



ZHONGTAI FUTURES Company Limited

中泰期貨股份有限公司

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

(Stock Code : 01461)

2024

Environmental, Social and Governance Report



CONTENTS

Definition	3
I. ABOUT THIS REPORT	5
(I) Introduction	5
(II) Statement of the Board	5
(III) Reporting Scope	8
(IV) Basis of Preparation	8
(V) Source of Data	8
(VI) Release Format	8
II. ABOUT THE COMPANY	9
(I) Company Profile	10
(II) Recognitions and Honours	12
(III) Key Stakeholders	14
III. GOVERNANCE	16
(I) Adhering to Leadership of the Party Building	16
(II) Industry Culture Building	18
(III) Corporate Governance	21
(IV) Compliant and Stable Operations	25




IV. ENVIRONMENTAL	34
(I) Response to Climate Change	35
(II) Green Operation and Environmental Protection	38
(III) 2024 Environmental Performance Indicators	39
(IV) Practising Energy Saving and Emission Reduction by Attending Details	41
V. SOCIAL	42
(I) Employment Management	42
(II) Health and Safety	46
(III) Development and Training	48
(IV) Supply Chain Management	49
(V) Active Participation in Rural Revitalization Services and Social Responsibility Works	50
VI. INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE INDICATORS	51



DEFINITION

“Articles of Association”	the Articles of Association of ZHONGTAI FUTURES Company Limited
“Board of Directors” or “Board”	the board of Directors of the Company
“CG Code”	Corporate Governance Code set out in Appendix C1 of the Listing Rules
“China”, “PRC” or “country”	the People’s Republic of China, for the purpose of this report, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan Province
“Company” or “ZHONGTAI FUTURES”	ZHONGTAI FUTURES Company Limited (中泰期貨股份有限公司) (formerly known as LUZHENG FUTURES Company Limited (魯証期貨股份有限公司)), a company reorganized in the PRC on 10 December 2012 with limited liability (including its predecessor Shandong Quaxin Futures Brokerage Co., Ltd. (山東泉鑫期貨經紀有限公司), which was renamed as Luzheng Futures Brokerage Co., Ltd. (魯証期貨經紀有限公司), and then renamed as LUZHENG FUTURES CORPORATION LIMITED (魯証期貨有限公司)), and its H shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 01461)
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Futures and Derivatives Law”	the Futures and Derivatives Law of the People’s Republic of China
“general meeting(s)”	general meeting(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited



“RMB”	the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Zhongtai Huirong Capital”	Zhongtai Huirong Capital Investment Co., Ltd. (中泰匯融資本投資有限公司), previously known as Luzheng Capital Management Co., Ltd. (魯証資本管理有限公司), and Luzheng Trading Co., Ltd. (魯証經貿有限公司), a company established in the PRC with limited liability on 24 April 2013, and being a wholly-owned subsidiary of the Company
“Zhongtai Securities”	Zhongtai Securities Co., Ltd. (中泰證券股份有限公司), previously known as Qilu Securities Co., Ltd. (齊魯證券有限公司), a company established in the PRC on 15 May 2001 with limited liability, and listed in Shanghai Stock Exchange on 3 June 2020 (stock code: 600918), 32.62% of which is owned by Zaozhuang Mining Group Co., Ltd. (棗莊礦業(集團)有限責任公司), and being one of the controlling Shareholders of the Company

I. ABOUT THIS REPORT


(I) Introduction

This Environmental, Social and Governance (“ESG”) Report (the “Report”) discloses the relevant environmental, social and corporate governance initiatives adopted by the Group and their performance during the business operation in the PRC. The contents and data disclosed in the Report have been considered and approved by the Board of Directors.

(II) Statement of the Board

2024 is a pivotal year for achieving the goals of the “14th Five-Year Plan” and a critical year for the Company to accelerate high-quality development. Adhering to the mission of serving the country through finance and fulfilling the duty of finance for the people, the Company deeply embodied the political and people-oriented nature of financial work. We balanced functionality and profitability, fully leveraged the pivotal role of the capital market, aligned with the principle of “what the nation needs, what local regions expect, and what Zhongtai can deliver”, and proactively integrated into national development strategies and regional development frameworks, thoroughly advanced the “five major financial articles”, thereby continuously strengthening our core functions and significantly improving our core competitiveness. The Company steadfastly pursued a path of green and sustainable development, consistently strengthened ESG development, enhanced ESG practices, steadily improved sustainability levels, effectively enhanced sustainability quality, continuously facilitated the development of a first-class futures company characterized by “loyalty, compliance, innovation, and mutual benefits” and achieved positive results.

Continuously improving the ESG governance system: A robust ESG governance system is the cornerstone of sustainable development. The Company relentlessly refines its ESG governance system and improves its four-level ESG management structure, which includes the Board of Directors, the Strategic Development Committee under the Board, the executive management team, and various departments (committees), branches, and subsidiaries. The Board of Directors serves as the highest governing body for ESG governance in the Company and is responsible for reviewing and making decisions on ESG-related matters. The Strategic Development Committee, with authorization of the Board of Directors, fulfills ESG governance-related responsibilities such as studying the Company’s ESG governance vision, goals and policies, and inspecting and overseeing ESG matters. The executive management team is responsible for implementing the Company’s ESG strategic approaches and policies. Each department (committee), branch, and subsidiary organizes and implements specific actions to ensure the execution of decisions. By establishing a clear hierarchical structure with well-defined roles and responsibilities and ensuring coordination and unity in ESG governance, the Company’s ESG management approaches and strategies are improved, ESG management goals and indicators are clearly defined, and the level of ESG management continues to enhance.



Continuously deepening climate risk management: The Company places high importance on the risks and opportunities posed by climate change. Through diverse assessment methods, we thoroughly analyze the impact of climate change on our operations and formulate targeted response strategies. At the business level, the Company actively participates in the development of green futures products at the Guangzhou Futures Exchange to support the exchange in product launches and market cultivation. We also regularly produce research reports on carbon emission products, continuously optimize our database, and enhance the quality of comprehensive research.


More effective service to the real economy: Serving the real economy is the foundation of financial enterprises. The Company keeps in mind the “great cause of the country” and the “key provincial plans”, staying true to its mission of serving the real economy. We actively act as a bridge between the real economy and capital markets, comprehensively enhance our ability to serve the real economy, channel financial resources into major strategic areas, key sectors, and weak links of socioeconomic development, strengthen our business presence in new technological and emerging industries, and support the transformation of traditional industries towards high-end, intelligent, and green development, thereby contributing financial strength to the multidimensional growth of the real economy.

Steady improvement in green development: Green is the defining feature of sustainable development. The Company actively responds to national strategic calls, deeply implements the new development concept of “innovation, coordination, green, openness, and sharing”, and continuously promotes the implementation of the “carbon peaking and carbon neutrality” strategy. We promote the establishment of a green, low-carbon, and circular economic system, and enhance our ability to serve enterprises in low-carbon transitions by channeling financial resources to nurture green ecosystems. We actively practice green development concepts, deepen green finance practices, facilitate the development of green financial products, optimize green financial resource allocation, and improve green financial service capabilities. By integrating ESG factors into business processes, we meet the green finance needs of clients and markets. We implement the principles of “carbon reduction, pollution reduction, green expansion, and growth” by adopting green and low-carbon operational practices, strengthening energy conservation and consumption reduction management, promoting digital office practices, advocating low-carbon travel, and actively addressing climate change to drive green and low-carbon transformation.

Resolutely safeguarding the rights and interests of stakeholders: The Company continuously deepens the core value of “mutual benefits” and adheres to the principle of self-improvement. We firmly believe in the concept of self-improvement and strive to support our stakeholders with our own strength, thereby actively creating brand image that satisfies customers, provides a comfortable environment for employees, ensures regulatory confidence, and brings peace of mind to shareholders. We grow and succeed together with our customers by constantly enhancing our professional capabilities and service quality. We practice responsible marketing, comprehensively improve our technological empowerment capabilities, enhance our digital customer service abilities, strengthen information security protection, actively engage in investor education, and protect the legitimate rights and interests of investors. With our outstanding strength, we become the preferred choice for partners. We thrive and win together with our shareholders by leveraging our expertise in futures to promote the integration of industry and finance and serve the comprehensive financial needs of our shareholders, thus achieving synergy and development through market cooperation. We continuously strengthen information disclosure and investor relations management to enhance the transparency of the Company. We also strive to create long-term and stable returns for our shareholders. We collaborate and share with our employees, continuously optimize the top-level design of talent management, and improve employee development, welfare, and rights and benefits systems, so as to grow together with our employees.

Significant enhancing technological innovation capabilities: The Company attaches great importance to the practical application of financial technology and utilizes it to create a comprehensive and customer-centric service system, advances the development of proprietary research and development systems, and is fully committed to constructing a customer service platform that provides end-to-end support. We actively promote the construction of our “one platform with two APPs” framework to further improve our marketing system service support and promote the digital transformation of our marketing service system. We continuously advance the development of our big data platform to strengthen data governance and analysis, and improve our management system to gradually achieve digital transformation of management and operation. Our independent research and development capabilities are steadily improving, with the successive launch and iteration of systems such as the OTC options business management system, futures-spot risk control system, comprehensive risk management platform, asset management evaluation system, and ZHONGTECH strategy platform, thereby empowering our rapid growth and effectively advancing the digital transformation of the Company.

Outstanding results in fulfilling social responsibility: Actively fulfilling social responsibility is an enterprise’s undeniable duty and obligation. The Company leverages its professional expertise to provide financial service support for rural revitalization. The Company has signed “pairing assistance agreements” with 26 rural revitalization areas and purchased agricultural products worth RMB1,054,600 from the rural revitalization areas in Huachuan County of Heilongjiang Province, Wulong County of Chongqing, Alaer City of Xinjiang, Taihu County of Anhui Province. Utilizing our technological advantages, we have also assisted local enterprises in establishing sales platforms and taken multiple measures to promote rural revitalization. In the 2023-2024 evaluation by the China Futures Association, the Company’s efforts in rural revitalization were ranked second in the industry, and the “insurance + futures” initiative was ranked seventh in the industry.



Meanwhile, the Board actively promotes the disclosure of environmental, social and governance information and the Company submits an ESG report to the Board for consideration every year. The Board and all Directors guarantee that the contents of the Report do not contain any false information, misleading statements or material omissions.

(III) Reporting Scope

The time frame of the Report is from 1 January 2024 to 31 December 2024 (the “Reporting Period”). The Report is published annually. The last report was published in April 2024. In the sections of social and governance, the scope of the Report is the same as that of the annual report. In the environmental sections, based on the importance of the environmental impact of business operation, the scope of data covers the headquarters of the Company and its subsidiary Zhongtai Huirong Capital, which accounted for approximately 50.79% of total number of employees of the Group.

(IV) Basis of Preparation

The Report has been prepared by the Company in accordance with the Environmental, Social and Governance Reporting Guide in Appendix C2 to the Listing Rules issued by the Hong Kong Stock Exchange in order to disclose the Company’s comprehensive performance of actively fulfilling its social responsibilities while creating value for shareholders and customers. The Company has complied with all the “comply or explain” provisions set out in the Environmental, Social and Governance Reporting Guide and prepared the report based on the principles of materiality, quantitative, consistency and balance.

(V) Source of Data

The data and information used in this Report were extracted from various internal documents, records and statistics of the Company, and there are no false records, misleading statements or material omissions.

(VI) Release Format

The Report is published in PDF electronic format on the HKEXnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company’s website (www.ztqh.com).

II. ABOUT THE COMPANY

The Company fully and accurately implements the new development concept, actively serves and integrates into the new development pattern, continuously cultivates the industry culture of “compliance, integrity, professionalism, steadiness and responsibility”, integrates ESG concept into corporate governance and development strategy, and comprehensively builds a first-class modern financial enterprise with loyalty, compliance, innovation and mutual benefits. The Company has established an ESG management structure consisting of “governance level – management level – execution level” and formulated the Terms of Reference of the Strategic Development Committee of the Company to jointly promote the consistent implementation of the Company’s ESG philosophy. The ESG management structure of the Company is set out below:

Governance level	<p>The Board is responsible for approving the Company’s ESG strategic plans and assessing and reviewing the annual implementation.</p> <p>The Strategic Development Committee under the Board is responsible for studying the strategic planning of the Company’s ESG long-term development, making recommendations on various material matters subject to approval by the Board and examining the implementation thereof.</p>
Management level	<p>The management is responsible for implementing the Company’s ESG strategies, studying and making decisions on material matters, and promoting related work as a whole.</p>
Execution level	<p>All departments (committees), branches and subsidiaries participate in the formulation, implementation and assessment of the Company’s ESG strategic plans in accordance with the Company’s overall planning and division of responsibilities.</p>



(I) Company Profile

The Company is a state-owned futures company established with approval of the CSRC, and controlled by Zhongtai Securities. Headquartered in Jinan, Shandong, the Company has a registered capital of RMB1.0019 billion, 27 branches, 5 sales offices, more than 700 employees, the wholly-owned companies Zhongtai Huirong Capital, Luzheng Information Technology Co., Ltd. and Luzheng International Holding Limited as of the end of the Reporting Period. These together with the branches of Zhongtai Securities across the country formed a service network covering the whole country.

The business scope of the Group covers futures brokerage, futures transaction consulting, asset management, OTC derivatives business, futures and spot business, market-maker business, etc., and it is capable of providing all-round and professional risk management services for various kinds of customers. The Company is the first batch of futures companies to be qualified as a general clearing member of China Financial Futures Exchange (中國金融期貨交易所), is a member of Shanghai Futures Exchange (上海期貨交易所), Dalian Commodity Exchange (大連商品交易所), Zhengzhou Commodity Exchange (鄭州商品交易所), Shanghai International Energy Exchange (上海國際能源交易中心) and Guangzhou Futures Exchange (廣州期貨交易所), and serves as a council member of the China Futures Association and the chairman of Shandong Futures Association.

In recent years, the Company has remained focused on its core responsibilities and businesses while deepening reform and innovation. By adopting a “research+” model to drive business transformation and upgrading, the Company has maintained healthy, stable, and positive development across its operations. Its core competitiveness and ability to serve the real economy have continuously strengthened, with its industry standing steadily rising. The Company has repeatedly received the annual outstanding platinum member award from various futures exchanges and has been honoured with titles such as China’s Best Futures Company, Best Financial Futures Service Award, Best Commodity Futures Industry Service Award, and Best Risk Management Subsidiary Service Award by mainstream industry media, including Securities Times and Futures Daily.

The Company always adheres to the business philosophy of “control of compliance risks, the benefits of customers, the value of talents, innovation and development are paramount”, remains committed to the original mission of serving the country through finance, deeply supports major national and Shandong provincial strategies, and strives to promote the high-quality development of the real economy. We actively fulfill our social responsibilities, assist clients in wealth management and stable business operations, and strive to build a first-class futures company with loyalty, compliance, innovation and mutual benefits.

Principal Businesses

Futures Brokerage Business

Adhering to the core service concept of “customer-centric”, the brokerage business of the Company integrated its resources to make full use of its comprehensive advantage and meet the needs of different types of customers for diversified investment services, and gain customers’ trust through trustworthy services. The Company is a general clearing member of China Financial Futures Exchange, provides comprehensive trading, settlement and delivery services, and provides agency settlement services for special overseas participants. Customers’ deposits are fully deposited in the registered special deposit account for customers’ deposits with dedicated usage and closed operation to ensure the absolute safety of customers’ funds.

The Company’s brokerage business includes commodity futures, commodity options, financial futures and financial options brokerage businesses, and acts as an agent for futures and options contracts listed on the Zhengzhou Commodity Exchange, Dalian Commodity Exchange, Shanghai Futures Exchange, Shanghai International Energy Exchange Co., Ltd., China Financial Futures Exchange and Guangzhou Futures Exchange, as well as stock options contracts listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange and their corresponding underlying physical commodities.

The Company has established 27 branches and 5 sales offices in the PRC as of the end of the Reporting Period. These together with the branches of Zhongtai Securities across the country formed a marketing and service network covering the whole country, offering futures brokerage services to investors across the country.

Futures Transaction Consulting Business

The Company assists clients in establishing risk management systems and operational processes based on their engagement, and provides risk management consultancy services such as risk management consulting and special training; collects and collates futures market information and various types of related economic information, conducts research and analysis of prices and their relevant affecting factors in the futures market and related spot markets, and produces and provides research and analysis reports or information research and analysis services; and designs hedging, arbitrage and other investment plans for clients, provides trading advisory services such as formulation of futures trading strategies, and carries out other profit-making activities.



Asset Management Business

The Company establishes and acts as the manager of private asset management plans by non-public fund raising or by accepting property entrustment, and the custody institution acts as the custodian and conducts investment activities for the benefit of investors in accordance with laws and regulations and the provisions of asset management contracts.

Risk Management Business

The Company offers risk management services, mainly including over-the-counter derivatives, market-making business, bulk commodity futures and spot trading services and other business related to risk management through its wholly-owned risk management company Zhongtai Huirong Capital. Using the futures and options and other derivatives, the Company provides price risk management, inventory management, and supply chain finance for enterprises engaged in production, trading and processing of goods on different industrial chains. At the same time, subject to honest and trustworthy and prudent operation principles, it has been keen on exploring and innovating risk management models and improving its risk management capability in the course of business, providing strong support to the healthy business of real economic entities.

(II) Recognitions and Honours

During the Reporting Period, the Company won such titles as China's Best Futures Company Award, China's Futures Company Management Team Gold Award, Best Commodity Futures Industry Service Award (metals, agricultural by products, energy and chemicals), Best Financial Futures Service Award, Best Rural Revitalization Service and Social Responsibility Public Welfare Award, Best Risk Management and Corporate Brand Building Award, Most Popular Self Media of Futures Companies, Best-performing Futures Company APP of the Year Award* (年度最佳期貨公司APP突出表現獎), Best Digitally Transformed Futures Companies* (最佳數字化轉型期貨經營機構), Investor Protection Education Innovation of the Year Award, Best Risk Management Subsidiary Service Innovation Award (Zhongtai Huirong Capital Investment Co., Ltd), China's Best Derivatives Comprehensive Service Innovation Award, Best Futures Talent Training Institution Contribution Award, China's Golden Futures Research Institute, Best Iron and Steel Research Team, Best Macro Financial Research Team, Best Energy and Chemicals Research Team, Best Agricultural Product Research Team, Best Metals Research Team in the 17th selection of best futures operating institutions in China.

The Company won the “Gold Award for Market Making Business in 2023” of Shanghai Futures Exchange.

The cases submitted by the Company were included in the “Excellent Case of Futures Operating Institutions Serving the Real Economy* (期貨經營機構服務實體經濟優秀案例)” of China Futures Association.

The cases submitted by the Company were included in the “Excellent Case for Trader Education* (交易者教育優秀案例)” of China Futures Association.

The cases submitted by the Company were included in the Second Prize for Outstanding Achievements in the Themed Case of “People’s Finance, Building Soul with Learning for Further Achievements” of the Office of Institute of Chinese Financial Ideological and Political Work.

The Company was awarded the “Outstanding Organization Title for Achievement in Anti-money Laundering undertaken by Shandong Province’s Voluntary Agencies” by Shandong Province Anti-money Laundering Inter-Agency Coordination Office.

The Company was recognized for “Good Financial Products of Shandong Province in 2023” by the Office of the Financial Committee of Shandong Provincial CPC Committee, Shandong Branch of the People’s Bank of China and Shandong Regulatory Bureau of National Financial Regulatory Administration.

The Company won the “Second Prize for Financial Innovation Projects of Jinan City in 2023” organized by the Office of the Financial Committee of Jinan Municipal Committee of the Communist Party of China.

The Company won the “Excellent Project Award” of 2023 for the “Worry-Free Agricultural Insurance” pilot construction of Zhengzhou Commodity Exchange.

The Company won the title of “Investment and Education Pioneer Team” of Zhengzhou Commodity Exchange.

(III) Key Stakeholders

In forming the environmental, social and corporate governance management system and implementing environmental, social and corporate governance responsibilities, the Group recognizes the importance of maintaining good communication with its stakeholders. To this end, the Group has determined six channels for communication with its key stakeholders to ensure the effective communication of expectations and request between the Group and its stakeholders. In addition, the Group has also evaluated the concerns of various stakeholders on its social and corporate governance performance during the actual business operation.

Key stakeholder	Communication channel	Concern
Government and regulatory authorities	Conducting industry culture development practice assessments Implementing financial assistance projects Regular communication and reports Information disclosure Policy implementation Participation in government research activities Conducting compliance education and promotion activities	Culture building Rural revitalization Corporate governance Honest practice and anti-corruption Anti-money laundering Anti-unfair competition Risk management Compliance management
Shareholders and investors	General meetings Regular information disclosure on the exchange website Investor visits and other exchange activities Telephone, e-mail, etc. Company website, Wechat official account and other media	Green finance Corporate governance Risk management Compliance management
Employees	Staff representative meeting Staff seminars Employees' training and E-learning platform Employee recreational activities Employee care activities	Employment and diversity Employees' rights and interests Employees' health and safety Employee training and development Risk management Compliance management

Key stakeholder	Communication channel	Concern
Customers	Provision of green financial products and services Customer visits and presentation Customer service hotline Investor education activities Customer satisfaction survey Customer service and complaints Mobile App Wechat official account and other media	Green finance Serving the real economy Responsible investment Innovation-driven approach Data security and customer privacy protection Investor education Customer service quality Honest practice and anti-corruption Risk management Compliance management
Suppliers	Cooperation and exchange Formulating procurement management measures Daily communication Tendering and bidding activities	Supplier management Honest practice and anti-corruption
Community and the public	Provision of green financial products and services Conducting pairing assistance Innovative “insurance + futures” projects Charitable activities Voluntary activities	Green operation Green finance Responsible investment Rural revitalization Social contribution



III. GOVERNANCE

(I) Adhering to Leadership of the Party Building

The Company steadfastly follows the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly implements the spirit of the 20th National Congress of the Communist Party of China, the Second, and Third Plenary Sessions of the 20th CPC Central Committee, as well as the financial work conferences of the Central Committee and the Provincial Party Committee. Focusing on the primary task of high-quality development, the Company upholds Party building as the guiding principle to establish a comprehensive, coordinated, and efficient management mechanism for grassroots Party-building work.

The Company thoroughly implements the “two unwavering principles”, strengthens Party leadership in improving corporate governance, and establishes a “two-way entry and cross-appointment” leadership mechanism and a system where members of the leadership team report to the Company's Party committee, thereby incorporating the Party's leadership into all aspects of corporate governance. The Company has formulated documents such as the “Rules of Procedures of Party Committee Meetings” and their agendas, and the “Implementation Measures for Decision-making on Major Matters, Appointment and Removal of Key Executives, Decision-making on Major Project Investment, and Use of Large Amount of Funds”, to ensure that the Party Committee plays a role in “setting directions, overall planning, and ensuring implementation”, and to promote the implementation of decisions and requirements of the Party Central Committee the Provincial Party Committee and Zhongtai Securities' Party committee within the Company. During the Reporting Period, the Company revised and improved the “Rules of Procedures of Party Committee Meetings” and their agendas, thereby further standardizing the procedures for Party committee meetings and effectively enhancing the scientific rigor, standardization, and operability of decision-making process of the Company's Party committee.

The Company continues to advance the development of a comprehensive Party-building work system to leverage the leadership role of the Party committee. As of the end of the Reporting Period, the Company has established three functional departments of the Party Committee, namely the Party Committee Office, the Organization Department of the Party Committee, and the Party Affairs Department. We have also set up the Disciplinary Inspection and Supervision Office, a functional department of the Disciplinary Inspection Committee, and five Party branches, managing a total of 193 party members. The Party organizational structure is robust, clearly tiered, and comprehensively covers all levels, ensuring the efficient and coordinated advancement of Party-building work.

1. The Company's Main Work of Party building in 2024

(1) Strengthening political leadership

During the Reporting Period, the Company held 36 Party committee meetings and collectively made decisions on 297 matters related to “decision-making on major matters, appointment and removal of key executives, decision-making on major project investment, and use of large amount of funds”, effectively playing the role of the Party committee in “setting directions, overall planning, and ensuring implementation”.

During the Reporting Period, the Company made implementing the spirit of the Third Plenary Session of the 20th CPC Central Committee and General Secretary Xi Jinping's important remarks during his inspection of Shandong a major political task. The Company formulated an implementation plan, outlining 28 key measures to ensure the effective execution of various decisions and deployments within the Company. Actively embodying the political and people-oriented nature of financial work, the Company proactively integrated into major strategies of China and Shandong Province, and thoroughly implemented the strategy for ecological protection and high-quality development in the Yellow River Basin. The number of enterprises served in the Yellow River region increased by 23.33% year-on-year. The Company actively supported the national strategy of “carbon neutrality and carbon peaking” and Shandong Province's pioneering efforts in green and low-carbon high-quality development, with an equity size of nearly RMB3 billion. In the evaluation conducted by China Futures Association, the Company ranked second in the futures sector for rural revitalization, and seventh in the futures sector for the “insurance + futures”. It also maintained the AA regulatory rating in Class A companies based on the classified evaluation of futures companies, the highest rating in the industry, for three consecutive years. In the province-wide “benchmarking and striving for excellence” initiative for local financial institutions, the Company was rated as outstanding.

(2) Establishing a distinctive brand of Party building

We organized the evaluation of Party branch star ratings, and all Party branches affiliated with the Company were rated as four-star or above by the Party Committee of Zhongtai Securities. In particular, the first and second Party branches were rated as five-star Party branches.

The Company's Party-building case study of “Zhongtai Futures: Striving to Build a Modern First-Class Financial Enterprise with Loyalty, Compliance, Innovation and Mutual Benefits” received the Second Prize for Outstanding Achievements in the National Financial System and was included in the Research Achievements Database for Party Building and Ideological Culture Construction of the Financial Industry in China.



(3) Strengthening the organizational foundation

New achievements were made in continuous improvement of Party organization building. In 2024, designated as the “Year of Enhancing Grassroots Party-Building Quality”, the Company continuously enhanced the quality of Party organization building. Firstly, we strengthened Party branch leadership. Based on operational needs, the Company has optimized and reinforced the leadership teams of the Second and Fourth Party Branches, as well as the Party Branch of Zhongtai Huirong Capital, by selecting and appointing capable committee members, thereby further enhancing the work capabilities of the Party branch committees and solidifying the Party branches as strongholds of organizational strength. Secondly, we strengthened Party affairs workforce. In 2024, two professionals have been internally transferred to reinforce Party affairs and disciplinary inspection functions, ensuring the effective implementation of high-quality Party-related work. Thirdly, we strived to achieve full coverage of Party building across the Company. Newly established departments in 2024 have been incorporated into the scope of Party branch coverage, promoting in-depth integration between Party building efforts and the Company’s business operations.

The Company adheres to the principles of Party leadership in managing key executives and talents, strictly implement the talent development strategy to build a stronger enterprise, and continuously optimizes the structure of the key executive and talent teams. Over 70% of the young key executives are internally cultivated, and among mid-level managerial positions, young key executives account for more than half. The Company is steadily advancing an upgraded high-quality “Three Ones Talent Project”. The proportion of employees holding fund practitioner qualifications increased by 4.26 percentage points year-on-year, while the proportion of those with investment advisory qualifications exceeds the industry average by 2.34 percentage points. Efforts have been made to foster a learning-oriented organization, offering diversified and systematic training covering Party culture, integrity and self-discipline, middle- and back-office management, and front-office operations. The Company has fully leveraged performance assessments as a guiding tool, further refining the performance evaluation system and income distribution mechanism.

(II) Industry Culture Building

The Company deeply studied General Secretary Xi Jinping’s important exposition on cultural construction, thoroughly implemented the Chinese-style financial culture and the core values of the futures industry culture of “compliance, honesty, professionalism, stability and responsibility”. Adhering to the business philosophy of “compliance and risk control first, customer interests first, talent value first, innovation and development first”, and in line with our corporate spirit of “all-line efforts, whole-hearted operation, all-out innovation and all-round improvement”, we strive to build the core values centered on loyalty, compliance, innovation and harmony, thereby providing strong support for the development of a first-class futures company.

1. Corporate culture of the Company

(1) Mission of the Company

The Company aims to use futures and derivative tools to provide competitive specialized services and risk management solutions, create sustainable value for its customers, and realize the China's dream of capital markets.

(2) Development goals

Comprehensively building a first-class modern financial enterprise with loyalty, compliance, innovation and mutual benefits.

Loyalty: We will bear in mind “the great cause of the country”, uphold the political and people-oriented nature of financial works, adhere to and strengthen the leadership of the Party, and provide in-depth support to the real economy.


Compliance: We will adhere to the business philosophy of “compliance and risk control first”, prioritize compliance and risk control, resolutely prevent and control financial risks, and firmly guard the bottom line of safe development.

Innovation: We will continue to deepen financial reform, using “benchmarking against the best, improving quality and efficiency” as a guiding principle, and strengthen innovation in areas such as business transformation, customer service, financial technology and management mechanisms.

Mutual benefits: We will strive for excellence and build the Company into a highly reputable and preferred partner in the market. We will also help others succeed, co-create and share with employees, work with Shareholders for mutual prosperity, increase the wealth of our investors, and contribute to the goal of common prosperity.

(3) Business philosophy

We place utmost importance on compliance and risk control, customers' interests, talent value, and innovative development.

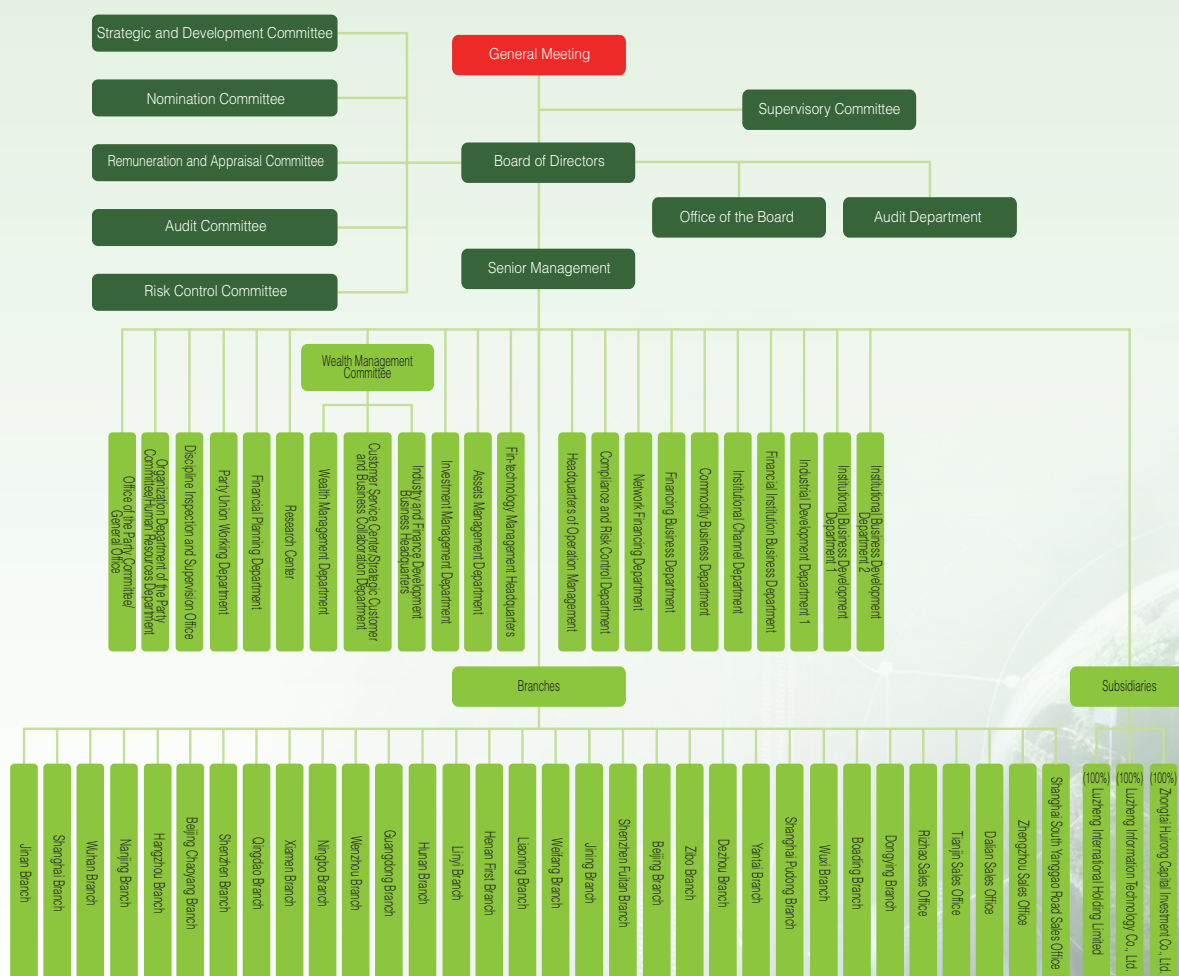



2. Achievements of the Company in industry culture building in 2024

The Company has established a robust cultural system and organized various cultural activities. Strengthening cultural development was incorporated into the 2024 Work Priorities of the Company Party Committee, with the study of Xi Jinping's Cultural Thought included in the 2024 Theoretical Study Plan of the Company Party Committee's Theoretical Study Center Group. The Company also formulated and issued the 2024 Cultural Brand Development and Promotion Plan. Centered on industry cultural concepts and the Company's core values, we developed a systematic, comprehensive, and unified cultural philosophy system with rich connotations. To actively expand our promotional efforts, we published over 80 reports and articles in key central, provincial, and financial media, as well as through the China Futures Association and Shandong Futures Association. To promote and cultivate Chinese-style financial culture, we organized activities such as special cultural lectures and speech competitions. One employee received the Second Prize in the "Upholding Original Aspirations, Embracing Responsibility, Practicing Chinese-style Financial Culture" speech competition of Zhongtai Securities. We established a team of cultural specialists (correspondents), who participated in specialized training organized by the Company and Zhongtai Securities to continuously empower cultural specialists. Based on the essence of Chinese-style financial culture, we created a "Cultural Promotion Wall". By sharing our exemplary practices in industry culture development with futures institutions in Shandong, we earned relevant recognition. The "Glory Zhongtai" honor selection system was established, with annual evaluations to recognize individuals excelling in cultural development. During the Reporting Period, one employee was named a "Cultural Development Star" by Zhongtai Securities, and two employees were recognized as "Cultural Development Stars" by the Company.

(III) Corporate Governance

Sound corporate governance is the foundation of sustainable corporate development. As an overseas listed public company, the Company has always been committed to improving the level of its corporate governance and regards corporate governance as an integral part of creating value for its Shareholders. In accordance with the Company Law, the Futures and Derivatives Law, the code provisions set out in the CG Code and other laws, regulations and relevant requirements, the Company has formulated a series of rules and regulations, including the Articles of Association, the Rules of Procedure of General Meeting of the Company, the Rules of Procedure of the Board of Directors of the Company, the Rules of Procedure of the Supervisory Committee of the Company, the Rules of Procedures for the General Manager of the Company and its agenda and the Working Rules of the General Manager of the Company, and incorporated the Party building work into the Articles of Association, which clarify the terms of reference and working procedures of the general meeting, the Board of Directors, the Supervisory Committee and the senior management. A modern corporate governance structure, comprising of the general meeting, the Board of Directors, the Supervisory Committee and the senior management, has been established by the Company, each of whom operates independently and keeps effective balance and check of power. Each operating unit is allowed to perform their respective duties under respective terms of reference, which enhances the governance efficiency of the Company and ensures standardized operation of the Company. As of the end of the Reporting Period, the Company's organizational chart is set out as follows:





1. Operation of Corporate Governance

General meeting

The general meeting is the supreme authority of the Company, and the Company convenes and holds the general meetings in strict compliance with the Articles of Association, the Rules of Procedure of Shareholders' General Meeting and other relevant requirements to ensure that all Shareholders can enjoy equal positions and fully exercise their rights.

The Company has formulated the Terms of Reference of Independent Directors to ensure that the independent Directors are able to safeguard the legitimate rights and interests of the Company and its Shareholders in an independent and objective manner.

Board

The Board has a diversity policy and the selection of Directors will be based on factors including, but not limited to, gender, age, cultural and educational background, ethnicity, industry experience, technical and professional skills and/or qualifications, knowledge, length of service, etc.

The Board has established the Strategic Development Committee, the Risk Control Committee, the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee. Each special committee performs its own duties and responsibilities to promote the efficient, scientific and standardized operation of the Company.

Supervisory Committee

The Supervisory Committee is accountable to the general meeting and effectively supervises the Company's finances as well as the legal compliance of the Board and the senior management in discharging their responsibilities. The Company adheres to and improves the mechanism of employee representative Supervisors, and the Supervisory Committee includes one employee representative Supervisor to enable the orderly participation of employee representatives in the governance of the Company.

2. Major Rules of Corporate Governance

Rules of the Board and the Supervisory Committee and general meetings	Articles of Association
	Rules of Procedure of General Meeting of the Company
	Rules of Procedure of the Board of Directors of the Company
	Rules of Procedure of the Supervisory Committee of the Company
Terms of reference of special committees	Terms of Reference of Strategic Development Committee of the Board of the Company
	Terms of Reference of Risk Control Committee of the Board of the Company
	Terms of Reference of Audit Committee of the Board of the Company
	Terms of Reference of Remuneration and Appraisal Committee of the Board of the Company
Rules for duty performance by independent directors	Terms of Reference of Nomination Committee of the Board of the Company
	Terms of Reference of Independent Directors of the Company
Other rules and regulations	Regulations on Delegation of Authority from the Board of Directors to the Management and Reporting by the General Manager to the Board of Directors of the Company
	Rules of Procedures for the General Manager of the Company
	Rules of Procedures for the General Manager of the Company

3. Composition of the Board and Meetings of the Board and the Supervisory Committee and general meetings in 2024

Composition of the Board	The Board has 9 Directors
	3 executive Directors
	3 independent Directors
	1 female Director
Meetings of the Board and the Supervisory Committee and general meetings	2 general meetings
	16 Board meetings
	20 meetings of the special committees under the Board
	2 meetings of the Supervisory Committee

For further details on corporate governance, please refer to the section headed “Corporate Governance Report” in the 2024 Annual Report of the Company.

4. Information disclosure management

The Company has formulated a series of rules and measures such as the “Information Disclosure Management Measures”, “Emergency Management Measures for Information Disclosure Emergencies” and “Insider Information Management System”, actively performs its information disclosure responsibilities, continuously improves the information disclosure work system, strengthens the management of information disclosure matters, enhances the quality of information disclosure, regulates the management of information disclosure matters of the Company, discloses information in a true, accurate, complete and timely manner, and continuously improves the transparency of the Company. During the Reporting Period, the Company made a total of 43 information disclosures to the public.

(IV) Compliant and Stable Operations

During the Reporting Period, the Company adhered to the business philosophy of “compliance and risk control first”, upheld the “regulation-oriented and problem-oriented” principle, incorporated the basic requirements of strict risk prevention and control into the Company’s business processes, risk management and internal control, and continuously improved compliance management mechanisms for key business areas, critical operational links, and major compliance risk points, thereby steadily enhancing the effectiveness of compliance and risk control management.

1. Continuously strengthening the development of compliance and risk control system


The Company continuously improves the comprehensive risk management system. The Board of Directors of the Company is the highest decision-making organ in charge of risk management, with the Risk Control Committee and the Audit Committee to review and audit major risk matters; the Supervisory Committee is responsible for supervising and inspecting the Board of Directors and the senior management in performing their risk management duties; the senior management are responsible for organizing and carrying out the Company’s daily comprehensive risk management; the Chief Risk Officer is responsible for organizing, coordinating and implementing all kinds of comprehensive risk management; the Compliance and Risk Control Department is the centralized management department in charge of the Company’s overall risk management, who carries out daily comprehensive risk management under the leadership of the Chief Risk Officer; other functional departments, branches and risk management subsidiaries are responsible for setting up their own compliance and risk control positions respectively, who assist their person in charge to arrange and implement the identification, assessment, monitoring, handling and reporting of various types of risks of their own.

The Company strictly observes the compliance red line, vigorously advocates the concept of “compliance and risk control first”, continuously promotes the construction of compliance culture, effectively improves the Company’s policies and systems, strengthens the mechanism of prevention beforehand, control during the process and accountability afterwards, and ensures the Company’s sustainable, compliant and stable development.

The Company strengthens risk prevention, continues to improve the risk control mechanism with multiple levels, interconnection and effective checks and balances, and promotes the transition from qualitative to quantitative risk management to ensure that overall risks of the Company are measurable, controllable, and tolerable.

The Company effectively controls risks at the group level, and continuously improves the penetrating management of its subsidiaries, especially its risk management subsidiaries, through the establishment of risk management system, regular inspection and supervision, and strengthening hierarchical authorization and approval, which effectively enhances the effectiveness of the Company’s compliance and risk control.

During the Reporting Period, the Company formulated and revised over 150 rules and regulations; conducted 33 compliance inspections and self-inspections; and organized 23 compliance trainings and regulatory case studies.



2. Paying attention to anti-money laundering and fulfilling its anti-money laundering obligation

The Company complied with national anti-money laundering laws, regulations and regulatory requirements, established policies such as the “Basic Rules of Money Laundering Risks Management” and “Anti-money Laundering Internal Control and Management Measures” of the Company, set up an anti-money laundering working group and office, created a long-term mechanism for anti-money laundering training and publicity, continuously improved employees’ anti-money laundering skills, and helped the public strengthen their awareness of anti-money laundering.

The Company collects, administers and preserves customer identification information and transaction records through operational platform system and counter system. It has an “anti-money laundering compliance management system” to ensure steady and systemic anti-money laundering of the Company.

During the Reporting Period, the Company revised the “Management Measures for Large and Suspicious Transaction Reporting”, continuously improved and optimized the management of money laundering risks and identified areas for enhancement. The Company reported 25 cases of suspicious transactions to the China Anti-Money Laundering Monitoring and Analysis Center and further optimized the anti-money laundering compliance management system. Through continuous improvement of the organizational structure and work strategies of money laundering risk management, the Company’s anti-money laundering organization functioned well and the standard of money laundering risk management was steadily improved.

During the Reporting Period, the Company consistently carried out anti-money laundering training and publicity activities:

- (1) We conducted three anti-money laundering training sessions for all employees and one practical anti-money laundering training session for staff in anti-money laundering positions within the Company.
- (2) We conducted five anti-money laundering awareness campaigns, reaching a cumulative audience of approximately 83,000 individuals.

3. Combating corruption

The Company focuses on achieving high-quality development, strictly supervises and promotes compliance, prevention, and anti-corruption measures, cultivates a positive political environment that encourages integrity, honest practices, diligence and innovation, and ensures implementation and facilitates improvement and development through supervision, thereby laying a solid foundation for the sustainable development and growth of the Company. During the Reporting Period, the Company’s employees complied with relevant laws and regulations and did not violate any laws relating to anti-corruption and were not involved in any corruption litigation.

(1) Assuring performance of responsibilities on the Party's moral integrity

The Company signed “Statement of Principal Responsibility for an All-out Effort to Enforce Strict Party Discipline”, “Statement of Principal Responsibility for Supervision in Building the Party's Moral Integrity” and “Statement of Principal Responsibility for ‘one post with two responsibilities’ in Building the Party's Moral Integrity” with employees within the Company from top down to facilitate the long-term and effective implementation of “one post with two responsibilities” in building the party's moral integrity.

(2) Strengthening warning and education on the Party's moral integrity

The Company organized management members at or above the middle deputy position as well as all party members of the Company to watch integrity warning education films such as “Continuous Efforts for In-Depth Progress”, “Inflated Selfish Desires Under a Misguided View of Political Achievements”, and “Eliminating State-Owned Enterprise Parasites”, which educated a total of over 1,600 individuals, further enhancing the integrity awareness of party members and key executives and improving the effectiveness of the education. We compiled and distributed the “Guidebook for Studying and Implementing the Disciplinary Regulations and Deepening Adherence to the Eight-point Regulation of the Centre”, continuously urged all Party members and employees to strengthen their disciplinary learning and persistently implement the spirit of the Eight-point Regulation of the Centre.

(3) Strengthening supervision, discipline enforcement and inspection capabilities

The Company employed methods such as targeted supervision inspections, thematic research, integrity talks and issuing integrity appraisal opinions, persisted in utilizing the advantages of “comprehensive supervision” management, carried out regular supervision, discipline enforcement and inspection on operating entities, and found no violation of the spirit of the Eight-point Regulation of the Centre; consistently addressed the resurgence of the “four unhealthy tendencies”, focused on important festivals and periods of time, published notices regarding anti-corruption during festivals, intensified dynamic supervision, and fostered an environment of honest practices; adhered to the practice of monthly regular disciplinary inspection meeting, shared and interpreted Party constitution, disciplines and policies, requirements for clean Party conduct and cases of violations of disciplines, enhanced the supervision and inspection efficiency.



4. Paying attention to the protection of intellectual property rights

The Company strictly abides by national laws and regulations. Its product promotion and propaganda are done in line with relevant regulations with full disclosure of risks to traders. It uses relevant laws to protect the legitimate rights and interests of the traders and the Company. The Company respects and protects intellectual property rights, and uses authorized softwares and products within the scope stipulated by the contracts. It attaches importance to preventing the risks of infringing intellectual property rights in business development and management. No material intellectual property rights infringement was noted in the Reporting Period.

5. Strengthening the security management of funds

Pursuant to regulatory requirements such as the Futures and Derivatives Law (《期貨和衍生品法》), the Administrative Regulations of Futures Trading (《期貨交易管理條例》), the Administrative Measures for the Supervision of Futures Companies (《期貨公司監督管理辦法》) and the Measures for the Closed Management of Margin of Futures Companies (《期貨公司保證金封閉管理辦法》) of the CSRC, the Company has formulated and implemented the Administrative Measures of Funds of the Company (《公司資金管理辦法》), the Administrative Measures on Safe Depositing of Customer Margins of the Company (《公司客戶保證金安全存管管理辦法》) and other internal control policies.


6. Maintaining the information technology system security

The Company strictly complies with laws and regulations, including the Futures and Derivatives Law (《期貨和衍生品法》), 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 Administrative Regulations of Futures Trading (《期貨交易管理條例》), the Administrative Measures for the Supervision of Futures Companies (《期貨公司監督管理辦法》) and the Administrative Measures of Network and Information Security of the Securities and Futures Industry (《證券期貨業網絡和信息安全管理辦法》) of the CSRC. It has established a comprehensive cybersecurity internal control system covering the entire business process, supported by four core policies: the Administrative Measures for Information System Safety (《信息系統安全管理辦法》), the Administrative Measures for the Safe on-line Trading (《網上交易安全管理辦法》), the Administrative Measures for the Protection of Investors' Personal Information (《投資者個人信息保護管理辦法》) and Emergency Plan for Network Security Incidents (《網絡安全事件應急預案》), thereby ensuring full lifecycle security management for core business systems and client trading terminals, guaranteeing business continuity and protecting clients' legitimate rights and interests.

The Company actively carries out information protection and network security training and other measures covering all employees of the Company to continuously improve the information protection awareness of the Company's employees and reduce the risk of information leakage. The Company strictly manages the access of management personnel to the server room and operating system, and strictly manages the operating authority of employees for searching and using data to ensure data security.

7. Focusing on innovation-driven development and deepening digital and intelligent empowerment

The Company is committed to achieving the goal of “making breakthroughs with fintech-driven intelligence”. We continuously build a fintech system characterized by “technology-driven comprehensive empowerment”, increase resource investment to empower business development, drive business innovation, and strengthen support systems through financial technology. The Company has established an IT Governance Committee responsible for coordinating the Company’s IT strategy, planning, and overall implementation, ensuring the achievement of IT management objectives and taking responsibility for IT management tasks. The IT Governance Committee is chaired by the Company’s general manager, with the chief information officer as vice-chairperson, and includes members such as the chief financial officer, chief risk officer, deputy general manager overseeing business operations, and heads of key departments such IT, compliance management, finance, operational management, human resources and marketing management. The Company places great importance on the role of fintech innovation in optimizing business models, enhancing customer experience and improving operational management, while actively addressing the risks and opportunities it presents. The Company has formulated the Mid-Term Information Technology Plan (2023-2025) centered on “value orientation”, with focus on improving customer experience, operational efficiency and the capability to empower business through technology, thereby building a comprehensive technology ecosystem. The Company is dedicated to advancing the digital transformation of front, middle, and back offices through fintech, thereby creating an efficient, flexible and intelligent digital system. The Company continues to increase investment in technological innovation, and promotes the development and application of fintech to enhance operational efficiency and customer service experience. Additionally, to support employee skill development, the Company has implemented a comprehensive training program, providing strong talent and technical support for the advancement of our fintech initiatives.



8. Financial technology application results

Development of the continuous supportive care customer service system

The independently developed the ZHONGTECH strategy platform enables institutional clients to perform online contract signing, online preview and data download of “research reports + strategy code”, thereby enhancing their investment research service capabilities. Through the launch of service platforms such as Enterprise WeChat, intelligent outbound calls, Zhongtai Futures APP, live training reservation system, new investment research system and live trading competition system, we have achieved data interoperability and service linkage across multiple systems, successfully establishing the framework for continuous supportive care customer service system.

Automatic operation and maintenance and RPA system construction

The application of the automatic operation and maintenance system enables the automation and visualization of operation and maintenance management, and also improves the efficiency of operation and maintenance, greatly reduces the safety incidents caused by human misoperation, thus improving the overall operation and maintenance management capabilities, and strongly supporting the stable operation of the Company's information system.

RPA technology (robot process automation), an important element of fintech artificial intelligence, is widely used in the Company's business processes, which not only improves the efficiency and quality of work and avoids human errors, but also achieves positive benefits in terms of both time efficiency and manpower investment, thereby improving the overall operational efficiency and customer satisfaction of the Company.

Middle platform of operation and big data construction

The operation middle platform is a customer-centric uniform business middle-office system, which enables a uniform account, uniform operation, uniform process, uniform internal control, uniform approval, or the “five uniforms”. It also effectively solves the business separation of the information system, achieves a high degree of unification and coordination of various services, and supports quick response to the actual needs of customers, thereby enhancing the business operation efficiency and improving service quality.

The development of big data platform realizes visualization of data assets, improves the data sharing, provides more efficient and standard data interface support standards for various upper-level data queries, data analysis, etc. Through data management and establishment of business models, it enables the visual presentation of various types of business data, helps business managers to quickly and comprehensively understand various types of business data, improves the Company's business analysis and evaluation capabilities, and enhances the efficiency and accuracy of business decisions.

Construction of one platform
with two APPs

To improve the Company's marketing system service support and promote the digital transformation of marketing service system, the Company continuously facilitates the development of "one platform with two APPs". In the project of "one platform with two APPs", "one platform" refers to the comprehensive financial service management platform (CRM system), "two APPs" refer to the APP for customers and the APP for business process of employees. The APP for customers provides customers with comprehensive financial services, including futures account opening, mobile sales hall business processing, investment research information checking and other functions; the APP for employees is a mobile marketing service platform, which facilitates service staff to understand customers' situation, carry out targeted service tasks for key customers and improve business development efficiency. While continuing to promote CRM development, the Company continuously diversifies the application scenarios of "two APPs" based on customer needs and business requirements, and enables collaboration and interaction with the big data platform.

OTC Business Management
System

Since its launch, the OTC Business Management System independently developed by the Company has effectively supported the rapid development of OTC business through continuous iterations of the system, achieved favourable social and economic benefits, and gained extensive recognition from industrial customers. Through the continuous improvement of system functions, it has enabled the systematic and standardized operation of OTC business and enhanced market efficiency, and has now secured a leading position in the industry. The OTC Business Management System, which has its own intellectual property rights, won the third prize of the Financial Technology Development Award by the People's Bank of China and the 8th Securities and Futures Science and Technology Award – Outstanding.

9. In-depth implementation of investor education activities

Investor education is an important task for the protection of legitimate rights and interests of investors, and is also a fundamental task for the compliance and legal operation of futures companies. In 2024, the Company implemented the investor education work arrangement of the regulatory authorities, followed the principles of long-term, appropriateness, practicability and effectiveness, combined public awareness education with special education, and combined thematic publicity and education with continuous education, and organically integrated investor education into various business processes. The Company carried out in-depth investor education activities through a combination of online and offline approaches, strived to provide better services to the investors, and actively performed the functions and roles of the Company as a national investor education base by making investor education a long-term and fundamental task.

During the Reporting Period, based on the requirements of investor education of the regulatory authorities and industry associations, the Company organized propaganda activities such as 3.15, 5.15, the “Financial Education Publicity Month” the “Month of Propaganda Against Illegal Trading of Securities, Futures and Funds” and the “World Investor Week” to fulfill its social responsibility and facilitate the high-quality development of the capital market.

During the Reporting Period, the Company’s innovative investor education activities, such as the “‘Bean Fun’ Immersive Investor Education Experience” and “‘Safeguarding the Spring Festival Travel, Bringing Love Home’ Year-End and New Year Prevention of Illegal Financial Activities”, received enthusiastic responses.




During the Reporting Period, the Company implemented the requirement to “gradually integrate investor education into the national education system”, collaborated with Central University of Finance and Economics and Shandong University to carry out the “Hundred Universities, Ten Thousand Talents” teaching project of Dalian Commodity Exchange, aiming to foster more high-quality and innovative talent for the futures industry.

During the Reporting Period, the Company actively created various original investor education materials, including 375 pieces of articles with pictures, video, and animated content, which received a total of 2,009,700 views. We also organized over 160 investor education meetings and campus activities with nearly 100,000 audiences. Our original investor education works were selected as outstanding cases of trader education by the China Futures Association and received the “Investor Education Pioneer” Team Award from the Zhengzhou Commodity Exchange.

In the assessment of national securities and futures investor education bases in 2024, the investor education base of Zhongtai Futures was rated as “good” by the CSRC.

In the future, the Company will implement the regulatory requirements for investor education and protection publicity with higher standards, give full play to the functions and roles of its investor education base, strengthen the innovation of investor education products, improve the coverage and influence of investor education in national education, and convert futures knowledge into rational investment concepts and abilities, so as to facilitate the sustainable and healthy development of China's futures market.





10. Optimizing the customer service system to enhance customer satisfaction

The Company adheres to focus on satisfying customers' needs. It optimized its supporting system for customer services, improved its customer service systems, and enhanced its customer services capability, optimized its business procedures and strengthened business innovation to provide diversified services to customers in line with customers' needs and for the purpose of asset allocation.

The Company proactively promotes the transformation of Internet business, vigorously developed the application of financial technology in customer acquisition and service, and built an online customer service system; develops a customer service system in customers' consultation, return visits and services. By prioritizing customer needs, it provides customers with high-quality services and solves customer problems in a timely manner. Through communication with customers, we constantly optimize the Company's system and procedures to create a customer-centric service system.

During the Reporting Period, the Company handled 17,374 customer phone calls and paid 6,142 return visits to customers with a customer satisfaction rate of 99.69%.

IV. ENVIRONMENTAL

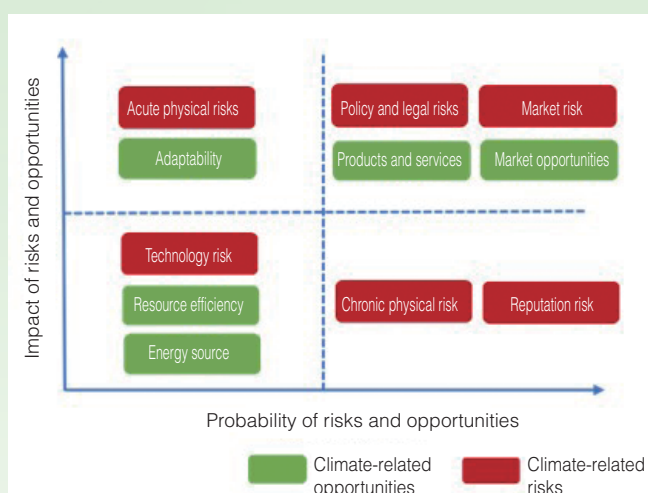
The Group is a low-energy-consumption financial enterprise with slight pollution. The main impacts on the environment in the ordinary course of business of the Group are the consumption of paper, electricity and water and the emission of automobile exhausts. In the daily operations, the Group strictly abides by relevant state environmental protection laws and regulations 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》) and 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》). The Company pays close attention to the risks of climate change and advocates all employees to practice green operations to continuously reduce environmental impact and help China to achieve the goal of green, low-carbon and circular economy. During the Reporting Period, there was no environmental protection issue and related litigation.

(I) Response to Climate Change

The Company integrates climate-related risk management and response into its risk management system, identifies and assesses climate risks and opportunities related to its operations, and formulates response strategies and management measures to support the construction of a beautiful China and promote a comprehensive green transformation of economic and social development. The Company's climate change governance structure is as follows:

Decision-making level	<p>The Board of Directors is responsible for guiding and reviewing the Company's ESG matters (including climate change) and related plans and goals, and for evaluating and deliberating on annual implementation progress.</p> <p>The strategic development committee under the Board is responsible for identifying climate-related impacts, risks and opportunities.</p>
Management level	<p>The management team is responsible for implementing the Company's climate-related strategies, conducting research and decision-making on major issues, and overall implementation of related work.</p>
Execution level	<p>All departments (committees), branches and subsidiaries participate in the formulation, implementation and evaluation of the Company's climate-related strategic plans in accordance with the Company's unified deployment and division of responsibilities.</p>


The Company comprehensively considers policies and regulatory requirements, combined with industry and business realities, to identify and analyze the potential impacts, risks and opportunities of climate change in the short, medium and long term, and formulates response and management action strategies to enhance its climate change management capabilities. The Company actively implements national policy decisions, fulfills the mission of a financial enterprise, and, guided by new development concepts, strengthens its capacity to address climate change. With the goal of optimizing the green financial service system, the Company increases investment in green industries, actively promotes low-carbon operational concepts, and contributes Zhongtai's wisdom and strength to protecting lucid waters and lush mountains and building a beautiful China.



Climate-related risk and opportunity matrix for the Company

The Company's climate-related risks and opportunities and potential financial impacts

Types of risks or opportunities	Description	Potential financial impacts	Response strategies
Policy and legal risks	<p>Operational aspect: National and regulatory authorities are gradually strengthening environmental information disclosure requirements, environmental laws and regulations and management standards for financial institutions. The Company needs to enhance the collection, organization and disclosure of environmental-related information.</p> <p>Business aspect: The introduction of stricter regulatory policies related to financial products or market services may impact the Company's customer structure and business model, particularly affecting investment or financing activities for clients in high-carbon emission industries, indirectly affecting economic and social development.</p>	<p>Decrease in operating revenue</p> <p>Decrease in investment portfolio value</p>	<ul style="list-style-type: none"> Regularly track climate-related policy developments and trends, and adjust business strategies as needed. Improve the Company's climate management system and strengthen the ESG risk management system. Monitor transition risks faced by the Company, its clients and investment targets, and enhance the ESG risk management system.
Market risk	<p>Business aspect: Policies related to energy conservation and emission reduction may accelerate the phase-out of high-carbon emission products and industries as well as economic transformation, causing related risks to be transmitted to the Company through its business chain, affecting investment decisions and asset quality of the Company. The growing demand for green financial products and services, if unmet, may lead to a decline in the Company's market competitiveness.</p>	<p>Decrease in operating revenue</p> <p>Decrease in investment portfolio value</p>	<ul style="list-style-type: none"> Strengthen research on market and change trends to improve green financial products and service capabilities.
Product and service opportunities	<p>Business aspect: Actively responding to the national green finance strategy by developing green financial products and tools and promoting the development of green industries can increase the Company's revenue and contribute to socioeconomic development.</p>	<p>Increase in operating revenue</p> <p>Increase in investment portfolio value</p>	<ul style="list-style-type: none"> Set green finance goals, continuously promote the innovation of green financial products and services, and strengthen research in green finance and ESG.
Market opportunities	<p>Business aspect: The introduction of policies related to climate change investment and financing and the role of green finance provides guidance for green financial businesses and markets, which is conducive to the Company in exploring new growth opportunities and creating corresponding development prospects.</p>	<p>Increase in operating revenue</p> <p>Increase in investment portfolio value</p>	<ul style="list-style-type: none"> Actively promote the issuance of green products, invest in green bonds, carbon-neutral bonds and related enterprises or projects, and continuously strengthen competitiveness in the green finance sector.



During the Reporting Period, the Company strictly implemented the Zhongtai Securities “Carbon Peaking and Carbon Neutrality” Action Plan, conducted research on climate risk management solutions, and reviewed and summarized domestic and international climate risk regulatory requirements, management models, and practices. By referencing leading domestic and international practices, the Company explored climate risk stress testing solutions, enhanced employees’ climate risk awareness, and built a comprehensive “carbon peaking and carbon neutrality” financial service system to support the achievement of the national goals of “carbon peaking and carbon neutrality”. The Company actively participated in the development of green futures products at the Guangzhou Futures Exchange, continuously tracked the development progress of carbon futures, and collaborated with the exchange to promote product launch and market cultivation. It regularly produced research reports on carbon emission products, continuously optimized its database, and improved the quality of comprehensive research. By mapping out the upstream and downstream of the industrial chain and leveraging roadshows, surveys and other methods, the Company expanded its market visibility and enhanced its ability to serve the real economy.

(II) Green Operation and Environmental Protection

With the increasingly severe impact of climate change, global warming and the frequent occurrence of abnormal weather, the Group has realised that it is a mandatory course and obligation for every enterprise to actively address climate risk issues. The Group actively guides all employees to practice energy saving and low carbon concepts to help address the global climate crisis.

The Group advocates green office, and actively adopts measures to reduce use of resources and energy consumption. The Group’s use of resources mainly includes water consumption, electricity consumption and vehicles’ gasoline consumption. The Group has implemented paperless electronic office procedures and systems, encouraging the use of double-sided printing to reduce the use of paper and saving office supplies. The Group has actively used video conferencing systems to reduce the number of business trips and made reasonable plans for business-purposed use of cars, maximizing resources conservation and building an environment-friendly enterprise. The Group designates property staff to inspect and turn off or turn down the night lighting system. Through the guidance and publicity of the Group, the employees of the Group actively adopted the electronic office processes and systems to deal with work matters in 2024. The Group also actively adopted teleconference or video conferencing to reduce unnecessary business trips.

The Group’s emissions are mainly greenhouse gases generated from energy consumption as well as non-hazardous wastes such as sewage and wastes generated from daily office operations. Among which, greenhouse gas emissions are mainly carbon dioxide emissions from the following: (i) carbon dioxide emissions caused by gasoline combustion by business cars, and (ii) carbon dioxide emissions caused by consuming purchased electricity. Different from traditional production enterprises, the Group mainly engages in financial services. The current related emissions are discharged in the ordinary course of business and there is no excessive emission caused by excessive use of energy or other resources. The Group is committed to promoting energy conservation and emission reduction within the Group by shaping an environment-friendly corporate culture.

(III) 2024 Environmental Performance Indicators

Due to the availability and accuracy of data, the statistical scope of the environmental performance indicators in the Report include the Company's headquarters and Zhongtai Huirong Capital¹.

1. Emissions

Indicator	Unit	2024 data	2023 data
Total greenhouse gas emissions ²	tonne	277.02	320.71
Per capita greenhouse gas emissions	tonne/person	0.72	0.79
Direct emissions (scope 1)	tonne	9.04	10.46
Total greenhouse gases generated by gasoline	tonne	9.04	10.46
Per capita greenhouse gases generated by gasoline	tonne/person	0.02	0.03
Indirect emissions (scope 2)	tonne	267.98	310.25
Total greenhouse gases generated by electricity consumption	tonne	267.98	310.25
Per capita greenhouse gases generated by electricity consumption	tonne/person	0.70	0.76
Generation of domestic sewage ³	tonne	3,313.3	2,454.25
Per capita discharge of domestic sewage	tonne/person	8.6	6.03
Generation of hazardous wastes ⁴	tonne	0.42	0.49
Per capita generation of hazardous wastes	tonne/person	0.0011	0.0012
Generation of non-hazardous wastes ⁵	tonne	1.08	1.21
Per capita generation of non-hazardous wastes	tonne/person	0.0028	0.0030

¹ Based on the statistical scope, the total number of employees at the end of the Reporting Period was 385.

² According to the business characteristics of the Group, the main emission is carbon dioxide contained in the greenhouse gases.

³ Referring to the National Standards of Urban Sewage Engineering Planning Specification (《國家標準城市排水工程規劃規範》), the figure was arrived at by adopting 0.85 as the discharge coefficient.

⁴ It is mainly due to the sulfur oxides generated by direct consumption of gasoline.

⁵ It is mainly due to office-generated paper waste and subscribed newspapers.

The Group's emissions of main hazardous waste are due to the direct use of gasoline (fossil energy), leading to the emission of sulfur oxides. The Group's procurement of gasoline-filling services for business vehicles and corporate business vehicles has actively responded to the Air Pollution Prevention Action Plan (《大氣污染防治行動計劃》) issued by the State Council of China. The Group procures gasoline satisfying environmental protection requirements to improve emission quality and reduce the negative impact on the environment. In terms of non-hazardous wastes discharge, the Group uniformly delivers the wastes to the waste collection station in relevant regions. Through paid recycling, environmental pollution can be reduced to improve the recycling of materials.

2. Use of resources

Indicator	Unit	2024 data	2023 data
Direct energy consumption	liter	5,298.30	6,134
Gasoline consumption	liter	5,298.30	6,134
Per capita gasoline consumption	liter/person	13.76	15.07
Indirect energy consumption	kWh	1,039,350	1,030,630.18
Office electricity consumption	kWh	1,039,350	1,030,630.18
Per capita office electricity consumption	kWh/person	2,699.61	2,532.26
Total amount of office copying paper and newspaper	tonne	1.05	1.1
Per capita office copying paper and newspaper consumption	tonne/person	0.0027	0.0027
Water consumption ⁶	tonne	3,898	2,887.35
Per capita water consumption	tonne/person	10.12	7.09
Cartridge consumption	piece	125	140
Per capita cartridge consumption	piece/person	0.32	0.34

Unlike traditional production enterprises, the Group is mainly engaged in financial services instead of specific production activities. Therefore, relevant regulations and related key performance indicators for packaging materials used in finished products are not applicable to the Group.

⁶ The water mainly comes from the municipal water supply, and there is no problem in sourcing suitable water.

(IV) Practising Energy Saving and Emission Reduction by Attending Details

The Group actively advocates and practices environmental protection and green development concepts.

The Group is actively creating a paperless office environment, whereby the office automation management system (OA system) is used to publish announcements and notices, disseminate the Company's news, communicate policies and regulations, share research reports as well as standardize business processes and intra-group mailings, greatly improving the management efficiency, reducing operating costs and saving lots of paper for printing office documents. The Group encourages the use of double-sided paper for copying and printing at work. Paper that has been used on one side should be reused and recycled; clearly required that when use of paper is unavoidable, recycled paper should be preferred and made full use. The Group also replaced disposable cups with glass cups with the logo of the Group.

The Group has formulated a corporate system and related notices stating that in purchasing and applying electrical equipment in the workplace, we should comprehensively evaluate the power consumption and select nationally certified low-energy appliances. The Group's offices shall use energy-saving lamps for lighting. When there is sufficient light, lamps will be turned on at intervals for maximum reduction of electricity consumption. The Group also has designated personnel whose duty is to check if all appliances are turned off during non-working hours except those necessary to keep normal operation of the Group. The management of equipment in the information technology rooms has been strengthened. Low-energy consumption and high-efficiency equipment will replace high-energy consumption and low-efficiency equipment, subject to normal functioning. The Group comprehensively promotes a system of 26-degree air conditioning in summer and 24-degree air conditioning in winter. For necessary office equipments such as printers, copiers, fax machines and shredders, the Group has formulated and adopted a networked sharing and idle-time shutdown system. The Group prohibits the use of non-office appliances with high-power consumption.

The Group has slogans at prominent locations in washrooms and pantries of all departments and branches of the headquarters to promote environmental protection and water conservation for all employees. All departments and branches are required to designate specialized personnel to conduct regular inspections to prevent water wastage caused by equipment failure. In 2024, the Company had no excessive use and waste of water.

The Company has established a specific vehicle-use system and strictly controls the use of vehicles through mileage fuel consumption registration. Centralized management and unified deployment of the Company's vehicles and drivers will improve the vehicle-use efficiency and reduce energy consumption and pollutant emissions. The system clearly requires that during non-office and holiday periods, all vehicles shall be parked in the designated parking lot, except for those on work-related duties. The Company actively promotes the use of environmentally-friendly or public transport when employees are on business trips and encourages employees to use shared transportation for travelling within the same city while ensuring safety.

During the Reporting Period, the Company did not encounter any environmental incidents and did not receive any complaints, penalties and sanctions due to environmental pollution.



V. SOCIAL

(I) Employment Management

In the handling of termination of employment, the Group has complied with the Labor Law of the PRC, the Labor Contract Law of the PRC and the relevant provisions of signed labor contract and applicable labor regulations. The Group has established standardized employee recruitment and termination procedures. The Group adheres to the principle of “equal opportunities, fair competition, comprehensive assessment and merit-based hiring” during the recruitment procedures, and has established a comprehensive internal assessment and performance appraisal mechanism to ensure fair promotion opportunities for employees. Employees enter into a labor contract with the Group at the beginning of employment, and the working hours of the Group’s employees are in compliance with requirements of relevant laws and regulations. The Group gives adequate regard to the legitimate rights and interests of employees. If an employee decides to terminate the employment for personal reasons, he/she can submit application for termination of employment. After the completion of termination procedures, he/she can terminate the employment with the Group. When the Group proposes termination or suspension of labor relationship with any employee, it would fulfill relevant obligations in accordance with relevant laws and regulations.

The Group formulates recruitment plans and recruits talents based on actual business needs and development requirements and in accordance with overall planning. The Group strictly verifies the identity documents, academic credentials and other information of the applicants to confirm whether the candidates are of legal age for employment and eliminate child labor, and rejects the applicants if they do not meet the employment requirements. The Group enters into labor contracts with all employees and regulates the remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination and other benefits and welfare of all positions, and is determined to prevent child labor and forced labor, which will be promptly dealt with in accordance with the requirements of laws and regulations once discovered. The Group is in strict compliance with labor regulatory requirements. The Group does not hire child labor and forced labor, and provides employees with reasonable holidays. During the Reporting Period, the Group had no non-compliance with labor standards such as hiring child labor and forced labor.

The Group attaches importance to effective two-way communication with its employees and conducts pre-departure interviews with all departing employees to learn more about the internal and external factors affecting the departure of employees, and strives to fundamentally improve potential management problems, enhance employee satisfaction and help employees grow together with the Company. During the Reporting Period, the Group's employee turnover rate was 15.21%, and the employee turnover rates by gender, region and age are as follows:

Employee turnover rate by gender:

Turnover rate of male employees	9.68%
Turnover rate of female employees	5.53%

Employee turnover rate by region:

Turnover rate of employees in mainland China	15.21%
Turnover rate of employees in Hong Kong, Macau, Taiwan and abroad	0%

Employee turnover rate by age:

Turnover rate of employees aged 30 and below	7.07%
Turnover rate of employees aged 31-50	7.53%
Turnover rate of employees aged above 50	0.61%

1. Employee employment performance indicators

	Indicator	Unit	2024 data	2023 data
Total of employees¹		person	758	767
By gender	Male	person	443	464
	Female	person	315	303
By employment type	Contract employee	person	758	767
	Others	person	0	0
By age group	Under 30 years	person	226	211
	30-50 years	person	504	533
	Over 50 years	person	28	23
By education level	Master's degree and above	person	209	219
	Undergraduate	person	500	487
	College degree and below	person	49	61
By region	Mainland China	person	758	767
	Hong Kong, Macau, Taiwan and abroad	person	0	0
Number of employment discrimination cases		case	0	0
Labor contract signing rate		%	100	100

¹ Calculation is based on the total number of employees of the Group.


2. Staff remuneration and benefits

The remuneration of the Company comprises basic salary, performance-based salary, sales commission, bonus and various allowances and employees' benefits. In accordance with applicable laws and regulations of the PRC, the Company signs labor contracts with each employee to establish an employment relationship. The labor contract sets out the contract term, job responsibilities and location, working hours and rest days, remuneration, social insurance, labor protection, working conditions and occupational hazard prevention, labor discipline and compliance with regulations, employee training, termination, renewal, and economic compensation of the labor contract.

In accordance with applicable laws and regulations of the PRC, the Company provides employees with various social insurance benefits (including pension insurance, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance), housing provident fund, enterprise annuity, and supplementary medical insurance, and fully contributes to the above-mentioned social insurance and supplementary medical insurance, housing provident fund, and enterprise annuity in accordance with the regulations.

3. Employee welfare assurance system

Basic benefits	Pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund
Health and care	Employee mutual aid fund
	Caring on birthdays and festivals
	Themed educational activities
	Health checkup
	Meal allowance
Long-term insurance	Company annuity plans
	Supplementary medical insurance



(II) Health and Safety

The Group adheres to people-oriented approach, cares for the well-being and safety of employees, continuously optimizes employees' health protection mechanism, while earnestly implementing safety-related drills, education and training.

1. Caring for employees

The Group organizes annual medical examination for employees at Grade III Class A hospitals, providing supplementary medical protection for employees and ensuring the health of employees. In accordance with the Labor Law, the Social Insurance law and the requirements of local regulations in the PRC, the Group enters into labor contracts with its employees to establish labor relations in compliance with relevant laws and regulations, and makes full contributions to social insurance (pension insurance, medical insurance, unemployment insurance, work injury insurance and maternity insurance) and housing provident fund. It also establishes a corporate annuity system to further optimize the pension assurance system and improve the retirement benefits for employees. The Group fully protects the legitimate rights and interests of employees and strictly enforces statutory holidays and vacations in accordance with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and relevant laws and regulations, including paid annual leave, leave of absence, sick leave, work injury leave, marriage leave, bereavement leave, maternity leave and paternity leave.

2. Safeguarding the health and safety of employees

The Company consistently adheres to the concept of safe development, formulates the "Implementation Measures for the Cybersecurity Responsibility System of the Party Committee" and the "Emergency Management Measures for Work Safety" of the Company. Through regular activities such as safety hazard inspections, employee health checkups and emergency drills, the Company promotes knowledge and skills related to fire safety, emergency response, evacuation and safe electricity use, thereby enhancing employees' safety awareness and their ability to respond to emergencies, continuously improving emergency management standards and providing a safe work environment for employees.

During the Reporting Period, the Company conducted comprehensive work safety inspections and formulated the "Special Work Plan for Work Safety Inspection and Rectification" of the Company. Monthly safety inspections were organized to promptly eliminate potential hazards. The Company strengthened employee management and training, and regularly organized training on work safety knowledge, operational procedures and emergency response. It also actively participated in the 2024 National Security Education Day promotional activities organized by the China Futures Association on 15 April, carried out the 2024 Work Safety Month activities, and conducted fire safety knowledge training. Employees watched the safety warning education film "Life Above All, Small Fires Can Be Deadly", participated in fire emergency drills, and attended three cybersecurity training sessions. The Company also improved its "four unannounced and two direct" safety supervision and inspection mechanism for branches, and completed 12 on-site safety inspections of office and operational premises.

3. Employee rights and interests performance indicators

Indicator	Unit	2024 data	2023 data	2022 data
Social insurance coverage ratio	%	100	100	100
Number of work-related fatalities	person	0	0	0
Ratio of work-related injuries	%	0	0.13	0
Lost days due to work-related injuries	day	0	0	0

4. Organizing various cultural and sports activities

During the Reporting Period, the Company's song "Brothers, Don't Fool Me" won the "Second Prize" at the Sixth Provincial Trade Union New Media Original Works Competition on behalf of Zhongtai Securities. Our work "The Gaze of Hometown" received the First Prize at the Zhongtai Securities Cultural Performance. The Company's entries won six awards in the calligraphy, painting and photography competitions of Zhongtai Securities. The Company organized the "Unite and Move Forward Together" walking event, and actively participated in over 20 events such as "Chinese Dream, Beauty of Labor – Stay United with the Party, Strive for a New Journey", "Gather Positive Energy Online, Strive to Be a Good Chinese Netizen", "Patriotism and Integrity, Good Values Nurture Thousands of Homes", "Remember the Glorious Path, Advance in the New Era", "Care for Life, Save Lives Nearby", and the Zhongtai Securities Men's Basketball Tournament, which showcased the diverse talents, positive spirit and good image of the Company's employees. Additionally, the Company organized various traditional festival activities during major festivals such as the Spring Festival, Qixi Festival and Mid-Autumn Festival. The organization and implementation of these cultural and sports activities further enriched the employees' spiritual and cultural life, strengthened the cohesion, combativeness, and unity within the Company, and laid a solid foundation for everyone to work together and strive towards achieving the Company's annual business goals.

(III) Development and Training

During the Reporting Period, the Company continued to strengthen the development of a learning-oriented organization, systematically enhanced employees' comprehensive capabilities and increased the frequency of knowledge-sharing sessions and thematic discussion meetings to improve training effectiveness. Firstly, the company organized systematic and diversified training content, conducted over 70 regular training sessions. It established an E-learning platform covering industries, finance, individual investment, professional investors, IB, OTC markets, spot-futures, and training channels for Zhengzhou Commodity Exchange, Dalian Commodity Exchange, Guangzhou Futures Exchange, Shanghai Futures Exchange, Shanghai International Energy Exchange and China Financial Futures Exchange, providing platform support to empower frontline business operations at headquarters. Secondly, the Company conducted specialized training programs such as "Marketing Service-Oriented Deputy General Manager and General Manager Assistant Training" and "Recruitment Work Training", continuously strengthened the capacity building of mid-to-senior management, facilitated significant breakthroughs in talent development, and supported the enhanced version of the high-quality "Three Ones Talent Project". It also organized participation in the "2024 Leadership Program for Mid-to-Senior Management Training" of Zhongtai Securities to continuously improve the management and business expansion capabilities of mid-to-senior management teams. Thirdly, the Company launched the "Voyage Series Training" focused on "Precise Benchmarking and Learning to Surpass", and the "Empower Frontline, Enhance Quality and Efficiency" Support Series Training, and promoted "targeted drip irrigation" benchmarking improvements, thereby comprehensively enhancing the marketing and service capabilities of operating entities and supporting the cultivation of composite marketing service talents proficient in both "research and marketing".

1. Employee training indicators

	Indicator	Unit	2024 data	2023 data
Percentage of trained employees by gender	Male	%	58.4	60.5
	Female	%	41.6	39.5
Percentage of trained employees by employee category	Senior management	%	1.3	1.7
	Middle management	%	11.2	12.9
	Entry level employees	%	87.5	85.4
Average number of training hours per employee by gender	Male	hours/person	45.5	33.8
	Female	hours/person	45.5	51.8
Average number of training hours per employee by employee category	Senior management	hours/person	24	24
	Middle management	hours/person	36	36
	Entry level employees	hours/person	48	48


(IV) Supply Chain Management

As a financial industry enterprise, the Company has low exposure to supply chain security issues, and no supply chain risk-related incidents occurred in 2024.

The Company's suppliers are primarily categorized into three types: information technology, engineering and services. The Company complies with relevant 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》), continuously improves its supplier management system and strengthens supply chain risk management. To further enhance management efficiency, the Company revised its Centralized Procurement Management Measures in 2024, adding a supplier management section that specifies supplier admission standards and implements a blacklist management system. In addition, the Company has established a dynamic supplier evaluation mechanism and implements a last-place elimination system to ensure the standardization and effectiveness of supplier management and comprehensively improve the level of supply chain management.

Dynamic Evaluation Management Standards for Suppliers of the Company

Basic information	<ul style="list-style-type: none">Assessed and scored based on relevant enterprise data; covering registered capital, financial status, tax compliance and industry position
Cooperation	<ul style="list-style-type: none">Assessed and scored based on daily dynamic assessments; covering business volume, handling of quality disputes and emergency response rate
Contract fulfillment	<ul style="list-style-type: none">Assessed and scored based on contract performance; covering contract fulfillment rate, timeliness and accuracy of delivery
Quality assurance	<ul style="list-style-type: none">Assessed and scored based on enterprise data and internal unit verification documents; covering quality assurance system, delivered product quality, in-use product quality and product complaints
Pricing	<ul style="list-style-type: none">Assessed and scored based on benchmarking; covering reasonableness, timeliness and discount level of quotes, and market competitiveness
After-sale services	<ul style="list-style-type: none">Assessed and scored based on relevant enterprise verification documents; covering service organization and personnel, response timeliness, and after-sale service satisfaction rate
Integrity in operations	<ul style="list-style-type: none">Assessed and scored based on compliance and contract performance; covering breach of contract, complaints and non-compliance



To strengthen anti-corruption management of suppliers and prevent corruption in the supply chain, the Company regularly conducts evaluations to assess suppliers' compliance. The Company standardizes honest practice management in the procurement process, thoroughly evaluates integrity risks, establishes internal supervision mechanisms, and conducts regular or ad-hoc special inspections or audits to achieve effective management and control with risk prevention beforehand, control during the process and accountability afterwards.

The Company actively promotes sustainable supply chain development by optimizing procurement processes, selecting environmentally friendly tools and other measures to drive the green transformation of the supply chain. It also advocates for prioritizing the procurement of low-energy-consumption equipment.

(V) Active Participation in Rural Revitalization Services and Social Responsibility Works

The Group persisted in fulfilling its corporate social responsibility, actively responded to the initiative of the futures industry to comprehensively promote rural revitalization and contribute to common prosperity, and contributed to the national strategy of rural revitalization with practical actions in “insurance + futures” professional assistance, pair-up assistance, industrial assistance, consumption-driven assistance and employment assistance. In the 2023-2024 rural revitalization evaluation conducted by rural revitalization, the Company ranked second among 143 futures companies in the industry. For pair-up assistance, industrial assistance and consumption-driven assistance, the Company provided comprehensive support to rural revitalization places to consolidate and expand the achievements in poverty alleviation. Firstly, the Company cooperated with various units such as the Organization Department of the Shandong Provincial Party Committee, the Development and Reform Commission of Shandong Province, the State-owned Assets Supervision and Administration Commission of Shandong Province, and the Finance Department of Shandong Province to carry out pair-up assistance and collaborative activities in Party building with the designated villages served by the “first secretaries” as well as the counties designated for assistance by the CSRC and the villages served by key executives from the Zhengzhou Commodity Exchange, signed framework agreements for pair-up assistance with 26 rural revitalization places, and conducted 52 sessions of Party building and pair-up assistance collaborative activities. Secondly, the Company applied a total of RMB750,000 in industrial project assistance funds to rural revitalization places, including Jiaxiang County, Juye County, Yuncheng County, Shanghe County, Xintai City and Zhucheng City of Shandong Province, so as to further enhance the self-development ability of rural revitalization areas through industrial assistance. We assisted development of featured industrial projects in those areas, to spur local employment and increase farmers' income, thereby continuously promoting rural revitalization efforts to achieve new benefits. Thirdly, the Company purchased agricultural and sideline products of more than RMB1,054,600 from rural revitalization areas in Huachuan County of Heilongjiang Province, Wulong County of Chongqing, Alaer City of Xinjiang, Taihu County of Anhui Province. At the same time, leveraging on our technical advantage, we assisted local enterprises in establishing sales platforms. We have taken various measures in promoting rural revitalization.

VI. INDEX OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE INDICATORS

Subject Areas, aspects, general disclosures and key performance indicators		Disclosure
Subject Area A: Environmental		
Aspect A1: Emissions		
General Disclosure		IV. (II) Green Operation and Environmental Protection IV. (III) 2024 Environmental Performance Indicators
A1.1	The types of emissions and respective emissions data	IV. (III) 2024 Environmental Performance Indicators
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	IV. (III) 2024 Environmental Performance Indicators
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	IV. (III) 2024 Environmental Performance Indicators
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	IV. (III) 2024 Environmental Performance Indicators
A1.5	Description of emissions target(s) set and steps taken to achieve them	IV. (III) 2024 Environmental Performance Indicators IV. (IV) Practising Energy Saving and Emission Reduction by Attending Details
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	IV. (III) 2024 Environmental Performance Indicators IV. (IV) Practising Energy Saving and Emission Reduction by Attending Details

Subject Areas, aspects, general disclosures and key performance indicators		Disclosure
Aspect A2: Use of Resources		
General Disclosure		IV. (II) Green Operation and Environmental Protection IV. (III) 2024 Environmental Performance Indicators
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000 s) and intensity (e.g. per unit of production volume, per facility)	IV. (III) 2024 Environmental Performance Indicators
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	IV. (III) 2024 Environmental Performance Indicators
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	IV. (III) 2024 Environmental Performance Indicators IV. (IV) Practising Energy Saving and Emission Reduction by Attending Details
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	This indicator is not applicable as the Company operates in finance industry
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	This indicator is not applicable as the Company operates in finance industry

Subject Areas, aspects, general disclosures and key performance indicators		Disclosure
Aspect A3: The Environment and Natural Resources		
General Disclosure		IV. (IV) Practising Energy Saving and Emission Reduction by Attending Details
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	IV. (IV) Practising Energy Saving and Emission Reduction by Attending Details
Aspect A4: Climate Change		
General Disclosure		IV. (I) Response to 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	IV. (I) Response to Climate Change
Subject Area B: Social		
Aspect B1: Employment		
General Disclosure		V. (I) Employment Management
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	V. (I) Employment Management
B1.2	Employee turnover rate by gender, age group and geographical region	V. (I) Employment Management
Aspect B2: Health and Safety		
General Disclosure		V. (II) Health and Safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	V. (II) Health and Safety
B2.2	Lost days due to work injury	V. (II) Health and Safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	V. (II) Health and Safety

Subject Areas, aspects, general disclosures and key performance indicators		Disclosure
Aspect B3: Development and Training		
General Disclosure		V. (III) Development and Training
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	V. (III) Development and Training
B3.2	The average training hours completed per employee by gender and employee category	V. (III) Development and Training
Aspect B4: Labor Standards		
General Disclosure		V. (I) Employment Management
B4.1	Description of measures to review employment practices to avoid child and forced labour	V. (I) Employment Management
B4.2	Description of steps taken to eliminate such practices when discovered	V. (I) Employment Management
Aspect B5: Supply Chain Management		
General Disclosure		V. (IV) Supply Chain Management
B5.1	Number of suppliers by geographical region	This indicator is not applicable as the Company operates in finance industry
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	This indicator is not applicable as the Company operates in finance industry
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	This indicator is not applicable as the Company operates in finance industry
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	This indicator is not applicable as the Company operates in finance industry

Subject Areas, aspects, general disclosures and key performance indicators		Disclosure
Aspect B6: Product Responsibility		
General Disclosure		III. (IV) Compliant and Stable Operations
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	This indicator is not applicable as the Company operates in finance industry
B6.2	Number of products and service related complaints received and how they are dealt with	III. (IV) Compliant and Stable Operations
B6.3	Description of practices relating to observing and protecting intellectual property rights	III. (IV) Compliant and Stable Operations
B6.4	Description of quality assurance process and recall procedures	This indicator is not applicable as the Company operates in finance industry
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	III. (IV) Compliant and Stable Operations
Aspect B7: Anti-corruption		
General Disclosure		III. (IV) Compliant and Stable Operations
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	III. (IV) Compliant and Stable Operations
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	III. (IV) Compliant and Stable Operations
B7.3	Description of anti-corruption training provided to directors and staff	III. (IV) Compliant and Stable Operations



Subject Areas, aspects, general disclosures and key performance indicators		Disclosure
Aspect B8: Community Investment		
General Disclosure		V. (V) Active Participation in Rural Revitalization Services and Social Responsibility Works
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	V. (V) Active Participation in Rural Revitalization Services and Social Responsibility Works
B8.2	Resources contributed (e.g. money or time) to the focus area	V. (V) Active Participation in Rural Revitalization Services and Social Responsibility Works