Co., Ltd.
Implementation Rules for Data Destruction Security of Huatai Securities Co., Ltd.
Statements on Privacy & Data Security of Huatai Securities Co., Ltd.
Regulations on Data Lifecycle Security Management of Huatai Securities Co., Ltd.
Implementation Rules of Intranet Data Extraction of Huatai Securities Co., Ltd.

The Company actively implements the data security-related requirements in the Data Security Law of the People's Republic of China and other laws and regulations, and has issued management specifications such as the measures for the administration of data security, the regulations on data lifecycle security management, the measures for the administration of data classification, the emergency response to security incidents and incident disposal procedures, and the formulation of data security emergency response plan, etc., and has continued to push forward the formulation and improvement of the management rules related to data security. In addition, the Company strictly follows the principle of minimizing data security issues. Specifically, the Regulations on Data Lifecycle Security Management requires that data processing should follow the minimum sufficiency principle; the Implementation Rules of Intranet Data Extraction requires that during data extraction review, focus should be placed on whether the data to be extracted comply with the minimum necessary principle.

3.2.3 Strengthening Information Security Protection and Early Warning

The Company continues to build monitoring, early warning and event response capabilities of the network and terminal data leakage prevention system, database auditing platform, and application programming interface (API) citizen personal information abnormality monitoring platform. It formulates data security and personal information protection security incident contingency plans and conducts emergency drills, integrates and coordinates various data security capabilities to further enhance whole-process and full-lifecycle data protection capabilities.

3.2.4 Emphasizing Information Protection Measures

The Company attaches great importance to the protection of customers' personal information, strengthens the control of the whole process from information collection, access to use, safeguards the security of customers' information in the process of data transmission and storage, and builds a solid barrier for customers' privacy. In the principle of minimizing authorizations, the Company develops and improves access control policies for personal information through data security and personal information protection impact assessments and security baseline guidance in advance, establishes internal approval processes for important operation of personal information, and sets up separated responsibilities for relevant personnel; in principle, the use and processing of personal information should be set in a controllable environment; at the same time, expired accounts and authorizations should be regularly checked and cleared. For details, please refer to the Statements on Privacy & Data Security of Huatai Securities Co., Ltd.

◆ Information Security Audit

The Company has clarified the audit of its data security system, and its data security work is subject to internal audits every year and external independent audits every three years. In addition, the Company attaches great importance to the infrastructure of data security governance capacity, and has passed the data security governance capacity assessment of the CAICT, and obtained the Level 3 (Comprehensive Governance Level) certification for data security governance capabilities.

Audit frequency	Every year	Every two years	Every three years
Audit organization	External evaluation organization	Corporate inspection department	External professional organization
Audit content	Carry out network security level protection evaluation for the Company's second and third level systems, comprehensively evaluate the implementation of the Company's network security system, network security organization, education and training, management strategy, technical protection, etc., and make timely rectification and improvement for the network security risks found.	Conduct regular information technology audits (covering information security-related content) and special information technology audits. In 2024, the Company carried out special audits of information system operation and maintenance and security management to examine the basic requirements of information system operation and maintenance management specifications, operation and security, system maintenance, emergency management, and network and security management.	In 2024, the Company commissioned an external independent organization to conduct a comprehensive audit of information technology management, covering information technology governance, information technology compliance and risk management, information systems operation and maintenance management, information technology security management, data governance, emergency management, and information technology service organization management.

Case

Information Security and Customer Privacy Protection of "ZhangLe Fortune Path"

In 2024, with respect to the "ZhangLe Fortune Path" App, the Company actively carried out internal self-inspection on the illegal collection and use of personal information by the App, and also conducted application security testing of CSI securities and futures industry. It completed the rectification of problems identified in a timely manner, and successfully passed the industry certification inspection and obtained the industry security certificate to guarantee the compliance of the operation of the "ZhangLe Fortune Path" platform.

3.2.5 Enhancing Data Security Training

The Company continuously strengthens training on information security and customer privacy protection, reinforces the awareness of data security among all employees, incorporates data security-related training into the employee training system, formulates training plans, promotes the implementation of training, adopts a variety of forms to incorporate relevant training and publicity into the entire process of joining and on-the-job process covering all employees (including labor dispatch and outsourcing employees), and enriches the coverage of on-line and off-line channels, so as to effectively enhance the awareness of information security and customer privacy protection of all employees in the Company.

In 2024, through unified data security-related training for all employees of the Company and special training for employees of various departments of the Group and some employees with special privileges, related to security matters such as customer information, employee information, impact assessment and App privacy compliance, the Company continuously expanding the coverage of publicity of the security awareness culture.



11 times

Number of training sessions on protection of customer rights, interests and privacy conducted



43,377 person-times

Number of employees trained

3.2.6 Valuing FinTech Ethics

During the period of evolution in the development of intelligence, the Company will focus on promoting the core capability of reshaping FinTech with AI, further promote the iterative optimization of the large model capability platform and the application expansion of key scenarios, continue to strengthen the review of the demand for information technology projects, enhance risk monitoring and security assessment, and carry out a prudent assessment of AI-based projects.

3.3 Optimizing Products and Services

The Company firmly practices the political and people-oriented nature of financial work, puts functionality in the first place, adheres to the customer-centered approach, applies digital technology, improves service efficiency and customer experience. With the core of "creating value for customers", the Company has enhanced its specialized financial service capability by relying on platform-based operation, and improved the service accompaniment for customers throughout their life cycle, striving to provide customers with high-quality financial products and an all-round integrated service system.

3.3.1 Technology Empowered Service Optimization

The Company has perfected its product service experience through financial technology, created a new content container for the individual stock observation room, and built a systematic capability from scripting to automated video production to provide customized content supply for thousands of stocks around customers' individual stock interpretation demands. Throughout the year, the Company promoted the construction of multiple functional modules such as content containers, automated video production, and live broadcasting by digital human.



By the end of 2024

more than **500**

Market information indicators

◆ "ZhangLe Fortune Path"

In 2024, the Company continued to iterate and update the system of "ZhangLe Fortune Path", with a view to providing investors with more convenient, efficient and warm intelligent wealth management services. A total of 24 versions were launched throughout the year, involving 904 user requirements.

Updates of "ZhangLe Fortune Path" in 2024

Platform building and investment advisory service capacity	<ul style="list-style-type: none">• Completed the construction of the wealth circle, providing users with a comprehensive content service system, helping customers better understand and master investment knowledge and improve investment analysis ability;• Launched the investment advisor portfolio products to provide users with a comprehensive member service system, providing tiered and graded rights and services according to different customer needs, and promoting customers to obtain more valuable service support in the investment process.
Market trading	<ul style="list-style-type: none">• During the Reporting Period, ZhangLe market trading focused on the construction of specialized trading and financial management service capabilities, and gradually constructed a platform-based matrix of new buyer service capabilities around core scenarios such as time selection, stock picking, smart trading, ETF, asset allocation, etc.;• Throughout the year, more than 70 optimizations and upgrades have been implemented, of which the 3 major time selection service tools, namely, market smart money tracking, trend reversal signals (including ETF version),and intraday highs/lows analysis, have served 1.28 million customers per month.
Financial services	<ul style="list-style-type: none">• In 2024, ZhangLe financial products launched services such as ETF worry-free portfolio, smart matching butler, ETF super funds, and lead investing officer, covering a total of more than 800,000 users, to provide customers with professional guidance on financial investment and help them establish a more rational investment mindset;• Actively participated in the "Cross-Boundary Wealth Management Connect Pilot Scheme" in Guangdong-Hong Kong-Macao Greater Bay Area, and orderly promoted the construction of the "ZhangLe Cross-Boundary Wealth Management 2.0".

Content services	<ul style="list-style-type: none"> • Promoted the upgrading of the platform's customized service recommendation capabilities and scenes, accelerated the expansion of service recommendation scenes, and realized "service matching" through scene penetration; • Further penetrated the customer attribution ability into the live container, completed the centralized material uploading and downloading in live studio shopping cart and task system and other operational tools capabilities, forming a unified process management for the transformation of the studio's specialized live services; • Promoted the upgrading of the core content "i Watch" platform. Completed the construction of the full link capacity of real-time video splitting during live broadcasting, strengthened the IP program viewing path of the columns, and deepened the cognition of the live broadcasting column of the market interpretation in the pre-market, intraday and after-hours trading.
New service scenario construction	<ul style="list-style-type: none"> • Promoted the construction of new container scenarios for individual stock analysis and provided content for individual stock analysis; • Improved the "i Watch" content service system, with related capacity building entering the acceptance stage.

3.3.2 Enhancing Customer Service Experience

Focusing on "experience" and "professionalism", the Company continues to improve its service specialization and basic service experience. Through customer-centered operation, the Company empowers the financial consultant teams of its branches and promotes the operational transformation of the Company's long-tail customer service.

3.3.3 Emphasis on Customer Satisfaction

◆ Enhancing Customer Communication Channels

The Company adheres to the "customer-oriented" service tenet by enhancing the customer consultation services, and formulates the Customer Service Standards of Huatai Securities Co., Ltd., and establishes a civilized and standardized service image and increasing online customer service level. The Company provides 7*24-hour uninterrupted customer services through the official customer service hotline 95597, online consultation and intelligent robots, and flexibly adjusts staffing according to customer service requests to ensure smooth service channels.

◆ Strengthening Anti-Telecom and Online Fraud Control

The Company continuously improved the regular anti-telecom and online fraud work. It responds in real-time and acts swiftly for urgent stop payment request from the relevant local anti-fraud centers received by the Company's customer service hotline. In 2024, the Company took timely account control measures against a total of 4 customers and successfully froze the funds involved in fraud of more than RMB3.58 million.

3.4 Stepping up Efforts to Investor Education

The Company formulated the Investor Education Working System of Huatai Securities Co., Ltd., improved the relevant management mechanism and system flow, implemented the relevant requirements of the regulators on investor protection and investor education by focusing on the full integration of investor education and protection into the whole process of daily business, innovated the operation mode of investor education services, continuously carried out the investor education content and activity propaganda of classified services, and established a wide-coverage and strong-supporting investor education service system. In 2024, Huatai Securities Nanjing National Investor Education Base was awarded **"Excellent" rating** by the CSRC **for the year 2023-2024**. The Company's investor education services received an **A grade in the investor education evaluation assessment of brokerage firms organized by the SAC, the SSE, the SZSE and the NEEQ (The National Equities Exchange and Quotations)**.

3.4.1 Promoting the Construction of Investor Education Bases

In 2024, through continuously strengthening cooperation with local regulatory bodies, public welfare organizations, universities, schools and local community organizations, the Company's investor education bases planned a system of

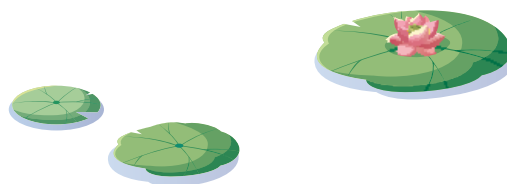
investor education activities at different levels, and gradually built up the "Little Wealth Management Talents (小小财赋家)" and "Dream Program" financial quotient activities for primary and secondary school students; the "Financial Knowledge Study Tour" and "Investor Education Enters 100 Schools" activities for university students; the "Guardian Plan" welfare activities for community residents; and the "Investor Education Lectures", "Entering Listed Companies" and other series of benchmarking activities for investors to continuously expand the influence and radiance of investor education services.



◇ "Financial Knowledge Study Tour" Activities



◇ "Little Wealth Management Talents" Activities



3.4.2 Conducting Investor Education Activities

In 2024, the Company organized centralized education and publicity activities and a series of special thematic activities in line with the regulatory requirements. Focusing on the themes of "3.15 Financial Consumer Protection", "5.15 National Investor Protection Publicity Day", "Financial Education Publicity Month", "World Investor Week", etc., the Company carried out financial knowledge lectures, live video broadcasts, visits to communities, schools and listed companies and other forms of thematic activities to continuously expand the coverage of investor education services.

Case

The Fourth Season of Public Welfare Project on Financial Quotient "One Tomorrow · Dream Program"

In 2024, "Dream Program" Public Welfare Project on Financial Quotient (夢想計劃財商公益) ushered in the fourth season on the topic of "One Tomorrow · Dream Program" (「一個明天·夢想計劃」). With 8 primary and secondary schools in Hubei, Sichuan and Yunnan provinces involved, the project brought students a "Financial Quotient Quality Development Plan (財商素質養成計劃)" with a brand new 14-course financial quotient quality program, aiming to help students establish correct values and concepts of wealth through systematic course contents. The fourth season was ended in June 2024, conducting a total of about 100 financial quotient quality courses covering about 5,000 people, meeting the requirement of "integrating investor education into the national education system (投資者教育納入國民教育體系)".



◇ Class of "Dream Program"

Case

Deep Plowing and Meticulous Planning | Carrying out "World Investor Week" Series of Activities

During the "World Investor Week (世界投資者週)" in 2024, Huatai Securities investor education bases accompanied investors to learn about "green finance", "investment psychology", "rights protection", etc., through multi-dimensional investor education contents, and led investors enjoy a knowledge-filled atmosphere full of "financial technology", "knowledge feast" and "fun" through diversified forms of activities. Through media resources, the Company brought investors to listed companies in the AI data industry and organized exhibitions and thematic sharing sessions related to "digital finance". Centering on themes such as "index investment ETFs" and "options market", the Company carried out online and offline knowledge sharing, guiding the public investors to practice rational investment concepts.



◇ "World Investor Week" Activities



Being People-Oriented and Delivering Warmth

Adhering to the core development concept of "people-oriented", Huatai Securities effectively protects the legitimate rights and interests of employees. It is committed to creating a diversified, inclusive and equal working environment, building an all-around employee care system, strengthening the investment in the development of human capital, and gathering the surging kinetic energy for high-quality development to serve the national strategic goal of strengthening the country with talents. It also practices the responsibility of financial enterprises, fulfills its social responsibility, creates the public welfare brand of "One Commonweal Heart of Huatai", transmits warmth to a wider range of people, and works with all sectors of the society to build a universal, inclusive and harmonious society.



Key Topics

- ✓ Employees
- ✓ Human capital development
- ✓ Public welfare charity
- ✓ Contributions to the society
- ✓ Industry culture construction



Performance Highlights in 2024:

In 2024, Huatai Securities was awarded with the **"Best Employer of Excellent Workplace - Excellent Organization & Employee Health Award"** and the **"2024 EAP Outstanding Employer"** by CIIC

720,000 person-times

Number of participants on HTSC Cloud Learning Platform per year

36.85 hours

Per capita learning reached

12%

Approximate year-on-year increase

100%

Employee training coverage

75.65 hours

Average training hours per employee

205 person-times

Number of staff participating in volunteering

3,600 hours

Total volunteering hours

11

Number of public welfare and charity projects carried out

4,440

Number of people participating in the projects

100%

Approximate year-on-year increase

19,092

Number of people received support

30%

Year-on-year increase exceeded

The number of people participated in the projects and the number of recipients have both achieved sustained growth for three consecutive years

4.1 Protecting the Rights and Interests of Employees

The Company strictly abides by relevant national laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Employment Promotion Law of the People's Republic of China (《中華人民共和國就業促進法》), the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》), and the Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》). and formulated systems such as the Measures for the Administration of Employees of Huatai Securities Co., Ltd. (《华泰證券股份有限公司員工管理辦法》), the Remuneration Management System of Huatai Securities Co., Ltd., and the Administration Measures for Employee Performance of Huatai Securities Co., Ltd. to protect the legitimate rights and interests of employees. The Company pays attention to employee health and safety, promotes employee diversity and inclusiveness, and builds a good labor-employment relationship on an ongoing basis. In 2024, the Company was honored with the Best Employer of Excellent Workplace – Excellent Organization & Employee Health Award and the "2024 EAP Outstanding Employer" by CIIC.

4.1.1 Employee Recruitment Management

The Company strictly observed the relevant national laws and regulations, provides equal employment opportunities to employees, resolutely opposed employment discrimination, and ensures that employees' employment and career development are not affected by any factors such as race, faith, gender, religion, nationality, ethnicity, age, marital status and social status. In 2024, no confirmed event concerning illegal employment and labor was found in the Company.

◆ Regulation of Employment Management

Employee Recruitment Management

Recruitment and dismissal	Systematically regulate the process of voluntary and passive resignation and dismissal of employees, uphold the principle of equal consultation, and sign labor contracts for all employees in accordance with the law.
Equal employment	Firmly oppose employment discrimination and protect the rights and interests of female and ethnic minority employees.
Promote diversity	Promote inclusive recruitment and pay attention to the employment of female candidates and candidates from ethnic minorities; strengthen cooperation with universities and vocational colleges to provide employment opportunities for talents with different professional backgrounds.
Working hours and vacations	Clearly define working hours in accordance with the Measures for the Administration of Employee Attendance (《員工考勤管理辦法》) to ensure that all employees enjoy the right to public holidays, legal holidays and other vacations as stipulated by the state.

Prevention of child labor	Strictly abide by the Law of the People's Republic of China on the Protection of Minors, the Provisions on the Prohibition of Using Child Labor and other laws and regulations, strictly verify the identity information of employees, and resolutely eliminate the recruitment of child labor.
Prevention of forced labor	Formulate the Attendance System of Huatai Securities Co., Ltd. (《华泰证券股份有限公司考勤制度》) to clearly specify the working hours and regularly check the intensity of work to avoid the occurrence of forced labor.

◆ Talent Introduction Management

The Company focuses on talent development strategy, adheres to the recruitment principles of **openness and equality, scientific selection, and moral integrity**, and introduces diversified talents through campus recruitment, social recruitment, internal recruitment, and other flexible and diverse recruitment methods to enhance the depth of talents.

Campus recruitment	<ul style="list-style-type: none"> Steadily promote the "4+2" campus recruitment system, and continue to cultivate the whole life cycle of campus recruitment with the concepts of systematization, ecology and refinement. Organize early campus recruitment, fall campus recruitment, FinTech special campus recruitment, and cross-border management training GTP program for fresh graduates; and Kingsman, FinTech competition and other campus recruitment and talent development programs for students at school.
Social recruitment	<ul style="list-style-type: none"> Based on the Company's strategy and business development needs, formulate the annual talent recruitment plan for each business line. Deepen the influence of employer brand by making joint efforts on the ecological partner side (To B) and the candidate side (To C). Focus on co-creation and deepen the school-enterprise and social recruiting cooperation ecosystem to enhance the synergistic effect of talent recruitment.
Internal recruitment	<ul style="list-style-type: none"> Carry out Internal Talent Recruitment Program to support cross-departmental mobility of employees, so as to expand a broader career development space for employees.

In 2024, the Company focused on the needs of talent echelon construction, strengthened the introduction of talents in core and emerging fields, and continued to carry out large-scale campus recruitment, focusing on the introduction of outstanding young talents to enhance the talent pool and future-oriented competitive advantage of talents. By deepening the content of school-enterprise cooperation and enriching the forms of school recruitment publicity, the Company enhanced the influence of its campus recruitment employer brand continuously.



◇ Kingsman (星訓營) - Creating an Internship Platform for Graduates, Helping Cultivation and Development of Young Talents



◇ Career Development Roundtable on "Shaping Career Competitiveness Across Market Cycles" (「打造穿越週期的職場競爭力」職涯發展圓桌會) - Helping Students' Career Planning and Development: "Shaping Career Competitiveness Across Market Cycles" Series of Online and Offline Events were Newly Planned and Launched in 2024



◇ A Series of Campus Seminars - Enhancing the Attraction of Outstanding Young Talents



◇ Campus Career Day for International Students - Enhancing the Company's International Employer Brand Influence

In 2024, the Company implemented two batches of Internal Talent Recruitment Program, which promoted the healthy flow of internal talents, continuously optimized talent allocation, and rapidly supported and assisted the layout and development of key businesses. The Company continuously promoted the Overseas Assignment Program ("OAP"), which covers employees from wealth management, institutional sales, and research business segments, to continuously build a talent team with international vision and cross-border business experience, and further enhance the Company's talent depth.



◇ Internal Talent Recruitment Program - Helping Outstanding Employees Broaden Their Career Development Paths



◇ Overseas Assignment Program - Building a Team with International Vision

4.1.2 Caring for Employees and Welfare

The Company cares about the physical and mental health of employees and their families, and continues to improve the standardized and humanized welfare protection system, and handles the basic endowment insurance, basic medical insurance, work injury insurance, unemployment insurance, maternity insurance, housing provident fund, and other statutory benefits for the labor contract and labor dispatch employees. The Company standardizes the management of all employees' rights and interests such as welfare protection, salary incentives, and vacation period, and effectively meet the employees' multi-level and personalized welfare protection needs. The Company purchases commercial health insurance for all labor contract employees and commercial accident insurance for labor dispatch employees and interns, and continuously improves the welfare protection system for all labor contract employees and labor dispatch employees, so that the labor dispatch employees enjoy the same holidays as the Company's employees.

Welfare System

Key aspect	Specific content
Remuneration incentives	Adhering to the linkage of remuneration and benefits, and improving a sound remuneration incentive system that matches business performance, performance assessment, compliance and risk control
Welfare system	"Six insurances and two funds" composed of endowment insurance, medical insurance, unemployment insurance, maternity insurance, work injury insurance and supplementary medical insurance, and housing provident fund and enterprise annuity fund
Endowment insurance	Constructing a two-pillar pension security system composed of "basic endowment insurance + corporate annuity fund"

Key aspect	Specific content
Medical security	Constructing a three-pillar medical security system composed of "basic medical insurance + supplementary medical insurance + employee-selected insurance", and purchasing commercial supplementary medical insurances for the employees and their spouse and minor children to provide comprehensive medical security for employees and their families
Employee care	Employee Assistance Program ("EAP"), dispatched employee care, anniversary care for employees joining the Company, birthday care, festival gifts and theme-based care activities
Union benefits	Festive food sponsoring, birthday celebration, daily visit to employees, difficulty assistance for employees, annual medical examination, cultural and sports activity, education-themed activity, female employees care, etc.

◆ Giving Equal Importance to Incentives and Constraints

The Company practices the requirements for cultural construction in the securities industry and effectively promotes the Company's sound remuneration system. In 2024, the Company revised and issued the Remuneration Management System of Huatai Securities Co., Ltd. to clarify the norms and requirements for sound remuneration, continuously optimize the structure of remuneration distribution, correctly deal with the relationship between fairness and efficiency, and establish a rigorous accountability mechanism to enhance the binding effect of remuneration management. At the same time, the Company upgraded the new version of the payroll platform to provide employees with a function of checking remuneration profiles, which improves employees' remuneration perception.

◆ Caring for Employee Health

The Company pays attention to the physical and mental health of its employees and implements the T.AI Health Healthcare and Benefits Scheme, which builds a protection system of "commercial supplementary medical insurance, benefits at employee's discretion and health care activities" on the basis of organizing annual medical examination for employees. During the year, the Company upgraded the commercial insurance online claims platform and added an online hospitalization claims channel to enhance employees' sense of welfare; introduced an overseas travel emergency medical insurance protection program in response to the Company's international business deployment to escort employees on cross-border business trips; organized health care activities focusing on the theme of workplace health, and carried out caring activities lasting for three months, including fitness classes, online health camps, and health bazaar activities. In 2024, the Company did not experience any non-compliance related to employees' occupational health and safety.

The Company attaches importance to employees' mental health, and continues to give full play to the professional value of the "Yang Guang Xin Tai (陽光心泰)" mental health care program, which enables employees to fully understand their physical and mental health levels, release fatigue and stress, and helps them strengthen their awareness of health management. Through exploring the management issues fed back by hotline consultation data, the Company provides effective management tools to empower the business and employees. Moreover, the Company further promoted its mobile platform, optimizes the consultation appointment mechanism to pool consultation resources and improves employee experience. The project won the "2024 EAP Outstanding Employer" awarded by CIIC.

The Company implements the Notice on Effectively Enhancing Safety Work of Fire Fighting in Office Area (《關於切實加強辦公區域消防安全工作的通知》) to establish a fire safety management mechanism. It also organizes fire evacuation drills in office areas and educational training of firefighting on a regular basis, so as to raise the fire safety awareness of employees and improve their self-help ability under emergency.

to stimulate the vitality of employees; upgraded optional benefit products, enhanced service quality, and improved employees' multi-level and personalized health protection. Since its launch, the project has attracted widespread attention and active participation of employees, and was honored with the Best Employer of Excellent Workplace - "Excellent Organization & Employee Health Award".



◇ "Vibrant Huatai, Walking for a Healthy Future" Employee Health and Wellness Season Activity

Case

"Vibrant Huatai, Walking for a Healthy Future (活力華泰，健行未來)" Employee Health and Wellness Season Activity

In 2024, the Company carried out the activity of "Vibrant Huatai, Walking for a Healthy Future" employee health and wellness activity, which was designed to promote healthy lifestyles and foster a positive organizational atmosphere, enabling every employee to realize their personal value in a vibrant environment. The Company fostered a healthy and harmonious working atmosphere through managers' salon and on-site psychological counseling; guided employees to develop good health habits through the promotion of physical and mental health knowledge, the "Health Development Program (健康力養成計劃)", and fitness check-in. It also focused on the physical and mental health of frontline employees, and carried out the "Joyful Customer Service (悅動客服)", "Healthy Bazaar (健康市集)" and other multi-themed health day activities

Case

U-health First-Aid Training on "Guarding Life and 'Saving' by Your Side (守護生命，'救' 在身邊)" "

The Company carefully organized annual medical examination for employees to continuously improve the service experience. It invited experts from the emergency department of the provincial hospital of Chinese Medicine to carry out U-Health First-Aid Training on the topic of "Guarding Life and 'Saving' by Your Side" to further enhance the employees' awareness of health first-aid and self-rescue and mutual-help ability.



◇ U-health First-Aid Training

◆ Employee Caring Activities

The Company builds employee care system and organizes colorful cultural and sports activities to create a healthy and harmonious working atmosphere. It implements the national strategy of national fitness and encourages employees to actively participate in the national fitness movement by **carrying out the "Walking for National Day (迎國慶，健步走)" activity** with about 200 employees participated and **organizing the "Chasing Light and Dreams, Composing a Brilliant Chapter (追光逐夢 共譜華章)" 2024 Staff Games** with about 2,700 employees participated.

The Company plans various kinds of colorful and entertaining thematic activities to make physical exercise and outdoor activities become conscious actions and behavioral habits, and continuously improve the physical health level of employees. For example, the Company organized a team to participate in the Fifth Badminton Match and the Third Table Tennis Match of Jiangsu Securities Industry, and **won the first place in table tennis group and the second place in men's singles, the second place in badminton group and the second place in women's singles**; the Company organized various departments and branches to send 25 athletes to participate in the Provincial Financial System Staff Fitness Competition Series (全省金融系統職工健身系列競賽活動), and **achieved the third place in table tennis group, the third place in tennis group, and the fifth place in badminton group**, which fully demonstrated the spirit of Huatai people's vigorous and enterprising style.

Case

"Chasing Light and Dreams, Composing a Brilliant Chapter" 2024 Staff Games

In October 2024, Huatai Securities 2024 Staff Games was successfully held in Nanjing Youth Olympic Games Stadium, where about 2,700 athletes and spectators from the Company's headquarters, branches, sales departments, and subsidiaries gathered at the scene to gather the power to advance, practice the industry's cultural concepts, and create a positive cultural atmosphere of "openness, inclusiveness, innovation, struggle, and responsibility".



◇ Opening Ceremony of "Chasing Light and Dreams, Composing a Brilliant Chapter" 2024 Staff Games



◆ Caring for Female Employees

The Company pays attention to female health and growth, and introduces more "female perspectives" in the process of providing health benefits through programs such as "Female Health Salon (女性健康沙龍)" and "DIY Essential Oil Healing Experience (DIY 精油療愈體驗)", guiding female employees to pay attention to their physical and mental health, and conveying the Company's sincere care for female employees.



◇ Conducting "Healing Workshops for Women (女性療愈工作坊活動)"



◇ Organizing the "Embarking on a Spring Rendezvous, Unveiling the Splendor of Feminine Grace (赴春天之約 綻巾幗芳華)" Cultural Salon on Women's Day



◇ Organizing the "U-beauty: Believe in Yourself with Unlimited Possibilities (U-beauty：相信無限可能的自己)" event on the occasion of International Women's Day



◇ Jointly organized the theme forum of "Wisdom in Her Time, Striving for a New Journey (慧智她時代，奮進新征程)" with Jiangsu Association of Women Entrepreneurs

◆ Difficulty Assistance for Employees

The Company attaches importance to the work of helping employees in difficulty, constantly improves the mechanism of difficulty assistance for employees, implements dynamic tracking management of the database of employees in difficulty, carries out the New Year's Day and Spring Festival care and concern actions, and visits and pays condolences to the employees suffering from serious illnesses, family changes, and difficulties in their lives.



In 2024, employees who received condolences reached

132 person-times

Consolation money

0.529 million

4.2 Empowering the Development of Employees

The Company attaches great importance to the growth and development of employees. It has established a cultivation and development system based on the whole life cycle of employee growth and set up the cultivation programs of "Seaworthiness Program - Sailing Program - Voyage Program - Pilot Program" matching the corresponding development system. It also has a growth path covering "newcomer - business backbone - composite elite - management generalist" to meet the development needs of talents at different stages and empower the growth of employees. For details, please refer to the Statement on Employees' Rights and Benefits of Huatai Securities Co., Ltd.

4.2.1 Employee Career Development Planning

The Company has established a dual-channel talent development system for management and professional development, providing employees with broad career development space and international career growth path, while attaching importance to the guidance of employee career development planning, and takes the online course "HTalent Talent Development System and Career Development Planning (《HTalent 人才發展體系與職業生涯發展規劃》)" as a mandatory course for new employees. By introducing the Company's dual-channel talent development system and the corresponding training programs provided to the employees, the course enables every employee to understand the Company's career development policy and helps employees carry out self-career management and planning. In the new employee orientation of Huatai STAR (華泰星) campus recruitment, the Company carried out "Career Forum" "A Letter to Huatai Star" and other activities, where seniors share their career development experiences with new employees, helping them to better enhance their awareness of career planning.



◇ Talent Development System of the Company

4.2.2 Employee Career Development and Training

In 2024, focusing on the two-pronged technology-empowered strategy, the Company continued to build the HTalent talent development system with the ability of cultivating international investment bankers, adding value to customers and digital transformation, strengthened the Group's integrated management both at home and abroad, and comprehensively upgraded the Company's employee training system. Based on the **"HTalent Talent Training and Development System", a talent training system which can cover the entire career path of an employee across the whole business chain**, the Company integrates the training resources for the professional competence of each business both at home and abroad, and provides employees with an internal talent development system and growth path that is consistent with the Group's concepts and synergistic with its methodology.

◆ Whole Career General Capacity Training

The HTalent talent development system of the Company continues to focus on employee growth, and has established a development empowerment system covering the whole career of employees, including three series of training programs, namely the "Huatai STAR", the "HIPO" for mature employees and the "BAL" (星戰營).

"Whole Career" Talent Development and Empowerment System

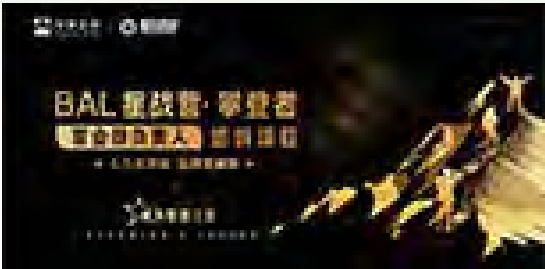
Training programs	Subjects	Training target
Huatai "STAR" series	Students recruited from campus	Cultivation of employees with a deep understanding of the Company's businesses across whole business chains and with the quality as an international investment banking employee should have
"HIPO" series for mature employees	Core cadres with potential	Cultivation of multi-skill elites and talents for the future
"BAL" series	Management	Cultivation of leaders who meet the Company's strategic needs and empower the organization and employees

In particular, in terms of leadership training for management, the "BAL" series of the Company dividing management at different levels into "relayers, climbers and leaders" with an aim to cultivate "leaders who meet the Company's strategic needs and empower the organization and employees". To cultivate a management echelon meeting the strategic demands of the Company, the "relayers", "climbers" and "leaders" are targeted at new junior management, mature junior management and middle and senior management, respectively. Throughout the year 2024, totally 6 Relayers' trainings, 4 Climbers' trainings and 1 Leaders' training were organized to empower leaders at all levels.



Case BAL "Climber" National Trainings for Heads of Sales Department

In 2024, the Company organized and implemented 4 BAL "Climber" national training sessions for heads of sales departments. The training set up seven modules of "strategy implementation, business planning, business promotion, team management, compliance management, political ability, and leadership ability", which directly communicated the Company's "Returning to the Origin of Wealth Management" strategy to sales department heads. It focused on the practical execution, team building and management methods in retail business local branches, and aimed to regulate frontline business practices, reinforce ethical conduct education and deepen customer service concept to foster sustainable business growth.



◇ 2024 BAL "Climber" National Trainings for Heads of Sales Department

◆ Whole Business Chain Professional Capability Training

In terms of professional capabilities, focusing on the "two-pronged" technology-empowered strategy, the Company has established a professional capability training system covering the whole business chain including "wealth management, institutional business, technology empowerment and strategy support", and set up training programs at four organizational levels to empower each business line, including: business synergy training organized by the Human Resources Department for all employees, business professional training organized by each business department for all employees, departmental training organized by each department for internal employees and outbound training organized by external organizations.

"Whole Business Chain" Talent Development and Empowerment System

Each business line				Each organizational level within each line
Wealth management	Institutional business	Technology empowerment	Strategy support	Business synergy training organized by the Human Resources Department for all employees
				Business professional training organized by each business department for all employees
				Departmental training organized by each department for internal employees
				Outbound training organized by external organizations

Case

Providing a Strategic Perspective on the Multilevel Empowerment of Institutional Business

For each business line and each organizational level within each line, the Company put in place a number of training programs covering different groups of people. Taking the business synergy training organized by the Human Resources Department within the institutional business line as an example, in 2024, the Company organized the

Huatai Trend Forum (華泰趨勢論壇) for all employees to study, held an open course on institutional sales and service capacity enhancement to improve the business capacity of institutional sellers, and also offered an institutional business intensive research class for core talents of institutional business to provide employees with multi-level empowerment in institutional business from a strategic perspective.

For all employees:



Established the Huatai Trend Forum and launched thematic forums such as business overseas and industry research to facilitate learning for all employees

For institutional sellers:



Launched 3 open courses on institutional sales and service capacity enhancement to improve the competency of customer sales and service

For core talents of institutional business:



Launched the 2nd intensive study class on institutional business - core talent training program for institutional business

◆ Accelerating Digital Empowerment for Talent Cultivation

The Company promotes the integration and implementation of training systems. By relying on the online learning platform "HTSC Cloud Academy", the Company regularly implements a HTalent digital learning development system with the integration of "digital learning content + digital learning users + digital learning activities". In 2024, HTSC Cloud Academy set up two new sections, namely "strategic support academy" and "personal growth center", forming a complete layout of "10 academies and 1 center", which comprehensively covers the entire career and business chain of employees. At the same time, it also opened platform learning accounts for overseas employees, realizing the goal of integrating online learning between the Group and overseas.

In 2024, HTSC Cloud Academy added **736** new internal courses, held **513** online live broadcasts, and conducted **110** online and offline mixed training programs. There were about **720,000** employees receiving courses throughout the year, and the average per capita study in HTSC Cloud Academy was about **36.85** hours, with the number of hours per capita increasing by about **12%** year-on-year. About **2,000** employees listened to books in the Cloud Academy and read over **10,000** books in total.



◇ "π-Talent (π 型人才)" Learning Activities



◇ "High Learning Festival (High 學節)" Annual Online Carnival Learning Activities

The Company's HTalent talent development system effectively improves the systematic, targeted and practical nature of training, and effectively supports employees to continuously improve their comprehensive quality and professional abilities. In 2024, a number of employee training programs were organized throughout the year. In terms of **whole career general capacity**, 11 phases of "Huatai STAR" program were organized for campus-recruited employees, 6 phases of "Star Way" program were organized for social recruits, 5 phases of "PIE" program were organized for mature employees, and 11 phases of "BAL" program were organized for managers. In terms of **whole business chain professional capability**, 9 phases of wealth management business line projects, 4 phases of institutional business line projects and 4 phases of technology empowerment business line projects were implemented.



◇ Innovative forms to continuously improve the core capabilities of young employees: new employees recruited in 2024 organized and planned the "One Tomorrow Yiqixing Future (一个明天 益起星未来)" Charity Carnival



- ◇ Accurate empowerment, continuously stimulating new momentum of management talents: 2024 BAL "Climber" National Trainings for Heads of Sales Department

◆ Empowering Staff Skill Improvement

To regulate the practice of securities and fund practitioners of the Company to meet the requirements for industrial development, the Company issued the Implementation Rules of Huatai Securities Co., Ltd. on Special Examination of Knowledge that Fund Practitioners should Know and Understand, organized and continuously strengthened training on laws and regulations, practice code of conducts, business knowledge and professional skills and other aspects. The Company also reimbursed them for relevant training fees, raising their comprehensive quality and awareness of incorruptible employment and honest expansion of business.

The Company strongly supports employees in improving their skills and technology. The Company cooperates with external educational institutions or organizations to develop joint training programs for employees and encourages all employees to participate in external training recognized by competent securities institutions and the industry, so as to systematically improve their comprehensive quality and professional level.

Case

Combine the Resources of External Institutions to Strengthen the Construction of Talent Team in Institutional Business

In 2024, Huatai Securities promoted the construction of institutional business talents under the concept of "One Customer" internally and "One Huatai" externally, organized institutional business seminars for managers of institutional sales teams from all units of the Group, and focused on key topics such as the "New Nine Guidelines from the State Council" (新「國九條」) and reforms of China's capital market, global asset allocation, Company's internal and external successful experiences and so on. The Company also invited famous experts and scholars, senior figures in business-related fields to give lectures, and organized exchanges among the Group's various units, financial industry peers, and customers, which enhanced the business level and vision of the participants.



- ◇ Photo of the 2024 Institutional Business Seminar



Case Actively Carrying Out School-Enterprise Cooperation and Promote Industry Talent Training

In 2024, Huatai Securities cooperated with Jiangsu Securities Regulatory Bureau, SSE and Nanjing University to offer a professional elective course on Frontier and Career Development of Securities Industry (《證券行業前沿與職業發展》) for undergraduates at the School of Management & Engineering of Nanjing University. The course is an in-depth implementation of the Memorandum of Cooperation on Strengthening the Popularization and Education of Securities and Futures Knowledge (《關於加強證券期貨知識普及教育的合作備忘錄》) jointly issued by the CSRC and the Ministry of Education, and the implementation of the SSE's "Project to Promote Investor Education into the National Education System". The course, in which senior professionals from key departments of the Company were invited to give lectures, teach students about the financial industry's cutting-edge practices in the current context, and share learning suggestions for future career development, achieved a good response and reputation, which not only enhanced the Company's employer brand image, but also promoted the cultivation and stockpiling of talents in the securities industry.



◇ Brochure of Frontier and Career Development of Securities Industry

◆ Smooth Promotion Mechanism for Employees

Based on the qualification standards, performance contribution and professional ability, the Company conducts comprehensive assessment of employees who have met the promotion requirements, and promotes them on the basis of merit in combination with the annual overall business performance. The Company implements mobility in grades, and sets up a green promotion channel for the core and backbone talents with high scarcity.

The Company continues to optimize the promotion evaluation mechanism based on the qualification standards, iterating the qualification standards based on a unified standard framework, establishing comparable measurement standards, and gathering grade consensus to play a positive leading role. Focusing on the three aspects of supporting business development, preferring excellent talents and enhancing system flexibility, the Company comprehensively optimizes the grade management system, taking into account industry research information and external

market conditions. In 2024, the Company carried out grade adjustments and strictly controlled the promotion process to ensure fairness and impartiality.

4.2.3 Employee Performance and Incentives

The Company adheres to the goal-oriented performance concept and the principle of fair and objective evaluation to continuously improve employee business levels and comprehensive qualities through the goal setting of employees' performance, the tracking and guidance of performance process, the assessment of performance and the feedback of performance results, with an aim to promote the common development between employees and the Company.

◆ Employee Performance Management

The Company established a sound employee performance management mechanism, formulated the Administration Measures for Employee Performance of Huatai Securities Co., Ltd., to implement company-wide performance appraisal and continuously improve the level of employee performance, and focus on building a high-performance team, transforming the talent advantage into the Company's core competitive advantage, and promoting the common growth between outstanding talents and the organization.

Performance management components	Specific initiatives
Performance appraisal	<ul style="list-style-type: none"> • Implement a company-wide performance appraisal system, i.e., 100% of employees are included in the performance assessment procedure; • Performance appraisal is carried out on an annual basis, with performance target setting at the beginning of the year, performance review in the middle of the year, and performance summarization at the end of the year; • The appraisal dimensions include work performance appraisal, 360 comprehensive quality assessment and compliance and risk control assessment, and performance counseling and feedback are provided to employees during the assessment process.
Performance feedback	<ul style="list-style-type: none"> • Feedback includes, but is not limited to, employee performance appraisal results, recognizing achievements and summarizing lessons learned, analyzing performance gaps and identifying improvement measures, communicating work tasks and goals for the next performance period, and identifying resource support to match tasks and goals.
Performance grievance	<ul style="list-style-type: none"> • Employees who disagree with the results of their performance appraisal may apply for a performance grievance, following the principle of "communication before grievance": <ul style="list-style-type: none"> • Communicate first with the immediate supervisor or the unit the employee belongs to, and submit a written request for a grievance to the Human Resources Department if the disagreement still exists after the communication; • The Human Resources Department researches and forms an opinion on the handling of the grievance and submits it to the Company for approval before providing feedback to the grievant. • The entire grievance process is strictly confidential, and employee grievances are handled appropriately to effectively protect the rights and interests of employees.

4.2.4 Employee Incentives

◆ Carrying out Employee Recognition Activities

The Company thoroughly implements the requirements of the cultural construction of the securities industry, carries forward the enterprise spirit of "openness, inclusiveness, innovation, struggle, and responsibility". The Company carried out the 2024 "Starlight Huatai Shining Future (星光華泰 閃耀未來)" honorary recognition project to commend employees and teams who play a leading role in the front-line positions of the business, are down-to-earth, hard-working and enterprising, and create important value contributions for the Company, as well as excellent models of professional ethics who have been sticking to their positions for a long time with diligence and selfless dedication.

Case

Carrying Out the Long-Term Employee Medal of Honor Award Ceremony Theming "Thank You for Being With Us All Along (築夢路上，有您相伴)"

The Company's headquarter, branches and subsidiaries successively carried out the long-term employee medal of honor award ceremony theming "Thank You for Being With Us All Along", covering more than 300 long-term employees who had joined the Company for their 10th, 20th and 30th anniversaries, both at home and abroad. By advocating the value of long-term service, the ceremony motivated employees to grow and gain together with the Company, and enhanced employees' sense of belonging and organizational cohesion.



◇ Long-Term Employee Medal of Honor Award Ceremony Theming "Thank You for Being With Us All Along"

◆ Equity Incentive

The Company attaches great importance to talent motivation and development. It established and improved the medium and long-term incentive and restraint mechanism, gathered scarce, leading and high-end talents of cutting-edge businesses and promoted the concept of sustainable development with employees through win-win cooperation. Based on relevant national laws, regulations and policies, the Company standardized the implementation of the stock equity incentive plan to enhance the service effectiveness of core employees, effectively stimulate the vitality of employees, and inject a strong impetus for the development of the Company.

4.3 Listening to Employees' Voice

The Company carries out annual "listening to employees' voice" satisfaction surveys on a regular basis, discloses the results of satisfaction surveys and formulates corresponding measures every year, and devotes itself to creating an organizational culture of high performance and high degree of dedication, so as to further enhance the satisfaction and motivation of employees.

4.3.1 Employee Satisfaction Survey

In 2024, the Company continued to conduct the survey of "listening to employees' voice" on technology line employees through anonymous questionnaires on multiple dimensions of thought, behavior and attitude, and focusing on researching working environment, internal atmosphere and human resource management. More than three-fourths of the employees participated in this survey, including 100% participation by managers and 75% participation by employees, and employee satisfaction increased significantly compared with last year.

Based on the survey of "listening to employees' voice", the Company also conducts extensive research in human resource areas such as employee care, training and development, talent motivation, etc. to listen to the opinions of employees and optimize human resource management. In 2024, the average score of various types of employee satisfaction survey reached more than 4.5 points (out of a total of 5 points). In response to the results, the Company provided timely feedback and

exchanges with all departments in order to optimize employee care and employee incentive mechanisms.

4.3.2 Enhancing Communication with Employees

The Company carries out a monthly activity of "Employee Reception Day", and the leaders of the Company are responsible for listening to employees' demands and opinions, so as to better understand their voices by solving their demands.

Case

"Colleague PostBar (同事吧)" - An Internal Instant Messaging Column Which Provides a Platform for Employees to Enhance Communication

- The Company opens a special column - the "Colleague PostBar": feedback from the special column will be collected and sent to the relevant responsible departments in a timely manner with clear response and implementation, and thus to achieve responses with efforts and results.
- The Company opens a special post of "Express yourself freely, Offer Help with Empathy (暢談心聲 共情同力)" in "Colleague PostBar": the Company's leaders interact with employees on such platform and respond to their suggestions and demands from offline or online. For the problems that cannot be solved, the Company's office will promptly give feedback to relevant departments and reply within 3 days.



4.3.3 Employee Representatives Conference

The Company has effectively implemented the Employee Representative Conference as the basic system for employees to participate in the democratic decision-making, management and supervision of the enterprise. In 2024, the Company held two Employee Representative Conferences by means of "offline + online", and the Administration Measures for Employee Performance of Huatai Securities Co., Ltd. and the Remuneration Management System of Huatai Securities Co., Ltd. were considered and approved by votes. The Company will continue to improve the feedback mechanism of employee representatives to safeguard the legitimate rights and interests of employees.



◇ Voting at the Seventh Meeting of the Fourth Employee Representatives Conference



4.4 Public Welfare under "One Commonweal Heart of Huatai"

The Company adheres to a high sense of social responsibility, creates the "One Commonweal Heart of Huatai" public welfare brand, and deeply ploughs into the fields of rural revitalization, education and medical care, ecological protection, etc., providing support and transferring warmth to a wide range of people, such as children in rural areas in difficulty, rural teachers, youth talents in ecological protection, etc., with remarkable social benefits.

The Company actively participates in community communication, devotes itself to public welfare undertakings, and regularly organizes employees to participate in volunteer activities to fulfill its corporate citizenship responsibilities. In 2024, the Company supported charity undertakings by organizing its employees to watch the special art gala theming "Embracing a New Journey, Contributing to a New Era (奮進新征程·建功新時代)" by the Disabled Art Troupe on the International Day of Persons with Disabilities, advocating that employees care for the disadvantaged groups, and contributing to the promotion of the cause of caring for persons with disabilities. The Company also actively participated in public welfare and charity by carrying out the activity of "practicing the spirit of Lei Feng to spread love with voluntary blood donation" and organizing **4,366** people to participate in the activity of "Charity One-day Donation" to promote the traditional virtues of helping the needy and being charitable.

4.4.1 Huatai Foundation

The Company deeply cultivates the public welfare brand of "One Commonweal Heart of Huatai" and gathers more partners to contribute to the diversified driving force for sustainable development through the Huatai Foundation. The "One Commonweal Heart of Huatai" public welfare brand is gaining popularity. **In 2024, the Huatai Foundation participated in the evaluation of social organizations in Jiangsu Province for the first time, and was awarded the highest rating of 5A.**



◆ Huatai Foundation Won the Highest Rating of 5A in the Evaluation of Social Organizations in Jiangsu Province

4.4.2 "One Commonweal Heart of Huatai One Tomorrow" Supporting the Development of Children in Need

Since its establishment in 2016, the "One Commonweal Heart of Huatai One Tomorrow" rural education program has aimed to drive the comprehensive development of children in need and promote educational equity, covering rural schools and children in need in Qinghai, Yunnan, Hubei, Anhui, Jiangsu and other places. It has been dedicated to improving the mental health and overall quality of left-behind children, mobilizing the efforts of various parties to help children in need to continuously improve their living conditions, through quality education, family care, volunteer services and other diversified public welfare models, helping healthy growth of left-behind children.

The program provides targeted voluntary services for left-behind children and teachers, in conjunction with the characteristics and differentiated needs of the schools, introducing resources from experts in psychology, education, sociology, intangible culture and ecology, setting up dream centers in schools that meet the hardware and software conditions and helping the growth of left-behind children.



As of the end of 2024,
the program has benefited children

146,116 person-times



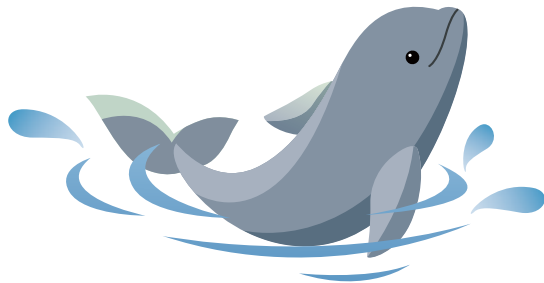
Benefited teachers

13,990 person-times

165,702 people participated in donation

Donated RMB **3.272** million for assisting a total of **1,355** children in financial difficulties.

Since 2018, the Company has launched seven consecutive sponsorship programs for children in need, raising funds for children in schools sponsored by the "One Commonwealth Heart of Huatai One Tomorrow" rural education program in Yushu of Qinghai, Enshi of Hubei, Jinzhai and Yuexi of Anhui, Suqian of Jiangsu, and other places. The Company also linked headquarters, branches and subsidiaries to carry out public welfare bazaar, employee children's calligraphy and painting charity sales, charity run and other activities, guiding employee families and caring people in society to participate in charity fundraising and provide living subsidies for children in difficulties.



Case

"Integration for Gathering Strength of Welfare, One Tomorrow (融心聚益，一个明天)" Rural Education in Feng County, Xuzhou city

In May 2024, Huatai Securities organized the "Integration for Gathering Strength of Welfare, One Tomorrow" rural education program in Feng County, Xuzhou City. The "One Tomorrow" program has officially landed in Fengxian County, providing five local schools with an integrated public service system of quality education through the "Dream Center", which integrates hardware learning space, software curriculum content, and teacher empowerment. At the launching ceremony, Huatai United Securities, Huatai Asset Management, Huatai Purple Gold Investment, Huatai Innovative Investment and Huatai Futures signed party building and co-construction agreements with five primary schools in Feng County, respectively.

On the eve of Children's Day, the volunteers of the Company went into the countryside and carried out face-to-face exchanges with experts from the Chinese Academy of Sciences and the China Writers Association and teachers and students from five primary schools. The exchanges, which cover from traditional poems to the evolution of life, brought the children into a different world of knowledge. With professionalism and volunteer spirit, the Company firmly practiced the culture of responsibility in the securities industry and contributed to the rural education.



◇ "Integration for Gathering Strength of Welfare, One Tomorrow" Exchanges in Feng County, Xuzhou City

Case

Departing for Tomorrow, Huatai Securities Volunteers Escort the Healthy Growth of Children in Difficulties

From November to December 2024, volunteers from Huatai Securities went to the "One Tomorrow" rural education program sites in Enshi of Hubei, Lancang of Yunnan, Jinzhai of Anhui, Yuexi of Anhui, and Suqian of Jiangsu to provide volunteer services and visit children in difficulties. The three-week trip to five places in four provinces visited nearly 200 families with children in difficulties. Volunteers verified the situation of the children to be assisted in accordance with the poverty standards and standardized procedures, and delivered educational toys and daily necessities to them.



◇ Volunteers making non-heritage lacquer fans with children

◇ Volunteers made and flew hand-painted kites with children



◇ Volunteers carried out household visits

◇ Shua Shua, member of China Writers Association and children's writer, gave an open class for children



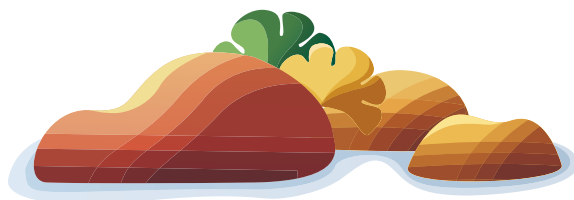
Case

"One Tomorrow, Yiqixing Future" Charity Carnival

In August 2024, Huatai Securities and the Huatai Foundation, under the guidance of the Jiangsu Provincial Committee of the Communist Youth League, organized the "One Tomorrow, Yiqixing Future" Charity Carnival. The event was organized by 230 "Huatai Stars", the newest campus recruits of Huatai, and vividly demonstrated the achievements of the "One Tomorrow" rural education project over the past eight years. A charity bazaar was set up at the site, and the peripherals commemorating the eighth anniversary of the "One Tomorrow" program made their debut through charity sales. From stickers, postcards to DuPont paper bags, each peripheral was transformed from the original drawings of the sponsored children and the children of the Huatai family, carrying blessings full of children's innocence.



◇ "One Tomorrow, Yiqixing Future" Charity Carnival



Case

Charity Run and Charity Bazaar of "One Tomorrow" Program

In 2024, on the occasion of the eighth anniversary of the "One Tomorrow" rural education program, Huatai Foundation, with the support of Huatai Securities, held the "One Tomorrow" Charity Run and Charity Bazaar during the 2024 Staff Games to raise funds for the seventh phase of the sponsorship program for children in need. About 800 employees ran for love in the company of star species IPs from the Hongshan Zoo, and 21 units from Huatai Securities headquarters, branches, Huatai Asset Management and Huatai Futures organized charity bazaars, which attracted a total of 1,745 donations. Huatai people have fulfilled their long-standing commitment to caring for children in difficulties with their love and actions.



◇ "Departing for Tomorrow" Charity Run



◇ "One Tomorrow" Charity Bazaar

4.4.3 "One Commonweal Heart of Huatai One Yangtze River" Supporting the Environmental Youth Talent Development

Since 2022, the Company's "One Commonweal Heart of Huatai One Yangtze River" program has been building a targeted cultivation system for the growth of talents at different stages in the environmental protection public welfare industry, including cultivating leading talents with a sense of balance between economic, environmental and social issues, rewarding front-line environmental youth backbones, and funding college students devoted to environmental protection to carry out environmental protection actions in a scientific and rational manner.

The Company supports college students carrying out environmental voluntary services through the **"Streamlet Action - One Yangtze River Subsidy Scheme on Environmental Protection Activities for College Students"**. As of the end of 2024, the "Streamlet Action" has been carried out in 5 phases, supporting the successive implementation of **196** projects from **133** college student groups of **103** universities, covering water and air environment protection, biodiversity, environmental restoration, low carbon and climate change, marine protection, environment education, and art dissemination, etc.

The Company rewards and supports outstanding youth who are devoted to long-term development in the public welfare field of ecological and environmental protection with certain actual contributions in the frontline and with potentials through the **"One Yangtze River" Young Movers "Little Step Scholarship" Support Program**. Up to 2024, the "Little Step Scholarship" has been carried out in **3** phases, supporting **60** outstanding activists, who have taken root in the frontline and actively promote the development of the industry through implementing conservation actions, organizing operations, popularizing and disseminating science, scientific research, and policy promotion in the fields of biodiversity conservation, sustainable community development, pollution prevention and control, and climate change, etc.

The Company gathers and nurtures young stalwarts with a sense of economic, social and cultural balance, and builds a sustainable cross-border platform for long-term learning, exchange and dialogue through the "One Yangtze River" Sustainable Development Talent Workshop. In the first workshop in 2024, 27 participants from corporations and financial institutions, media, research institutes, and the environmental protection and public welfare sectors discussed and exchanged views with senior scholars from different disciplines, including ecological environment, economy, society, and artificial intelligence, to deepen their understanding of the complexity of sustainable development issues.




◇ Graduation Ceremony of the First "One Yangtze River" Sustainable Development Talent Workshop



Moving Forward to Safeguard Steady Development

Huatai Securities strictly adheres to laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Code of Corporate Governance for Listed Companies (《上市公司治理準則》). It places great emphasis on shareholder returns to deliver its long-term investment value on an ongoing basis, and enhances governance efficiency to solidify the cornerstone of "Stability for Long-Term Development" for the Company's growth. Huatai Securities improves the sustainable governance within the Company by committing to compliant operations, strengthening risk management mechanisms, and actively promoting financial culture development.



Key Topics

- ✓ Compliance operation
- ✓ Risk management (including sustainable risk management)
- ✓ Anti-commercial bribery and anti-corruption
- ✓ Supply chain security
- ✓ Responsible marketing
- ✓ Industry cultural construction
- ✓ Anti-unfair competition
- ✓ Equal treatment to SMEs



Performance Highlights in 2024:

16

Number of anti-money laundering training sessions conducted

4,000

Number of participants exceeded

12,000

Number of times compliance due diligence API services employed exceeded

70,000

Number of times the real-time list control services against credential stuffing employed exceeded

12 million

Number of customer records retrospectively reviewed exceeded

"Mingbian (明辨)", the intelligent compliance and due diligence system, **was awarded the Second Prize for an outstanding research project in 2024 by the Shenzhen Stock Exchange FinTech Research and Development Center**

"Integrity Risk Prevention and Culture Development in Investment Banking: A Study 《投資銀行業務廉潔風險防範與廉潔文化建設研究》", compiled by the Company, awarded the **First Prize in the National Financial System's Outstanding Research Achievements for Ideological-Political Education and Cultural Development**.

5.1 Development Guided by Party Building

With the fully implementation of the spirit of the 20th CPC National Congress and adhering to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Company has established the Party building cultural brand of "Light Chaser (追光者)", providing ideological assurance and spiritual strength to accelerate the construction of a "first-class investment bank with strong domestic advantages and global influence".

5.1.1 Party Building Cultural Brand of "Light Chaser"

The Party building cultural brand of "Light Chaser", after four years of development and refinement, has become a shared

value orientation among the Company's 10,000 employees. In 2024, the Company organized a thematic research project of "Exploration and Reflection on How Party Building Brands Empower the High-quality Development of Securities Companies s: A Case Study of Huatai Securities' Party-Building Brand Development" (《黨建品牌賦能證券公司高質量發展的探索與思考——以華泰證券黨建品牌建設為例》). The research delved into the background and logic behind the cultivation of the Company's "dual-brand" strategy to explain its operational mechanisms and intrinsic significance. Additionally, the Company released a short video titled Light Chaser 4: Chasing Light and Pursuing Dreams with Responsibilities on Shoulders (《追光者4：追光逐夢，勇挑大梁》), which vividly showcased the efforts made by Huatai Securities, as a state-owned financial enterprise, in thoroughly implementing the spirit of the Central Financial Work Conference, promoting financial culture with Chinese characteristics, and adhering to the political and people-centered nature of financial work. The video highlights the Company's efforts to excel in the Five Major Areas of Finance and contribute greater strength to accelerating the construction of a strong financial nation.



- ◆ In-depth study of the Regulations on Disciplinary Actions of the Communist Party of China (《中國共產黨紀律處分條例》) and conducting thematic discussions focusing on the "Six Disciplinary Guidelines"



- ◆ Carrying out Party member education activities themed "Red Boat Reflecting our Initial Aspirations, Working Together for Development" (紅船映初心，攜手共發展)



- ◆ Organizing Party day activity themed "Celebrating Political Birthdays and Recalling the Original Aspiration of Joining the Party" (過政治生日，憶入黨初心)



- ◆ Hosting a training session for Party affairs workers on "Strengthening the Foundation for Empowerment • Promotion of the Red Flag Canal Spirit" (強基賦能，弘揚紅旗渠精神)

5.1.2 The "Integration for Gathering Strength (融心聚力)" Brand for Party Building Initiative

The "Integration for Gathering Strength" brand for Party building initiative was designed to foster extensive collaborative learning and joint development by guiding the Company's Party organizations to engage with business partners, government agencies, development zones, local communities and other groups. By leveraging Party building as an opportunity, the initiative sought to achieve mutually beneficial cooperation and further integrate Party building efforts with business operations. In 2024, the Company continued to deepen collaborative learning and joint development under the "Integration for Gathering Strength" initiative through a "3+N" approach, which included one exchange meeting, one case study collection, one performance report, and multiple empowerment resources. Specifically, 30 empowerment resources were released to frontline branches, encompassing interpretations of capital market policies, explanations of securities business, investor education support, coordination of Party building resources, and connection with public welfare resources, thereby continuously empowering the frontline operations.

5.1.3 Constructing Industry Culture

The Company actively responded to the requirements outlined in the Work Arrangements for Further Consolidating and Promoting Cultural Construction in the Securities Industry (《進一步鞏固推進證券行業文化建設工作安排》) released by the Securities Association to promote financial culture with Chinese characteristics; and based on the requirements of "five musts and five don'ts", the Company made efforts to recalibrate and upgrade its corporate culture construction, including enriching the cultural implication, innovating cultural carriers, and polishing cultural brand, while putting into practice the industry's cultural values of "compliance, integrity, professionalism and stability", aiming to cast the soul of finance with the power of culture.

In 2024, the Company was awarded **the First Prize of Outstanding Research Result of Ideological and Political Work and Cultural Construction of the Financial System of China and the 2024 Jinding Award of "Outstanding Cultural Construction Case" from the National Business Daily**. Additionally, the Case of Cultural Construction and Cultivation Practice for Young Employee of Huatai Securities (《華泰證券青年員工文化建設與培養實踐案例》) was selected in the 2023 Annual Report on Cultural Construction of the Securities Industry.

Case

"Love at Huatai: Concentrating Efforts and Fostering Unity (愛在華泰，凝心聚力)" Event

The Company launched the "Love at Huatai: Concentrating Efforts and Fostering Unity" event, which, with the financial culture with Chinese characteristics and the corporate culture at the core, aimed to enhance employees' understanding and recognition of the culture of the financial industry, thereby boosting staff cohesion. The event, structured around six themes, i.e., "Staying True to Our Initial Aspirations", "Skillful Execution", "Targeting the Bullseye", "Working Together in Unity", "Maintaining Perseverance" and "Striving for New Heights", integrated cultural implications with interactive experiences. It has enriched employee engagement and fostered a deeper appreciation of cultural values.



◇ Cultural Promotion of "Love at Huatai: Concentrating Efforts and Fostering Unity"

5.2 Improving Corporate Governance

Good corporate governance is the cornerstone for enterprises to achieve sustainable development. As the first domestic securities company listed in Shanghai, Hong Kong and London, the Company has been operating business in a standard manner and in strict compliance with the requirements set forth in the laws, regulations and regulatory documents of the PRC and the overseas jurisdiction where the shares of the Company are listed, and has made efforts to maintain and enhance the good image of the Company in the market.

5.2.1 General Meeting, the Board of Directors, the Supervisory Committee and Senior Management

The Company conscientiously implements requirements under the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance of Listed Companies and other documents and has established a system of modern enterprise organization and an operation mechanism with the General Meeting, the Board of Directors, the Supervisory Committee and the senior management. The Company has formulated and improved the Rules of Procedures for General Meetings (《股東大會議事規則》), the Rules of Procedures for the Board of Directors (《董事會議事規則》), the Rules of Procedures for the Supervisory Committee (《監事會議事規則》), the Terms of Reference of the CEO and the Executive Committee (《首席執行官及執行委員會工作細則》) and other normative documents and internal systems. It follows the principles of independent operation, effective checks and balances, mutual cooperation and coordinated operation of various governance bodies and continuously improves the operation mechanism of the Meetings and the management to improve its corporate governance efficiency.

◆ General Meeting

The General Meeting is the organ of the highest authority of the Company. The Company holds shareholders' general meetings in strict accordance with the relevant provisions of the Articles of Association and the Rules of Procedures for General Meetings to ensure the equal status of all shareholders and enable them to exercise their rights completely.

◆ Board of Directors

The Company has revised and improved the Working System for Independent Directors (《獨立董事工作制度》) to ensure that independent Directors are able to independently and objectively work to protect the legitimate rights and interests of the Company and its shareholders. In 2024, the related-party transactions of the Company were fair and reasonable, and no circumstances impairing interests of the Company and shareholders have been found. The Company considers the diversity of Board members in several aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge and employs appropriate candidates in a scientific and reasonable manner. As of the end of the Reporting Period, there were total 13 members in the Board of Directors of the Company, including 3 executive directors, 10 non-executive directors, and the Board of Directors includes 12 male members and 1 female members. Members of the Board of Directors came from the finance, economics, accounting and legal industries.

The Company has established the Development Strategy Committee, the Compliance and Risk Management Committee, the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee under the Board of Directors with all special committees performing their own functions and responsibilities and doing their parts to promote the efficient, scientific and standard operation of the Company.

◆ Supervisory Committee

The Supervisory Committee of the Company is composed of 7 supervisors, including 3 employee representative supervisors. The Supervisory Committee is responsible to the general meeting and effectively supervises the legality and compliance of the Company's finance and the performance of duties by the Board and senior management of the Company. The Company maintains and improves the employee representative supervisor mechanism and allows employee supervisors to participate in corporate governance in an orderly manner.

◆ Senior Management

The Senior Management is the highest management organization established by the Company to implement and execute the routes and policies determined by the board of directors. The Senior management of the Company is responsible for implementing the development strategies and policies approved by the board of directors, as well as for the daily operation and management of the Company.

5.2.2 Safeguarding the Rights and Interests of Minority Shareholders

The Company values the legal rights and benefits of all shareholders; therefore it prepares and strictly implements the Rules of Procedure for General Meetings of Shareholders. When the general meeting considers significant matters affecting the interests of small and medium-sized investors, the votes of small and medium-sized investors are counted separately and disclosed publicly in a timely manner. The controlling shareholders and the de facto controller of the Company shall not restrict or obstruct small and medium-sized investors from exercising voting rights in accordance with the law, and shall not impair the legitimate rights and interests of the Company and the small and medium-sized investors.

In 2024, the Company held a total of 36 meetings, during which approximately 131 proposals and reports were considered, reviewed, examined, or debriefed. These efforts ensured major decisions were made in a scientific and regular manner, effectively safeguarding the interests of the vast shareholders and the Company. The independent directors are obliged to be honest and diligent to the Company and all shareholders, and are particularly concerned that the legitimate rights and interests of small and medium-sized shareholders are not harmed. The Company advocates equal treatments to all investors, and actively creates opportunities and facilitates the participation of small and medium-sized investors.

5.2.3 Information Disclosure Management

In strict compliance with the Administrative Measures for Information Disclosure of Listed Companies (《上市公司信息披露管理办法》) issued by the CSRC and other legal norms and relevant requirements, the Company continuously improves its information disclosure policies and systems. To enhance and regulate information disclosure practices, and ensure the legality and compliance of all aspects of its information disclosure processes, the Board of Directors has formulated and improved a series of systems and management methods, such as the Management Measures for Information Disclosure (《信息披露管理办法》) and the System regarding Insider Registration and Management and Confidentiality, so as to disclose all information in a truthful, accurate, complete and timely manner, and to ensure that all shareholders have equal access to relevant information of the Company.

The Company strictly complies with the requirements set forth in the laws, regulations and normative documents of the PRC and the overseas jurisdiction where the shares of the Company are listed, insists on fulfilling information disclosure obligations in accordance with laws and regulations, and proactively and promptly discloses the information that may have a substantial impact on the market, investors and other stakeholders, and ensures the equal access to information of domestic and foreign investors.

5.2.4 Strengthening Communications with Investors

As investor relations is one of the critical tasks in the Company's standardized development and compliant operation, the Board of the Company highly values investor relations management. The Company actively plans, arranges and organizes various investor relations management activities, including coordinating visitor receptions and maintaining contact with regulators, investors, intermediaries and news media. Please refer to relevant sections in the 2024 Annual Report of the Company for details.

Case**Facilitating Communications with Investors through Technology**

- In 2024, the Company made full use of the power of technology to hold two online live broadcasting results announcement conferences through the institutional investor service platform "Xing Zhi" APP. During the conferences, the "Xing Zhi" APP conducted an online live broadcasting, displaying roadshow materials and live broadcasts on the same screen, which further facilitated investors' understanding of the company
- In 2024, the Company held three results briefing meetings through text interaction and other methods to fully communicate with investors as much as possible and provide convenience for investors.

5.2.5 Improving Management on Related-Party Transactions

The Company has established and improved the related-party transaction management system by formulating and implementing the Management System for Related-party Transactions of Huatai Securities Co., Ltd. (《华泰证券股份有限公司關聯交易管理制度》), which refines the management process, strengthens the collaborative cooperation of each unit in the management of related-party transactions, and enhances the practicality of the system, providing institutional guarantee for the compliant implementation of related-party transactions. The Company continues to optimize its management mechanism of related-party transactions, rigorously fulfills its approval and disclosure obligations of related-party transaction, conscientiously implements related-party transaction limits management, and strengthens the statistics, monitoring and reporting of related-party transaction data, so as to ensure that the management of the Company's related-party transactions is standardized and effective.

5.3 Adhering to Compliance Operation

The Company continues to strengthen compliance management, improve its internal audit system, and implement anti-corruption and integrity efforts. It strictly fulfills its anti-money laundering responsibilities as a financial institution. By actively integrating anti-money laundering efforts with business practices, the Company solidifies the foundation for stable operations.

5.3.1 Construction of Compliance System

By fully implementing the "New Nine Guidelines from the State Council" and the "1+N" policy requirements of the capital market, the Company continuously improves its compliance policies and systems and strictly controls risks across all areas. In 2024, the Company developed and improved internal rules and regulations in various domains, including comprehensive compliance management, OTC derivatives, proxy sale of financial products, wealth management, anti-money laundering, management and control of programmed transactions, and legal proceedings. These efforts ensure that all types of business would be "well operated" with risks "visible and controllable".

5.3.2 Construction of Compliance Culture

The Company adheres to the securities industry's cultural principles of "compliance, integrity, professionalism and stability," prioritizing "compliance" and "integrity". By advancing the development of a compliance and integrity-based culture and strengthening the implementation of standardized and digitalized management, the Company aims to cultivate a company-wide commitment to compliance, transforming it into a professional habit. This approach enhances the Company's capacity to mitigate integrity risks, thereby contributing to the healthy operation of the capital market.

Case Thematic Training of "Compliance as a Guardian for Steady and Long-Term Development (合规护航·行稳致远)"

In October and November 2024, Huatai Securities conducted two thematic training sessions for its branch offices in Shenzhen and Jinan. The training was attended by over 500 participants, including general managers of all branch offices, key institutional business personnel, and compliance officers. Under the themes of "Cross-border Comprehensive Financial Services" and "High-quality Development of Institutional Services under the New Situation", the training provided in-depth exchanges on compliance and business in relation to global asset allocation and comprehensive services for enterprises going overseas, cross-border wealth business, wealth management business under the new situation, business of the whole business chain under the viewpoint of investment banking, and case studies of branch implementation. The Company also carried out financial integrity culture promotion, continuously enhancing the awareness of employees on "honesty and trustworthiness, and not overstepping the bottom line" in compliance and business development.



◆ Thematic Training of "Taking Compliance as the Guardian for Steady and Long-Term Development" for Branches

Case "Civil Code Awareness Month Campaign" · "Illuminating" a Rule-of-Law-based Business Environment in 2024



◆ Poster of "Civil Code Awareness Month Campaign" · "Illuminating" a Rule-of-law-based Business Environment in 2024

Case The 5th Legal Tai Law Publicity Activity of "Global Finance Journey · Rule of Law by My Side (國際金融路·法治伴我行)"

From November to December 2024, Huatai Securities held the 5th Legal Tai law publicity activity to further solidify the brand influence of "Legal Tai". The campaign actively engaged domestic and international branches as well as subsidiaries to comprehensively promote a culture of compliance and legal awareness by focusing on key topics such as international financial rule of law, revisions to the new Anti-money Laundering Law, the requirements of the "New Nine Guidelines from the State Council", and investor rights protection.

Four specialized legal lectures were offered, with cumulative participation exceeding 10,000 attendees. Additionally, a two-week legal knowledge competition was conducted, covering themes closely related to the Company's operations and employee rights, including Xi Jinping Thought on the Rule of Law, the Constitution, the Civil Code, the Securities Law, and the Anti-money Laundering Law. The competition attracted over 1,500 employees.



◆ Law Publicity Activity of "Global Finance Journey · Rule of Law by My Side"

5.3.3 Technology Empowering Compliance Management

The Company comprehensively enhances the level of independent control of core systems, continuously promotes the construction of Huatai Digital Compliance System 3.0 and actively practices the Company's digital strategy. It realizes the comprehensive in-house development of the Mingbian intelligent compliance due diligence system, the new generation segregation wall system, the list control center, the anti-money laundering toolkit, etc., explores the full-process digital control solution for OTC derivatives, and leverages digitalization to implement the concept of process compliance and embedded compliance.

The Company has been steadily promoting the R&D and application of the leading intelligent integrity and compliance due diligence system in the securities industry, namely "Mingbian Version 3.0", which provides functional modules such as integrity and compliance record aggregation, multi-dimensional data analysis and statistics, compliance due diligence intelligent annotations, capital market relation graph, and due diligence report export, etc., which are tailored to the needs of the business.

"Mingbian" - The Compliance Performance Platform

Empowering business efficiency improvement	Achieving comprehensive compliance due diligence coverage across group headquarter departments, branch offices, and subsidiaries. To date, it has provided over 28,000 due diligence services to more than 4,700 users, identified and reviewed over 1 million abnormal data points, and saved human resource costs of approximately 5,000 person-days.
Iterative enhancement of intelligent compliance risk models	Integrating advanced algorithms such as capital market relation graph and large-scale model semantic understanding, and significantly improving its ability to deeply identify clues related to integrity and compliance records. Participating in collaborative investigations into multiple private product risk incidents and providing precise alerts regarding potential trading counterparties involved in illegal financial activities, along with supporting evidence. It has truly achieved accurate identification of compliance risks, allowing for early detection and prevention of issues at their initial stages.
Facilitating business opportunities	Through the capital market relation graph of the "Mingbian" system, it is possible to understand the customer relationship network in an all-round and multi-dimensional way, and target important related organizations and individuals, providing key clues for customer introduction and asset aggregation.
Sourcing from IT innovation technology	Providing standardized and reliable compliance due diligence services to the entire group.

In 2024, the compliance due diligence API services were employed more than **12,000** times, while the real-time list control services against credential stuffing were employed over **70,000** times, and more than **12** million customer records were retrospectively reviewed. The Company actively participated in the FinTech exchange forum of the securities industry, and was invited by the Shenzhen Stock Exchange Financial Technology Development Center to share the experience of building an intelligent compliance due diligence system to the whole industry, which has expanded Huatai's industry influence of its digital compliance solutions.

5.3.4 Strengthening Internal Audit

The Company continuously strengthens and standardizes its internal audit processes to strictly adhere to relevant laws and regulations such as the China Internal Auditing Standards (《中國內部審計準則》), the Regulations on the Supervision and Administration of Securities Companies (《證券公司監督管理條例》), and the Guidelines for Internal Audit of Securities Companies (《證券公司內部審計指引》), and has formulated and implemented the Internal Audit Management System of Huatai Securities Co., Ltd. In accordance to the Articles of Association of the Company, it put in place an internal audit system and set up a specialized agency with fulltime auditors to conduct internal audit supervision on its financial income and expenditure and economic activities. The Company conducts internal audit supervision of business operation activities, accounting and financial management, construction and implementation of internal control system, completion of business objectives, fulfillment of responsibilities related to the construction of the Party conduct and of an honest and clean government and compliance with the provisions of integrity in business, as well as other financial income and expenditure and economic activities of the Company, and submits audit reports to the Board. In 2024, the Company completed 190 planned audit tasks. By the end of the year, 182 audit reports had been issued.



Planned Audit Tasks
Completed in 2024

190 tasks

Audit Reports Issued
by the End of 2024

182 reports

5.3.5 Anti-Money Laundering

The Company strictly adheres to legal anti-money laundering regulations and supervisory requirements. In alignment with the revisions to the Anti-money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), the Company has updated its Basic System for Anti-money Laundering and Counter-Terrorist Financing of Huatai Securities Co., Ltd., to further refine its internal control framework for anti-money laundering compliance.

◆ Deepening the Internal Control of Anti-Money Laundering

The Company has refined the responsibilities of business departments and enhanced risk management measures by advancing system upgrades and process optimization. Key initiatives include the implementation of a suspicious transaction

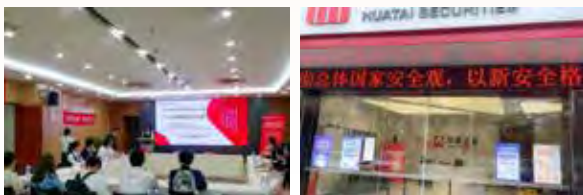
monitoring model for the "Cross-Boundary Wealth Management Connect" business, the optimization of monitoring models for large and abnormal transfers, and the adjustment of thresholds for 12 suspicious transaction monitoring models within the anti-money laundering monitoring system. Besides, the Company has digitized critical due diligence tasks, such as those for block trading, and optimized the customer risk rating consistency framework.

◆ Giving Importance to Anti-Money Laundering Publicity

In 2024, the Company successfully held 16 anti-money laundering training sessions, comprehensively covering in-depth interpretations of anti-money laundering laws and regulations as well as detailed explanations of practical anti-money laundering operations. The Company flexibly applied a variety of training forms, including online platforms and offline meetings, to achieve full coverage of training targets and offer training to those who should be trained, which has effectively promoted broad participation and in-depth communication among employees.

Case Thematic Training of "4.15 National Security Education Day"

In April 2024, Huatai Securities launched a series of anti-money laundering publicity campaigns centered around the "4.15 National Security Education Day", and organized all local branches to adopt diversified and innovative publicity strategies such as cartoon creation competition, microfilm, community visits, etc., to consolidate the results of the construction of anti-money laundering culture within the Company, and help create a favorable anti-money laundering atmosphere.



◇ Campaigns on "4.15 National Security Education Day"

Case "Beware of New Money Laundering Schemes (谨防洗钱新套路)" of Anti-Money Laundering Awareness Campaigns



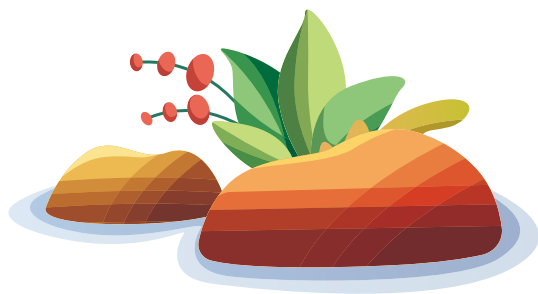
◇ Posters of "Beware of New Money Laundering Schemes" Promotion

5.3.6 Paying Taxes According to Laws

The Company diligently fulfills its tax obligations in strict compliance with laws and regulations such as the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》), the Individual Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》), the Law of the People's Republic of China on the Administration of Tax Collection (《中華人民共和國稅收徵收管理法》), and the Provisional Regulations on Value-Added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例》). Upholding the principle of "ethical business practices and lawful tax compliance", the Company has enhanced its tax compliance management system and advanced digital tax initiatives, to steadily improve its tax management practices. For details of tax-related information, please refer to the 2024 Annual Report of the Company.

5.3.7 Intellectual Property Protection

The Company strictly abides by the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and other laws and regulations. While effectively safeguarding its own intellectual property rights, the Company avoids infringing upon the intellectual property rights of others and establishes and improves the intellectual property rights management mechanism.



Case "Respecting Intellectual Property, Creating Our Future (尊知產·創WE來)" Intellectual Property Week Special Advocacy Campaign

In April 2024, Huatai Securities organized a special advocacy campaign for Intellectual Property Week. Four selected intellectual property cases from the Supreme People's Court were introduced to all employees through the Company's internal WeChat official account "Vision of Compliance (合規視界)", involving areas such as copyright, trademarks, and trade secrets, serving as practical examples to illustrate legal principles and provide guidance. In addition, external experts were invited to hold a lecture on Intellectual Property Legal Risks and Prevention in Generative AI Applications (《生成式人工智能應用中的知識產權法律風險及防範》), which made reference to the legal issues in the field of cutting-edge technology to effectively enhance the awareness of intellectual property rights protection and risk prevention among all employees.



◇ Poster of "Respecting Intellectual Property, Creating Our Future" Intellectual Property Week Special Advocacy Campaign

5.3.8 Upholding Business Ethics

◆ Conflicts of Interest

The Company has established the Information Barrier Management System of Huatai Securities Co., Ltd. (《华泰證券股份有限公司信息隔離牆管理制度》) to continuously enhance and refine the risk control mechanism of managing conflicts of interest throughout the Group leveraging the information barrier system.

The Company monitored research, investment banking, asset management, proprietary and other business lines with

prominent risks of conflicts of interest, strictly implemented the requirements of watch lists and restriction lists, designed and developed more than 20 monitoring and early warning indicators through low-code, and conducted post-event monitoring of transactions exceeding the early warning thresholds to achieve closed-loop management. For major projects, it carried out ex-ante assessment of conflict of interest risks and provided specific control solutions; it also provided compliance support such as list testing for a number of business scenarios such as investment consulting and income swaps, so as to prevent conflict of interest risks in advance.

◆ Business Integrity

Upholding business integrity is intrinsic to the "five musts and five don'ts" requirements of financial culture with Chinese characteristics, and is serving as the lifeline of the financial industry and the cornerstone for steady development of a securities company. The Company has established and improved the "1+N" system of business integrity, formulated the Management Measures for Business Integrity of Huatai Securities Co., Ltd. (《华泰證券股份有限公司廉潔從業管理辦法》), and embedded business integrity into financial expenses, bidding and procurement, marketing management, confidentiality management, contract management, personnel management, accountability auditing, and various business areas. The Company has established and improved a coordinated mechanism of compliance, risk control, disciplinary inspection and audit, consistently organized each business line to carry out self-inspection on integrity practices, identify potential integrity risks in light of the actual business situation and common risk points. Any non-compliant behavior or misconduct would be held accountable.

During the Reporting Period, there were no corruption lawsuits against the Company.

◆ Integrity Compliance Education Initiatives

In 2024, on the basis of the regular integrity education system, the Company strengthened anti-corruption training for Board members (including training on dealing with corruption risks), and sent training materials such as the Prevention of Bribery Ordinance (《防止賄賂條例》) and the Toolkit on Directors'

Ethics (《董事誠信實務指南》) compiled by the Independent Commission Against Corruption of the Hong Kong to its Board members for study and reference. For local branches, it continued to promote warning education for newly appointed heads of business departments and general managers of business departments, and organized visits to provincial authorities and provincial Party integrity warning education bases.

In 2024, the Company continued to promote full coverage of warning education, carried out **15** on-site warning education sessions, released **6** thematic reports, which garnered over **16,000** views; it organized and carried out **2** compliance tour training sessions across local branches, concurrently promoting a culture of financial integrity. All employees were required to sign a pledge of business integrity, reinforcing their awareness of integrity and ethical standards.

◆ Whistle-Blowing and Protection of Whistle-Blowers

The Company shall protect the legitimate rights of whistle-blowers. It strictly abides by the Regulations on Dealing with Reporting Work of Disciplinary Inspection and Supervision Organs (《紀檢監察機關處理檢舉控告工作規則》), the Implementation Measures for the Establishment and Improvement of the Clarification and Protection Mechanism on Falsely and Wrongly Accused Party Members and Cadres (Trial Implementation)(《關於建立健全被錯告誣告黨員、幹部澄清保護機制的實施辦法(試行)》) and other regulations, and released the Whistleblowing and Whistleblower Protection Policy of Huatai Securities Co., Ltd. to strictly implement confidentiality requirements. The Company also continuously improves the whistle-blowing channels, such as establishing relevant protective measures and implementing a robust system for handling real-name reporting and providing feedback, ensuring the protection of whistleblowers' supervisory rights and safeguarding the legal rights of whistle-blowers.

The Company set up and announced whistle-blowing channels, including letters and petitions, online whistle-blowing and telephone whistle-blowing, and provided standard guidance for relevant requirements and measures relating to whistle-blowing, protection whistle-blowers, false accusation and frame up. Please refer to relevant sections in Whistleblowing and Whistleblower Protection Policy of Huatai Securities Co., Ltd. for details.

◆ Strengthening the Anti-Corruption Management of Suppliers

The Company enforced the Code of Conduct on Suppliers of Huatai Securities Co., Ltd., requiring suppliers to comply with anti-corruption policies, including the Provisions on Anti-Corruption, Anti-Bribery and Integrity Practice of Huatai Securities Co., Ltd.. The integrity undertaking required to be signed by handling personnel while commencing all procurement activities and by suppliers upon signing of all procurement contracts. As thus, we managed both internal and external issues to build a solid bottom-line of integrity in business. The Company ensures comprehensive coverage of all suppliers by its intelligent compliance and due diligence platform of "Mingbian". The due diligence reports are seamlessly integrated into every stage of the procurement process, including purchase applications, tender submissions, and contract signings. Any identified risk points are thoroughly verified.

5.3.9 Responsible Marketing

The Company complied with various requirements on financial marketing publicity and product advertisement stipulated by the Advertisement Law of the People's Republic of China (《中華人民共和國廣告法》), the Notice on Further Standardizing Financial Marketing Publicity (《關於進一步規範金融營銷宣傳行為的通知》), the Measures for Supervision and Administration of the Sales Organizations of Securities Investment Funds in Public Offering (《公開募集證券投資基金銷售機構監督管理辦法》) and the Interim Regulations on the Administration of Publicity and Referral Materials of Securities Investment Funds in Public Offering (《公開募集證券投資基金宣傳推介材料管理暫行規定》), and formulated and implemented the Administrative Measures for Marketing Publicity Activities (《規範營銷宣傳管理辦法》) and the Administrative Measures for Proxy Sale of Financial Products (《金融產品代銷管理辦法》). The company consistently adheres to a rigorous and compliant approach, striving to deliver the highest quality and most authentic service experience to its clients. It strictly manages marketing and referral materials and activities from marketing staff, and specifies the standard of publicity materials from preparation, review and use, as well as the special requirements on the code of conduct on marketing and publicity marketing of financial products. The Company has established diversified information channels, including the

"Publicity and Information Disclosure" column and the "ZhangLe Fortune Path". It continues to refine its internal control systems for financial product advertising and marketing management, strengthening internal supervision and risk prevention. During the Reporting Period, the Company strictly adhered to relevant financial marketing regulations, with no compliance violations occurring.

5.4 Strengthening Risk Management

The Company strictly complies with laws and regulations, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Audit Law of the People's Republic of China (《中華人民共和國審計法》), as well as relevant regulatory provisions. It optimizes the model risk control process to ensure the reasonableness and effectiveness of the risk measurement foundation, and establishes a risk culture with stability for long-term development and forged a company image of high-quality development. The Company continued to strengthen risk awareness and management capabilities and avoided any major risk incidents in 2024.

5.4.1 Comprehensive Risk Management System

The Company emphasizes the risk management and developed a multilayered working mechanism with mutual connection and effective balance. In accordance with regulatory requirements and the practical needs of business development, the Company has established a comprehensive risk management system centered on the core principles of all-employee involvement, comprehensive coverage, and penetrating oversight. The Company remains focused on key business areas and high-risk sectors, ensuring the effective implementation of critical risk control measures. By building risk management capabilities that delve into the essence of business operations, the Company enhances its forward-looking ability to identify, prevent, and mitigate risks, thereby safeguarding the high-quality and stable development of its business. For details of the comprehensive risk management system, please refer to the relevant section in the 2024 Annual Report of Huatai Securities Co., Ltd.

Incorporating Overall Risk Management into the Audit Scope

- The Board of the Company is ultimately responsible for overall risk management; the Supervisory Committee is responsible for supervising overall risk management
- The Compliance and Risk Management Committee is set up under the Board; the Senior Management is specifically responsible for the implementation of risk management; chief risk officer is established to responsible for leading the overall risk management of the Company
- The risk management department is accountable to the senior management and is responsible for the overall risk of the Company and performs the overall risk management duties; all professional risk management departments are responsible for professional risks under their leading management
- Other headquarters departments, branches and subsidiaries are responsible for the management of various risks in their respective lines

In 2024, the Company conducted two rounds of customized stress scenario comprehensive stress tests at the parent company and group levels, as well as the annual comprehensive stress test under given scenarios mandated by the Securities Association of China at the parent company level. Based on the results of these stress tests, the Company performed forward-looking assessments of risk exposures across various business lines to support decision-making by the management team. In alignment with the updated Guideline on Stress Testing of Securities Companies (《證券公司壓力測試指引》) (2023 Revision) and the evolving needs of risk management, the Company completed the revision of its stress testing guideline documents.



5.4.2 Empowering Comprehensive Risk Management with Technology

The Company has comprehensively upgraded its integrated risk management platform for all cross-border assets, and continuously built the foundational capability centered on "data + pricing, risk + profit/loss". It is developing a range of risk management applications designed to support functions of "real-time dynamic monitoring and accurate measurement of risks", to gradually achieve the goal of real-time dynamic monitoring and accurate measurement of risks.

5.4.3 Risk Management Culture Advocacy

The Company organized professional trainings regarding risk management under the theme of "Stability for Long-Term Development and Professional Empowerment 「行穩致遠、專業賦能」" to enhance the recognition of risk management value and awareness of all employees. In 2024, the Company launched a series of risk culture development and promotion initiatives, organizing five specialized risk management training sessions, covering topics such as risk culture development in securities companies and daily processes for professional risk management, focusing on key areas of risk expertise. The trainings aimed to deepen all staffs understanding of the current state of risk management in the securities industry and foster mutual learning and integration of risk prevention practices across the organization.

In 2024, the Company conducted a series of specialized training sessions in the field of risk management, focusing on topics such as "digitalization" and "new business", to enhance the expertise of risk management personnel. For critical risk management courses, a combination of "training" and "assessment" was implemented to consolidate learning outcomes. The Company also adopted a categorized training management approach to ensure that new employees shall complete comprehensive risk management courses. Existing employees were required to deepen their understanding of risk value through a combination of "operational risk forums + risk management training in branches + cloud-based courses".

Case

"Steadfast Progress, Professional Empowerment (砥礪前行、專業賦能)" Risk Management Training

In 2024, Huatai Securities held a branch training seminar in Zhengzhou to conduct in-depth exchanges around risk and business topics, focusing on typical cases of risk incidents at branches, over-the-counter derivatives business and the risk management practices, and cutting-edge aspects and key risk control points of margin trading business, with a total of 373 people participating via offline or online ways.



◇ Risk Management Training for Branches

Case

Hosting Operational Risk Management Forum

In August 2024, the Company hosted an Operational Risk Management Forum to facilitate in-depth discussions on specialized areas such as the interpretation of regulatory guidelines, revisions to internal guidelines, and system optimization. The forum aimed to effectively disseminate operational risk management concepts, tools, methods, and work requirements to all relevant positions across the organization.



◇ Operational Risk Management Forum

Key Quantitative Performance Indicators

1.Economic Performance

Economic Performance Indicators¹

Indicator	Unit	2022	2023	2024
Operating income	RMB10,000	3,203,156.21	3,657,758.53	4,146,636.74
Total profit	RMB10,000	1,222,803.78	1,420,466.32	1,535,233.98
Tax paid	RMB10,000	353,151.80	194,670.13	199,680.82
Total assets	RMB10,000	84,657,098.96	90,550,838.86	81,427,049.36
Expenses on employee benefits	RMB10,000	1,073,645.60	1,163,903.78	1,063,030.64
Total external donation investment	RMB10,000	4,282.89	4,456.65	2,851.39
Basic earnings per share	RMB	1.18	1.35	1.62
Social contribution per share ²	RMB	3.44	3.75	3.81

Note 1: The data in this table are derived from the consolidated financial statements prepared by the Group in accordance with the Chinese Accounting Standards for Business Enterprises or calculated based on the data in the aforementioned statements.

Note 2: [Calculation method] 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. external donations - other social costs due to environmental pollution)/total number of shares of the Company.

2.Environmental Performance

Performance Indicators for Greenhouse Gas (GHG) Emissions, Energy Consumption and Waste Gas Emissions¹

Indicator	Unit	2022	2023	2024
Total GHG emissions (Scope 1 and Scope 2) ^{2,3}	tons of CO ₂ equivalent	32,549.95	35,307.05	36,543.19
Scope 1 GHG emissions ⁴	tons of CO ₂ equivalent	3,334.62	4,482.34	4,300.46
Scope 2 GHG emissions	tons of CO ₂ equivalent	29,215.33	30,824.71	32,242.73
Total GHG emissions per person (Scope 1 and Scope 2)	tons of CO ₂ equivalent/ person	2.77	2.82	2.92
GHG emissions per unit area (Scope 1 and Scope 2)	tons of CO ₂ equivalent/m ²	0.10	0.09	0.09
Scope 3 GHG emissions ⁵	tons of CO ₂ equivalent	14,925.85	14,838.76	23,224.88 ¹⁰
Total natural gas consumption	m ³	891,900.99	1,213,975.00	1,134,001.17
Natural gas consumption per person	m ³ /person	75.98	97.02	90.73
Natural gas consumption per unit area	m ³ /m ²	2.69	3.11	2.83
Petrol consumption of the Company's vehicles ⁶	liter	514,842.30	677,135.41	644,998.76
Diesel consumption ⁷	liter	13,923.00	21,342.00	50,266.00 ¹¹
Total electricity consumption	kWh	51,054,290.79	53,814,509.02	59,721,253.98 ¹²
Electricity consumption per person	kWh/person	4,349.49	4,300.69	4,778.08
Electricity consumption per unit area	kWh/m ²	153.85	137.98	149.18
Nitrogen oxide Emissions ⁸	kg	5,526.26	4,972.64	4,812.07
Sulfur oxide emissions ⁹	kg	7.57	9.95	9.48

- Note 1: [Statistical caliber] The figures in 2024 are for headquarters of the parent company of Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures, 27 securities branches and their business departments.
- Note 2: [Calculation method] Scope 1 GHG emissions include direct greenhouse gas emissions from the Company's natural gas consumption, self-owned vehicles gasoline consumption and diesel consumption of diesel generators, etc., calculation method of which is with reference to How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs (《如何準備環境、社會及管治報告附錄二：環境關鍵績效指標匯報指引》) (2024) issued by Hong Kong Stock Exchange. Scope 2 GHG emissions include indirect greenhouse gas emissions from purchased electricity, the method of accounting for greenhouse gases and the selection of emission factors for each energy source in 2024 are mainly with reference to How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs (2024) issued by Hong Kong Stock Exchange, the Greenhouse Gas Emission Accounting Methodology and Reporting Guidelines for Public Building Operation Enterprises (Trial) (《公共建築運營企業溫室氣體排放核算方法和報告指南》(試行)) issued by the National Development and Reform Commission and the Announcement on the Release of 2022 Electricity Carbon Dioxide Emission Factors (《關於發佈 2022 年電力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment. For the accounting methodology and selection of emission factors for each energy source in 2023 and 2022, please refer to the CSR reports issued by the Company in 2023 and 2022.
- Notes 3, 4 and 7: In 2024, as some of the Company's branches strengthened their energy management and retrospectively tracked data of 2022 and 2023, the total GHG emissions (Scope 1 and Scope 2), Scope 1 GHG emissions, and diesel consumption data for 2022 and 2023 were restated.
- Note 5: [Calculation method] Scope 3 greenhouse gas (GHG) emissions include emissions from electricity, natural gas and other consumption by tenants in Huatai Securities Square, emission from traveling by transportation and resting in hotel on business trip by employees of headquarters of the parent company of Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures, 27 securities branches and their business departments, which are estimated by using calculation method for Greenhouse Gas Protocol Scope 3. For the statistical scope and accounting methodology in 2023 and 2022, please refer to the CSR reports issued by the Company in 2023 and 2022.
- Note 6: The data of petrol consumption of the Company's vehicles are estimates.
- Notes 8 and 9: [Calculation method] Calculation method of waste gas emissions in 2024 is with reference to How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs (2024) issued by Hong Kong Stock Exchange.
- Note 10: The frequency of business travel of staff increased along with the recovered market and increased business volume in 2024 as compared to 2023, resulting in the increase in Scope 3 GHG emissions.
- Note 11: The data of diesel consumption are estimates. In 2024, the increased number of tenant surrenders in the office buildings where some of the Company's branches are located had resulted in a significant increase in their diesel heating shared expense and an increase in the estimated diesel consumption compared to previous years.
- Notes 12: The Company's overall electricity consumption increased as compared to previous years due to the impact of persistent scorching weather and business development demand in 2024. The Company will continue to pay attention to energy conservation and consumption reduction in the future.

Performance Indicators for Water Resource Consumption¹

Indicator	Unit	2022	2023	2024
Total water consumption	ton	185,256.86	205,584.30	226,005.20
Water consumption per person	ton/person	15.78	16.43	18.08
Water consumption per unit area	ton/m ²	0.56	0.53	0.56

- Note 1: [Statistical caliber] The figures in 2024 are for headquarters of the parent company of Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures, 27 securities branches and their business departments. For figures in 2023 and 2022, please refer to the CSR reports issued by the Company in 2023 and 2022.

Performance Indicators for Material Consumption and Waste Production Volume¹

Indicator	Unit	2022	2023	2024
Waste volume of electronics ²	piece	4,749	3,897	4,318
Toner ³	unit	1,223	1,692	1,803
Cartridge ⁴	unit	3,101	3,479	3,185
Discarded fluorescent tube	unit	1,817	1,716	1,811
Total paper consumption ⁵	package	21,096	25,707	25,150

Note 1: [Statistical caliber] The figures in 2024 are for headquarters of the parent company of Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures, 27 securities branches and their business departments. For figures in 2023 and 2022, please refer to the CSR reports issued by the Company in 2023 and 2022.

Note 2: The statistical scope of the waste volume of electronics includes laptops, monitors, desktops, all-in-ones, routers, UPS, etc., which are calculated by physical asset management system.

Notes 3 and 4: The consumption volume data of toners and cartridges are estimates.

Note 5: The paper consumption data are estimates.

3.Social and Governance Performance

Anti-Corruption-Related Performance Indicators

Indicator	Unit	2022	2023	2024
Number of anti-corruption training	time	8	8	10
Number of people participating in anti-corruption training	person	11,073	12,513	11,943
Average anti-corruption training hours per capita of staff	hour	2.00	2.00	2.00

Employee Performance Indicators

Indicator		Unit	2022	2023	2024
Total number of employees ¹		person	16,799	16,658	16,964
By gender	Male	person	8,495	8,430	8,506
	Female	person	6,677	6,739	6,824
By employment type ²	Full-time contract employee	person	13,365	14,002	14,133
	Other employment type	person	3,434	2,656	2,831
By age	>50	person	1,047	1,056	1,125
	30-50	person	9,103	9,413	9,749
	<30	person	5,022	4,700	4,456
By region	Mainland China	person	14,507	14,625	14,774
	Hong Kong, Macao, Taiwan and overseas	person	2,292	2,033	2,190
By education degree	Doctor	person	167	164	164
	Master	person	6,518	7,299	7,561
	College	person	7,372	6,711	6,724
	Technical school and below	person	1,115	995	881
Number of new employees		person	2,527	1,724	876
By gender	Male	person	1,429	955	496
	Female	person	1,098	769	380

Indicator		Unit	2022	2023	2024
By age	>50	person	5	4	4
	30-50	person	1,003	578	253
	<30	person	1,518	1,142	619
By region	Mainland China	person	2,412	1,586	819
	Hong Kong, Macao, Taiwan and overseas	person	115	138	57
Graduates		person	726	859	483
Minority ethnic group		person	354	391	392
Handicapped		person	0	0	0
Loss rate of staff ³		%	6.19	7.38	5.42
By gender	Male	%	6.22	8.23	5.75
	Female	%	6.15	6.34	5.00
By age	>50	%	4.04	2.70	1.75
	30-50	%	5.64	6.73	4.94
	<30	%	7.99	9.82	7.80
By region	Mainland China	%	5.89	7.10	5.26
	Hong Kong, Macao, Taiwan and overseas	%	13.56	13.93	8.63
Labor discrimination		case	0	0	0
Percentage of labor contracts signed		%	100	100	100

Indicator	Unit	2022	2023	2024
Coverage of social insurance	%	100	100	100
Female employees taking parental leave	person	267	335	259
Return rate of female employees taking parental leave ⁴	%	100	100	100
Male employees taking parental leave	person	172	216	262
Percentage of male employees in management	%	69.55	67.84	67.41
Percentage of female employees in management	%	30.45	32.16	32.59

Note 1: [Statistical caliber] The figures of total number of employees in 2024 include Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures, Huatai Securities (USA) and Jiangsu Equity Exchange. Due to the internal policies of the company in U.S., the gender, age and education structure exclude U.S. company employees. The figures of total number of new employees, loss rate of staff and other figures are full-time labor contract employees. For figures in 2023 and 2022, please refer to the CSR reports issued by the Company in 2023 and 2022.

Note 2: The number of employees of the Company in 2022, 2023 and 2024 includes labor dispatch, brokers, etc.

Note 3: [Calculation method] Loss rate of a particular type of staff = loss number of such type of staff during the year / number of such type of staff at the end of the year.

Note 4: [Calculation method] Return rate of female employees taking parental leave = total number of female employees returning to work after parental leave / total number of female employees who should return to work after parental leave.

Employee Health and Safety Performance Indicators¹

Indicator	Unit	2022	2023	2024
Number of employees who die at work	person	0	0	0
Rate of work-related accidents ^{2,3}	‰	5	6	6
Number of working days lost due to work-related injury	day	192	185	253

Note 1: [Statistical caliber] The figures in 2024 are for the full-time labor contract employees of Huatai Securities, Huatai United Securities, Huatai Asset Management, Huatai Financial Holdings (Hong Kong), Huatai Purple Gold Investment, Huatai Innovative Investment, Huatai Futures, Huatai Securities (USA) and Jiangsu Equity Exchange. For figures in 2023 and 2022, please refer to the CSR reports issued by the Company in 2023 and 2022.

Note 2: [Calculation method] Rate of work-related accidents = number of work-related accidents / total number of employees.

Note 3: The work-related injury incidents in 2024 were caused by traffic accidents during employees' business trips and commuting, as well as injuries sustained during cultural and sports activities. The Company has completed the work-related injury applications for employees in accordance with the law and arranged for work-related injury leave for employees. Moving forward, the Company will also take preventive measures by enhancing employee safety education and training and improving the organization of activities. According to the Regulation on Work-Related Injury Insurance (《工傷保險條例》) issued by the State Council, the work-related injuries that have occurred in the Company over the past three years have not reached the level of disability.

Staff Training Performance Indicators¹

Indicator	Unit	2022	2023	2024
Staff training attendance	person-time	1,374,058	1,386,368	1,356,241
Total expense of staff training	RMB10,000	1,124.00	1,453.19	1,386.30 ⁴
Coverage ratio of staff training ²	%	100	100	100
By gender	Male	53.84	53.59	53.60
	Female	46.16	46.41	46.40
By staff type	Ordinary staff	79.63	77.90	76.34

Indicator		Unit	2022	2023	2024
By staff type	Junior management	%	19.09	20.89	22.55
	Senior and middle management	%	1.28	1.21	1.11
Average training hours percapita of all staff for each year ³		hour	69.19	70.22	75.65
By gender	Male	hour	68.80	69.90	74.20
	Female	hour	69.50	70.60	77.30
By staff type	Ordinary staff	hour	61.00	61.40	68.20
	Junior management	hour	98.00	98.70	99.50
	Senior and middle management	hour	145.00	146.00	150.50

Note 1: [Statistical caliber] The figures in 2024 are for contract employees of Huatai Securities. For figures in 2023 and 2022, please refer to the CSR reports issued by the Company in 2023 and 2022.

Note 2: [Calculation method] Coverage ratio of staff training for each type = number of staff participating training for such type / total number of staff participating training.

Note 3: [Calculation method] Average training hours per capita of each type of staff each year = total training hours for such type of staff / total number of such type of staff.

Note 4: In 2024, the Company promoted online training methods, resulting in a decrease in the number of on-site centralized training sessions, a reduction in costs required and a slight decrease in total expense of staff training as compared to 2023.

Suppliers Performance Indicators¹

Indicator	Unit	2022	2023	2024
Number of suppliers in Mainland China	supplier	466	464	471
Number of suppliers from Hong Kong, Macao, Taiwan and overseas	supplier	29	28	21

Note 1: [Statistical caliber] The parent company of Huatai Securities. The above data are estimates.

Customer Service Performance Indicators

Indicator	Unit	2022	2023	2024
Number of customer consultation ¹	case	4,881,824	3,894,041	4,510,817
Customer satisfaction	%	99.62	99.59	99.59
Number of complaints received regarding products and services	case	106	97	197 ²
Complaint handling rate	%	100	100	100

Note 1: [Statistical caliber] Inbound service volume of customer service center, manual online service volume and intelligent robot service volume.

Note 2: Data were taken from the number of complaints received through 12386 hotline platform, 95597 hotline, e-mail at 95597@htsc.com and the Company's official website.

Community Investment Performance Indicators

Indicator	Unit	2022	2023	2024
Number of staff participated in volunteering	person-time	267	786	205
Total hours contributed to volunteering by staff	hour	1,620	2,358	3,600 ¹
Total external donation investment	RMB10,000	4,282.89	4,456.65	2,851.39

Note 1: In 2024, the Company carried out a number of public charity volunteering activities with longer average service hours, and the total hours contributed to volunteering increased significantly.

Definitions

In this report, unless the context otherwise requires, the following terms and expressions have the meanings set forth below:

Terms and expressions	Definitions
CSRC	the China Securities Regulatory Commission (中國證券監督管理委員會)
Investor Protection Bureau of CSRC	Investor Protection Bureau of CSRC (中國證監會投資者保護局)
Shanghai Stock Exchange or SSE	the Shanghai Stock Exchange (上海證券交易所)
Shenzhen Stock Exchange	the Shenzhen Stock Exchange (深圳證券交易所)
Hong Kong Stock Exchange	the Stock Exchange of Hong Kong Limited (香港聯合交易所有限公司)
London Stock Exchange or LSE	the London Stock Exchange plc (倫敦證券交易所)
Huatai Securities, Company or Parent Company	Huatai Securities Co., Ltd. (华泰证券股份有限公司)
Group, Our Group, we or us	the Company and its subsidiaries
Huatai United Securities	Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司), a wholly-owned subsidiary of the Company
Huatai Futures	Huatai Futures Co., Ltd. (華泰期貨有限公司), a wholly-owned subsidiary of the Company
Huatai Purple Gold Investment	Huatai Purple Gold Investment Co., Ltd. (華泰紫金投資有限責任公司), a wholly-owned subsidiary of the Company
Huatai Asset Management	Huatai Securities (Shanghai) Asset Management Co., Ltd. (華泰證券 (上海) 資產管理有限公司), a wholly-owned subsidiary of the Company
Huatai International	Huatai International Financial Holdings Company Limited (華泰國際金融控股有限公司), a wholly-owned subsidiary of the Company
Huatai Financial Holdings (Hong Kong)	Huatai Financial Holdings (Hong Kong) Limited (華泰金融控股 (香港) 有限公司), a wholly-owned subsidiary of Huatai International
Huatai Innovative Investment	Huatai Innovative Investment Co., Ltd. (華泰創新投資有限公司), a wholly-owned subsidiary of the Company

Terms and expressions	Definitions
Jiangsu Equity Exchange	Jiangsu Equity Exchange Co., Ltd. (江蘇股權交易中心有限責任公司), a holding subsidiary of the Company, changes to Huatai Securities' equity participation company after the reporting period
China Southern Asset Management	China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司)
Huatai-PineBridge	Huatai-PineBridge Fund Management Co., Ltd. (華泰柏瑞基金管理有限公司)
Huatai Securities (USA)	Huatai Securities (USA), Inc. (華泰證券 (美國) 有限公司), a wholly-owned subsidiary of Huatai International
Singapore Subsidiary	Huatai Securities (Singapore) Pte. Limited, a wholly-owned subsidiary of Huatai International
A Share(s)	Domestic share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
H Share(s)	Foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in HK dollars
GDR	Global Depository Receipts
CSR	Corporate Social Responsibility
ESG	Environmental, Social and Corporate Governance
IPO	Initial Public Offering
DevSecOps	Development, Security and Operations
FICC	Fixed Income, Currency and Commodities
CAMS	Credit Analysis and Management System
Reporting Period	the year of 2024

Report index

Index of the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) (《上市公司自律監管指引第14號－可持續發展報告(試行)》)

Content Disclosed	Section Index
Climate change tackling	2.1 Responding to Climate Change Key Quantitative Performance Indicators
Pollutant discharge	2.2 Practicing Green Operation Key Quantitative Performance Indicators
Waste disposal	2.2 Practicing Green Operation Key Quantitative Performance Indicators
Ecosystem and biodiversity protection	2.3 Protecting Biodiversity
Environmental compliance management	2.2 Practicing Green Operation
Energy usage	2.2 Practicing Green Operation Key Quantitative Performance Indicators
Usage of water resources	2.2 Practicing Green Operation Key Quantitative Performance Indicators
Circular economy	2.2 Practicing Green Operation
Rural revitalization	1.5 Serving Rural Revitalization
Contributions to the society	4.4 Public Welfare under "One Commonweal Heart of Huatai" Key Quantitative Performance Indicators
Innovation-driven	3.1 Releasing the Value of Digital Innovation Key Quantitative Performance Indicators
Ethics of science and technology	3.2.6 Valuing FinTech Ethics

Content Disclosed	Section Index
Supply chain security	2.4 Improving Green Supply Chain 5.3 Adhering to Compliance Operation Key Quantitative Performance Indicators
Equal treatment to SMEs	Theme II: 3. Enlightening Inclusive Finance
Safety and quality of products and services	3.3 Optimizing Products and Services Key Quantitative Performance Indicators
Data security and customer privacy protection	3.2 Safeguarding Information Security and Privacy
Employees	4.1 Protecting the Rights and Interests of Employees 4.2 Empowering the Development of Employees 4.3 Listening to Employees' Voice Key Quantitative Performance Indicators
Due diligence	Theme I: 3.1 ESG Due Diligence on Clients Theme I: 5. Identification and Analysis of Material Topics
Communications with the stakeholders	Theme I: 4. Communications with the Stakeholders
Anti-commercial bribery and anti-corruption	5.3 Adhering to Compliance Operation Key Quantitative Performance Indicators
Anti-unfair competition	5.3 Adhering to Compliance Operation
Topics voluntarily disclosed	
Compliance operation	5.3 Adhering to Compliance Operation
Sustainable finance	Theme I: 2.3 Practice of Responsible Investment Theme II: 2. Empowering Green Finance
Environmental impact of financing	Theme II: 2. Empowering Green Finance
Responsible investment	Theme I: 2.3 Practice of Responsible Investment
Serving the real economy	Theme II: Serving the Real Economy by Focusing on Five Major Areas of Finance Chapter I Responsibility First and Promoting High-Quality Development

Content Disclosed	Section Index
Availability of financing	Theme II: 3. Enlightening Inclusive Finance Theme II: 4. Jointly Building Pension Finance Theme II: 5. Establishing Digital Finance 3.4 Stepping up Efforts to Investor Education
Risk management (including sustainability risk management)	Theme I: 3. ESG Risk Management 5.4 Strengthening Risk Management
Responsible marketing	5.3 Adhering to Compliance Operation
Development of human capital	4.2 Empowering the Development of Employees Key Quantitative Performance Indicators
Industry cultural construction	5.1 Development Guided by Party Building

Index of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange

Aspects, General Disclosures and KPIs	Description	Sections
Aspect A1: Emissions		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air ¹ and greenhouse gas emissions ² , discharges into water and land, and generation of hazardous and non-hazardous waste ³ .	2.1 Responding to Climate Change 2.2 Practicing Green Operation
KPI A1.1	The types of emissions and respective emissions data.	Key Quantitative Performance Indicators - Performance Indicators for Greenhouse Gas (GHG) Emissions, Energy Consumption and Waste Gas Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Indicators - Performance Indicators for Greenhouse Gas (GHG) Emissions, Energy Consumption and Waste Gas Emissions

Note 1: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.

Note 2: Greenhouse gases (GHG) include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.

Note 3: Hazardous wastes are those defined by national regulations.

Aspects, General Disclosures and KPIs	Description	Sections
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Indicators - Performance Indicators for Greenhouse Gas (GHG) Emissions, Energy Consumption and Waste Gas Emissions, Performance Indicators for Material Consumption and Waste Production Volume
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Indicators - Performance Indicators for Greenhouse Gas (GHG) Emissions, Energy Consumption and Waste Gas Emissions, Performance Indicators for Material Consumption and Waste Production Volume
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	2.1 Responding to Climate Change
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.2 Practicing Green Operation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resource ⁴ , including energy, water and other raw materials.	2.1 Responding to Climate Change 2.2 Practicing Green Operation
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).	Key Quantitative Performance Indicators - Performance Indicators for Greenhouse Gas (GHG) Emissions, Energy Consumption and Waste Gas Emissions
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Indicators - Performance Indicators for Water Resource Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Key Quantitative Performance Indicators - Performance Indicators for Greenhouse Gas (GHG) Emissions, Energy Consumption and Waste Gas Emissions, Performance Indicators for Water Resource Consumption, Performance Indicators for Material Consumption and Waste Production Volume

Note 4: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.

Aspects, General Disclosures and KPIs	Description	Sections
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Key Quantitative Performance Indicators - Performance Indicators for Water Resource Consumption
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	The Company's products are financial products which are not applicable for this indicator
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	2.1 Responding to Climate Change 2.2 Practicing Green Operation
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.1 Responding to Climate Change 2.2 Practicing Green Operation
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	2.1 Responding to Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	2.1 Responding to Climate Change
Employment and Labor Practices		
Aspect B1: Employment		
General Disclosure	Information on: the policies; and 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.	4.1 Protecting the Rights and Interests of Employees 4.2 Empowering the Development of Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Key Quantitative Performance Indicators - Employee Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Key Quantitative Performance Indicators - Employee Performance Indicators

Aspects, General Disclosures and KPIs	Description	Sections
Aspect B2: Health and Safety		
General Disclosure	Information on: the policies; and 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.	4.1 Protecting the Rights and Interests of Employees 4.3 Listening to Employees' Voice
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Quantitative Performance Indicators - Employee Health and Safety Performance Indicators
KPI B2.2	Lost days due to work injury.	Key Quantitative Performance Indicators - Employee Health and Safety Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.1 Protecting the Rights and Interests of Employees
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training ⁵ activities.	4.2 Empowering the Development of Employees
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Quantitative Performance Indicators - Staff Training Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Key Quantitative Performance Indicators - Staff Training Performance Indicators
Aspect B4: Labor Standards		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	4.1 Protecting the Rights and Interests of Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	4.1 Protecting the Rights and Interests of Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Protecting the Rights and Interests of Employees

Note 5: Training refers to vocational training. It may include internal and external courses paid by the employer.

Aspects, General Disclosures and KPIs	Description	Sections
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	2.4 Improving Green Supply Chain 5.3 Adhering to Compliance Operation
KPI B5.1	Number of suppliers by geographical region.	Key Quantitative Performance Indicators - Suppliers Performance Indicators
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	2.4 Improving Green Supply Chain 5.3 Adhering to Compliance Operation
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	2.4 Improving Green Supply Chain 5.3 Adhering to Compliance Operation
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	2.4 Improving Green Supply Chain 5.3 Adhering to Compliance Operation
Aspect B6: Product Responsibility		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.2 Safeguarding Information Security and Privacy 3.3 Optimizing Products and Services 5.3 Adhering to Compliance Operation
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Company's products are financial products which are not applicable for this indicator
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	3.1 Releasing the Value of Digital Innovation 3.2 Safeguarding Information Security and Privacy 3.3 Optimizing Products and Services 5.3 Adhering to Compliance Operation Key Quantitative Performance Indicators - Customer Service Performance Indicators
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.3 Adhering to Compliance Operation

Aspects, General Disclosures and KPIs	Description	Sections
KPI B6.4	Description of quality assurance process and recall procedures.	The Company's products are financial products which are not applicable for this indicator
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.2 Safeguarding Information Security and Privacy
Aspect B7: Anti-corruption		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	5.3 Adhering to Compliance Operation
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.	5.3 Adhering to Compliance Operation
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	5.3 Adhering to Compliance Operation
KPI B7.3	Description of anti-corruption training provided to directors and staff.	5.3 Adhering to Compliance Operation Key Quantitative Performance Indicators - Anti-corruption-related Performance Indicators
Community		
Aspect B8: Community Investment		
General Disclosure	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.	1.5 Serving Rural Revitalization 2.3 Protecting Biodiversity 4.4 Public Welfare under "One Commonweal Heart of Huatai"
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	1.5 Serving Rural Revitalization 2.3 Protecting Biodiversity 4.4 Public Welfare under "One Commonweal Heart of Huatai"
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Key Quantitative Performance Indicators - Community Investment Performance Indicators

GRI Standards Index (2021) issued by Global Reporting Initiative

Statement of Use	Huatai Securities Co., Ltd. has reported the information cited in this GRI content index from January 1, 2024 to December 31, 2024 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2 General Disclosure 2021		
The Organizations and Its Reporting Practices		
2-1	Organization details	About This Report About Huatai Securities
2-2	Entities included in the organization's sustainability reporting	About Huatai Securities
2-3	Reporting period, frequency and contact point	About This Report Back Cover
2-4	Restatements of information	Key Quantitative Performance Indicators
2-5	External assurance	Independent Assurance Statement
Activities and Workers		
2-6	Activities, value chain and other business relationships	About Huatai Securities
2-7	Employees	Key Quantitative Performance Indicators
2-8	Workers who are not employees	Key Quantitative Performance Indicators
Governance		
2-9	Governance structure and composition	About Huatai Securities Theme I: 2. Improving ESG Governance 5.2 Improving Corporate Governance Please refer to the 2024 Annual Report of the Company
2-10	Nomination and selection of the highest governance body	Theme I: 2. Improving ESG Governance 5.2 Improving Corporate Governance
2-11	Chair of the highest governance body	Theme I: 2. Improving ESG Governance 5.2 Improving Corporate Governance

GRI Standard	Disclosure	Location
2-12	Role of the highest governance body in overseeing the management of impacts	Theme I: 2. Improving ESG Governance 5.2 Improving Corporate Governance Please refer to the 2024 Annual Report of the Company
2-13	Delegation of responsibility for managing impacts	Theme I: 2. Improving ESG Governance Theme I: 5. Identification and Analysis of Material Topics 5.2 Improving Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	Environmental, Social and Corporate Governance (ESG) Management Statement by the Board Theme I: 2. Improving ESG Governance
2-15	Conflicts of interest	5.2 Improving Corporate Governance 5.3 Adhering to Compliance Operation
2-16	Communication of critical concerns	Theme I: 2. Improving ESG Governance Theme I: 4. Communications with the Stakeholders Theme I: 5. Identification and Analysis of Material Topics
2-17	Collective knowledge of the highest governance body	Theme I: 2. Improving ESG Governance Theme I: 4. Communications with the Stakeholders Theme I: 5. Identification and Analysis of Material Topics
2-18	Evaluation of the performance of the highest governance body	Please refer to the 2024 Annual Report of the Company
2-19	Remuneration policies	4.1 Protecting the Rights and Interests of Employees 4.2 Empowering the Development of Employees 5.2 Improving Corporate Governance Please refer to the 2024 Annual Report of the Company
2-20	Process to determine remuneration	4.1 Protecting the Rights and Interests of Employees 4.2 Empowering the Development of Employees 5.2 Improving Corporate Governance Please refer to the 2024 Annual Report of the Company

GRI Standard	Disclosure	Location
2-21	Annual total compensation ratio	Please refer to the 2024 Annual Report of the Company
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	Environmental, Social and Corporate Governance (ESG) Management Statement by the Board Theme I: 1. Deepening the ESG Concept Theme I: 2. Improving ESG Governance
2-23	Policy commitments	Environmental, Social and Corporate Governance (ESG) Management Statement by the Board Theme I: 2. Improving ESG Governance
2-24	Embedding policy commitments	Environmental, Social and Corporate Governance (ESG) Management Statement by the Board Theme I: 2. Improving ESG Governance Theme II: 2. Empowering Green Finance
2-25	Processes to remediate negative impacts	3.2 Safeguarding Information Security and Privacy 3.3 Optimizing Products and Services 5.3 Adhering to Compliance Operation
2-26	Mechanisms for seeking advice and raising concerns	Theme I: 4. Communications with the Stakeholders 5.3 Adhering to Compliance Operation
2-27	Compliance with laws and regulations	2.2 Practicing Green Operation 3.2 Safeguarding Information Security and Privacy 3.3 Optimizing Products and Services 4.1 Protecting the Rights and Interests of Employees 5.3 Adhering to Compliance Operation
2-28	Membership associations	Honors and Recognitions Theme I: 2. Improving ESG Governance
Stakeholder Involvement		
2-29	Approach to stakeholder engagement	Theme I: 4. Communications with the Stakeholders

GRI Standard	Disclosure	Location
2-30	Collective bargaining agreements	There exists no such circumstance in the Company
GRI 3 Material Topics 2021		
3-1	Process to determine material topics	Theme I: 5. Identification and Analysis of Material Topics
3-2	List of material topics	Theme I: 5. Identification and Analysis of Material Topics
3-3	Management of material topics	Theme I: 2. Improving ESG Governance Theme I: 4. Communications with the Stakeholders Theme I: 5. Identification and Analysis of Material Topics
GRI 201 Economic Performance 2016		
201-1	Direct economic value generated and distributed	About Huatai Securities Key Quantitative Performance Indicators
201-2	Financial implications and other risks and opportunities due to climate change	Theme I: 5. Identification and Analysis of Material Topics 2.1 Responding to Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Please refer to the 2024 Annual Report of the Company
201-4	Financial assistance received from government	Please refer to the 2024 Annual Report of the Company
GRI 202 Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Confidentiality restrictions
202-2	Proportion of senior management hired from the local community	Confidentiality restrictions
GRI 203 Indirect Economic Impact 2016		
203-1	Infrastructure investments and services supported	Theme II: Serving the Real Economy by Focusing on Five Major Areas of Finance Chapter I Responsibility First and Promoting High-Quality Development 4.4 Public Welfare under "One Commonwealth Heart of Huatai"

GRI Standard	Disclosure	Location
203-2	Significant indirect economic impacts	3.3 Optimizing Products and Services
GRI 204 Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Key Quantitative Performance Indicators
GRI 205 Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	5.3 Adhering to Compliance Operation
205-2	Communication and training about anti-corruption policies and procedures	5.3 Adhering to Compliance Operation
205-3	Confirmed incidents of corruption and actions taken	5.3 Adhering to Compliance Operation Key Quantitative Performance Indicators
GRI 206 Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	There exists no such circumstance in the Company
GRI 207 Tax 2019		
207-1	Approach to tax	5.3 Adhering to Compliance Operation Please refer to the 2024 Annual Report of the Company
207-2	Tax governance, control and risk management	Please refer to the 2024 Annual Report of the Company
207-3	Stakeholder engagement and management of concerns related to tax	Please refer to the 2024 Annual Report of the Company
207-4	Country-by-country reporting	There exists no such circumstance in the Company
GRI 301 Materials 2016		
301-1	Materials used by weight or volume	Key Quantitative Performance Indicators
301-2	Recycled input materials used	The Company's products are financial products which are not applicable for this indicator
301-3	Reclaimed products and their packaging materials	The Company's products are financial products which are not applicable for this indicator

GRI Standard	Disclosure	Location
GRI 302 Energy 2016		
302-1	Energy consumption within the organization	Key Quantitative Performance Indicators
302-2	Energy consumption outside the organization	Key Quantitative Performance Indicators
302-3	Energy intensity	Key Quantitative Performance Indicators
302-4	Reduction of energy consumption	2.2 Practicing Green Operation
302-5	Reductions in energy requirements of products and services	2.2 Practicing Green Operation
GRI 303 Water and Effluents 2018		
303-1	Interactions with water as a shared resource	2.2 Practicing Green Operation
303-2	Management of water discharge-related impacts	2.2 Practicing Green Operation
303-3	Water withdrawal	The Company is in the financial industry, so this indicator is not applicable
303-4	Water discharge	The Company is in the financial industry, so this indicator is not applicable
303-5	Water consumption	Key Quantitative Performance Indicators
GRI 304 Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	No relevant operation sites
304-2	Significant impacts of activities, products and services on biodiversity	2.3 Protecting Biodiversity
304-3	Habitats protected or restored	No relevant disclosure information
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	No relevant disclosure information
GRI 305 Emission 2016		
305-1	Direct (Scope 1) GHG emissions	Key Quantitative Performance Indicators
305-2	Energy indirect (Scope 2) GHG emissions	Key Quantitative Performance Indicators
305-3	Other indirect (Scope 3) GHG emissions	Key Quantitative Performance Indicators

GRI Standard	Disclosure	Location
305-4	GHG emissions intensity	Key Quantitative Performance Indicators
305-5	Reduction of GHG emissions	Key Quantitative Performance Indicators
305-6	Emissions of ozone-depleting substances (ODS)	The Company is in the financial industry, so this indicator is not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key Quantitative Performance Indicators
GRI 306 Waste 2020		
306-1	Waste generation and significant waste-related impacts	2.2 Practicing Green Operation
306-2	Management of significant waste-related impacts	2.2 Practicing Green Operation
306-3	Waste generated	Key Quantitative Performance Indicators
306-4	Waste diverted from disposal	No relevant disclosure information
306-5	Waste directed to disposal	No relevant disclosure information
GRI 308 Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Theme I: 2. Improving ESG Governance 2.4 Improving Green Supply Chain 5.3 Adhering to Compliance Operation
308-2	Negative environmental impacts in the supply chain and actions taken	Theme I: 2. Improving ESG Governance 2.4 Improving Green Supply Chain 5.3 Adhering to Compliance Operation
GRI 401 Employment 2016		
401-1	New employee hires and employee turnover	Key Quantitative Performance Indicators
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1 Protecting the Rights and Interests of Employees 4.2 Empowering the Development of Employees 4.3 Listening to Employees' Voice
401-3	Parental leave	Key Quantitative Performance Indicators
GRI 402 Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	No relevant disclosure information

GRI Standard	Disclosure	Location
GRI 403 Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	4.1 Protecting the Rights and Interests of Employees
403-2	Hazard identification, risk assessment and incident investigation	No relevant disclosure information
403-3	Occupational health services	4.1 Protecting the Rights and Interests of Employees
403-4	Worker participation, consultation, and communication on occupational health and safety	No relevant disclosure information
403-5	Worker training on occupational health and safety	4.1 Protecting the Rights and Interests of Employees 4.2 Empowering the Development of Employees
403-6	Promotion of worker health	4.1 Protecting the Rights and Interests of Employees 4.3 Listening to Employees' Voice
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.1 Protecting the Rights and Interests of Employees
403-8	Workers covered by an occupational health and safety management system	No relevant disclosure information
403-9	Work-related injuries	Key Quantitative Performance Indicators
403-10	Work-related ill health	4.1 Protecting the Rights and Interests of Employees
GRI 404 Training and Education 2016		
404-1	Average hours of training per year per employee	Key Quantitative Performance Indicators
404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Empowering the Development of Employees
404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Empowering the Development of Employees
GRI 405 Diversity and Equal Opportunity 2016		

GRI Standard	Disclosure	Location
405-1	Diversity of governance bodies and employees	4.1 Protecting the Rights and Interests of Employees Key Quantitative Performance Indicators
405-2	Ratio of basic salary and remuneration of women to men	Confidentiality restrictions
GRI 406 Non-Discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	4.1 Protecting the Rights and Interests of Employees Key Quantitative Performance Indicators
GRI 407 Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There exists no such circumstance in the Company 4.1 Protecting the Rights and Interests of Employees
GRI 408 Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	There exists no such circumstance in the Company 4.1 Protecting the Rights and Interests of Employees
GRI 409 Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There exists no such circumstance in the Company 4.1 Protecting the Rights and Interests of Employees
GRI 410 Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	No relevant disclosure information
GRI 411 Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	There exists no such circumstance in the Company
GRI 413 Local Communities 2016		

GRI Standard	Disclosure	Location
413-1	Operations with local community engagement, impact assessment, and development plans	1.5 Serving Rural Revitalization 3.3 Optimizing Products and Services 3.4 Stepping up Efforts to Investor Education 4.4 Public Welfare under "One Commonwealth Heart of Huatai"
413-2	Operations with significant actual and potential negative impacts on local communities	There exists no such circumstance in the Company
GRI 414 Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Theme I: 2. Improving ESG Governance 5.3 Adhering to Compliance Operation
414-2	Negative social impacts in the supply chain and actions taken	Theme I: 2. Improving ESG Governance 5.3 Adhering to Compliance Operation
GRI 415 Public Policy 2016		
415-1	Political contributions	There exists no such circumstance in the Company
GRI 416 Customer Health and Safety 2016		
416-1	Assessment of health and safety impacts of product and service categories	The Company's products are financial products which are not applicable for this indicator
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	5.3 Adhering to Compliance Operation
GRI 417 Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	5.3 Adhering to Compliance Operation
417-2	Incidents of non-compliance concerning product and service information and labeling	There exists no such circumstance in the Company
417-3	Incidents of non-compliance concerning marketing communications	There exists no such circumstance in the Company
GRI 418 Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There exists no such circumstance in the Company 3.2 Safeguarding Information Security and Privacy

SGS

SGS

ASSURANCE STATEMENT CN25/00001723

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE HUATAI SECURITIES CO., LTD. 2024 CORPORATE SOCIAL RESPONSIBILITY REPORT

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by Huatai Securities Co., Ltd. (hereinafter referred to as Huatai Securities) to conduct an independent assurance of the Chinese version of the *Huatai Securities Co., Ltd. 2024 Corporate Social Responsibility Report* (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Huatai Securities Co., Ltd.'s Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the board of directors and the ESG Committee. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all Huatai Securities Co., Ltd.'s stakeholders.

SGS hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the AA1000 series of standards and ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance
AA1000AS v3 Type 2	Moderate

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The assurance engagement was conducted to evaluate the accuracy and reliability of the sustainability performance information included in the Report, as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	Appendix C2 to the Listing Rules of HKEX - HKEX Environmental, Social and Governance (ESG) Reporting Guide (effective from 31 December 2023)
2	Shanghai Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 - Standardized Operation
3	GRI 2021 (Reference)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees located at Huatai Securities' Headquarters, Huatai Securities Plaza, No.228 Middle Jiangdong Road, Nanjing City, Jiangsu Province, P. R. China., including documentation and record review and validation where relevant.



LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The greenhouse gas emissions related data in the Report has not undergone verification by an independent third-party auditor. In the context of the present assurance engagement, our procedures were limited to sample-based validation.

This assurance engagement was restricted to the group level of Huatai Securities Co., Ltd. and did not include traceability of original data from all subordinate institutions.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. SGS affirm our independence from Huatai Securities Co., Ltd., being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, the specified performance information included in the scope of assurance is accurate, reliable, and has been fairly stated.

CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The assurance team concludes that the *Huatai Securities Co., Ltd 2024 Corporate Social Responsibility Report*

is presented in accordance with the reporting principles, mandatory disclosure requirements and the KPIs disclosures of Appendix C2 to the Listing Rules of HKEX –HKEX Environmental, Social and Governance (ESG) Reporting Guide (effective from 31 December 2023) is presented in accordance with the disclosure requirements of the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No.1—Standard Operation has referred to the requirements of *GRI Standards 2021*.

FINDINGS AND RECOMMENDATIONS

All observations pertaining to commendable practices, sustainable development activities, and managerial recommendations identified throughout the assurance process have been thoroughly documented in the *Internal Management Report on Sustainability Reporting Assurance*. This report has been officially presented to the relevant management divisions of Huatai Securities Co., Ltd. to serve as a reference for their ongoing efforts towards continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Mar. 20th, 2025
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