

HENGTOU SECURITIES
2024 Environmental, Social and Governance Report

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About This Report

Brief Introduction

Hengtou Securities, a joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name “恒泰证券股份有限公司” (the “Company”), and its subsidiaries (the “Group” or “we”) are pleased to publish our Environmental, Social and Governance (“ESG”) Report. The Report summarises the Group's work in implementing the concept of sustainable development and fulfilling corporate social responsibility.

Reporting Scope

The Report focuses on the core businesses of the Company and the overall sustainability performance from 1 January 2024 to 31 December 2024 (the “Year”). Unless otherwise specifically stated, the Report covers the businesses directly controlled by the Company. For detailed information on corporate governance of the Company, please refer to the section headed “Corporate Governance Report” of annual report of the Company in 2024 or visit the Company's official website (www.cnht.com.cn).

Reporting Standard

The Report is prepared in accordance with the Appendix C2 Environmental, Social and Governance Reporting Guide (the “Guide”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The Report has complied with all the “comply or explain” provisions and reporting principles in the ESG Guide. Readers may refer to the Appendix II: Hong Kong Stock Exchange “ESG Reporting Guide” Content Index to this report for quick reference. The Report should be read in conjunction with the section headed “Corporate Governance Report” in annual report for a comprehensive understanding of the Company's environmental, social and governance performance.

Reporting principles

The reporting principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”, have been followed in the preparation of this ESG Report.

Materiality	The Report has identified and disclosed the procedures and standards for selecting the ESG factors, as well as the description of stakeholders and their participation and results.
Quantitative	The Report contains standards, methods, assumptions and/or calculation tools for the emission/energy consumption (as applicable) statistics, and the source of conversion factors, all of which are explained in the definition of the Report.
Balance	The Report provides an unbiased picture of the Company's performance, and avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.
Consistency	The Report uses consistent statistical method for disclosing the data. Changes (if any) are clearly explained in the Report.

Reporting Languages

This Report is published in both traditional Chinese and English. In case of discrepancies, the traditional Chinese version shall prevail.

Access to the Report

The Report is published in electronic version, which can be downloaded from HKEXnews (<http://www.hkexnews.hk>) and the Company's website (<http://www.cnht.com.cn>).

Feedback on the Report

If you have enquiries and suggestions about the Report or the Company's sustainability strategy, please feel free to contact us by email (dongban@cnht.com.cn).

1. About the Company

The Company was established in 1992 and registered its address in Hohhot, Inner Mongolia Autonomous Region, the People's Republic of China, which is a comprehensive, fully licensed securities company approved by the China Securities Regulatory Commission (中國證券監督管理委員會). The Company has more than 100 business offices and 3 branches nationwide. Meanwhile, it has wholly-owned subsidiaries such as Hengtai Changcai Securities Co., Ltd. (恒泰長財證券有限責任公司), Hengtai Pioneer Investment Co., Ltd. (恒泰先鋒投資有限公司), Hengtai Capital Investment Co., Ltd. (恒泰資本投資有限責任公司) and Hengtai Futures Co., Ltd. (恒泰期貨股份有限公司), and has New China Fund Management Co., Ltd. (新華基金管理股份有限公司), a holding subsidiary.

The Company persists in seeking progress while maintaining stability, and promote stability through progress, adheres to the development road with a combination of light and heavy capital businesses to form the business extended area as the core of Beijing, Inner Mongolia Autonomous Region and three regions in northeast China, carries out businesses such as equity and debt financing, asset management, wealth management, and financial advisors, serving to promote the development of real economy in the three regions, and pursuing to become the investment bank that is equipped with branding advantages and influence around the area, providing customers more inclusive and caring financial services.

The awards and honours attained during the Year include:

Awarding organisation	Award or honour
China Securities Regulatory Commission (中國證監會)	Excellence in Evaluation of National Securities and Futures Investor Education Base(國家級證券期貨投資者教育基地考核優秀)
Inner Mongolia Securities Regulatory Bureau (內蒙古證監局)	Excellence in Evaluation of 2023-2024 Internet Investor Education Base(互聯網投資者教育基地 2023—2024 年度考核優秀)
Inner Mongolia Securities and Futures Association (內蒙古證券期貨業協會)	Advanced Unit of Cultural Construction (文化建設先進單位)
Cailian Press(財聯社)	Innovative Investor Education in 2024 First “Cailian Xingyin Cup” Financial Education Annual Award (2024 首屆「財聯星引杯」金融教育年度評選創新投教獎)
Cailian Press(財聯社)	The Wealth Management • Huazun Award for Best Customer Experience(财富管理•华尊奖评价最佳客户体验奖)

2. Sustainability Strategy

2.1 Statement of the Board

To strengthen the management of the ESG-related tasks, the Company established the ESG governance structure. The Board will be responsible for leading and supervising ESG-related tasks, in order to better handle the opportunities and risks regarding sustainability. The Board regularly deliberates and reviews ESG approach and strategies, including approval and confirmation of ESG-related targets, reviewing the progress of the target, evaluation, prioritisation, etc. We have set environment-related directional targets. In the future, we will conduct a progress review based on the Company's ESG-related targets to monitor and improve sustainable development of our work.

2.2 ESG Governance Structure

To ensure the proper implementation of ESG-related tasks, and to assist the Board to better supervise the ESG-related tasks of the Company, the Company has established an ESG working group, forming a management structure of the Board, an ESG working group and implementation level. The details are as follows:



The Board takes full responsibility for the ESG strategy and reporting of the Group, including:

- Review and manage material ESG issues, risks and opportunities;
- Examine and approve ESG management approach, strategies, priorities and targets;
- Regular review the progress of ESG related targets and the ESG performance;
- Examine and approve ESG report.

The ESG working group is led by the secretary of the Board and is managed by the Board Office. Its responsibilities are as follows:

- Identify and assess material ESG issues, risks and opportunities for the Board's approval;
- Formulate ESG management approach, strategies, plans, annual work and targets for the Board's approval, and promote relevant implementation;
- Engage in the preparation of the annual ESG report and maintain communication with the ESG consultant team.

The implementation level consists of the relevant departments of the Group, including the president's office, human resources department, administration management department, compliance management department, trade union office, and branch management department, etc. Its responsibilities are as follows:

- Promote and implement various ESG-related tasks according to the arrangement of the Group;
- Collect and report ESG internal policies, systems and ESG-related performance indicators;
- Comply with various ESG-related policies and system.

2.3 Stakeholders Engagement

According to the business development strategy and operational characteristics, the Company actively expanded the communication channels with stakeholders during different processes of daily operation, identified key stakeholders such as government and regulatory authorities, investors, customers, employees, suppliers and partners, communities and the environment, and established a normalised communication mechanism with stakeholders to fully listen to and respond to stakeholders' expectations and demands.

Stakeholder	Communication channels
Investors/Shareholders	<ul style="list-style-type: none"> • Annual general meeting • Interim report and annual report • Corporate newsletter • Result announcement • Shareholder visiting activity • Establishment of investor education base • Promotional activity for investor education • Phone • Email
Customers	<ul style="list-style-type: none"> • Daily operation/communication • Customer service centre • Customer consultation group • Customer relation manager visit • Online service platform • Phone • Mailbox

Employees	<ul style="list-style-type: none"> • Performance interview/appraisal • Group discussion/meeting • Employee suggestion box • WeChat group for work • Publication/business presentation • Employee intranet
Business partners	<ul style="list-style-type: none"> • Report • Meeting • Visit • Talk
Stakeholder	Communication channels
Suppliers	<ul style="list-style-type: none"> • Supplier management procedure • Supplier/Contractor assessment system • Tendering system and process • Meeting
Regulators	<ul style="list-style-type: none"> • Compliance report • Submission of regulatory document • Written response to public consultation • Meeting
Media	<ul style="list-style-type: none"> • Press release • Senior management visit • Result announcement • Official Website • WeChat Official Account
Professional organisations	<ul style="list-style-type: none"> • Meeting • Regular visit • Membership • Working group
Communities/non-governmental organisations	<ul style="list-style-type: none"> • Seminar/talk/workshop • Meeting • Promotional activity for investor education

2.4 Materiality Assessment

In order to further promote the sustainability development of the Company during the Year, we have conducted materiality assessment. With reference to the current regulatory requirements, laws and regulations, the materiality issue database of the Sustainability Accounting Standards Board, and other international standards, along with the Company's characteristics and needs, and the expectations and demands of various stakeholders, the Company identifies and determines the materiality of the following sections:

Materiality	Sections	Disclosed information in 2024
Highly material	Compliance	Detailed disclosure of implementation of various laws and regulations, and conducting compliant operation and risk control management
	Training and Development	Detailed disclosure of various measures and trainings to enhance employees' professionalism and improve their career development
Moderately material	Water Consumption and Efficiency	Disclosure of energy consumption and measures taken in energy conservation and emission reduction
	Remuneration and Welfare	Disclosure of employee benefits and compensation, and wages for attracting and retaining talent
General material	Waste Management	Disclosure of measures regarding the management of electronic wastes such as office materials and computer materials

3. Environmental Friendliness

We minimise the environmental impact caused by the business management activities. We strictly comply with the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢棄物污染環境防治法》), the Water Pollution Prevention and Control Law of the People's Republic of China and other laws and regulations (《中華人民共和國水污染防治法》), and encourage employees to protect the environment and improve their environmental awareness. We have formulated Management Measures of Office Environment and Premises of Hengtai Securities Co., Ltd. (《恒泰證券股份有限公司辦公環境及場所管理辦法》) to encourage employees to improve resource usage efficiency, save energy and water, and reduce waste generation. The Company implemented the principle of “reduction, harmlessness and resource utilisation” for waste treatment. In office activities, anchoring on the source of procurement and the green standardisation of suppliers, the Company gave priority to purchasing and using state-specified environmental-friendly and green energy saving products, promoted energy conservation, reduced the generation and discharge of pollutants, saved office expenses and creates a green office environment.

During the Year, the Company has not violated any laws and regulations related to environmental protection or caused major accidents affecting the environment and natural resources, nor has it received any notice of penalties or lawsuits related to the environment.

The Company has continued the reporting scope of environmental key performance (Hohhot Office) consistent with previous years, we have set the environmental targets during the Year as maintaining or gradually reducing consumption on the basis of 2023, and have considered setting more specific quantitative environmental targets during a suitable time. The details are as follows:

Environmental Aspects	Targets
Energy Efficiency	Maintain or gradually reduce power consumption on the basis of the energy consumption intensity of 304 kWh/square meter of 2023. It will be actively implemented according to the Company's energy saving measures.
Water Efficiency	Maintain or gradually reduce water consumption based on the water consumption intensity of 0.49 cubic meters per square meter of 2023. It will be actively implemented according to the Company's water saving measures.
Waste Reduction	Maintain or gradually reduce waste generation on the basis of the non-hazardous waste generation intensity of 7.39 kg/person of 2023. It will be actively implemented according to the Company's material-saving and waste sorting measures.
Greenhouse Gas Emission Reduction ¹	Maintain or gradually reduce direct greenhouse gas (Scope 1) and indirect greenhouse gas (Scope 2) emissions based on the greenhouse gas emission intensity of 0.19 metric tons CO ₂ e/person of 2023. It will be actively implemented according to the Company's energy-saving and greenhouse gas emission reduction measures.

Remark ¹ : Scope 1 : Direct greenhouse gas emissions from stationary equipment fuel consumption, motor vehicle fuel consumption and refrigerants. Scope 2 : Greenhouse gas emissions indirectly caused by electricity consumption.

3.1 Emission Management

As a responsible enterprise, we actively cooperate with various national policies and measures to achieve the goal of “2060 carbon neutrality”. We implement low-carbon operations to reduce greenhouse gas emissions.

Greenhouse gases and other emissions in Scope 1 are primarily from the vehicles owned by the Company. We regularly carry out maintenance to our fleets to maintain vehicle performance, check tire wear and maintain proper tire inflation, and promptly eliminate vehicles that do not meet the environmental standards.

Greenhouse gases of Scope 2 mainly come from the Company’s purchased electricity. Please refer to the “Energy Conservation” section for energy saving measures.

We carried out greenhouse gas inventory with reference to the Greenhouse Gas Protocol (《溫室氣體盤查議定書》) developed by the World Resources Institute and the World Business Council for Sustainable Development, and to the ISO14064–1 standard from the International Organisation for Standardisation. The greenhouse gas emissions from the Company’s Hohhot office are as follows:

	Unit	Quantised Value of 2024	Quantised Value of 2023
Direct greenhouse gas emission (Scope 1)	Tonnes	53.75	51.31
Indirect greenhouse gas emission (Scope 2)	Tonnes	3,156.62	2,600.75
Total greenhouse gas emission	Tonnes	3,210.37	2,652.06
Greenhouse gas emission per capita	Tonnes/m ²	0.229	0.19

We are committed to improving the efficiency of resource use, adhering to the principle of “reduction, harmlessness, and resource utilisation”, and encourage employees to use reusable products as much as possible. We will carry out stocktaking and amount of materials used, and purchase them when needed. Our office wastes including office consumables and electronic wastes including computer consumables, have been handled in a reasonable and environmentally friendly way. We have also signed an agreement with a food waste collection service company to handle food waste professionally.

During the Year, the total amount of non-hazardous waste generated by the Company’s Hohhot office was 2,420.00 kg, and the intensity of non-hazardous waste generation was 6.91 kg per employee; hazardous waste included 1,100 batteries and 110 used ink cartridges/used toner cartridges. Comparing to 2023, the intensity of non-hazardous waste generation of the Company decreased by 6.9% from 7.39 kg in 2023, which is mainly due to the promotion and advocacy of harmless office work in Hohhot office in 2024 to reduce the generation of office waste.

3.2 Energy Conservation

The Company's main electricity consumption comes from lighting and air-conditioning systems in offices. We have implemented the following measures to save electricity:

Air Conditioning System	The air conditioning system is managed by the property management office, with an internal switch
	Regularly clean the filter to reduce unnecessary energy consumption
	Avoid installing air conditioners in locations that are directly exposed to the sun
	Allow employees to wear casual clothing for work in hot weather and on Fridays
Lighting System	Make full use of natural light to reduce power consumption
	Install lights with high energy efficiency
	Install independent lights in meeting rooms to avoid unnecessary long-term lighting in those areas
	Regular clean lights to maintain performance
	Develop employees' habit of turning off when not using

We regularly monitor energy efficiency to adjust energy saving measures in a timely manner. During the Year, the total energy consumption of the Company's headquarter office in Hohhot during operation is 4,608,880.00 kWh, and the total energy consumption intensity is 329.2 kWh per square meter, comparing to the data of 2023, the energy consumption intensity of the Group increases by 8.11% due to the addition of electromechanical equipment such as 70 Syntron servers and other ancillary humidifiers.

3.3 Water Conservation

The Company does not have any issues in sourcing water intake. We proactively take a number of measures, including applying sensor faucets to reduce water pressure to the lowest practicable level, regularly checking water meter readings to monitor abnormal water usage and perform necessary maintenance, conducting regular leak testing of concealed water pipes, using water-saving toilet tools and raising employees' awareness of water conservation, in order to reduce the Company employees' water consumption. While this year, water consumption was increased resulting from adjustment of equipment humidification scheme in computer room and addition of three large humidifying equipment, during the Year, the total water consumption of the Company in Hohhot office was 9,114.00 cubic meters, and the water consumption intensity was 0.651 cubic meters per square meter.

3.4 Climate Change

The Company understands that climate change will have deep impacts on the environment and society, and bring risks to the financial system. Therefore, during the Year, the Company carried out climate change risk identification. With reference to international standards, relevant national rules and regulations and industry development, the Group assessed the possible impacts on business from the aspects of climate change physical risks and climate change transition risks. After the assessment, the impact of climate change on the Company's business is relatively low. If affected by extreme weather, we will actively follow the relevant policies of the local government and make emergency plans beforehand to ensure the safety of employees. In the future, the Company will continue to monitor climate change risks and take corresponding measures.

4. Employees Development

The Company strictly complies with 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》), the Provisions on Prohibition of Child Labour (《禁止使用童工規定》), the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), Implementing Regulations of the People's Republic of China Employment (《中華人民共和國勞動合同法實施條例》) and other laws and regulations in the operating region. We have formulated the Employee Handbook (《員工手冊》), Measures on Welfare (《福利管理辦法》), Measures on Attendance and Leave (《考勤與休假管理辦法》), and other policies relating to recruitment and promotion, compensation and dismissal, working hours, vacation, equal opportunity, diversity, anti-discrimination, welfare, bonus, etc., aiming to provide employees with an equal, inclusive, anti-discrimination and safe working environment.

4.1 Talent Acquisition

For an effective talent acquisition, we formulated the Administrative Measures for Staff Recruitment (《員工招聘管理辦法》). The Group adheres to the employment principles of “careful organisation, comprehensive evaluation, fairness and justice, selection of the best”, along with written tests and interviews to examine candidates from multiple dimensions such as background investigation, work experience, skills, education and conduct. Various approaches are used to acquire talents. By reviewing the applicants' identity documents, resumes and qualification documents to assess their suitability for the position “openness, fairness, strategic orientation, and selection of the best” in recruiting employees, and examine and evaluate candidates in terms of work experience, education, integrity, honesty, and other qualifications required for the posts by means of written tests, interviews, personality assessments, background checks, integrity file inquiries, and integrity verification, etc. Various approaches and methods are used to acquire talents by verifying the applicants' identity documents, resumes and academic certificates, integrity file documents, and certificates of integrity of service companies in the past, to assess the authenticity and compliance of the information as well as the suitability for the position, to ensure that all of the recruited employees comply with laws and regulations and prevent the use of child labour. The qualified recruits will have to legally sign binding contracts of Labour Contract (《勞動合同》), Non-disclosure Agreement (《保密協議》) and Employee Handbook Reading Confirmation Form (《員工手冊閱讀確認表》), and other documents, protecting the rights and interests of both sides, thus to eliminate forced labor from happening.

The Company had a total of 2,070 employees as of 31 December 2024.

4.2 Talents' Benefits

The Company is concerned about the well-being of its employees and has formulated the Welfare Management Measures (《福利管理辦法》) and the Administrative Regulations on Employee Social Security and Housing Provident Fund (《員工社會保險及住房公積金管理規定》), hoping to attract and retain talents with competitive salaries and benefits. Regarding holidays, in addition to statutory holidays, employees may enjoy sick leave, work injury leave, personal leave, annual leave, marriage leave, bereavement leave, prenatal leave, maternity leave and family planning leave. Regarding subsidies, in addition to the welfare of “five social insurances and one housing provident fund”, we also provide enterprise annuity, annual body check, complementary medical care, festival fees, and team activity fees, heating fees, heat stroke prevention and cooling fees, lunch subsidy, communication subsidies, off-site work subsidies, etc.

The salary of employees is determined according to their ranks and their professional qualifications, and is adjusted according to the overall performance of the year. We will also give out annual performance bonuses and special awards to employees based on the results of performance appraisals. In order to make the assessment fairer and more equitable, during the Year, we updated the Performance Management (《績效管理辦法》) and the annual performance appraisal plan. Our performance management is composed of four steps, including performance planning and goal setting, performance monitoring and guidance, performance

appraisal and feedback, and performance results and application. The specific implementation steps and requirements should be based on the Performance Management Implementation Rules and the actual situation every year. The human resources department will be responsible for issuing the notice, organizing and implementing the above steps. The performance management organisational structure is composed of the company's president's office meeting, president office, human resources department, managers of all levels and employees.

4.3 Talent Development



The Group highly values talent development. This year marked a key year in which the Company promotes the recovery growth of the performance of the Company, fully enhance its compliance and risk control management capabilities and deepen the steady development of its business. We have formulated the 2024 Training Plan of Hengtai Securities Co., Ltd. (《恒泰證券2024年度培訓計劃》) based on the business development needs of the Company, in order to establish a sub-regional, classified, hierarchical and multi-form training and empowerment system, to create a knowledge-based organisations, so as to enable training and empowerment to promote the business development of the Company. The training work was based on the requirements of industry regulation, the company's strategic development and the needs of employees to enhance their capabilities, and combined with the results of a survey on the training needs of employees at all levels of the Company, the training system was implemented in the form of a project. In 2024, the trainings are divided on four areas: enhancing the training for management personnel and reserve talents, to perfect the succession system for management personnel, and enlarging the talent pool for management cadres; launching business-specific empowerment online and offline, to enable training and empowerment to promote business development and facilitate the landing of the Company's strategy; organizing induction training for new employees, to enhance the trainees' cohesion and sense of identity, and to reinforce their professional qualities and expertise; implementing internal control training for full compliance and risk control, integrity and honesty in practice, information security and other internal control training for steady and sustainable development of the Company on the basis of prompt interpretation of industry policies and corporate systems. A total of 118 training sessions of various types were conducted throughout the year, with an accumulative

128 courses with an average training satisfaction score of 98.6.

Our training performance during the Year is as follows:

	Percentage of employees Trained (%)	Average training hour
By gender		
Female	100%	33
Male	100%	33
By employee category		
Junior staff	100%	35
Middle management	100%	30
Senior management	100%	20

Besides, we have developed career paths for our employees. Employees can choose to be promoted from low-level to high-level, or they can choose to develop across departments according to their own wishes, professional and management skills.

4.4 Health and Safety

The Company strictly complies with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), the Workplace Occupational Health Supervision and Administration Regulations (《工作場所職業衛生監督管理規定》), the Work Injury Insurance Regulations (《工傷保險條例》) and Occupational Safety and Health Ordinance (《職業安全及健康條例》) of Hong Kong Special Administrative Region, and other laws and regulations in the operating areas, with an aim to provide a healthy and safe working environment to employees.

We have established a series of emergency measures and a safety early warning system to provide employees with necessary protection. We have updated the Welfare Management Scheme (《福利管理辦法》) in order to provide group commercial insurance, accidental injury protection and accident, illness hospitalisation allowance and annual physical examination for employees. With a view to raise employees' safety awareness and escape ability, we also regularly hold rescue and fire drills, and occupational safety education and trainings.

During the Year, the Company did not violate any relevant laws and regulations regarding the provision of a safe working environment and protection of employees from occupational hazards, and there was no loss of working days due to work-related injuries. From 2019 to the Year, the Company has had no deaths of employees due to work-related accidents.

5. Feedback to Society

During the Reporting Period, adhering to its corporate mission of “creating wealth for society”, the Company pooled its resources and various strengths to actively engage in rural revitalization and other public welfare activities, earnestly fulfilling its social responsibilities.

5.1 Implementation of the “One Branch for One County” Pairing Assistance Program

Guided by the Party Central Committee’s philosophy of coordinated regional development, the Company’s Party Committee has actively forged a model of East-West collaboration between Beijing and Inner Mongolia. With a strong sense of social responsibility and mission, the Company has diligently implemented the “One Branch for One County” pairing assistance program. In accordance with the annual assistance plan, the Company has provided targeted support to five paired counties: Siziwang Banner, Chahar Right Middle Banner, Taibus Banner, Oroqen Autonomous Banner, and Arxan City. Each county, based on its specific needs, has implemented three to four substantive assistance projects across multiple domains such as public welfare, intellectual support, ecological development, organizational strengthening, and consumer promotion, with a cumulative investment of RMB900,000. The Company has worked closely with local governments to explore development paths tailored to local conditions. These initiatives have not only consolidated the achievements of poverty alleviation but also propelled the implementation of the rural revitalization strategy, fully demonstrating the social responsibility and mission of a state-owned enterprise.

5.2 Launch Series of Activities Featuring “Healthy Exercise for Kids”

In June 2024, leveraging the Group’s medical resources, the Company officially launched the “Healthy Exercise for Kids (“健康童行”)” public welfare initiative. A special fund of RMB268,000 was allocated to purchase a pediatric endocrine growth and development diagnostic assistance system, which was donated to the Maternal and Child Health Center of Huimin District in Hohhot (呼和浩特市回民區婦幼保健中心). In August, the Company invested an additional RMB175,000 to acquire another set of pediatric endocrine growth and development diagnostic assistance systems and medical equipment, donated to the People’s Hospital of Oroqen Autonomous Banner (鄂倫春自治旗人民醫院). Concurrently, the Company organized multiple physician training sessions, health knowledge lectures, and public welfare medical consultations, effectively promoting the dissemination of high-quality medical resources to grassroots levels. These efforts have reinforced the primary diagnosis system, facilitated two-way referrals, and enhanced the hierarchical medical system, expanding the Company’s social responsibility domain and elevating its service level and social image.

5.3 Implementation of a Series of Public Welfare Activities

1. Deepening Investor Education to Enhance Public Financial Literacy

Utilizing the resource advantages of its investor education base, the Company has actively organized and conducted a

series of investor education activities. Through diverse formats such as “Investor Education in 100 Schools”, “Physical + Internet” investor education bases, and financial knowledge competitions, the Company has disseminated financial knowledge to the public, raising investors’ risk awareness and financial literacy. Additionally, the Company, in collaboration with its subsidiaries Hengtai Futures and Hengtai Changcai, conducted financial knowledge lectures in Oroqen Autonomous Banner, Inner Mongolia, and partnered with Hengtai Capital’s subsidiaries to carry out related activities in Chahar Right Middle Banner. Furthermore, the Company’s business departments have successfully held multiple financial literacy lectures in Siziwang Banner, Taibus Banner, and Arxan, helping local residents and enterprises improve their financial understanding and supporting regional economic stability.

2. Practicing Public Welfare Donations to Support Social Livelihoods

The Company’s Party Committee has consistently focused on social livelihood needs, actively engaging in various public welfare donation activities to convey corporate care and warmth:

Educational Support: The Company has donated 195 sets of school uniforms and 2 large printing devices to Arxan First Elementary School (阿爾山第一小學), and provided school caring backpacks and school supplies to 10 students in financial difficulties, supporting the growth and development of young people.

Caring for Special Groups: The Beijing Trade Union Subcommittee (北京工會小組) organized a book donation and volunteer service event themed “Respecting, Loving, Assisting, and Supporting the Elderly” at the Shoukai Cuncao Guanzhuang Nursing Home (首開寸草管莊養老院), offering spiritual comfort and cultural care to the elderly residents, enriching their reading lives, and spreading warmth and care.

Supporting for Children’s Growth: the Company’s trade union organized employees to participate in the “Sending Warmth to Guang’ai School” donation and volunteer activity, where employees donated school supplies and daily necessities, providing tangible assistance to the children of Guang’ai School and demonstrating the Company’s support for education and care for vulnerable groups.

Aiding for Special Needs Children: The Baotou Steel Street Business Department Trade Union Subcommittee (包頭鋼鐵大街營業部工會小組) visited the Baotou Xingmeng Home Autism Children’s Rehabilitation Center (包頭星夢家園自閉症兒童康復中心), bringing joy and care to autistic children through interactive games and accompanying reading sessions, while also providing practical assistance to the rehabilitation center, showcasing the social responsibility and care of the Company’s trade union members.





Photos from the Events

3. Supporting Rural Revitalization and Promoting Regional Development

In accordance with the requirements of the Inner Mongolia Autonomous Region government, the Company's Party Committee has dispatched Party member employees to serve as the first secretary of the village and head of the working team in Jilantai Town, Alxa Left Banner. The appointed personnel have currently completed two terms. Throughout the year, the Party Committee organized two visits to express consolations to the stationed cadres, paying close attention to their work and living conditions, and extending consolations to critically ill and impoverished households in the village. Simultaneously, the Company has provided multi-dimensional support in terms of policies, human resources, financial resources, and material supplies to assist in rural grassroots governance and economic development.

In addition, during the 2024 Spring Festival, the Company's Party Office, in collaboration with the Financial Products Department, purchased RMB167,000 worth of dried persimmons from Fuping, Shaanxi, as part of the rural revitalization initiative for consolation activities. During the Mid-Autumn Festival, the Company purchased 200 boxes of mooncakes from Financial Street Property Company and, in coordination with the Party Office, procured over RMB200,000 worth of consumer products from the "One Branch for One County" assistance program. By integrating employee welfare with the fulfillment of social responsibilities, the Company has effectively implemented and refined the rural revitalization consumption assistance initiative.



Signing Ceremony for the “Healthy Exercise for Kids” Public Welfare Program



Love Donation Activity for Arxan First Elementary School



Hengtai Securities and Arshan Entry-Exit Border Guard Station Conducted Party Building Joint Building Activities



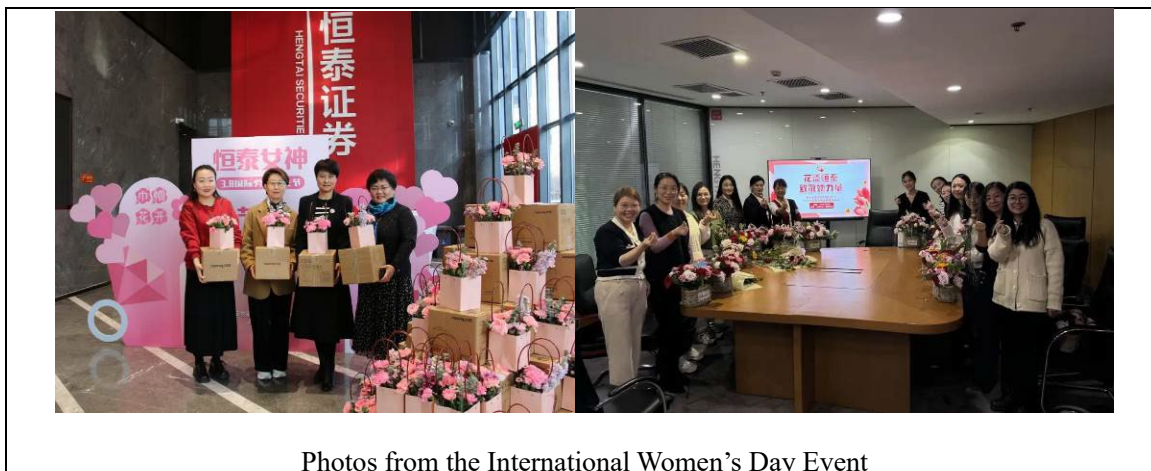
“One Branch for One County” Pairing Assistance Survey



Intellectual Support Activities in Paired Assistance Counties

5.4 Employee Activities

On 8 March 2024, the trade union of the Company guided each subcommittee thereof to launch a thematic series of activities to celebrate International Women's Day, and organized thematic activities at centralized offices in Beijing, Hohhot, Shenzhen and other locations.



Photos from the International Women's Day Event

On 25 June 2024, the first Fun Games of Inner Mongolia Securities and Futures Industry was co-sponsored by Inner

Mongolia Securities & Futures Association, and 120 employees from various trade union groups participated in the activities and won the first place.



Photo of Fun Sports Festival

In August 2024, the Company successfully inaugurated its first-ever staff badminton tournament theming at “Unity in Motion, Progress Together (同心共建，羽你同行)”.



Photo of Staff Badminton Game

In September 2024, in collaboration with the Human Resources Department, the Company organized a Mid-Autumn Festival mooncake DIY event titled “Full Moon over China, Warmth to the World (月滿中華，情暖人間)” at its

centralized office locations in Hohhot and Beijing.



Mid-Autumn Mooncake DIY Activity

From September to November 2024, the Company launched its inaugural online “Honor of Kings” competition under the theme “Olympic Flame, Enduring Passion (奧運烽火，余熱未了)”.



Photo of Honor of Kings Competition

From February to March 2024, the Company carried out consolation activity themed at “New Year Blessings, Dedication to New Achievements (新春送祝福 愛崗建新功)”, visiting five business departments in cities such as Changchun, Beijing, and Shanghai, and extending warm regards to 157 frontline employees. Subsequently, from June to September, the Company initiated consolation activity themed at “Heartfelt Care for Frontline, Summer Coolness Delivery (情系一線 夏送清涼)” and comforted 201 frontline employees across nine business departments in 7 provinces and cities such as Wuhai, Hangzhou.



Photo of Employee Visits and Consolations

In October 2024, the Company organized the preliminary round of its annual employee arts competition, which garnered an impressive 114 registered performances and saw the enthusiastic participation of over 200 employees.

During 2024, the Company convened four sessions of the Employee Representative Assembly, during which 37 corporate regulatory documents, including the “Compensation Management Measures of Hengtai Securities Co., Ltd. (《恒泰證券股份有限公司薪酬管理辦法》), were reviewed and approved. Additionally, two sessions of the Member Representative Assembly were held, resulting in the by-election of one member to the Trade Union Committee, one member to the Trade Union Fund Review Committee, and one member to the Trade Union Women’s Committee. Furthermore, 11 plenary meetings of the Trade Union Committee were conducted, leading to the consideration and issuance of eight trade union-related regulations, such as the Detailed Rules for the Management of Trade Union Funds of Hengtai Securities Co., Ltd.(《恒泰證券股份有限公司工會經費管理細則》)

6. Stable Operation

6.1 Promoting the Construction of the Party

In 2024, the Company's Party Committee has integrated Party building into every aspect of the Company's management and operations, fully leveraging the guiding role of Party building to achieve synergy between Party building and business activities. This mutual reinforcement has activated new developmental momentum, providing a solid political and organizational foundation for the Company's high-quality development.

1. Adhering to Ideological Guidance for Enhancement and Empowerment. The Company has organized leading Party member cadres to delve into the study of original texts and comprehend fundamental principles. In accordance with the plan, it has systematically arranged for the study of Xi Jinping's Economic Thought Study Outline, Extracts from Xi Jinping's Discourses on Financial Work, and the latest important speeches and directives from General Secretary Xi Jinping, continuously improving the political judgment, comprehension, and execution capabilities of the leadership. The Company has earnestly carried out education on Party discipline, guiding all Party members to understand reverence, maintain vigilance, and uphold the bottom line, thereby consistently preserving their political integrity of loyalty, cleanliness, and responsibility.

2. Refining Party Building Mechanisms to Enhance Governance Efficacy. The Company has augmented its Party Committee and Discipline Inspection Committee by adding new members, thereby optimizing the leadership structure and bolstering the strength of the leadership team. It has also refined the Company's authorization management system and the decision-making procedures of the Party Committee to ensure the effective implementation of decisions concerning "major decision on policies, major personnel appointments, investment decisions on major projects, and use of significant amounts of capital (三重一大)". The Company strictly adheres to the requirement of incorporating Party building into the corporate charter, guiding subsidiaries to include Party building work in their Articles of Association. This ensures the legal status of the Party's leadership and the orderly progression of business operations.

3. Innovating Party Building Platforms to Stimulate Business Vitality. The Company's Party Committee has been actively exploring new models for Party building work. By engaging in a series of joint Party building studies, exchanges, and practical activities with industry peers, the Company has created a new platform for the integrated development of Party building and business operations. It has organized public welfare activities with high client participation, which not only fulfill social responsibilities but also open new avenues for business development. For instance, the Company has collaborated with Inner Mongolia Power(Group) Corporation Limited and the Financial Street Chamber of Commerce to conduct thematic Party day events. Through interactive exchanges, these events have identified business synergies, achieving mutually beneficial outcomes. Additionally, the Company has hosted Party day activities for higher-level Party committees, establishing a Party building alliance that fosters business cooperation and "resource optimization." Moreover, the Party Committee has continuously explored models such as "Party building + service", "Party building + public welfare", and "Party building + culture", achieving deep integration and mutual promotion of Party building with business operations and corporate culture. This has significantly enhanced the Company's brand influence while ensuring operational stability and alignment with the broader context.

4. Leveraging the Proximity of Party Branches to Business Operations. The Company has actively carried out activities such as "Making Contributions Based on their Positions" and "Showcasing Results, through Competition" establishing "Party Member Model Posts" and "Party Member Responsibility Zones" as pioneering projects. The role of Party branches as buttress has been effectively utilized, with a noticeable enhancement in the Party spirit and discipline awareness of Party members. This has added momentum to the development of business operations.

6.2 Compliance Publicity

The Compliance Management Department has effectively implemented the relevant regulatory and corporate requirements, strengthened the construction of a compliance culture, and launched compliance training and publicity at various levels and in various forms to disseminate the concept of compliance. In 2024, the Company implemented a systematic training program, conducting a total of 26 training sessions throughout the year. These sessions were stratified and tailored to address professional conduct, social media management, regulatory penalties, and complaint handling. Additionally, the Company's enterprise WeChat platform, "Compliance Voice", published 186 compliance-related articles, significantly enhancing the quality of training content compared to the previous year. The content was more closely aligned with policy updates, regulatory developments, and the practical needs of business operations. Furthermore, the Company successfully hosted its annual compliance training event, inviting lecturers from the Securities Association of China and key personnel from business departments to deliver on-site training to nearly 150 compliance professionals. This initiative bolstered the overall effectiveness of the compliance team and yielded positive outcomes. The Company also established a comprehensive compliance examination question bank, consolidating securities industry regulations and internal company policies into a practical resource for all employees. Through various forms and levels of training and assessments, the Company promoted a culture of learning through testing, reinforcing employees' commitment to compliance. Lastly, the Company compiled the 2024 Regulatory and case law collection, providing employees with a coherent and systematic reference tool to deepen their understanding of regulatory requirements and case studies.

6.3 Anti-money Laundering Management

In 2024, under the guidance of the Inner Mongolia regulatory bureau of China Securities Regulatory Commission and the Inner Mongolia Autonomous Region Branch of the People's Bank of China, the Company earnestly implemented the work requirements of "Risk-Based", fulfilled its anti-money laundering obligations, and proactively deployed and promoted various anti-money laundering efforts.



Photos of Anti-Money Laundering Education Demonstration Base

(1) Implementing the "risk-based" requirement and launching a money laundering risk assessment

To objectively reveal the Company's exposure to money laundering risks, implement the requirements of the People's Bank of China, and enhance the effectiveness of anti-money laundering efforts, the Compliance Management Department is leading the 2024 annual self-assessment of money laundering and terrorist financing risks. This assessment covers all departments and branches related to money laundering risk management. The Company further categorizes the assessment details based on four dimensions: operational regions, customer groups, product services (including services), and transaction or delivery channels. It fully considers various risk factors and integrates them into all management processes of decision-making, execution, and supervision. By combining quantitative and qualitative analysis, the Company aims to comprehensively and accurately reveal the money laundering risks it faces. The final assessment results indicate that the Company's risk of money laundering and terrorist financing is low to medium, primarily involving non-brokerage business anti-money laundering controls, customer due diligence, and the

effectiveness of suspicious transaction reporting. The Compliance Management Department will strengthen management in these areas accordingly.

(2) The long-term mechanism for anti-money laundering knowledge dissemination has shown significant results, with persistent efforts in conducting regular educational campaigns.

In 2024, the People's Bank of China Inner Mongolia Branch organized a promotional meeting for the anti-money laundering education demonstration base at the Company. Leaders from the Anti-Money Laundering Bureau of the People's Bank of China, the Inner Mongolia Branch, and the Anti-Money Laundering Department, along with representatives from 42 financial institutions in the Hohhot area, visited the Company's site to observe the anti-money laundering education base. The People's Bank of China Inner Mongolia Branch and various financial institutions highly praised the Company's anti-money laundering education demonstration base. The Company has now been awarded the title of "Provincial Anti-Money Laundering Education Demonstration Base (省級反洗錢宣傳教育示範基地)" by the People's Bank of China Inner Mongolia Branch.

6.4 Integrity Business

The Company strictly guards against corrupt behaviors such as bribery, extortion, fraud and money laundering, with a zero-tolerance policy adopted towards said actions. We strictly abide by laws, regulations and industry norms, including the Supervision Law of the People's Republic of China, Securities Law of the People's Republic of China, Company Law of the People's Republic of China, Securities Investment Fund Law of the People's Republic of China, The Criminal Law of the People's Republic of China, Regulations on Administration Supervision of Securities Company of the People's Republic of China, Law of the People's Republic of China on Anti-money Laundering, Regulations of Securities and Futures Business Operators and Employee Integrity Business, the Implementation Rules for Securities Business Operators and Employee Integrity Business, the Guidance on Strengthening Risk Prevention and Control of Integrity Business by Hiring a Third-Party Organisation in Investment Banking Business, Regulations for the Administration of Futures Trading, Measures for the Compliance Management of Securities Companies and Securities Investment Fund Management Companies, Notice of the Securities Association of China on Issuing the Guidelines for the Compliance Management of Securities Companies, and Notice of the People's Bank of China on Issuing the Guidelines for the Assessment of Money Laundering and Terrorism Financing Risks and Categorised Management of Customers of Financial Institutions. The Group proactively fulfils the anti-money laundering and the financial stabilisation obligations of financial institutions.

In 2024, the Company comprehensively advanced its core mission of strengthening Party conduct and integrity construction while preventing integrity risks in professional conduct. Notably, it formally promulgated management objectives and fundamental regulations governing ethical professional practices. The Company established a Leading Group for Professional Integrity and convened group working sessions. Through institutionalized mechanisms including report deliberation frameworks and integrity liaison officer networks, organizational governance was significantly enhanced in terms of ethical professional practices. Furthermore, the Company launched the "Lianfeng Jiyu (廉風紀語)" platform for ethical oversight, establishing a channel to safeguard employees' rights to submit grievances and whistleblowing reports, giving full play to its safeguard role.

This year, the Company neither received any whistle-blowings concerning corruption, bribery, extortion, fraud, nor lawsuit concerning corruption.

In 2024, the Company continued to keep open channels for supervision and whistle-blowings through letters, visits, telephone calls, emails, launching the platform featuring "Lianfeng Jiyu (廉風紀語)" for handling letters and visits, and optimizing the process of handling letters and visits. Also we encouraged all stakeholders to report any fraud or possible fraud in the Company through the above-mentioned methods. Upon the reception of reports, the Company's Commissions for Discipline Inspection shall strictly keep the personal information and content of the report confidential, guarantee the legitimate rights and interests of the whistleblower and inspect and handle it promptly and fairly in accordance with the Measures for the

Commission for Discipline Inspection of CPC Hengtai Securities Co., Ltd.

In 2024, the Company prioritized integrity management in professional conduct, rigorously fulfilling its responsibilities in fostering a corporate culture of integrity. Comprehensive self-inspections were conducted across all departments to evaluate the implementation of integrity management protocols, risk prevention mechanisms, and identification of risk exposures. Collaborative efforts were strengthened among disciplinary inspection, auditing, compliance, and risk management departments to align with regulatory requirements. Systematic measures — including institutional enhancements, risk profiling, training programs, and competency assessments — were implemented to intensify oversight of business units, subsidiaries and branches. Furthermore, integrity verification for potential hires, ethical evaluations of current employees, and post-employment integrity reviews were systematically integrated into the human resources framework, providing robust disciplinary safeguards for talent development.

In 2024, the Company has adhered to the principle of putting ideological education in the first place by means of positive guidance and negative warning, and firmly grasped the work of publicity and education on clean practices and the construction of a clean culture. During the year, the Company organized shareholders to conduct activities to advocate professional integrity; organized leading Party members and cadres to participate in two sessions of “listening to court hearings of job crime cases” to have a live experience of serious financial anti-corruption; organized and held three meetings for integrity talks, covering 100 management cadres, to enhance the cadres' organizational discipline and cultivation of Party spirit of integrity and self-discipline. The Company has sorted out the key points of integrity in professional conduct supervision and typical cases of violation in each business line, developed four integrity training courses such as “Enhancing Awareness on Integrity in Professional Conduct and Guaranteeing the Company’s Sound Development (《提升廉潔從業意識 保障公司穩健發展》)”, and organized more than 20 lectures and exams and assessment activities for integrity in professional conduct to achieve full coverage of training and education. In addition, the Company also gives full play to the advantages of the Company’s Hengtai Network Academy, Lianfeng Jiyu and other internal platforms to push the laws and regulations, the Party's major decisions, publicity and education broadcasts and other content, and cultivate the awareness of integrity among employees in multiple channels by means of short promotional videos, typical case analysis, to strengthen the prevention, control and supervision of corruption, improper transfer of benefits and other behaviors.

During the Reporting Period, the Company did not receive any letters of report on corruption, bribery, extortion, fraud, and other related matters, nor did it receive any information on lawsuits related to corruption.

6.5 Intellectual Property Protection

We understand the importance of intellectual property protection and comply with the Patent Law of the People's Republic of China, the Implementation Rules of the Patent Law of the People's Republic of China, and other laws and regulations in the operating region. We will continuously improve the intellectual property management system and procedures, safeguard the intellectual property rights of the Company and others, such as patent rights, trademark rights, copyrights, etc. We will also evaluate potential infringement risks and formulate corresponding countermeasures.

During the Year, the Company did not violate any laws and regulations related to advertisements and labels in relation to the services provided.

6.6 Supply Chain Management

We comply with the Tendering and Bidding Law of the People's Republic of China and other laws and regulations. We also have formulated the Management Measures for Centralised Procurement, Management Measures for Engineering Projects and Management Measures for E-platform Procurement (Trial), standardizing the procurement process and risk prevention, which constantly improve the Company's sustainable supply chain management. We require the tenderer to sign the Tenderer Commitment to Integrity and Confidentiality and Informed Consent . Based on the principles of fairness, impartiality, openness, economy, efficiency and effectiveness, the Company reviews the reputation, finance, compliance and social responsibility of the suppliers. We will also give priority to green products and services that are efficient in terms of resource use with eco-friendly labels. Our audit department will regularly check the procurement workflow and evaluate suppliers to ensure the selected suppliers meet various business management requirements.

Due to the nature of the Company's business, we had no major suppliers during the Year.

7. Professional Services

7.1 Safeguarding the Rights and Interests of Customers

In order to standardise the complaint handling mechanism of the Company, timely solve the problems arising in the brokerage business, and enhance the brokerage service, we have formulated the Administrative Measures for Reporting of Investor Complaints, Regulations on Handling of Reports of Investor Complaints in Brokerage Business, which lists the types of complaint, the complaint handling process, and the disciplinary actions for employees breaching the regulations. Customers may express their views and suggestions on our services in person or by telephone, fax, letter or e-mail or via our website. Upon the receipt of customer's complains, complaints would be categorised according to their type, nature, scope, frequency and severity, then the complaint acceptance staff will need to fill in the Investor Complaints and Whistle-blowing Acceptance Form, and the corresponding handling of the task will be followed. The complaint acceptance staff must track the whole process of complaint handling and give replies to the complainant as soon as possible after the process is completed. Meanwhile, the staff must understand the satisfaction of customers regarding the process, keep records of the complaint and fill in Investor Complaints Feedback Form. All materials in the process will be archived for future reference.

The call center of the branch structure management department received a total of 217 complaint cases in 2024. Among them, there were 88 complaints received through the 956088 system, 127 complaints received through the 12386 transfer system, and 2 complaints supervised by 12386 supervision hotline. Except for 2 complaints received through the 956088 system and 4 complaints received through the 12386 transfer system that are still being handled, all the other complaints have been handled.

We also comply with the Advertising Law of the People's Republic of China, Trademark Law of the People's Republic of China, and other related regulations and laws, to ensure that the truth and accuracy of our publicly disclosed information.

7.2 Safeguarding Privacy of Customers

The Company strictly abides by the laws and regulations in the operating region, including the Law of the People's Republic of China on Guarding State Secrets, the Implementation Measures of the Law on the Protection of State Secrets of the People's Republic of China, and the Detailed Rules for the Implementation of the Law on the Protection of State Secrets of the Inner Mongolia Autonomous Region, etc. We have formulated policies including the Measures for the Administration of Brokerage Business Branches of Hengtai Securities Co., Ltd., Standardisation Management Regulations for the Business Departments of Hengtai Securities Co., Ltd., File Management Regulations for Brokerage Business Branches of Hengtai Securities Co., Ltd., Information Inquiry Management Regulations for Securities Business Departments of Hengtai Securities Co., Ltd., so as to protect customers' privacy and business information.

We require the managers of each branch to educate employees on above regulations in a planned manner, and require employees to consciously abide by the Company's confidentiality regulations and conduct all business activities in accordance with relevant laws, regulations, and institutional requirements. We strictly control employees' application for various system permissions, with the principle of minimizing permissions, to ensure that employees obtain customer privacy and business information within a reasonable and controllable range. For employees who violate the Company's confidentiality regulations, we will impose corresponding penalties according to the situation.

During the Year, we have no major violations like breaches of customer privacy or loss of customer data, and no major risk incidents involving cybersecurity.

7.3 Improving Customer Experience

1. 956088 Customer Service

In 2024, customer service operations were conducted in an orderly manner. Customer service includes a range of services such as account inquiry, fund information inquiry, assistance with trading software, requests for mobile app support, clarification of trading regulations, and guidance on account closure processes. Over the course of the year, a total of 159,272 calls were directed to the customer service team from 956088 hotline, with a commendable 82.74% answering rate. Furthermore, the team managed 4,109 messages through the customer service system, resolved 36,414 customer concerns via the online service platform, and processed 29,180 account closure requests.

2. Customer Follow-Up

In 2024, the calling center coordinated customer service personnel to effectively carry out follow-up tasks related to new account openings as per business requirements. Additionally, staff were assigned to provide regular follow-up services to existing customers, such as conducting suitability license, private equity, investment advisor contract and the confirmation of brokerage relationship change follow-ups. A total of 557,586 telephone follow-up tasks were completed by the calling center. Specifically: 160,521 follow-ups were done for new account openings with a success rate of 81.58%; 9,888 new follow-ups were completed for suitability license clients with a success rate of 52.92%; 739 follow-ups were performed for investment advisor contract clients with a success rate of 50.61%; 283 follow-ups were carried out for private equity clients with a 100% success rate; 383,701 regular follow-ups were handled for existing customers with a success rate of 20.23%; 2,267 spot-check follow-ups were completed for key and specialised customers with a success rate of 47.55%; 137 follow-ups were executed for the confirmation of brokerage relationship change with a success rate of 90.51%; and other temporary follow-ups were completed.

7.4 Investor Education

(1) Assisting in Classification Evaluation Points Increase and Fully Completing the Work beyond Expectations

In 2024, with the strong support of the Company's leaders at all levels, the compliance management department continued to enhance the classification evaluation, prioritised various investor education initiatives related to classification evaluation points increase and proactively strengthened cooperation with regulatory authorities and other external entities in investor education. Despite being at a disadvantage in terms of funding and staffing level compared to industry peers, the department, by leveraging its proactive approach and targeting key areas, conducted innovative investor education initiatives and completed every task beyond expectations, which led to 0.35 points increase in the classification evaluation system for the Company of the 2024. Additionally, the department organised the investor education hiking activity, contributing 0.1 points increase in the cultural construction evaluation system for the Company. All in all, the department has procured each available investor education points increase and fully completed all the investor education initiatives.

(2) Strengthening Collaboration with Regulatory Authorities and Efficiently Completing Investor Education Tasks

In 2024, the Compliance Management Department received a total of 81 notifications regarding conducting investor education initiatives from 11 regulatory authorities via OA workflows and emails, and efficiently completed all tasks. In addition, in order to further enhance the quality and effectiveness of the investor education initiatives of the Company, under the premise of closely revolving around the Company's core strategy of improving classification evaluation points increase, the department actively strengthened collaboration with regulatory authorities, exchanges, self-regulatory organisations and other external entities, rendering the investor education initiatives targeted and distinctive.

(3) Leveraging External Channels and Exploring New Models for Investor Education

In 2024, the Compliance Management Department integrated the investor education promotion activities with the "Seven Entrances" initiative including entering communities, streets, villages, schools, enterprises, public squares, and bases, which continued to popularise the investor education knowledge. Simultaneously, the department actively collaborated with local public security economic crime investigation organs and other authorities to organise large-scale events such as preventing illegal securities and futures and preventing illegal fundraising promotion activities. By innovating the new model "police-enterprise cooperation" for investor education initiatives, the department enhanced the joint power of the Company's large-scale investor education activities.





Photos of Awards and Events

Appendix I: Summary of Sustainability Data

Environmental Aspects

	Unit	2024
Emission of Greenhouse Gases		
Direct greenhouse gas emission (Scope 1)	tonnes	53.75
Indirect greenhouse gas emission (Scope 2)	tonnes	3,156.62
Total greenhouse gas emission (Scope 1 and 2)	tonnes	3,210.37
Greenhouse gas emission density (per square meter)	tonnes / m ²	0. 229
Energy Consumption		
Natural gas consumption	m ³	15, 772.00
Diesel consumption	litre	100.00
Gasoline consumption	litre	5,952
Purchased electricity consumption	kWh	4,608,880.00
Purchased power consumption density (per square meter)	kWh / m ³	329.21
Water Consumption		
Total water consumption	m ³	9,114.00
Water density (per square meter)	m ³ / m ²	0. 65
Waste Generation		
Total non-hazardous waste generation	kg	2, 420.00
Per capita total non-hazardous waste generation	kg/capita	6.91
Hazardous waste generation (ink cartridge and toner box)	piece	110

Social Aspects

Social Aspects	Unit	Quantised Value of 2024
Total number of employees		
Total number of employees	number of people	2070
Number of employees (by gender)		
Female	number of people	1088
Male	number of people	982
Number of employees (by employee category)		
Full time junior staff	number of people	1808
Full time middle management	number of people	248
Full time senior management	number of people	14
Number of employees (by age group)		
Aged 30 or below	number of people	274
Aged between 31 and 40	number of people	974
Aged 41 or above	number of people	822
Number of employees (by geographical region)		
Inner Mongolia	number of people	847
Beijing	number of people	347
Shanghai	number of people	255
Jilin	number of people	243
Guangdong	number of people	116
Zhejiang	number of people	78
Sichuan	number of people	12
Shandong	number of people	35
Liaoning	number of people	37
Jiangsu	number of people	27
Hubei	number of people	5
Fujian	number of people	9
Tianjin	number of people	12
Shaanxi	number of people	7
Guangxi	number of people	7
Henan	number of people	5

Chongqing	number of people	8
Shanxi	number of people	10
Hunan	number of people	6
Hebei	number of people	4
Other (including Hong Kong, Macau and Taiwan)	number of people	0
Employee turnover rate ¹		
Number of employees	%	10.7
Employee turnover rate (by gender) ²		
Female	%	8.4
Male	%	11.3
Employee turnover rate (by age) ²		
Aged 30 below	%	29.2
Aged between 30 and 40	%	10.1
Aged 40 above	%	7.3
Employee turnover rate (by geographical region)²		
Inner Mongolia	%	6.8
Beijing	%	8.9
Shanghai	%	19.2
Guangdong	%	16.4
Zhejiang	%	17.9
Jilin	%	8.6
Sichuan	%	25.0
Shandong	%	5.7
Liaoning	%	5.4
Jiangsu	%	25.9
Hubei	%	20.0
Fujian	%	33.3
Tianjin	%	25.0
Shaanxi	%	14.3
Guangxi	%	0
Henan	%	0
Chongqing	%	25.0
Shanxi	%	30.0

Hunan		%	16.7
Hebei		%	50.0
Other (including Hong Kong, Macau and Taiwan)		%	0
Occupational Health and Safety			
Work-related fatalities and rates	2022	number of people	0
		%	0
	2023	number of people	0
		%	0
	2024	number of people	0
		%	0
Lost days due to work injury		days	0
Development and Training			
Percentage of employees participating in training (by gender)			
Female		%	100
Male		%	100
Percentage of employees participating in training (by employment category)			
Full time junior staff		%	100
Full time middle management		%	100
Full time senior management		%	100
Average training hours per employee (by gender)			
Female		hours	33
Male		hours	33
Average training hours per employee (by employment category)			
Full time junior staff		hours	35
Full time middle management		hours	30
Full time senior management		hours	20

¹ Employee turnover rate: turnover of employees / year-end employees

² The turnover rate of this category: the number of employees who have resigned in this category / the total number of employees in this category

Appendix II: Hong Kong Stock Exchange “ESG Reporting Guide” Content Index

Environmental Aspects			Related Section(s)
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to waste air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	6. Green Operation
	A1.1	The types of emissions and respective emissions data.	6.1 Emission Management; Appendix I: Summary of Sustainability Data
	A1.2	Direct and energy indirect greenhouse gas emissions and, where appropriate, intensity.	6.1 Emission Management; Appendix I: Summary of Sustainability Data
	A1.3	Total hazardous waste produced and, where appropriate, intensity.	6.1 Emission Management; Appendix I: Summary of Sustainability Data
	A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	6.1 Emission Management; Appendix I: Summary of Sustainability Data
	A1.5	Description of the emissions target(s) set and steps taken to achieve them.	6.1 Emission Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled and the waste reduction target(s) set and steps taken to achieve them.	6.1 Emission Management

A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	6.2 Energy Conservation; 6.3 Water Conservation
	A2.1	Direct and/or indirect energy consumption by type in total and intensity.	6.2 Energy Conservation; Appendix I: Summary of Sustainability Data
	A2.2	Water consumption in total and intensity.	6.3 Water Conservation; Appendix I: Summary of Sustainability Data
	A2.3	Description of the energy use efficiency target(s) set and steps taken to achieve them.	6.2 Energy Conservation;
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and the water efficiency target(s) set and steps taken to achieve them.	6.3 Water Conservation

	A2.5	Total packaging material used for finished products.	Not applicable, the Company's business does not involve packaging materials
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	6. Green Operation
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6. Green Operation
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.	6.5 Climate Change
	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.	6.5 Climate Change

Social Aspects

Social Aspects			Related Section(s)
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5. Caring for Employees; 5.1 Talent Acquisition; 5.2 Talent Benefits; 5.3 Talent Development
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendix I: Summary of Sustainability Data
	B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix I: Summary of Sustainability Data

B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.4 Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.4 Health and Safety; Appendix I: Summary of Sustainability Data
	B2.2	Lost days due to work injury.	5.4 Health and Safety; Appendix I: Summary of Sustainability Data
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	5.4 Health and Safety
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5.3 Talent development
	B3.1	The percentage of employees trained by gender and employee category.	Appendix I: Summary of Sustainability Data
	B3.2	The average training hours completed per employee by gender and employee category.	Appendix I: Summary of Sustainability Data
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Talent Acquisition
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Talent Acquisition
	B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Talent Acquisition
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	4.5 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	4.5 Supply Chain Management
	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.	4.5 Supply Chain Management

	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	4.5 Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	4.5 Supply Chain Management

Social Aspects			Related Section(s)
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	4.4 Safeguarding the Rights and Interests of Customers
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable, the Company's business does not involve product shipment or sales
	B6.2	Number of products and service-related complaints received and how they are dealt with.	4.2 Safeguarding the Rights and Interests of Customers
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.4 Intellectual Property Protection
	B6.4	Description of quality assurance process and recall procedures.	Not applicable, the Company's business does not involve product shipment or sales.
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	4.3 Safeguarding Privacy of Customers
Social Aspects			Related Section(s)
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.1 Anti-corruption
	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.	4.1 Anti-corruption
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.1 Anti-corruption
	B7.3	Description of anti-corruption training provided to directors and staff.	4.1 Anti-corruption
Social Aspects			Related Section(s)
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.	7. Contribution to Society

	B8.1	Focus areas of contribution.	7. Contribution to Society
	B8.2	Resources contributed to the focus area.	7. Contribution to Society